

**THE IMPACT OF ENTREPRENEURSHIP ON THE ECONOMIC  
GROWTH OF NIGERIA**

.

**BY**

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NIGERIA**

**JUNE, 2024**

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**A RESEARCH PROJECT WRITTEN IN THE DEPARTMENT OF  
VOCATIONAL AND TECHNICAL EDUCATION, FACULTY OF  
EDUCATION, UNIVERSITY OF BENIN, IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE AWARD OF B.Sc. (Ed.) DEGREE IN  
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**CERTIFICATION**

We, the undersigned, certify that this research project was carried out by INUGHATA OGHOSA COURAGE with the matriculation number EDU1904730, being a research work submitted to the Department of Vocational And Technical Education in partial fulfillment of the requirement for the award of Bachelor Degree of Business (B.A.) (Ed.) in Business Education, University of Benin. Benin City, Nigeria.

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## **DEDICATION**

This study is dedicated to God Almighty for giving me the strength, wisdom and resources to complete this work.

## ACKNOWLEDGEMENTS

My deepest gratitude goes to God Almighty who helped me in this awesome journey. I wouldn't have completed this study without Him. I am immensely grateful.

My sincere appreciation goes to my kind supervisor, Mrs O.R. Omorogieva whose expert mentorship, patience, encouragement and excellent supervision brought this study to a successful completion.

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## ABSTRACT

This study investigates the role of entrepreneurship in the economic development in Enugu State, Nigeria. Utilizing a survey research method, data were systematically collected from entrepreneurs, chief executives, managers, and senior staff of five selected small and medium scale enterprises (SMEs) out of a total of 18 firms operating within the sector. The research involved a comprehensive methodology, including the administration of structured questionnaires .

The sample size of 293 was determined using Taro Yamane's formula and distributed proportionally among the firms to ensure fair representation. Validity and reliability of the research instruments were established through content validity and a test-retest method, yielding a reliability coefficient of 0.87. Data analysis was conducted using frequency tables, chi-square, and F-test statistical methods to test the hypotheses. The findings revealed significant contributions of SMEs to economic development through local raw material utilization, value addition for export, and adherence to business ethics. The study recommends the establishment of a strict policy framework to enhance entrepreneur-government partnerships, focusing on finance, skill development, and strategic alliances. It also suggests the need for a pragmatic industrial policy to address globalization challenges, prioritizing support for the SME sector, and providing accessible information through agencies like SMEDAN.

Contributions to knowledge include highlighting the prerequisites for economic growth, the impact of entrepreneurship on economic development, the importance of government support, and the role of entrepreneurs in exploring untapped economic areas. Future research directions are suggested to examine the impact of entrepreneurship on employment and youth empowerment, the contributions of NERFUND to entrepreneurial development, and the implications of inadequate managerial skills and limited access to finance on the sustainability of entrepreneurial ventures in Nigeria.

## CHAPTER ONE

### **Introduction (Chapter 1) 1.1 Overview of the Study**

It is imperative that Nigerians stop looking for unfilled white-collar jobs and begin creating their own jobs because the country's poverty rate and unemployment rate are steadily rising. The importance of entrepreneurship in the country's growth and development cannot be overstated. According to Biodun in Business Times (2019), anyone may discover and develop their entrepreneurial potential anywhere, regardless of age, education, experience, or socioeconomic background—all that is needed is the appropriate kind of work. Thus, no faith or community has a monopoly on entrepreneurship.

Nigeria has a strong entrepreneur culture since the country's dire economic circumstances are perceived by the majority of people as the primary reason why entrepreneurial endeavors are necessary. The oil industry currently controls a substantial portion of Nigeria's economy. The labor force is expanding dramatically, and millions of workers are underemployed, with the unemployment rate at 20%. Nigeria has the largest domestic market in Africa, an abundance of natural resources, and a skilled labor force with a wide range of specializations. In light of these economic realities, the nation needs to continuously generate new employment opportunities and diversify its commercial and industrial sectors in order to maximize its natural and people resources.

It has been discovered that the actions of entrepreneurs can have a significant impact on a country's economy and people's quality of life through economic growth, the creation of jobs, and the empowerment of the underprivileged, which includes women and the poor. Small and Medium Businesses (SMEs) are seen as a source of pride in almost every nation or state. SMEs have rightfully been referred to as the engines of growth and catalysts for the socioeconomic transformation of every nation due to their substantial contributions to the development and expansion of diverse economies. SMEs are seen as a viable tool for achieving low-cost investment requirements and the creation of jobs and the elimination of poverty at the national level. The improvement of the standard of living for SMEs' employees, their dependents, and those who are either directly or indirectly associated with them, as well as the stimulation of economic activities such as providers of various items and distributive trades for items produced and needed by the SMEs, are other important benefits of vibrant SMEs. These benefits stem from rural-urban migration.

As a response to the difficulties associated with the growth of entrepreneurship in developing nations, several national governments have started to look for ways to involve the private sector in the process of building their economies. A country's ability to develop and advance is based on the caliber of its populace. The advancement of civilization is made possible by capable and driven individuals with an inventive and creative mindset. While it may not be considered a sufficient prerequisite, entrepreneurship is unquestionably an

essential one for growth and development activities. Adeyemi's (2023) assertion that “entrepreneurship is the livelihood of any economy” may have its roots in this. This viewpoint is consistent with the idea that entrepreneurship is essential to Nigeria's economic growth. Nigeria, the most populous nation in Africa, boasts an estimated 150 million people and is naturally endowed with millions and millions of acres of arable land, vast gas reserves, 38.5 billion barrels of stated oil reserves, a variety of unexploited minerals, and an abundance of human capital (Oteh, 2023).

Nigeria has carried out extensive economic changes over the years with the goal of enhancing macro and microeconomic management, opening up markets, and fostering a trade-friendly corporate environment. According to Freeman, Stoner, and Gilbert (2023), the four fundamental social benefits that entrepreneurs provide to society are: promoting economic growth; increasing productivity; developing new products or services; and bringing about changes that revitalize competition. These are the effects of entrepreneurship on any given society. Most of the time, the start of a new company results in the creation of new jobs. The economic activities that support that business grow as well, broadening the economic growth as it does. Successful business establishments have a huge multiplier effect on the economy, creating work for small families and their relatives as well as maybe hiring others. This is most likely the reason economists are interested in the growth of entrepreneurship. Additionally, entrepreneurship produces products and services that meet demands.

In addition, entrepreneurs typically have a voracious appetite for invention and creation in an effort to outpace one another in terms of new technology and research. One creation can inspire many more, which in turn inspire new products. Therefore, the primary focus of this study project will be on how entrepreneurship affects the growth of Nigeria's chemical and pharmaceutical industries economically. It is consequently noteworthy that the subject of how to promote economic development appears to be the primary necessity when considering the significance of entrepreneurship. In order for emerging nations to achieve economic growth and competitiveness, entrepreneurship is seen as essential. Nonetheless, given the increasing rate of opportunity and potential in the chemical and pharmaceutical industries, there is possibility for an expansion of the frontiers or boundaries for Nigeria's economic growth and corporate development. In Enugu State, the State Economic Empowerment Development Strategies (SEEDS) and the National Economic Empowerment Development Strategies (NEEDS) have encouraged a great deal of entrepreneurship. The majority of Enugu State's industrial locations are home to a plethora of agricultural, food and beverage, tobacco, plastic and rubber, textile, wood processing, chemical, and pharmaceutical enterprises. In addition to meeting societal needs for housing, healthcare, and other necessities, these sectors support government initiatives for Nigeria's economic growth. The manufacturing and distribution of medications, paints, pet impactum products, soap, lotions, pesticides, antiseptics, and other items are the activities of the chemicals and pharmaceuticals industry.

## 1.2 Problem Statement

Entrepreneurship is commonly perceived as a process of creation aimed at detecting gaps in the market and deploying the required production components to fill the gap or gaps, with the ultimate goal of making money—if not now, then eventually. Numerous societal issues are resolved in this way. Despite the aforementioned, more than half of Nigerians live on less than \$1 each day. Nigeria is among the top three nations in the world with the highest proportion of impoverished individuals. Furthermore, Nigeria is still far from reaching the Millennium Development Goals (MDGs), particularly when it comes to using entrepreneurship to help a large number of people escape extreme poverty.

The recent drama in the stock market drop and banking crises, as well as the global economic crises, have exacerbated the issue. Economic reforms have not been sufficient to reverse years of economic decline, decreasing capacity, weakened institutions, and inadequate infrastructure investment.

Nigeria's poor score on the human development index (HDI), which gauges a nation's average success in terms of the welfare and caliber of its population, confirms the magnitude of the difficulty. Nigeria's ranking is comparable to that of smaller economies such as Liberia and Malawi, and it lags behind many other countries with comparable sizes. As a result, it seems that Nigeria's entrepreneurial development has not fared well, and as a result, it has not had the anticipated, significant, and positive influence on the country's economic growth and

development. The government, the populace, and the managers and practitioners of the organized corporate sector have all expressed serious concerns about this scenario. Due to the anticipated effects, governments at all levels have taken a keen interest in and acknowledged the critical role that business firms play in the economy. As a result, they have created policies aimed at stimulating this sector through budgetary allocations, laws, and pronouncements. Aside from financial incentives, grants, support and help from bilateral and multilateral organizations, and specialized institutions, there have been other initiatives aimed at promoting the growth of the SME subsector. Since the goal of these programs is to encourage an entrepreneurial spirit for economic growth, it is unclear if entrepreneurship has aided or hindered the development of the chemicals and pharmaceutical industries in Enugu State.

Despite all of these efforts, there is still a relatively high unemployment rate. The rate of poverty remains high, the GDP/GNP ratio is low, wealth distribution is unequal, and industrialization is progressing slowly. This study is motivated by the pressing necessity to address these concerning societal issues in an entrepreneurially oriented society

### **1.3 Goal of the Research**

Below is a list of the study's objectives:

- i. To ascertain how entrepreneurship affects economic growth.
- ii. To determine the degree to which the performance of entrepreneurial organizations has been enhanced by government policies.
- iii. To assess how macroeconomic policies contribute to the culture of entrepreneurship in economic development.
- iii. To determine the obstacles to entrepreneurship in developing economies

#### 1.4 Research Issues

- To further direct the study, the following questions are put forth in light of the aforementioned purposes:
- i. What effects does entrepreneurship have on economic development?
  - ii. How much have policies from the government enhanced the effectiveness of entrepreneurial organizations?
  - iii. How far do macroeconomic policies encourage an entrepreneurial culture in the context of economic growth?
  - iv. What difficulties does entrepreneurial development face?

#### 1.5 Conjectures

Hello: The effects of entrepreneurship on economic development are negligible.

Hello: Government regulations do help entrepreneurial organizations perform better.

Hello: The culture of entrepreneurship is favorably fostered in economic development by macroeconomic policies.

Hello: In economic development, finances are an obstacle for entrepreneurs.

### **1.6 Importance of the Research**

The following are some ways that government policy makers, scholars, and students will find the study significant:

First and foremost, those who formulate economic and governmental policies would greatly benefit from the study's conclusions. The government would benefit from the study in that it would create and execute policies that support an entrepreneurial culture.

Second, students studying sociology, economics/political economy, and management would greatly profit from the study. This study will provide secondary data that the researcher can use in other investigations.

Thirdly, the study is important because it will help the body of literature on entrepreneurial culture and entrepreneurship grow and will be helpful to anyone wishing to conduct research in the same field.

### **1.7 Study Scope**

The impact of entrepreneurship on Nigeria's economic development was the main subject of this study. It included owners, chief executives, managers, management personnel, and senior employees of the five small and medium-sized businesses that were chosen from a total of eighteen companies in Enugu State that deal with chemicals and pharmaceuticals.

### **1.8 The Study's Limits**

One significant weakness of the study was the respondents' attitude, which also placed further restrictions on it. Many respondents were reluctant to fill out the questionnaire and felt hesitant to offer important information because of their high degree of ignorance.

### **1.9 Terminology Definition**

- **Business:** Describes the organized endeavors of individuals or organizations with the goal of creating and profitably marketing goods and services that meet the needs of customers.
- **Economic development** is the enhancement of people's quality of life and society as a whole to the point where the GDP of those persons or societies reaches or beyond the UN minimum. The institutional framework that determines what, how, and for whom commodities and services are to be produced is known as the economic structure.
- An entrepreneur is a person who manages other production-related aspects and takes on uncertainty by spending his limited resources in a commercial endeavor.
- **Entrepreneurship:** The readiness and capacity of a person to look for investment possibilities, launch, and successfully manage a business.

- Environment: An organization's environment consists of all the people, businesses, government entities, distributors, suppliers, and the media that, while not directly under the organization's authority, assist it in carrying out its productive operations.
- Financial Institutions: Business entities that provide one or more financial services, including managing funds, brokering, underwriting securities, and receiving deposits.
- Government: The branch of the state responsible for enforcing, interpreting, and creating laws. It has legal and regulatory authority over commerce and the surrounding area.
- Infrastructure: The fundamental buildings and facilities required for a nation or organization to run smoothly.
- Microfinance: supplying services to the underprivileged that regular financial institutions have not been able to assist.
- Policies: Rules and guidelines designed to influence people's decisions, behaviors, and ways of thinking within a certain community.
- SME: Small, independently run businesses that don't hold a dominant position in their industry.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

#### 2.1 Introduction

For the purposes of this study, the literature is reviewed along the major headings

- Conceptual framework,
- Theoretical framework
- The Impact Entrepreneurship on the Economic Growth of Nigeria
- Requirements for Successful Entrepreneurship
- Entrepreneurship and Economic Development-Anmpirical Approach
- The Entrepreneurial Impacts and Functions in the Development of the Economy
- Impact of Financial Institutions in the Development of Entrepreneurship in Nigeria
- Government Entrepreneurial Policies
- Entrepreneurship and Managerial Problems
- Problems and Causes of Business Failure in Nigeria
- Review of Related empirical review
- Summary of Reviewed literature.

## 2.1 Conceptual Framework

The concept of entrepreneurship is nebulous and many academic disciplines have contributed their perspectives on the concept of entrepreneurship including psychology, sociology, economics and management. An economist views entrepreneurship in the context of the combination of resources, labour, materials, and other assets such that their value is greater together than individually. From a management perspective, entrepreneurship would entail the introduction of a change, an innovation or a new order. To a psychologist, an entrepreneur would be analyzed as a person typically driven by the need to obtain or attain a specific goal, to experiment, to accomplish or perhaps to escape the authority of others.

There is, therefore, very little consensus on the definition of the term, entrepreneur both within and across disciplines. Wennekers and Thunik (2021) highlight qualities of entrepreneur such as competitiveness, creativity and the ability to grow a business.

Historically, entrepreneurial development and its creative response to need have often been attributed to the enterprise of a minority group (Agbaeze (2023)). Notable among these are Marcopolo in the far East, the Chinese in South-East Asia, the Leventis in West Africa, the Ibos in Eastern Nigeria, Asians in East Africa, Parses in India, Sumarai in nineteenth century, Japan and the non-conformist (specially the Quakers) in seventeenth Century England Napoleon at a point

castigated England as a nation of “shopkeepers” These people did not share common race or benefits that predispose them to entrepreneurial spirit. However, they were minorities and their feelings of insecurity and denial to traditional route to prestige and honour appears to have motivated them to seek economic emancipation through innovation and creative responses to gaps on need among various segments of the society .

**Development of Entrepreneurship Theory and Term,**  
**Table 2.2.1:**

**Entrepreneur**

Stems from	Means between Taker or Go-between
Middle Ages	Actor and person in charge of large scale production projects
17 century	Person bearing risks of profit (loss) in a fixed price contract with government
1725	Richard Gantillion – Person bearing risk is different from one who is supplying Capital
1803	Jean Baptiste Say- separated profits of an entrepreneur from profits of capital
1876	Francis Walker-distinguished between those who supplied funds and received interest and those who receive profit from managerial capacities
1934	Joseph Schumpeter-entrepreneur is an innovator and develops untried Technology

1961	David McClelland-entrepreneur is an energetic, moderate risk taker
1964	Peter Drucker-entrepreneur maximizes opportunity
1975	Albert Shapero-entrepreneur takes initiative, organizes social and economic mechanisms and accepts risk of failure
1980	Karl Vesper – entrepreneur seen differently by economists, psychologists, business persons and politicians
1983	Gifford Pinchot – Intrapreneur is an entrepreneur within an already established organization.
1985	Robert Hisrich – entrepreneurship is the process of crating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risks, and receiving the resulting rewards of monetary and personal satisfaction.

**Source:** Hisrich, R.D. (2019) “Entrepreneurship And Intrapreneurship Methods for Creating New companies that have an Impact on Economic of an Area”, in Entrepreneurship.

Entrepreneurship is consistently equated with the establishment and management of small business enterprises. Of particular importance, in the context of Nigeria, is the concept of social entrepreneurship as applying commercial practices to social problems and social entrepreneurs as entrepreneurs that use business skills and knowledge to create enterprises that accomplish social purposes, in addition to being commercially viable. Others define the concept as a mechanism for fostering innovation within the context of the myriad of social problems that are fare andfocus more attention on the innovative arrangements that resolve social problems, rather than economic viability. A third definition sees social entrepreneurship as a vehicle for engendering social transformation beyond the solution of the social problems as initially conceived.

Unlike traditional business entrepreneurs, social entrepreneurs have a social mission and primarily seek to generate social value neither profit. They are individuals who have the potential to transform people's lives, with innovative solutions to society's most pressing social problems.

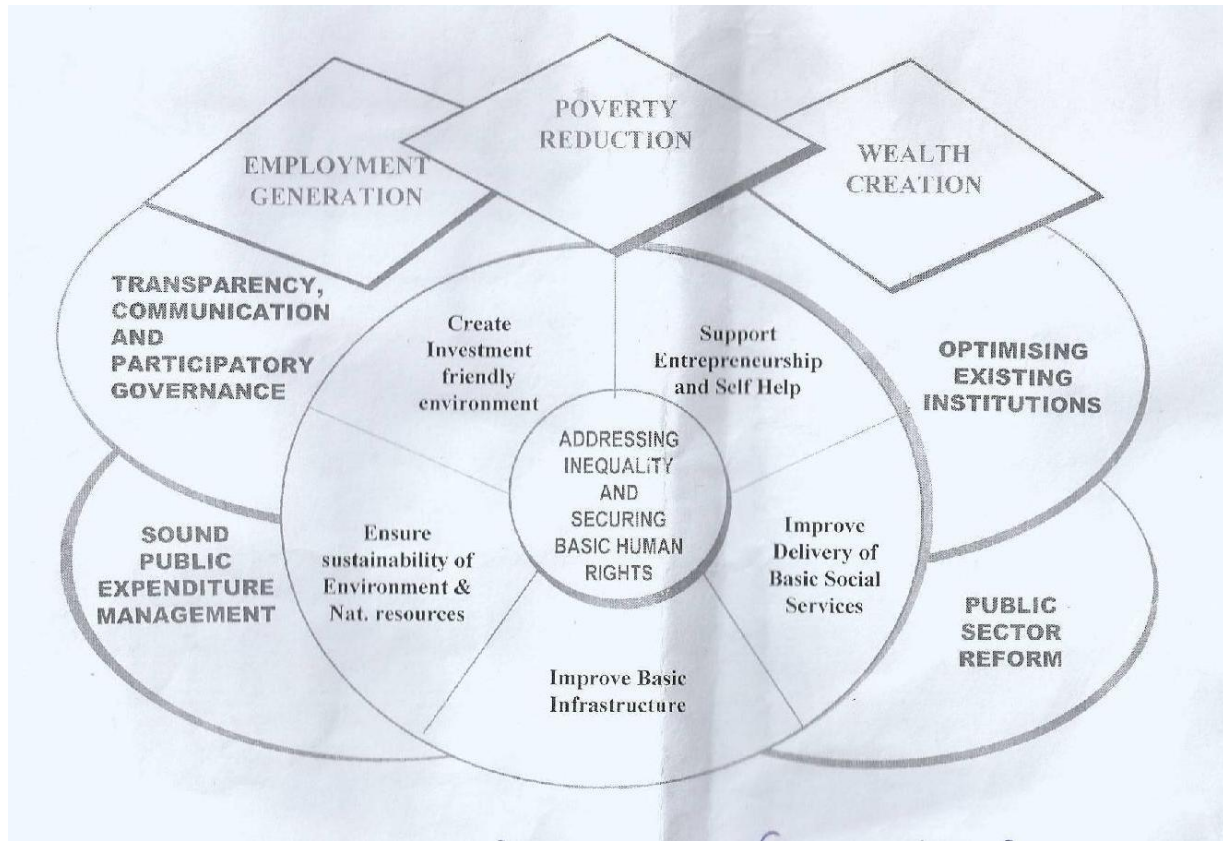
Social entrepreneurs act as a change agent for society, seizing opportunities others miss in order to improve systems, invent and disseminate new approaches and advance sustainable solutions that create social value. The entrepreneurial landscape, (both the social and business) contains a diverse group of enterprises that cut across the small, self employed craftsman to the innovative, high-tech oriented growth companies, with the ardent social entrepreneur in between.

## **2.3 THE IMPACT OF ENTREPRENEURSHIP ON THE ECONOMIC GROWTH OF NIGERIA**

### **- A cursory look**

Following the pursuit for achievement of the millennium development goal (MDG), objectives, the Federal Government of Nigeria strategically developed the National Economic Empowerment Development Strategies (NEEDS) as a work plan. Subsequently, all the state of the Federation developed their own work plan through the State Economic Empowerment Development Strategy (SEEDS).

The SEEDS strategy has five strategic objectives, which include the support entrepreneurship and self help efforts; improve delivery of basic social services; improve basic infrastructure; ensure sustainability of the environment and natural resources, and create an investment friendly environments. The strategic framework is diagrammatically represented in the table below.



**Figure 2.2.1 Strategic Framework of the PRS**

**Source:** SEEDS/PRS (2004 – 2009). Government of Nigeria. <http://www.academia.edu/3409754/research>.

Under the support for entrepreneurship and self-help effort, the targets were to: increase average household income by 300%; reduce unemployment and underemployment to 3% and 5% respectively; increase incomes of men by 400% and increase incomes of women by 400%; enhance viability of SMEs and micro enterprises; support managerial technical capacity building for SME and micro enterprises; promote formation of cooperative societies; facilitate access to capital from private sector, and international development agencies among others. These strategic plans yield at results as there are a lot of small and medium scale enterprises in Nigeria, which engage in food, beverage and tobacco, domestic and industrial plastics, textile industries, wood and wood processing industries.

#### **2.4 Requirements for Successful Entrepreneurship**

Some of the basic prerequisites that make for a successful Entrepreneurship venturing would be broken down into:

- i. Personal characteristics of successful business owners;
- ii. Practical business tips for success; and
- iii. Small business and organizing for success

### a. **Personal Characteristics of Successful Small Business Owners**

Reiterate that entrepreneurship poses a lot of challenges and as such, requires certain attributes on the part of the small business owner to succeed. Notable amongst these personal characteristics are

#### i) **Drive**

The small business owner must possess an insatiable drive for accomplishment, an inner compulsion and passion to work and to succeed. It necessitates energy, aggressive, initiative, ambition and even an unashamed desire to make money and be a real success.

#### i) **Mental Ability**

Good business decisions make for entrepreneurial success. But good business decisions are products of intelligence, creative thinking ability and analytical thinking ability. Hence the small business owner needs a high mental ability to thrive.

#### ii) **Human Relations Ability**

The entrepreneur who maintains good human relations with customers, employees, suppliers, creditors, and the community is much more likely to succeed in his business than one who does not.

iii) **Communications Ability**

This connotes that ability to communicate effectively in both oral and written communications. It also involves ability to disseminate information in an understandable form and at the right time, thereby eliminating confusion and delay in decision making.

v) **Ability to Delegate Responsibility**

When a small business owner delegates responsibilities effectively work gets done faster, easier and at less cost. It also helps him to avoid using a fire brigade approach to tasks because jobs are already planned ahead and adequate measures taken to address emergencies. This also frees the Entrepreneur to think ahead and visualize work situation, formulate objectives and general plans of action; and communicate these plans to his subordinates.

vi) **Integrity and Sincerity**

These include trustworthiness, loyalty and ability to maintain a reputation of one who is honest and fair in dealing with others. Note, however, that if a business person lacks integrity, his business will lack credibility.

vii) **Ability to Accept Responsibility**

This implies the ability to take decision, accept the decisions and its implications in oneself and one's staff.

viii) **Emotional Maturity**

This involves the practice of self-discipline, and self control and the ability to analyze a situation without prejudice.

ix) **Tolerance of Risk**

Successful entrepreneurs have high need achievement and as such, like to take calculated risks. This stimulates them to greater effort.

x) **Self-Confidence**

This is the ability to have strong belief in one's power to succeed in solving problems and dealing with difficult situations.

Other personal characteristics include:

- Innovative/initiative
- Persistent enthusiasm
- Adaptability
- Judgment, etc

b) **Practical Business Tips for Success and Common Mistakes to Avoid**

i) **Hiring Cheap Labour**

The fact that cheap labour automatically leads to a lower wage bill, does not necessarily lead to higher profits. cheap labour has a tendency of producing poor quality products which can lead to losses;

ii) Failure to identify propitious niches or target market(s) for the marketing of their products;

iii) Wrong application of money

iv) **Over-staffing**

Using employment as philanthropy.

v) **Excessive Socializing**

Some claim that joining many societies and clubs help in making the right contacts and connections; forgetting that such membership goes with serious financial and time commitments.

c) **Small Business and Organizing for Success**

Various steps one must take in order to arrive at entrepreneurial success. This is illustrated and summarize in figure below:

**Figure 2.1.2: Entrepreneurial Success Tree**



**Source: Ezech, J.A. (2021), *Fundamentals of Small Business Management*,  
Enugu: Glanic Venture.**

## 2.2 Theoretical Framework

This study is anchored on the need for achievement motivation and conceptual models. The need for achievement motivation theory was propounded by David McClelland (1961). It is, probably the best known work association with traits and psychological. The theory concludes that those who have high need for achievement have a high probability of getting into business and succeeding. These classes of people are also having high probability of benefiting from business training courses.

The second theoretical assumption underlying the study Cochran's Sociological Theory of Entrepreneurship the variables in this theory are cultural values, impact expectations and social sanction.

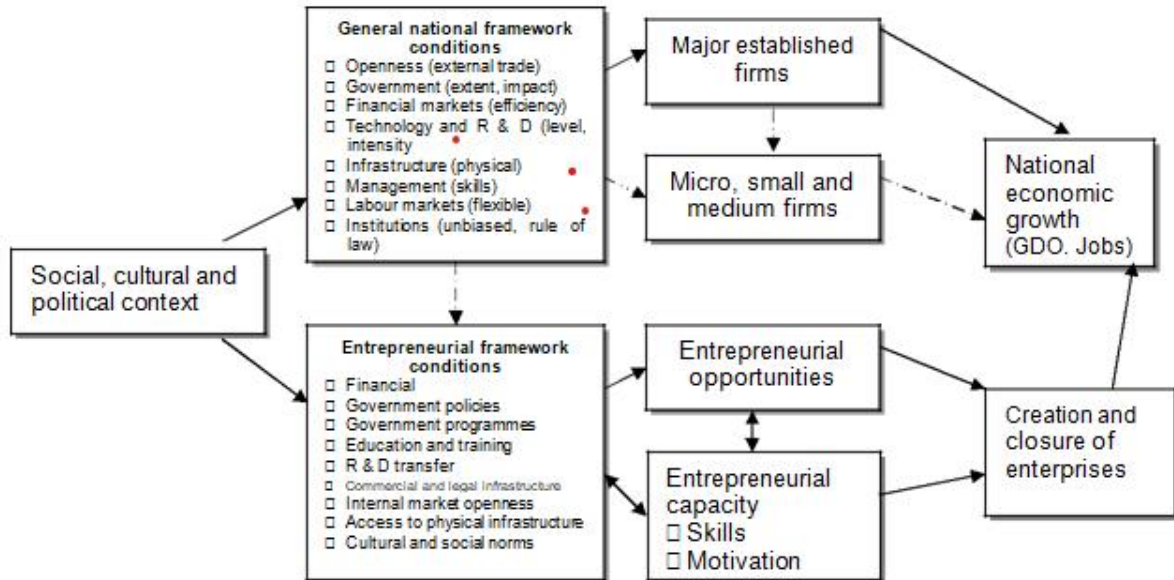
Theory holds that the environment in which an individual is reared determines his entrepreneurial urge. This theory of entrepreneurship perceives the entrepreneur as being the representation of his society's model of personality

.Cochran opines that the individual performance as an entrepreneur is influence by three factors, namely:

- The individual's attitudes towards his occupation;
- The impact expectations held by the society (the sanctioning group\impact moderator);
- The operational requirement of the job.

Social values and norms are perceived as the most important determinants of the first factors. It further implies that change over time in such exogenous factors as technology, population and entrepreneurs are motivated by the need for achievement in their institutional drift will impinge on the impact structure created by creating new operational needs. The entrepreneurs' reaction to such change, whether it will be that of aggressive innovation or creativity or acts of inertia or inactivity, will be determined primarily by the socio-cultural values and norms.

**Fig 2.3.2: The GEM Conceptual model**



**Source: Adapted from Reynolds et al (2020):**

*“Global Economic Monitor (GEM)-Executive Report, Wellesley, MA/London Babson college: London Business School.*

The top portion of fig 2.3.2 focuses on the impact of large established enterprises. Depending on the national framework conditionals, large firms, generally integrated international trade markets, can promote self-expansion and maturity. The economic success of large enterprises tends to create new market opportunities for SMES in supplier networks, and so forth.

Yet, whether domestic firms are able to seize these opportunities depend largely on the existence of a competitive and vibrant SME sector. The lower portion of figure 2.3.2 highlights

the second mechanism driving economic growth: the impact of entrepreneurship in the creation of growth of firms. The entrepreneurial process occurs in the context of a set of framework conditions. It further depends on the emergence and presence of market opportunities and the capacity, motivation and skills of individuals to establish firms in pursuit of these opportunities. While the success of large established enterprises tends to create profit opportunities for small and new firms, these firms can also affect the success of large enterprises. For instance, by being competitive and reliable suppliers, SMEs provide a competitive advantage for large firms in global arenas.

The above two conceptual models refer to the importance of the individual level –that is, the attitudes, skills and actions of individual entrepreneurs. This indicates that policies for bolstering entrepreneurial capacity should not focus solely on macroeconomic conditions or access to finance, the most frequently used policy tools to promote entrepreneurship. Although such policies are doubtless, important for broadening the base of individuals with incentives to start up a business and with access to the necessary means, these policies alone will not suffice. Rather, the founding and development of firms depend to a large extent on the entrepreneurial qualities of individual entrepreneur, an issue stressed by the leading British economist.

Individuals are, by and large, widely recognized as the primary agents of entrepreneurial activities. Since the origin of any innovation, start-up or entrepreneurial decision is traceable to

single person, one approach to fostering entrepreneurship for economic growth is to strengthen the entrepreneurial traits of individuals.

## **2.5 Entrepreneurship and Economic Development-An Empirical Approach**

For many developing countries, entrepreneurship has been a powerful engine of economic growth and wealth creation, and is crucial for improving the quality, number and variety of employment opportunities for the poor. It has several multiplier effects on the economy, spurs innovation, and fosters investment in people, which is a better source of competitive advantage than other natural resources, which can be depleted. Entrepreneurs create new enterprises, new commercial activities and new economic sectors. They generate jobs for others; they produce goods and services for society, they introduce new technologies and improve or lower cost outputs; and they earn foreign exchange through export expansion or the substitution of imports.

A typical line of inquiry could analyse the decisions of individuals to become either wage-earners or self-employed or focus primarily on personal factors, such as psychological traits, formal education and other skills, financial assets, family background and previous work experience that may influence or affect entrepreneurs.

An analysis of entrepreneurship at the firm level would focus on market-specific determinants of entrepreneurship, such as profit opportunities and opportunities for entry and exist. The macro

perspective focuses on a range of environmental factors, such as technological, economic and cultural variables as well as government regulations. The assessment, also, covers the interrelationship between the three levels—the individual level, the firm level and the macro level. The origin of entrepreneurial activity is always, by necessity, the individual. Entrepreneurship is induced by an individual's attitudes or motives skills and psychological endowments. The second level, the firm level, exists because the individual entrepreneur is impacted by the context and environment within which they operate. Entrepreneurial motives and actions are, also, influenced by cultural and institutional factors the business environment, and macro economic conditions.

In this context, while entrepreneurship originates at the individual level, realization is achieved at the firm level. The cooperation are vehicles for transforming personal entrepreneurial qualities and ambitions into action At the third level, the macro level, which represent the forum in which industries and national economies operates the sum of entrepreneurial activities constitute a mosaic of competing experiments new ideas and initiatives

Fostering entrepreneurship would therefore require a review of the impact of the individual, the firm, the government as well as other critical stakeholders.

The basis for this focus is that in any society, some individuals will naturally become entrepreneurs, no matter what, while others in that same society will never become entrepreneurs,

no matter the support they receive or the circumstance. In between these two extremes, lie large numbers of individuals whose capacity to become entrepreneurs will depend on the circumstances they are faced with. In other words, outside the natural groupings of individuals into entrepreneurs and non-entrepreneurs, the society will still have a large population of individuals who, under the right circumstances, will become entrepreneurs. The crucial element in building a nation of entrepreneurs is therefore, to identify those circumstances that are conducive to turning a majority of those in this variable group into productive entrepreneurs.

**The Impact of Firms:** In emerging economies, more than 90% of all firms(outside the agricultural sector) are small and micro enterprises, generating a significant portion of GDP. Notwithstanding the critical impact of the small business many emerging economies including Nigeria, still do not have a legal and regulatory framework that supports the growth of SMEs.

**Impact of Government:** There is no doubt that government supportprogrammes cannot substitute for well-functioning markets and governments first priority should be to get the economic fundamental rights. Government support schemes can complement and support other policies to create an environment conducive to entrepreneurial activities.

## **2.6 The Entrepreneurial Impacts and Functions in the Development of the Economy**

The basic to the entrepreneurial impact is the ability to recognize exploit opportunities. The primary functions of entrepreneurship are the identification of an investment opportunity. This consists of understanding the need and waste of potential consumers which to set-up. In other words, the entrepreneurs decide on the organization from the business enterprise is to take.

The choice of the nature of business also depends on such factors as the cost and procedures to starting the business. Legal requirement, information and operation of business continuity of the enterprise talent and skills needed, need for additional capital, attitude towards sharing of profits and the size of risk of the enterprise. The selection and acquisition of resources that would be needed for successful operations of the business enterprises are also an important aspect of the functions of the entrepreneur.

The size and quality of the resources utilized in the business enterprise play critical impact in the survival and growth of the enterprise. He added that entrepreneur must therefore carefully select a suitable site procure an appropriate technology and select the key personal that assist him in the management of the enterprise. The entrepreneur must also establish and maintain a satisfactory relationship with banks, government and prospective suppliers etc. to ensure that they provide the necessary infrastructures for the enterprise.

Another function of the entrepreneur is risk bearing. Risk bearing has been traditionally associated with the entrepreneur. There are various types of risks in business. These include the

risks that arise because decisions are future oriented. These types of risk of a fall\demand resulting in loss, unfavorable government policies and other unforeseen circumstances such cannot usually be insured against and must be borne by the entrepreneurs.

The entrepreneur's most important function is innovation. This involves creative responses to an investment opportunity by developing a new product, new technology or the modification of existing ones to serve a need better.

## **2.7 Impact of Financial Institutions in the Development of Entrepreneurship in Nigeria**

financial institutions are financial enterprises which perform one or more of several financial services such as accepting deposits, brokering securities, activities, managing funds and underwriting securities. In Nigeria these include:

### **(a) Banks**

Commercial and Merchant Banks otherwise known as Deposit Money Banks (DMBs) development banks, community banks (presently Microfinance Banks) etc and

### **(b) Specialized Non-Bank Institutions**

Discount houses, finance companies, primary mortgage institutions, Insurance Companies Bureau de change, Nigeria Social Insurance Trust Funds (NSITF) Pension Funds and National Economic Reconstruction Fund (NERFUND) (CBN: 2001).

### **Financing Private Sector - Led Growth**

It is obvious that no serious private sector-led growth strategy can expect to succeed without a well-developed financial intermediation system through which enterprises can have access to investment funds. It would also be necessary to point out here that Large Enterprises hardly have difficulties accessing loans because they can readily provide needed collaterals unlike Micro Small and Medium Enterprises (MSMEs).

### **The Micro Finance Policy in Nigeria**

Present Global Economic conditions as well as the internalize constraints within the Nigeria Financial Sector have made it imperative for a well focused programme to reduce poverty

through empowering the people by increasing their access to factors of production, especially credit.

One of the most important current programmes for Economic Recovery and Development is the National Economic Empowerment and Development Strategy (NEEDS). It is important to note that one of the hallmarks of NEEDS is the empowerment of the poor and the private sector, through the provision of needed financial services, to enable them engage or expand their scope of economic activities and generate employment.

### **Micro Finance Policy Objectives**

The specific objectives of this microfinance policy are the following:-

- i) Make financial services accessible to a large segment of the potentially productive Nigerian population which otherwise would have little or no access to financial services.
- ii) Promote synergy and mainstreaming of the informal subsector into the national financial system.

- iii) Enhance service delivery by microfinance institutions to micro, small and medium entrepreneurs;
- iv) Contribute to rural transformation; and
- v) Promote linkage programmes between universal/development banks, specialized institutions and microfinance banks (CBN, 2005).

The above stated objectives proves that the microfinance policy is a complete package and the way forward for the present and future needs of micro, small and medium entrepreneurs.

## **2.8 Government Entrepreneurial Policies**

To enable the private sector play the expected impact as the engine of growth of the economy, the government which has a fundamental responsibility of promoting their growth has come up with policies to engender adequate private sector participation.

These include the new industrial policy of Nigeria which came up in 1989 and the Structural Adjustment Programme (SAP) which was introduced in July 1986, etc.

The New Industrial Policy which was launched in January 14th, 1989 by the Federal Government contains incentives, guidelines and institutional framework for the regulation of the

industrial growth and development in Nigeria. Its aims are, increased export of manufactured goods, dispersal of industries, providing greater employment opportunities, improving the technological skills and capacity available in the country. The incentives contained in the policy are financial, fiscal and effective protection with import tariff, export promotion zone at Calabar and Foreign currency facility for international trade, technical! Institutional assistance etc. The SAP aimed at altering and realigning aggregate domestic expenditure and Production patterns so as to minimize dependence on imports enhance the non-oil exports base and bring the economy back on balanced growth. According to Ezejelue (1989:3), SAP is expected to expand non-oil exports, stimulate research and increase local sources of industrial input, revitalize the agricultural and Industrial sectors to achieve self sufficiency in food and industrial production, eliminate the accumulation of further external debts, privatize commercial interests of government, encourage a new inflow of foreign investment into Nigeria and adoption of a realistic exchange rate policy.

#### **Some Of The Incentives Given By The Government Are:-**

- A. **Financial Incentives:** Finance is the life wire of business and an essentialIngredient for the survival and growth of any business enterprise. Governments impact as a financier of business comes mainly through government agencies, financial institutions and establishments that provide various types of funding for both the public and private

enterprises. The Development Finance Institutions (DFIs ) which are government institutions established for meeting the medium and long term needs of business organizations for credit and investments include NIDB (*The Nigerian Industrial Development Bank*), NBCI (*Nigerian Bank for Commerce & Industry*) NACB (*Nigeria Agriculture and Co-operative Bank*), FMBN (*Federal Mortgage Bank of Nigeria*), UDB (*Urban Development Bank*), PBN (*People's Bank of Nigeria*) The Nigerian Agricultural and Co-operative Bank (NACB) established in 1973 to improve the level of production of all aspects of agricultural production and the availability and marketing of agricultural products through extending liberal credit facilities to farmers co-operate and allied industries. These include farming, Poultry, fisheries, animal-husbandry, forestry and timber production as well as Storage, distribution and marketing connected with such production. NACB's Sources of funds include government subventions, credit shortfall on agricultural Loans through the CBN and loans from international finance institutions/ World Bank, African Development Bank, European Investment Bank etc. The Federal Mortgage Bank of Nigeria (FMBN) was established to promote mortgage Institutions. Urban Development Bank (UDB) established in 1993 was to cater for the financing of urban development needs of Nigerian cities and urban centers. The Peoples Bank of Nigeria (PBN) established in 1989 to provide small funds to small business owners at a free interest rate.

The Central Bank of Nigeria credit guide lines, Commercial and Merchant banks to allocate a stipulated minimum credit to preferred sectors of the economy especially to entrepreneurs. Apart from the OFIs, other support agencies involved in the production and development of entrepreneurship in State and Federal levels are the Industrial Development Centers (IDCs) established to provide technical support and manpower training facilities to industries. Others are NRFUND, NDE, DFRRI, VSS. The National Economic Reconstruction Fund (NERFUND) was established in 1989 to provide medium and long-term funds to entrepreneurs. It is also to correct any observed inadequacies in the provision of medium and long-term finances. It also provides medium and long-term loans to participating commercial and merchant banks for 011 lending to entrepreneurs. It facilitates the provision of maturity, including a grace period of one to three years depending on the nature of the enterprise or project and finally to provide such loans either in local or foreign currencies.

The National Directorate or Employment (NDE) established in 1988 by the federal Government to encourage the development and survival of entrepreneurship. It is charged with the provision of loans to young graduates to establish their own business. This programme sparked off the highest number of small-scale businesses throughout the country. The loans are without hard measures and rigid lending guidelines 0 r commercial banks. The entrepreneur here, enjoys low taxes, free technical advice and support services. The Directorate of Food, Roads and Rural

Infrastructure (DFRRI) established in 1987 to provide electricity and good roads in rural areas. The need arises as a good number of entrepreneurs are in the rural areas and source raw materials from there this helped in the reduction of overhead costs.

The Volunteer service Scheme (VSS) operated by the government of the old Anambra State to train unemployed and unskilled youths to acquire various skills and thereafter, provide them with start-up capital. Others are the Universal Investment and development Company Benin, the Central Investment Company Enugu (owned by the South East Government), the New Nigerian Investment Ltd (NNIL) Kaduna (owned by the old eleven Northern States), Odu'a Investment Ltd Ibadan (owned by the old western states government excluding Lagos), which is one of the biggest investment companies in Africa.

**B. Fiscal incentives:** Besides financial incentives, the Nigerian government provides other forms of assistance to entrepreneurs to give them some considerable measure of relief and advantages in carrying out their activities. Some of these are tax and tariff related incentives. Tax holidays are granted to entrepreneurs for the first six months of operation. Nwabuzor (1990:45) noted that government has however, taken some concrete steps to ameliorate the tax burden on enterprises. One of such was the amendment of the Company's Income Tax Act of 1979, by section 32 of the Finance (Miscellaneous Taxation Provision) Decree of 1985, which reduced withholding tax on

interest income from 45 to 15%, a decision intended to attract reinvestments. This was followed in 1987 by the reduction in the taxation rate on corporate profits from 45% to 40% and currently to 35%. Tariffs are mainly used by government to protect local and infant industries in Nigeria, usually against foreign goods. In 1988, the federal government established the Tariff review Board to carry out a comprehensive study and review of the Customs and Excise Tariff of the country to provide an appropriate level of protection for domestic industries. The government then reduced the number of excisable products from 412 to 182 items most of which are final and luxury products. Import duties were increased on dry cell batteries from 25% to 45%, syringes and needles, from 25% to 40%. In recent years, the Nigerian government has taken various measures towards reforming and reviewing the customs and excise provisions on tariffs and duties for various categories of products. Such measures include:-

- i The review of import and export prohibition list. Such goods as frozen poultry products have been out rightly prohibited.
- ii The review of items for export as wet blue and all unprocessed leather is still prohibited. This will ensure the protection of existing local tanneries which process leather into finished products. The prohibition of exportation of wet blue leather is also meant to enhance local capacity utilization, generate foreign exchange through exports of finished

products and also increase and guarantee the employment generation potentials of the sub sector.

- iii The abolition of import duty rebate introduced in 1995 (25%) .
- iv Ports and customs reforms notably, the phasing out of the pre-ship inspection of imports (introduced in 1979) and the planned replacement with destination inspection, with effect from 2003. By this ensure, it would no longer be necessary to have Import Duty Report (IDR) on goods to be imported into Nigeria, as assessment of duties would be done upon arrival of goods in Nigerian Port. Most contra bound goods will be ceased thereby encouraging the populace to source it locally from indigenous entrepreneurs. Also high excise duties will be levied on certain items as spirits, cigarette, tobacco at the rate of this is particularly directed in safeguarding the citizenry's health.

C. **Export Promotion Incentives:** In the 1950's and 1960s, agricultural products like cocoa, rubber, palm produce and groundnut accounted for over 80% of Nigeria's total export. The discovery of oil in Nigeria in 1956 and the instant economic fortunes that it brought blinded the country's from further developing other non-oil sectors. Nigeria now became ferocious importers of everything from white sliced bread to Mercedes etc. The most taxing question in the Nigerian Politics at that time was how to spend all that money. The

events thereafter and the consequent economic recession became the price Nigeria had to pay for their neglect. As a result, its foreign reserve dipped. To shore up Nigeria's foreign reserve and revive the non-oil economic activities, the government came up with a lot of policies to encourage export activities by entrepreneurs. Its highpoint was the promulgation of a decree in 1986 with a package of incentive for export e.g. the export development fund, export expansion grant, duty drawback scheme, duty suspension scheme and manufacture in bond scheme.

- i. **Export Development Fund Scheme:** A scheme whereby the federal government and the private sector contribute into a fund which will be used to finance a series of export promotion and development activities \_like training, workshop, symposia, research, studies, consultancy services, local and oversea trade fairs.
- ii. **Export Expansion Grant:** Involves the giving of cash grant to local manufacturers who achieve a minimum of N50,000 worth of exports annually. This was to encourage such manufacturers to increase their export sales value.
- iii. **Duty Drawback Scheme:** This allows importers to claim rebates on duties paid on imported products and materials (raw materials equipment and machinery) meant for use in the manufacture of other goods meant for exports.

- iv. **Duty Suspension Scheme:** This involves the lifting of duties paid on certain categories of exports.
- v. **Manufacture in-bond Scheme:** This involves the non-payment of duties on imported raw materials for the production of exportable goods backed by a bond issued by a first class bank. The performance bond is discharged after evidence of exportation and repatriation of foreign exchange earnings to the country.

**The government bodies for the promotion of exports are:**

- 1. The Nigerian Export-Import Bank (NEXIM), bank to provide export stimulation loan facilities to entrepreneurs.
- 11. The Nigerian Export processing zones Authority (NEPZA) (at Calabar and Kano) with duty free incentives.
- iii. The Nigerian Export Promotion Council (NEPC) charged with the primary responsibility of administering export incentives to entrepreneurs.

**D. Technical/Institutional Assistance:** Entrepreneurs in Nigeria have equally over the past decade enjoyed technical assistance and implementation support from the government's numerous institutes and agencies. Such government technical institutes and agencies are the various industrial research institutes like the Industrial Development Centres (IDCs), the Centre for Industrial Research and Development (CIRD), Centre for Management Development (CMD) SME Unit, Federal Institute of Industrial Research Oshodi (FIIRO), Project Development Agency (PRODA) Enugu, Raw Material Research Development Institute (RMRDC), etc. These government technical institutes and agencies have largely supported the entrepreneurs and have in particular rendered assistance to them ranging from manpower training, appropriate machinery selection and installation, machine repairs and maintenance as well as extension services (CBN Annual Reports and Statement of Accounts 1977).

## **2.8 Entrepreneurship and Managerial Problems**

Research work has pointed to poor management as the major factor that causes business failure. Some entrepreneurs depend on their personal skills in running the Enterprise. They could be skilled artisans but may not know the basic principles of management. They have to compete with large business that has better finance and specialists to help them make better decisions. A

lot of highly skilled personnel do not like to work with entrepreneurs because of inability to pay attractive wages nor fringe benefits, packages nor give job security. Some entrepreneur therefore hire cheap and unskilled labour which constitute managerial problem, their poor financial base and stunted resources make it difficult for them to train their employee. Their poor management could lead to improper carry out of the key managerial functions; planning, organizing, directing, controlling, decision making.

**Lack of Proper Planning:** Planning is the most important managerial function. The manager should prepare and predict future events. This is achieved by Establishing objectives and strategies to achieve these objectives.

**Lack of Organizing:** Organizing deals with determining the tasks to be performed and establishing a framework of authority and responsibility.

**Lack of Directing:** Directing involves the ability of the entrepreneur to motivate, educate, guide and communicate to the subordinates.

**Lack of Controlling:** Controlling involves ability to prevent, identify and correct deficiencies in all phases of the operation.

Lack of Making Proper Decisions: Decisions are very sensitive. They deal with the setting of policies, setting of goals and taking of vital decisions. Most of the problems encountered by entrepreneurial organizations are:

- Lack of finance
- Lack of training and adequate preparation
- Lack of adequate capital and over stretching of capital
- Too much or too little investment in fixed assets
- Poor credit management
- Lack of understanding and appreciation of technology
- Lack of appreciation and use of accounting function
- Premature expansion
- Unhealthy competition
- Inability to separate self from business.

Finally, bad attitudes, neglect and absentee landlord.

Many entrepreneurs think it is easy to set up a new business or even to expand an existing one. This is not so, because setting up a new business is a complex exercise. A potential entrepreneur must take stock of his own needs drives and aspirations before taking the decision

of embarking on an entrepreneur to determine whether his personality fits the entrepreneurial drive.

Three basic needs that already been discussed, as the focal psychological drives that motivates the individual towards accomplishment is an entrepreneurial fulfillment of a goal embodying a reasonable challenge that direct economic consequences.

Affiliation need is food in the basic nature of man. Man wants to be recognized, loved, affiliated with others, wanted by others in a warm, friendly manner. The desire to be like and accepted motivates an individual to enter into business with a new to satisfy his needs as well as satisfy the needs of others through entrepreneurship thus, entrepreneurial development involves deliberate activities aimed at satisfying one's needs and that others it is a contractive relationship involving intra and inter organization network of relationships.

Power is another aspect of entrepreneurial development. It describes the need to control the means of influencing others. The entrepreneur owns resources, which he allocates employment in his company. He has dominance over others and or by giving others employment in his company. He has dominance over others and exercises superiority and authority over other as the owner of the business.

## **Examine Your Self**

If you are contemplating on starting and running a business, you must first of all examine yourself to determine whether you possess entrepreneurial personality..

## **Know the Business**

Often time's entrepreneurs jump into starting a business just because his friend or relation or neighbours is doing well in that business without knowing the fundamental of that success. For one to succeed in business, he must have a solid background in that specific business. The technical requirement of getting out the product rendering the service should be understood in considerable detail before embarking into business. Every business has its own norms, customs, language and technical know-how. Potential entrepreneur should learn these features and even add some innovative strategies to the existing one if he does well in the business.

## **Study the Market**

A survey conducted on the causes of small business failures reproduced the following results. Lack of sales, competitive weakness, poor location, inadequate information and poor management. These problems can stem from many sources, but prominent among them is lack of knowledge of the market. Potential entrepreneur must know how to identify the needs of

potential customer and convert them into wants. He should be able to know marketing and set prices. He should be able to see the products or services and how to manage the entire marketing tasks. Identifying the customer's satisfaction is the beginning of every successful business.

### **Financially Prudent and Management Competent**

The management of finance is one of the most important aspects of entrepreneurship. The entrepreneur must recognize that the problem is not of starting a business, but being able to keep alive and nurture it to grow. This means understanding the consequences of every financial decision made by you as an entrepreneur. The life blood of any business is cash flow and profit. The entrepreneur thus, must know the financial short long range plans and projections needed to manage cash flow and produce profits. These plans enables and projections delve into the future so as to control the future rather than allow the future to control you and destabilize your business.

Planning is the essence of management and an entrepreneur must plan for every aspect of his business. He must plan for finance so as to avoid the danger of diminishing cash flow and lack of profit.

## **Analyzing Risk**

The nature of entrepreneur is risk taking. He must be prepared to succeed or fail. The notion of one doing his own business is risk, because he invests with the hope of succeeding. That hope is calculated risk. The entrepreneur must take the first of the investment. Entrepreneur does not just take the risk, but he calculates the risk and analyzing it before making decisions on pricing manufacture item A instead of item B, employing staff to assist in running the business inventory decisions travel plant etc. all these decisions are the part of the risk and ability to take efficient and appropriate decisions is the control of business risk.

## **2.9 Problems and Causes of Business Failure in Nigeria**

Research has shown that several small businesses that sprout up in the country often do not survive the first few critical years of existence (5 years).

Notable amongst the numerous causes of business failure in Nigeria include:

### **a) Under-Capitalization**

Lack of finance either for the establishment of new industries/businesses or to carry out expansionary projects is a great disincentive to small business development in Nigeria. Also the inability to attract financial credit has stifled growth of these ventures. Banks on the hand, give a

number of logical reasons for not giving out loans to small scale businesses ranging from unviable feasibility studies, lack of management skills, no collateral base, and inadequate finance or accounting records about their businesses. Also included is the high percentage of default on repayment of loans, and diversion of borrowed funds for personal use. Budding and practicing entrepreneurs should guard against these lapses.

b) **Poor Business Accountability**

Often most small business owners fail to draw a line between personal funds and business funds. Cash and stocks are taken at will for personal use whenever the need arises without accounting for such withdrawals.

c) **Poor Record Keeping** Some small business persons/industrialists believe that the maintenance of books of accounts on other business records are expensive and unnecessary not to talk about living the services of trained account or other financial experts.

d) **Lack of Experience**

The place of a mentor in business cannot be overlooked. Albert (1980), suggested ways to make up for experience deficiencies for entrepreneurs - working for some one in the kind of business contemplated of, or taking on a partner with the need experience.

e) **Lack of Business Knowledge**

Knowledge consists of facts and theories that enable people to understand phenomena and to solve problems. Ways to acquire knowledge include habit, trial and error, authority, tradition, institutions, expert opinions, personal experience, education and induction, etc.

f) **Poor/Wrong Location**

The guiding factors that should determine the location of any business should include: nearness to raw materials, market, source of power and access to supply of labour and transport facilities, etc. According to Hastings (1968), the small business must analyze their unique situation before choosing the town and actual site for the business. Some of the checklist suggested includes competition, traffic low, transportation, packing facilities, unfavourable characteristics, and the availability of business service, among others.

g) **Inadequate Planning**

Planning is defined as determining in advance what to do, how to do it, when to do it, who is to do it, and even why you should do it. Planning is an essential ingredient in a Business Development and is often reflected on a comprehensive business plan.

h) **Inadequacy of Infrastructural Facilities**

Water, electricity, accessible roads, and other means of communication is a sine qua non to the efficient performance of small scale enterprise.

i) **Poor Competition Position**

Set the pace, their prices, products, internal and external operating methods/techniques have this-pace-setting feature.

j) **Incompetence of Management**

Lack of management ability, on the part of the small business manager has been one serious cause of failure. Good management ability is a prerequisite for success in both large and small business firms alike. Concretely this means skill in handling men, money,

and inventory along with the ability to formulate wise policies, select proper methods, merchandise aggressively

and create good relationship with employees, customers and the general public. Other problems and causes of small business failure include:

- a. Unplanned Expansion
- b. Inadequate Credit Control
- c. Neglect and Time Pressure
- d. Lack of Proper Inventory Control
- e. Poor Education and Lack Required Skills
  
- f. Government Policies and Regulations
- g. Problem of not Conducting Feasibility Studies and Developing Business Plans
- h. Problem of Acceptability Nigerian Made-Goods

## **2.12 Review of the Related Literature**

The review of related literature explores the role of entrepreneurship in Nigeria's economic development, focusing on job creation, innovation, and wealth generation. The primary objective

is to understand the positive impacts of entrepreneurship and identify the challenges entrepreneurs face in Nigeria, alongside policy recommendations. This review adopts a qualitative methodology, analyzing various studies, reports, and academic papers on Nigerian entrepreneurship. The research design is descriptive, detailing the benefits of entrepreneurship, the challenges encountered, and the policy recommendations necessary for improvement. The population for this review includes existing literature, with a sample featuring key studies by Oyelaran-Oyeyinka and Gohl Sampath (2007), Akindele and Adebara (2012), and Adeyemi and Bamiduro (2015). Data is analyzed thematically, categorizing the literature into benefits, challenges, and policy implications. Findings from the literature indicate that entrepreneurship significantly contributes to Nigeria's economic growth by fostering job creation, innovation, and wealth generation. Oyelaran-Oyeyinka and Gohl Sampath (2007) highlight how new businesses enhance productivity and stimulate competition, creating a dynamic economic environment. However, entrepreneurs in Nigeria face several challenges. Akindele and Adebara (2012) identify inadequate infrastructure, bureaucratic red tape, limited access to finance, and corruption as major obstacles. Poor infrastructure raises operational costs, complex regulatory requirements hinder business establishment, stringent lending criteria limit financing opportunities, and widespread corruption increases costs and uncertainty. To address these challenges, the literature suggests several recommendations. Improving access to finance through tailored financial

instruments and low-interest loans can help entrepreneurs secure funding. Investing in infrastructure projects is crucial for reducing operational costs and enhancing business efficiency. Streamlining regulatory processes by simplifying procedures and improving government efficiency can make it easier for businesses to operate. Encouraging innovation through entrepreneurship education, training programs, innovation hubs, and research and development grants is also essential. Entrepreneurship has the potential to drive economic growth in Nigeria, but this requires creating a supportive environment with effective policies and improved infrastructure. Addressing the challenges faced by entrepreneurs and fostering a culture of innovation and risk-taking can help Nigeria fully harness the benefits of entrepreneurship for sustainable economic development. This review underscores the critical relationship between entrepreneurship and economic growth, drawing insights from existing research to outline the necessary steps for promoting entrepreneurial activities.

## **2. Challenges Faced by Entrepreneurs in Nigeria**

The review of related literature explores the crucial role of entrepreneurship in Nigeria's economic development, with a focus on job creation, innovation, and wealth generation. The primary objective is to understand the positive impacts of entrepreneurship, identify the challenges faced by Nigerian entrepreneurs, and provide policy recommendations to enhance

entrepreneurial growth. This review employs a qualitative methodology, analyzing various studies, reports, and academic papers on Nigerian entrepreneurship. The research design is descriptive, detailing the benefits of entrepreneurship, the challenges encountered, and the necessary policy recommendations. The population for this review includes existing literature, with a sample featuring key studies by Oyelaran-Oyeyinka and Gehl Sampath (2007), Akindele and Adebara (2012), and Adeyemi and Bamiduro (2015). Data is analyzed thematically, categorizing the literature into benefits, challenges, and policy implications. Findings from the literature indicate that entrepreneurship significantly contributes to Nigeria's economic growth by fostering job creation, innovation, and wealth generation. Oyelaran-Oyeyinka and Gehl Sampath (2007) highlight how new businesses enhance productivity and stimulate competition, creating a dynamic economic environment. Despite these potential benefits, Nigerian entrepreneurs face various challenges that hinder their ability to contribute effectively to economic growth. Akindele and Adebara (2012) identify inadequate infrastructure, bureaucratic red tape, access to finance, and corruption as major obstacles impeding the growth of entrepreneurship in Nigeria. Poor infrastructure increases operational costs and limits market access, while complex regulatory requirements create delays and increase the cost of doing business. Limited access to finance restricts the ability of entrepreneurs to start or expand their businesses, and widespread corruption adds to the operational costs and uncertainties. To address

these challenges, the literature suggests several recommendations. Improving access to finance through tailored financial instruments and low-interest loans can help entrepreneurs secure necessary funding. Investing in infrastructure projects is crucial for reducing operational costs and enhancing business efficiency. Streamlining regulatory processes by simplifying procedures and improving government efficiency can make it easier for businesses to operate. Additionally, fostering innovation through entrepreneurship education, training programs, innovation hubs, and research and development grants is essential. Entrepreneurship has the potential to drive economic growth in Nigeria, but this requires creating a supportive environment with effective policies and improved infrastructure. By addressing the challenges faced by entrepreneurs and fostering a culture of innovation and risk-taking, Nigeria can fully harness the benefits of entrepreneurship for sustainable economic development. This review underscores the critical relationship between entrepreneurship and economic growth, drawing insights from existing research to outline the necessary steps for promoting entrepreneurial activities.

### **3. Policy Implications for Promoting Entrepreneurship in Nigeria**

The review of related literature explores the crucial role of entrepreneurship in Nigeria's economic development, with a focus on job creation, innovation, and wealth generation. The primary

objective is to understand the positive impacts of entrepreneurship, identify the challenges faced by Nigerian entrepreneurs, and provide policy recommendations to enhance entrepreneurial growth

This review employs a qualitative methodology, analyzing various studies, reports, and academic papers on Nigerian entrepreneurship. The research design is descriptive, detailing the benefits of entrepreneurship, the challenges encountered, and the necessary policy recommendations. The population for this review includes existing literature, with a sample featuring key studies by Oyelaran-Oyeyinka and Gehl Sampath (2007), Akindele and Adebara (2012), and Adeyemi and Bamiduro (2015). Data is analyzed thematically, categorizing the literature into benefits, challenges, and policy implications.

Findings from the literature indicate that entrepreneurship significantly contributes to Nigeria's economic growth by fostering job creation, innovation, and wealth generation. Oyelaran-Oyeyinka and Gehl Sampath (2007) highlight how new businesses enhance productivity and stimulate competition, creating a dynamic economic environment. Despite these potential benefits, Nigerian entrepreneurs face various challenges that hinder their ability to contribute effectively to economic growth. Akindele and Adebara (2012) identify inadequate infrastructure, bureaucratic red tape, access to finance, and corruption as major obstacles impeding the growth of entrepreneurship in Nigeria. Poor infrastructure increases operational costs and limits market access, while complex

regulatory requirements create delays and increase the cost of doing business. Limited access to finance restricts the ability of entrepreneurs to start or expand their businesses, and widespread corruption adds to the operational costs and uncertainties. To address these challenges, the literature suggests several recommendations. Improving access to finance through tailored financial instruments and low-interest loans can help entrepreneurs secure necessary funding. Investing in infrastructure projects is crucial for reducing operational costs and enhancing business efficiency. Streamlining regulatory processes by simplifying procedures and improving government efficiency can make it easier for businesses to operate. Additionally, fostering innovation through entrepreneurship education, training programs, innovation hubs, and research and development grants is essential. Policy implications for promoting entrepreneurship in Nigeria include formulating supportive policies that promote access to finance, provide infrastructure, reduce regulatory burdens, and encourage innovation through entrepreneurship education and training programs. Adeyemi and Bamiduro (2015) emphasize the importance of these measures in enhancing the contribution of entrepreneurship to economic growth in Nigeria. Entrepreneurship has the potential to spur economic growth in Nigeria, but it requires a conducive ecosystem supported by effective policies and infrastructure. By addressing the challenges faced by entrepreneurs and fostering a culture of innovation and risk-taking, Nigeria can harness the full potential of entrepreneurship for sustainable economic development. This literature review provides a broad

overview of the relationship between entrepreneurship and economic growth in Nigeria, drawing insights from existing studies in the field.

## **CHAPTER THREE**

### **METHODOLOGY**

This chapter describes the various methods and procedures of collecting information and generating data for the studies under the following headings:

- Research Design
- Population of the Study
- Sample and Sampling Techniques
- Research Instruments
- Validation of the Instrument
- Reliability of the Instrument
- Method of Data Collection
- Method of Data Analysis

#### **3.1 Research Design**

The survey research method was adopted for this study. It involves the systematic collection of data from respondents which includes the entrepreneurs, chief executives, managers,

management staff and senior staff of the five selected small and medium scale enterprises out of the total of 18 firms that deal on chemicals and pharmaceuticals in Enugu State

### **3.4 Population of the Study**

The population for this study includes entrepreneurs, chief executives, managers, management staff and senior staff of the five selected small and medium scale enterprises out of the total of 18 firms that deal on chemicals and pharmaceuticals in Enugu State. These firms were judgementally chosen from a list of entrepreneur collected from the office of the s Small and Medium Scale Enterprises (SME), Enugu zonal office (see appendix 4). However, the companies mentioned here covers Anambra, Enugu and Ebonyi State. For clarification, those entrepreneurs marked aesthetics (\*) were the ones that operate in Enugu State.

**Table 3.1 Population Distribution**

<b>S/N</b>	<b>Name of Firm</b>	<b>Populations</b>
1.	Juhel Nig. Ltd	345
2.	Hardis and Dromeda Ltd	254
3.	Integrated Chemical Industries Ltd	233
4.	A.C. Drugs Ltd	159
5.	Nalin Paint Ltd	159
	<b>Total</b>	<b>1,100</b>

**Source: Field Survey 2012**

### 3.5 Determination of Sample Size

Sample is a fraction or segment of the total population whose characteristics is used to represent the entire population. The formula adopted in determining the sample size is that given by Taro Yamane:

$$n = \frac{N}{1 + N (e)^2}$$

Where

N	=	the sample size to be determined
N	=	the Finite population
1	=	constant
E	=	margin of error

$$\begin{aligned}
 n &= \frac{1,100}{1 + 1,100(0.05)^2} \\
 &= \frac{1,100}{\frac{(0.0025)}{1 + 1,100)}}
 \end{aligned}$$

$$\begin{aligned}
 &= \frac{1100}{1 + 2.75}
 \end{aligned}$$

$$\begin{aligned}
 &= \frac{1,100}{3.75}
 \end{aligned}$$

$$\begin{aligned}
 &= 293.3
 \end{aligned}$$

$$\begin{aligned}
 &= 293
 \end{aligned}$$

### 3.6 Sampling Procedure

Sample random sampling technique was adopted, the essence was to

ensure fair representation of each firm, as the sample drawn from each firm is proportional to the firm's population in relation to the total populations using proportionality formula thus:

$$Q = A/N \times n/l$$

Where:

Q =The number of questionnaire to be allocated to each segment

A =The proportion of each segment

N =The population of all the segment

n =The estimated sample sized used in the study

The break down of sample size according to each firms with the proportional formula stated above is computed below:

Juhel Nig.  
Ltd

$$Q = \frac{345}{1100} \times \frac{293}{1} = 92$$

Hardis and Dromedas Ltd

$$Q = \frac{254}{1100} \times \frac{293}{1} = 68$$

Integrated Chemical Industries  
Ltd

$$Q = \frac{233}{1100} \times \frac{293}{1} = 62$$

A.C. Drugs Ltd

$$Q = \frac{159}{1100} \times \frac{293}{1} = 42$$

Nalin Paints Ltd

$$Q = \frac{109}{1100} \times \frac{293}{1} = 29$$

**Table 3.2: Tabular presentation of sample size**

S/N	Name of Firms	Populations	Sample
1.	Juhel Nig. Ltd	345	92
2.	Hardis and Dromedas	254	68
3.	Integrated Chemical Industries Ltd	233	62
4.	A.C. Drugs Ltd	159	42

5.	Nalin Paints Ltd	109	29
	<b>Total</b>	<b>1100</b>	<b>293</b>

### **3.7 Research Instrument**

The research instruments used for the study are questionnaire and oral interview. Questionnaire is designed to have two sections. All the questions section A contain biographic data while the questions section B are aimed at obtaining data and information that addressed the research objectives, questions and hypotheses. The questionnaire was designed using the Likert Scale format of Strongly Agreed, Agree, Disagree, Strongly Disagree, and Undecided. It contains a total of 19 questions and 293 copies of the questionnaire are distributed to each of the categories.

### **3.8 Validity of the Instrument**

Validity is the ability of the research instrument to measure what it is supposed to measure (Asika 2009). In order to ensure the validity of the research instrument proper structuring of the

questionnaire and a conduct of a pretest of all the questions contained in the questionnaire were carried out. However, the researcher uses content validity to ensure the validity of the instrument

### 3.9 Reliability of the Instrument

Reliability refers to the consistency or reproducibility of the result of the test. To ascertain the instrument reliability, the researcher adopts a test-retest method in which the questionnaire was distributed. The instrument was collected afterwards and re-administer for the second time. Using the person's product moment correlation coefficient of reliability. The exercise guided a correlation coefficient of approximately 0.87. Therefore, the instrument is termed highly reliable.

**Table 3.3: Test – retest Computation Details**

S/N	1st Pretest (X)	2nd Pretest Y	R <sub>2</sub> (Rank of X)	RY	D = R <sub>x</sub> – R <sub>y</sub>	D <sup>2</sup>
1	285	275	1	1	0	0
2	279	261	2	0	2	4

3	283	281	7	5	2	4
4	281	274	5	7	-2	4
5	282	285	4	3	1	1
6	276	274	3	3	0	0
7	280	279	7	7	0	0
8	281	285	9.5	9.5	0	0
9	279	255	1	4	-3	9
10	282	285	9.5	9.5	0	0
<b>Total</b>	$\Sigma_x =$ <b>2,808</b>	$\Sigma_y =$ <b>2,754</b>	$\Sigma R_x = 49$	$\Sigma R_y =$ <b>49</b>	$\Sigma R_x - R_y =$ <b>0</b>	$\Sigma D^2 = 22$

**Source: Field Survey, 2012.**

Correlation coefficient = R =

$$1 - \frac{6\Sigma d^2}{n(n^2 - 1)}$$

By substitution

$$= 1 - \frac{6\Sigma d^2}{10(10^2 - 1)}$$

$$= 1 - \frac{132}{10(100 - 1)}$$

$$= 1 - \frac{132}{10(99)}$$

$$= 1 - \frac{132}{990}$$

$$= 1 - 0.133$$

$$= 0.87$$

### 3.10 Data ATechniques

Data were presented in frequency tables. The non parametric statistical chi-square and F-test was used to test the hypothesis.

Chi square statistics is the measure of discrepancy between the observed and the expected frequencies. F-test on the other hand, is a test of the difference between more than two population means for small samples. This tools are therefore appropriate of test the hypothesis.

Z – test is the test of the difference between two population means.

The formula for-chi square is given below:

$$X^2 = \sum \frac{(o_i - e_i)^2}{e_i}$$

Where

$O_i$  = Observed frequency obtains after an experiment is carried out

$E_i$  = Expected frequency generating on the basis of speculation

$\Sigma$  = Summation

$X^2 =$  Chi square

### **The degree of freedom**

This is the assumption of certain level of confidence or error margin. The degree of freedom which is significant in the use of Chi-square is presented in the form below.

$$(r - 1) (c - 1)$$

Where:

r = number of rows

c = number of columns

### **Decision Rule**

Reject  $H_0$  if  $X^2_c > X^2_t$

Accept  $H_0$  if  $X^2_c < X^2_t$

Where

$X^2_c$  is Chi-square computed

$X^2_t$  is Chi-square tabulated

### **The formula for F-test:**

$$SST = \sum_j \sum_j X^2_{ij} - \frac{\tau^2}{n}$$

$$SSB = \frac{\sum_j T_j^2}{r} - \frac{r^2}{rk}$$

$$SSE = SST - SSB \text{ or } \sum_i \sum_j (X_{ij} - \bar{X})^2$$

Where

SST = the total sum of squares,

SSB = the sum of squares between group variation,

SSE = the error sum of squares.

R = the number of rows

K = the number of columns.

## **CHAPTER FOUR**

### **PRESENTATION OF RESULTS AND DISCUSSION OF FINDINGS**

The focus of this chapter is on the presentation and analyses of data generated through questionnaires administered to the respondents. The data were presented in tables while inferential and other common statistical aids were used in analysing the data generated.

#### **Presentation of Results**

**Research Question 1:**

**Table 4.1: Questionnaire Distribution**

<b>Category of Respondents</b>	<b>No. Distributed</b>	<b>%</b>	<b>No Retrieved</b>	<b>%</b>	<b>No Not Retrieved</b>	<b>%</b>
Juhel Nig. Ltd	92	31.3	92	100	0	0
Hardis and Dromedal	68	23.3	66	97	2	3
Integrated Chem. Ind. Ltd	62	21.2	59	95	3	5
A.C. Drugs Ltd.	42	14.2	40	95	2	5
Nalin Paint Ltd	29	10.0	28	97	1	3
<b>Total</b>	<b>293</b>	<b>100</b>	<b>285</b>	<b>97</b>	<b>8</b>	<b>3</b>

**Source: Field Survey Work, 2012.**

From Table 4.1, it shows that a total of two hundred and ninety three (293) copies of the questionnaires were distributed to five firms (Juhel Nig. Ltd, Hardis and Dromedas, Integrated Chem. Industries Ltd, A.C. Drugs Ltd and Nalin Paint Ltd). Out of the 293 copies of the questionnaire distributed, only 285 were retrieved while 8 copies were not retrieved.

#### **4.2 Demographic Data Presentation**

The biographic information of the respondents were supplied by section A of the likert scale questionnaire. The first five (5) questions in section A were answered by the tables and analyses below:

**Table 4.2.1: Gender Distribution of Respondent**

<b>Gender</b>	<b>Juhel Nig. Ltd</b>	<b>Hardis and Dromedas</b>	<b>Integrated Chem. Ind. Ltd</b>	<b>A.C. Drugs Ltd.</b>	<b>Nalin Paints Ltd</b>	<b>Total</b>	<b>%</b>
Male	64	47	43	30	16	200	70
Female	28	19	16	10	12	85	30
<b>Total</b>	<b>92</b>	<b>66</b>	<b>59</b>	<b>40</b>	<b>28</b>	<b>285</b>	<b>100</b>

**Source: Field Survey Work, 2012.**

From Table 4.2.1 above, it was observed that 200 respondents, representing 70%, were male, while 85 respondent, representing 30%, were female. This indicated that males were more than females.

**Table 4.2.2: Marital Status**

<b>Gender</b>	<b>CATEGORIES</b>					<b>Total</b>	<b>%</b>
	<b>Juhel Nig. Ltd</b>	<b>Hardis and Dromedas</b>	<b>Integrated Chem. Ind. Ltd</b>	<b>A.C. Drugs Ltd.</b>	<b>Nalin Paints Ltd</b>		
Married	52	39	39	28	19	177	62.1
Single	38	24	20	12	9	101	35.4
Divorced	1	1	0	0	0	2	0.7
Widow/widower	1	2	1	1	0	5	1.8
<b>Total</b>	<b>92</b>	<b>66</b>	<b>59</b>	<b>40</b>	<b>28</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

Table 4.2.2 indicates that 35.4% of the respondents were single, while 62.1% were married. 0.7% were divorced while 1.8% were either widow or widowers.

**Table 4.2.3: Age Bracket**

Age Bracket	CATEGORIES					Total	%
	Juhel Nig. Ltd	Hardis and Dromedas	Integrated Chem. Ind. Ltd	A.C. Drugs Ltd.	Nalin Paints Ltd		
18– 30 years	27	11	15	7	5	65	22.8
31 - 40 years	30	24	20	12	6	92	32.3
41– 50 years	15	13	15	15	10	68	23.9
51– above	20	18	9	6	7	60	21.9
<b>Total</b>	<b>92</b>	<b>66</b>	<b>59</b>	<b>40</b>	<b>28</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

From Table 4.2.3 65(22.8%) respondents were aged 18 - 30 years while 92(32.3%), respondents were aged 31 – 40 years. 68 respondents, representing 21.9% were in age brackets of 41 - 50 years and 60 respondents, representing 21.9% were in age brackets of 51 - above, respectively. This indicated that greater percentage of the respondents were adults who could make informed decision/judgment.

**Table 4.2.4: Academic Qualifications**

<b>Academic Qualification</b>	<b>CATEGORIE S</b>					<b>Total</b>	<b>%</b>
	<b>Juhel Nig. Ltd</b>	<b>Hardis and Dromedas</b>	<b>Integrated Chem. Ind. Ltd</b>	<b>A.C. Drugs Ltd.</b>	<b>Nalin Paints Ltd</b>		
FSCL/WAEC	10	10	7	3	3	33	11.6
ND/NCE	18	11	13	9	7	58	20.4

BA/B.Sc/B.Ed	46	34	29	23	14	148	51.2
MA/M.Sc/MB A	13	10	9	5	4	41	14.4
Ph.D	3	1	1	0	0	5	2.4
<b>Total</b>	<b>92</b>	<b>66</b>	<b>59</b>	<b>40</b>	<b>28</b>	<b>285</b>	<b>100</b>

From the Table 4.2.4 greater number of the respondents (51.2%) were first degree holders or its equivalent. This was followed by ND/NCE holders (20.4%). Master's Degree holders were 14.4% while Ph.D degree holders were 2.4%. The distribution of the academic qualifications of the respondents is an indication of an informal citizens.

**Table 4.2.5: Number of Years of Service**

<b>Variables</b>	<b>CATEGORIES</b>					<b>Total</b>	<b>%</b>
	<b>Juhel Nig. Ltd</b>	<b>Hardis and Dromedas</b>	<b>Integrated Chem. Ind. Ltd</b>	<b>A.C. Drugs Ltd.</b>	<b>Nalin Paints Ltd</b>		
2 – 5 years	16	15	19	10	7	67	24
6 – 10 years	14	14	8	6	5	47	16
11 – 15 years	32	15	13	11	8	79	28
16 – 20 years	21	14	11	9	6	6	21
21 – above	9	8	8	4	2	31	11
<b>Total</b>	<b>92</b>	<b>66</b>	<b>59</b>	<b>40</b>	<b>28</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

Table 4.2.5 indicated that 11% of the respondents have served for 21 years and above; 21% (61 respondent 16 – 20 years; 79 respondents, representing 28% - 11 years – 15 years; 47(16%) respondents – 6 years to 10 years; and 67 respondents (24%) served 6 years to 10 years.

### 4.3 Analysis of Research Questions

In this section, the research questions were presented and analysed. Also, questions on the psychographics of the respondents were presented and analysed.

**Table 4.3.1:** Respondents' view that entrepreneurship has contributed meaningfully to the economic development of Enugu State.

Details		No of Respondents			Percentage	
Strongly Agree			122		42.8	
Agree			119		41.8	
Disagree			6		2.1	
Strongly Disagree			3		1.0	
Undecided			35		12.3	
<b>Total</b>			<b>285</b>		<b>100</b>	

**Source: Field Survey, 2012.**

From Table 4.3.1 122 of the respondents (42.8%) strongly agree that entrepreneurship has contributed meaningfully to the economic development of Enugu State. 119(41.8%) of the respondents merely agree, while 6 respondents (2.1%) disagree. Three (3) respondents representing 1.0% of the respondents strongly disagree, while 35(12.3%) of the respondents were

undecided. The data, therefore indicate that entrepreneurship has contributed to economic development of Enugu State.

**Table 4.3.2: Respondents' view that entrepreneurship fosters economic development through job creation.**

Details		No of Respondents	Percentage
Strongly Agree		176	61.80
Agree		101	35.40
Disagree		1	0.35
Strongly Disagree		1	0.35
Undecided		6	2.10
<b>Total</b>		<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

In Table 4.3.2 176 of the respondents, representing (61.8%) strongly agree to the view that entrepreneurship fosters economic development through job creation. 101(35.40%) merely agree;

while 1 respondents each (0.35%) disagree and strongly disagree. However, 6 respondents (2.10%) were undecided. It can be deduced, from the above data that there is a strongly link between economic development, job creation and entrepreneurship.

**Table 4.3.3: Respondents view that entrepreneurship plays a significance impact in the economic development of Enugu State.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	124	43.50
Agree	112	39.3
Disagree	12	4.2
Strongly Disagree	13	4.6
Undecided	24	8.4
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

From Table 4.3.3 124 (43.50%) of the respondents ticked "strongly agree"; 112(39.3%) of them marked "agree" while 12(4.2%) of the respondents sided "disagree". 13(4.6%) of the respondents

strongly disagree; 24(8.4%) of the respondents were undecided. Therefore, from responses in the above table, this shows that entrepreneurship play a significance impact in economic development of Enugu State.

**Table 4.3.4: Respondents view that entrepreneurship is imperative in economic development of Enugu State.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	134	47.02
Agree	128	44.91
Disagree	1	0.35
Strongly Disagree	1	0.35
Undecided	21	7.37
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

From table 4.3.4 134(47.02%) of the respondents sided "strongly agree" 128(44.91%) ticked "agree" while 1 respondent each (0.35%) answered disagree and strongly disagree, respectively.

Meanwhile, 21(7.37%) of the respondents were undecided. The argument therefore is that since job creation, economic empowerment and wealth creation are strong factors of economic development, which are achieved through entrepreneurship, it is logical to conclude that entrepreneurship is imperative for economic development.

**Table 4.3.5: Indigenization Policy of 1973 was aimed at Boosting Entrepreneurship in the country.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	156	54.7
Agree	116	40.7
Disagree	5	1.8
Strongly Disagree	3	1.0
Undecided	5	1.8
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

From Table 4.3.1 156 respondents (54.7%) strongly agree that the indigenization policy of 1973 was aimed at boosting entrepreneurship in the country. 116 of the respondents (40.7%) agree.

Five (5) respondents (1.8%) disagreed while three (3) of the respondents (10%) strongly disagreed. 5 of the respondents (1.8%) were undecided. This is explicable on the ground that soon after the indigenization policy, so many small and medium scale enterprises began to spraying up.

#### 4.3.6

#### **Respondents view that the indigenization policy afforded Nigerians the opportunity to float SMEs.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	143	50.2
Agree	129	45.3
Disagree	3	1.0
Strongly Disagree	4	1.4
Undecided	6	2.1
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

From Table 4.3.6 143 of the respondents, representing 50.2%, strongly agreed that the policy afforded Nigerians the opportunity to float small and medium scale enterprises. 129 respondents, representing 45.3% merely agree while 3 respondents (1.0%) disagreed; 4 respondents (1.4%) strongly disagree. However, 6 respondents, representing 2.1% were undecided. Since 95.5% of the respondents strongly agree and merely agree, this suggest that the policy gave rise to SME's.

**Table 4.3.7:**  
**Respondents view that the policy has contributed to entrepreneurship culture.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	138	48.4
Agree	111	38.9
Disagree	12	4.2
Strongly Disagree	9	3.2
Undecided	15	5.3
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

Table 4.3.3 reveals that 138(48.4%) strongly agree that the indigenization policy contributed to entrepreneurship culture. 111(38.9%) of the respondents agree while 12 respondents, representing (4.2%) disagree. Nine (9) of the respondents (3.2%) strongly disagree; 15(5.3%) were undecided. This suggests that the enterprising spirit and the under to food industries by Nigerians was sparked off by the policy.

**Table 4.3.8: Respondents views that government's entrepreneurial strategies have improved entrepreneurial organizations.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	108	37.90
Agree	92	32.28
Disagree	15	5.26
Strongly Disagree	13	4.56
Undecided	57	20.00
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

Data in Table 4.3.8 show that 108(37.90%) of the respondents strongly agree that governments' entrepreneurial strategies have improved entrepreneurial organization. 92 respondents (32.28) agree while 15(5.26%) of the respondents (4.56%) strongly agree while 57 respondents (20%) were undecided

Three above data corroborate the view that some of the incentives given by government to boost entrepreneurship have improved entrepreneurial organizations. Such government strategies include; DFIs, NIDB, NACB, NBCI, FMBN, UDB, PBN, IDCs, DFRRI, NERFUND, NDE etc

**Table 4.3.9: Respondents' view that entrepreneurial culture can be facilitated by individual, micro and government encouragement.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	88	30.9
Agree	103	36.1
Disagree	29	10.2
Strongly Disagree	27	9.5
Undecided	38	13.3
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

Table 4.3.8 indicates that 99(30.9%) of the respondents strongly agree. 103(36.1%) of them merely agree. 20(10.2%) respondents ticked "disagree", while 27(9.5%) answer "strongly disagree". 38 respondents (13.3%) were undecided. This shows that for entrepreneurial culture to subsist, individual, micro and government encouragements must play impacts.

**Table 4.3.10: Respondents views that government can facilitate the development of entrepreneurial culture through the creation of enabling laws, policies and financial aids.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	168	59.00
Agree	112	39.2
Disagree	0	0.00
Strongly Disagree	0	0.00
Undecided	5	01.80
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

In Table 4.3.10 indicate that 168(59%) of the respondents strongly agreed while 112 (39.2%) of the respondents merely agreed. Also, the data show that no respondent neither disagreed nor strongly disagreed. Only 5 respondents (01.8%) were undecided. This therefore suggest that entrepreneurial culture can no doubts be facilitated by enabling laws, government policies and financial aids.

**Table 4.2.11: Respondents**

views that government can also foster  
entrepreneuria developmen  
l t through infrastructural  
development.

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	126	44.21
Agree	95	33.33
Disagree	7	2.46
Strongly Disagree	19	6.67
Undecided	38	13.33
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 201**

From Table 4.3.11 above, 126(44.21%) of the respondents answered "strongly agree", while 95(33.33%) of them side "agreed". 7 respondents (2.46%) disagree while 19(6.67%) strongly disagree. Meanwhile 38 respondents (13.33%) were undecided. The ration of respondents who agree/strongly agree was higher to the ration who disagree/strongly disagree. This suggests that infrastructure development such as electricity road network etc. can accelerate entrepreneurial development.

**Table 4.3.12: Respondents views that difficulties in accessing loan is one of the challenges of entrepreneurial development.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	118	41.40
Agree	95	33.33
Disagree	9	3.16
Strongly Disagree	6	2.11
Undecided	57	20.00
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

Table 4.3.12 shows that 118 (41.40%) of the respondents strongly agreed; 95(33.33%) of the agreed; 9(3.16%) disagreed while 6(2.11%) strongly disagreed. 57(20%) of the respondents were undecided. The pre-conditions for accessing grants and loan by SMEs were cumbersome and posed great challenge to entrepreneurial development.

**Lack of adequate managerial skills pose great  
challenge**

**Table 4.3.13:  
to entrepreneurship.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	113	39.65
Agree	77	27.02
Disagree	38	13.33
Strongly Disagree	23	8.07
Undecided	34	11.93
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

In Table 4.3.13 above, 113(39.65%) of the respondents strongly agree to the view that lack of adequate managerial skills, also, pose great challenge to entrepreneurship. 77(27.03%) of the respondents agree while 38(13.33%) of the respondents disagree. 34(11.93%) of the respondents were undecided. Therefore, there are strongly indications that this together with other challenges/problems is responsible for why most SMEs do not survive beyond ten years.

**Table 4.3.14: Respondents view that recognition of viable business opportunity is one of the problems of entrepreneurship.**

<b>Details</b>	<b>No of Respondents</b>	<b>Percentage</b>
Strongly Agree	95	33.33
Agree	75	26.32
Disagree	63	22.11
Strongly Disagree	9	3.16
Undecided	43	15.09
<b>Total</b>	<b>285</b>	<b>100</b>

**Source: Field Survey, 2012.**

From the data in Table 4.3.14 95 respondents (33.33%) and 75 respondents (26.32%) strongly agree and disagree, respectively to the view that recognition of viable business opportunities is one of the problems of entrepreneurship. 63 respondents (22.11%) disagree while 9 respondents (3.16%) strongly disagree. 43(15.08%) of the respondents were undecided. Therefore, from the percentage of respondents who strongly agree and agree (59.59%), there are indications that some entrepreneurs do not recognize a viable business venture. They just replicate what others are doing (e.g. sachet water business).

#### **4.4 Test of Hypotheses**

##### **4.4.1 Test of Hypothesis 1**

**Ho:** There are negative significant impacts of entrepreneurship in economic development of Enugu State.

**Hi:** There are positive significant impacts of entrepreneurship in economic development of Enugu State.

To test the above hypothesis, data on table 4.3.3 were used. Therefore, we construct a 5(5) contingency table as follows:

**Table 4.4.1: Contingency Table for H<sub>1</sub>.**

<b>Categories of Respondents</b>	<b>Details</b>					<b>Row Total</b>
	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Undecided</b>	
Juhel	52	28	5	5	2	92
Hardis and Dromedas Ltd	27	30	3	5	1	66
Integrated Chem. Ltd	21	25	2	2	9	59
A.C. Drugs Ltd	14	17	1	1	7	40
Nalin Paints Ltd	10	12	1	0	5	28
<b>Column Total</b>	<b>124</b>	<b>112</b>	<b>12</b>	<b>13</b>	<b>24</b>	<b>285</b>

### Operational Assumption

- i) Level of significance = 0.05
- ii) Degree of freedom (Df) = (R-1)(C-1)  
= (5-1)(5-1)  
= 4 x 4  
= 16

Critical value

$$\chi^2_{(0.05,16)} = 7.962$$

$$\text{The test statistic} = \chi^2 = \frac{\sum(o_i - e_i)^2}{e_i}$$

Then, the expected frequency is calculated (see appendix II).

### Conclusion

Since our  $X^2_{cal} = 33.125$  is greater than  $X^2_{(0.05,16)} = 7.962$ , we, therefore reject  $H_0$  and conclude that there are positive significant impacts of entrepreneurship in economic development of Enugu State.

#### 4.4.2 Test of Hypothesis Two

**Ho:** Government policies to an extent do not improve the performance of entrepreneurial Organization in Enugu state.

**Hi:** Government policies to an extent improve the performance of entrepreneurial Organization in Enugu state.

To test the above hypothesis, the data in table 4.3.7 were used. Therefore, we construct a 5(5) contingency table thus:

**Table 4.4.2: Contingency Table for H<sub>2</sub>**

Categories of Respondents	Details					Row Total
	Strongly Agree	Agree	Disagree	Strongly Disagree	Undecided	
Juhel	49	29	3	2	9	92
Hardis and Dromedas Ltd	38	21	3	2	2	66
Integrated Chem. Ltd	24	29	2	2	2	59
A.C. Drugs Ltd	18	17	2	2	1	40
Nalin Paints Ltd	9	15	2	1	1	28
<b>Column Total</b>	<b>138</b>	<b>111</b>	<b>12</b>	<b>9</b>	<b>15</b>	<b>285</b>

Operational Assumption

- i) Level of significance = 0.05
- ii) Degree of freedom =  $(5-1)(5-1)$   
= 4 x 4

$$= 16$$

Critical value

$$X^2_{(0.05,16)} = 7.962$$

Then the expected frequency is calculated (see appendix III).

### **Conclusion**

Since the  $X^2_{cal} = 15.965$  is greater ( $>$ ) than  $X^2_{(0.05,16)} = 7.962$ , we therefore, reject  $H_0$  and conclude that government policies to an extent improve the performance of entrepreneurial Organization in Enugu state.

#### 4.4.3: Test of Hypothesis Three

**Ho:** Macroeconomic policies negatively foster entrepreneurial culture in economic development of Enugu State.

**Hi:** Macroeconomic policies positively foster entrepreneurial culture in economic development of Enugu State.

To test the above hypothesis, the data on table 4.3.9 were used.

Categories of Respondents	Details					Row Total
	Strongly Agree	Agree	Disagree	Strongly Disagree	Undecided	
Juhel	26	30	13	11	12	92
Hardis and Dromedas Ltd	23	26	5	4	8	66
Integrated Chem. Ltd	19	22	5	5	8	59
A.C. Drugs Ltd	12	15	3	4	6	40
Nalin Paints Ltd	8	10	3	3	4	28
<b>Column Total</b>	<b>88</b>	<b>103</b>	<b>29</b>	<b>27</b>	<b>38</b>	<b>285</b>

## Solution

**Ho:** Macro economic policies negatively foster entrepreneurial culture.  $\mu_2 = \mu_3 =$

$$\mu_4 = \mu_5$$

**Hi:** Macro economic policies positively foster entrepreneurial culture. i.e.

$\mu$  are not all equal.

Using F – test, we  
have

$$SST = \sum_j \sum_i X_{ij}^2 - \frac{T^2}{rk}$$

$$SSB = \frac{\sum_j T_j^2}{r} -$$

$$\frac{T^2}{r}$$

$$SSE = SST - SSB \text{ or } \sum_i \sum_j (X_{ij} - \bar{X})^2$$

Where

SST = the total sum of squares,  
the sum of squares between group

SSB = variation,

SSE = the error sum of squares.

R = the number of rows

K = the number of columns.

Let  $\alpha = 0.05$

Since  $k = 5, r = 5, k - 1 = 4, k(r - 1) = 5(5 - 1) = 20$

Where K is the number of columns, r is the number of rows.

$$F_{0.05}(4,20) = 2.87$$

From the table, using formula:

$$SST = \sum_i \sum_j X_{ij}^2 -$$

$$\frac{T^2}{rk}$$

$$= 26^2 + 30^2 + 13^2 + 11^2 + 12^2 + 23^2 + 26^2 + 5^2 + 4^2 + 8^2 + 19^2 + 22^2 + 5^2 + 5^2 + 8^2 + 12^2 + 15^2 + 3^2 + 4^2 + 6^2 + 8^2 + 10^2 + 3^2 + 3^2 + 4^2 - \frac{(285)^2}{5 \times 5}$$

$$= 4907 - 3249 = 1658$$

$$\therefore SST = 1658$$

$$SSB = \frac{\sum_j T_j^2}{r} - \frac{T^2}{rk}$$

$$\begin{aligned}
 &= \frac{88^2 + 103^2 + 29^2 + 27^2 + 38^2 - \frac{(285)^2}{5}}{5} \\
 &= \frac{7744 + 10609 + 841 + 729 + 1444 - 3249}{5} \\
 &= 4273.4 - 3249 = 1024.4
 \end{aligned}$$

.  
 . . .  
 SSB = 1024.4  
 SSE = SST - SSB  
 = 1658 - 1024.4 = 633.60

SSE=633.60

**(ANOVA) TABLE**

<b>SV</b>	<b>DF</b>	<b>SS</b>	<b>MS</b>	<b>F</b>
SST	1	-	-	-
SSB	4	1024.40	256.10	8.08
SSE	20	633.60	31.68	
<b>Tota l</b>	<b>24</b>	<b>1658</b>	-	

$$\text{MSB} = \frac{\text{SSB}}{K - 1} = \frac{1024.40}{4} = 256.10$$

$$\text{MSE} = \frac{\text{SSE}}{K(r-1)} = \frac{633.60}{20} = 31.68$$

$$\text{Fcal} = \frac{\text{MSB}}{\text{MSE}} = \frac{256.1}{31.68} = 8.08$$

$$\therefore \text{Fcal} = 8.08$$

### **Decision Rule**

Reject  $H_0$  if  $F\text{-calculated} > F_{0.05(4,20)}$ , otherwise accept  $H_0$ . Since  $F\text{-calculated} = 8.08 > F_{0.05(4,20)} = 2.87$ , we therefore reject  $H_0$  and conclude that macroeconomic policies positively foster entrepreneurial culture in economic development of Enugu State.

#### **4.4.4 Test of Hypothesis Four**

**H<sub>0</sub>:** Entrepreneurship is not challenged by finances in economic development of Enugu State.

**H<sub>1</sub>:** Entrepreneurship is challenged by finances in economic development of Enugu State.

To test the above table, the F-test was applied using table 4.3.12.

Categories of Respondents	Details					Row Total
	Agree	Strongly Agree	Disagree	Strongly Disagree	Undecided	
Juhel	34	35	2	1	20	92
Hardis and Dromedas Ltd	25	24	0	0	17	66
Integrated Chem. Nig. Ltd	31	12	3	2	11	59
A.C. Drugs Ltd	15	14	3	2	6	40
Nalin Paints Ltd	13	10	1	1	3	28
<b>Column Total</b>	<b>118</b>	<b>95</b>	<b>9</b>	<b>6</b>	<b>57</b>	<b>285</b>

Using F – test since it involves more than 2 observations, we have

$F(k - 1) K(r - 1), \alpha$

Let  $\alpha = 0.05$

Since  $K = 5$ ,  $r = 5$ ,  $K - 1 = 4$ ,  $K(r - 1) = 5(5 - 1) = 20$

Where  $K$  is the number of columns,  $r$  is the number of rows.

$$F_{0.05}(4,20) = 2.87$$

Using the formula:

$$\begin{aligned} SST &= \sum_i \sum_j X_{ij}^2 - \frac{T^2}{rk} \\ &= 35^2 + 34^2 + 2^2 + 1^2 + 20^2 + 24^2 + 25^2 + 0^2 + 0^2 + \\ &\quad 17^2 + 12^2 + 31^2 + 3^2 + 2^2 + 11^2 + 14^2 + 15^2 + 3^2 + 2^2 + 6^2 + \\ &\quad 10^2 + 13^2 + 1^2 + 1^2 + 3^2 - \frac{(285)^2}{5 \times 5} \\ &= 6265 - 3249 = 3016 \end{aligned}$$

$$SST = 3016$$

$$SSB = \frac{\sum_j T_j^2}{r} - \frac{T^2}{rk}$$

$$= \frac{95^2 + 118^2 + 9^2 + 6^2 + 57^2}{5} - \frac{(285)^2}{5 \times 5}$$

$$= 5263 - 3249 = 2014$$

$$\text{SSB} = 2014$$

$$\text{SSE} = \text{SST} - \text{SSB}$$

$$= 3016 - 2014 = 1002$$

$$\text{SSE} = 1002$$

**(ANOVA) TABLE**

<b>SV</b>	<b>DF</b>	<b>SS</b>	<b>MS</b>	<b>F</b>
SS $\mu$	1	-	-	-
SSB	4	2014	503.5	10.05
SSE	20	1002	50.1	
SST	24	3016	-	

$$\text{MBS} = \text{SSB} = 2014$$

$$\begin{aligned}
 & \frac{\blacksquare}{K-1} = \frac{\blacksquare}{4} = 503.5 \\
 \text{MSE} &= \frac{\text{SSE}}{\text{K(r-1)}} = \frac{1002}{20} = 50.1 \\
 F &= \frac{\text{MSB}}{\text{MSE}} = \frac{503.5}{50.1} = 10.05 \\
 & \cdot \\
 & = \\
 \dots \quad F_{\text{cal}} & 10.05
 \end{aligned}$$

### Decision Rule

Reject  $H_0$  if  $F$  calculated  $> F_{0.05(4,20)}$ , otherwise accept  $H_0$ . Since our  $F$  calculated = 10.05  $> F_{0.05(4,20)} = 2.87$ , we therefore reject  $H_0$  and conclude that entrepreneurship is challenged by finances in economic development of Enugu State.

### **4.3 Findings and Discussions**

#### **4.3.1 To find out the significant impact of entrepreneurship in economic development of Enugu State.**

The findings deduced from the survey show that entrepreneurship has great impacts to play in economic development of Enugu State. In fact, at the macro-economic level, policy formulators and implementations, in any society have always viewed entrepreneurship and entrepreneurial development as being imperative in economic development.

In line with the above view points, our findings revealed that entrepreneurship perform significant impact in the economic development of Enugu State. Table 4.3.3 supported that above hypothesis. The table showed that 124 respondents strongly agree; 112 agreed while 12 respondents and 13 respondents disagree and strongly disagree respectively. 24 respondents were undecided. The above data were further subjected to empirical test, applying the chi-square inferential statistical method. The chi-square calculated of 33.125 was greater than the table value of 7.962 at 0.05 level of significance and 16 degree of freedom.

#### **4.3.2 To ascertain the extent that government policies have improved the performance of entrepreneurial organization in Enugu State.**

Again, our findings supported the second hypothesis, which stated that government policies significantly improve the performance of entrepreneurial organizations. In table 4.3.5 our respondents perceived the indigenization policy of 1973 as being aimed at boosting entrepreneurship in the country, arguing favourably that the policy has contributed in developing entrepreneurial culture for economic development. Applying the chi-square goodness of fit, the number two hypothesis was subjected to empirical test, using table 4.3.7. The empirical test reveal that the chi-square calculated of 15.965 was greater than the table value of 7.962 at 0.05 level of significance and 16 degree of freedom.

#### **4.3.3 To examine the extent to which macroeconomic policies foster entrepreneurship culture in economic development of Enugu State.**

The third hypothesis stated that macroeconomic policies positively foster entrepreneurial culture. The data on table 4.3.9 were used to test the validity or otherwise of the above hypothesis. The table showed that 88 respondents strongly agreed; 103 respondents agree; 29 disagree; 27 respondents strongly disagree while 38 respondents were undecided. The data was further subjected to empirical test, using the f-test statistical method. Our result showed that the F-calculated of (8.08) was greater than  $F_{0.05,(4,20)} = 2.87$ . This supported the hypothesis that macro

economic policies positively foster entrepreneurial culture. The truth of this hypothesis is hinged on the various financial policies of government to boost entrepreneurship.

#### **4.3.4 To identify the challenges of entrepreneurship in economic development in Enugu State.**

The fourth hypothesis, which stated that entrepreneurship is hindered by lack of adequate managerial skills and finance, further received empirical support. Also, applying a F-test statistical analysis, our table value of  $2.87 < \text{the value of } F_{cal} \text{ of } 10.05$ . This therefore supported the argument widely held that poor management is one of the major factors that causes business failure. Some entrepreneurs depend on their personal skills in running their enterprise. They could be skilled artisans but may not know the basic principles of management. On the other hand, finance also causes business failures. Some entrepreneurs do not have the financial muzzle to cope with market competition and expansion. As a result, they their business die premature death.

## **CHAPTER FIVE**

### **SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary of Major Findings**

- The study examined the impact and impact of entrepreneurship on the economic growth of Nigeria. Based on an experienced study, the following were the findings of this research work:
- Government policies to an extent improve the performance of entrepreneurial Organization in Enugu state.
- Macroeconomic policies positively foster entrepreneurial culture.
- Entrepreneurship is challenged by finances in economic development in Nigeria

#### **5.2 Conclusion**

On the bases of the above findings, and with particular reference to the theoretical/conceptual underpinnings of the study. The study concluded that entrepreneurship is sine qua non to economic development. The work also concluded that, pursuant to the impact of

entrepreneurship for economic development, a comprehensive approach to the promotion of entrepreneurship rested on favourable economic policies entrepreneurial skills/culture and improvement of entrepreneurial framework condition. Capacity building especially in terms of business knowledge, self confidence, skills and attitude, acquisition and development of entrepreneurial spirit , right business motivation and ability to set the goals are imperatives for entrepreneurial success.

### **5.3 Recommendations**

Based on the major findings above, the following recommendations are made:

- Government should strengthen the policies that would improve entrepreneurship framework conditions. Hence, policy makers should be able to face the question of how to create and/or improve framework conditions conducive to entrepreneurial activities and how to ensure that entrepreneurial skills are allocated to activities adding to the social product.
  - There should be a strict policy framework that can enhance entrepreneurs-government partnership in area of finance, skill development and alliance. The Government should establish fiscal incentives and support such as tax rebate for SMEs which have demonstrated capacities in local source of raw Materials ,value addition to commodities for export as well as other business ethics.

- Government should come up with a new pragmatic and realistic industrial policy that will address the current globalisation challenges as well as the emergent domestic challenges in order to make the Nigerian SMEs globally competitive.
- Government should priorities the SME sector giving it devoted practical and Visible attention with the a view to making it virile, vibrant, focused and productive. SMEDAN should be readily and freely assist prospective entrepreneurs to have access to necessary information relating to business opportunity, modern technology, raw materials, market, plant, and machinery, good and services etc which will enable them to reduce their operating cost and be more efficient and competitive.
- In order to complement governments efforts and realize the objective of revamping SMEs in Nigeria, SME promoters and entrepreneurs should brace up the challenges posit by environment and also maintain quality in their good and services and ensure quality control in all product activities at all levels.

#### **5.4 Contribution to Knowledge**

This work has a distinct contribution to the body of existing literature in the area of entrepreneur and economic development in the Chemicals and Pharmaceutical industry in Nigeria in general and Enugu in particular, because it was able to x-ray the prerequisite for maximizing economic growth and wellness.

Secondly it makes vivid the impact of entrepreneurs in the economic development of the Chemicals and Pharmaceutical industry in Enugu state as it integrates entrepreneur and economic development.

The study concisely positions the economic development as the centre-focus of entrepreneurship goal. It x-rays the impact of government in an emerging economic system and the need for proper training of business investor in the area of resources management, manpower development, and accurate business forecasting and proper adaptation. Also the frontier thrust of entrepreneurs as owners manager is to explore the gray areas of economy and increase/profit

## **5.5 Suggested Areas for Further Studies**

- Future researcher should look at the impact of entrepreneurship in solving the problem of employment and youth empowerment
- Future researcher should also look at the contributions of NERFUND to the development of entrepreneurship in Nigeria.
- Future research should, further, look at the implications of lack of adequate managerial skills and lack of access to finances to the longevity or otherwise of entrepreneurial organizations in Nigeria.

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## QUESTIONNAIRE

Department of Vocational and  
technical  
Course area ( Business  
Education)  
Faculty of Education  
University of Benin  
Benin city.

Dear respondent,

I am a final year student in the Department of Vocational and Technical Education(VTE), course area: Business Education, University of Benin, carrying out a research work on ‘The Impact of Entrepreneurship on the Economic Growth of Nigeria.

kindly answer the questions asked to the best of your knowledge. All information would be used purely for academic purposes and treated with utmost confidentiality.

Thanks for your assistance and co-operation.

**Yours Faithfully,**

**Inughata Courage**

**Instruction:** In each of the questions below, there are given options and boxes. Tick  $\surd$  against any option of your choice in the box provided at the end of each question.

## **SECTION A**

### **DEMOGRAPHIC DATA**

1. Sex: Male [ ] Female [ ]
2. Marital status: Married [ ], Single [ ], Divorced [ ], Widow [ ]
3. Age. 18-30yrs [ ] 31-40yrs [ ] 41-50yrs [ ] 51 above [ ]
4. Academic qualification: FLSC/WAEC [ ], ND/NCE [ ],  
BA/B.Sc./HND [ M.Sc./MA/MBA [ ] Ph.D. [ ]
5. How long do you worked in the firm: Less than 1year [ ], 1-2 years [ ], 4-6 years [ ],  
More than 10 years [ ]

**KEY:**

Strongly Agree SA=4 ,Agree A=3, Disagree D=2, Strongly Disagree SD=1

SN	ITEMS	SA	A	D	SD
RQ1	<b>To find out the significant impact of entrepreneurship in economic development?</b>				
1	Entrepreneurship has contributed meaningfully economic development of Enugu State				
2	Entrepreneurship fosters economic development through job creations				
3	Entrepreneurship plays a significant impact in economic development of Enugu State				
4	Entrepreneurship can therefore be said to be imperative in the economic development of Enugu State				
RQ2	<b>To ascertain the extent that government policies have improved the performance of entrepreneurial organization?</b>				
5	The indigenization policy of 1973 was aimed at boosting entrepreneurship in the country				
6	The policy has afforded Nigerian the opportunity to float large and small medium scale enterprises				
7	The policy has therefore, contributed in developing entrepreneurial culture in Nigeria				
8	Government entrepreneurial strategies have improve entrepreneurial organizations				
RQ3	<b>To examine the extent which macroeconomic policies foster entrepreneurship culture in economic development ?</b>				
9	Development of Entrepreneurial culture can be facilitated by individuals, micro and government partnership				
10	Government can facilitate the development and substance of Entrepreneurial culture through				

	creation of enabling laws/policies and financial aids				
11	Government can also foster Entrepreneurial culture through infrastructure development				
RQ4	<b>To identify the challenges of entrepreneurship in economic development?</b>				
12	Difficulties in accessing loan facilities is one of the key challenge of entrepreneur.				
13	Lack of adequate managerial skills, also pose great challenge to entrepreneur culture				
14	At the individual level, reorganization of variable business opportunities is the entry point to Entrepreneurial culture				