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Articles

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Challenges of Technology-Based Entrepreneurial Firms on Performance Drive in Nigeria

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Abstracts: In today's continuously changing and dynamic business environment, no industry has been left behind by the revolutionary effect of technology. Technology has caused noticeable fundamental changes in the way companies operate and conduct their activities. This empirical paper was guided by a robust conceptual model that identifies the challenges of technological-based firms that manacle their performance drive. Three typologies of challenges namely, internal, external, and external linkages were examined for their effects on performance. Data was collected from top technology-based firms using factor and multiple regression analyses. We found both similarities and dissimilarities in the outcomes of the study. Specifically, both internal and external challenges are significantly associated with the restraints experienced by technology-based firms performance drive. Theoretical external linkages to contest these challenges and managerial implications of the findings are presented.

Keywords: Technology based firms, internal and external challenges, external linkages, performance drive, Nigeria

Introduction

The term technology-based firms (TBFs) in this paper refers to those companies whose sales revenue is generated through the use of at least 51 percent of technology based operations (such as internet, electronics, mechanical, automobile, clean energy, biomedical, communications, telephone, fax companies, etc) Ajagbe, Long, Aslan and Ismail (2012). Whereas, new technology based firms were referred to as recently established firms whose competitive strength come from the knowledge and skills of the employees within the fields of the natural sciences, engineering and medicine, and the subsequent transformation of this knowledge into products and services that can be sold on a market" Rickne, and Jacobsson (1999). Technology is said to date back to the history of man in itself, the times where cavemen had to be innovative in developing tools that aided their day to day activities, such as spears, arrows and clubs (King, Covin and Hegarty, 2003). Authors have referred to technology as more than just machine; they have described it as knowledge stored in hundreds of millions of books or billions of the human brain and into the artifacts themselves (King, Covin and Hegarty, 2003; Terjesen, Patel & Covin, 2011).

The indispensability of technology for organizational effectiveness by Pires and Aisbett (2003), show technology as core in generating new possibilities for the development and improvement of market activities as well increasing efficiency in products and helps businesses to save time and reduce costs. Past studies have documented that technological change can be achieved either through pure invention or process innovation especially through artifacts, methods and processes, tools and materials applied to industrial and commercial purposes (Ajagbe, Isiavwe, Ogbari and Sholanke, 2015).

Albert (2013) digressionally believed technology to be more than machines. In his book "Technology and Future" he stressed the fact against the popular belief that technology was all about the human made and manufactured material that was used in the production process. In line with this belief, Rogers (2003) reported that technology is made up of both hardware and software components.

The high rise of the internet and the explosive growth of computer hardware and software development have led to the phenomenal technological advancement of today. With the high rise of technology, came the rise of technology based firms (Mason and Brown, 2012). Technology based firms which is the main concept in this study has been defined by various researchers as companies that generate sales revenue from the use of at least 51 percent of technology based operations. For example, the internet, electronics, mechanical, automobile, clean energy, biomedical, communications, telephone and so on (Ayodele, Oga, Bundot & Ogbari (2016). This basically implies that the business takes advantage and relies heavily on the use of high technology. The role technology based firms have played in the environment can in no way be overrated. Technology entrepreneurs according to Millar and Choi (2010), use technology as the driving factor in their endeavors to transform resources into goods and services, thereby creating a more conducive environment for the process of industrial growth.

The commercialization of technology based firms have been known to play a tremendously significant role in economic development and has also been regarded as an engine of growth that has brought about rapid industrialization, generated great revenue, wealth creation and improved employment opportunities (Ismail and

Ajagbe, 2013). In today's knowledge driven economy, economic growth depends greatly on innovation. One of the features synonymous with technology based firms is that they have a high level of innovation and export orientation and industrial development which leads to greater globalization. This is done by virtue of their significant size and quantity and their great economic and social contribution. Small and medium sized enterprises should be considered as an important engine that leads to great economic development of every nation (Ajagbe, Long, Aslan and Ismail, 2012).

The technological revolution has taken our economy by storm and is creating additional investments with facilities, software and hardware and also, services and human capital. With all these positive impacts that have been seen, the business world as we know it is evolving rapidly. This is why it is important for us to ask ourselves that despite the numerous significance of technology based firms to economic development, why are there still a minute number of TBFs established in Nigeria? Hence accordingly, the need for the following hypothesis:

H1: Internal challenges have a significant impact on the performance of technology based firms.

H2: External characteristics have a significant effect on the performance of technology based firms.

H3: External linkages have a significant influence on the performance of technology based firms.

Review of Relevant Literature

The concept of technology based firms have been treated by scholars with divers' perceptions, holistically or sectionally. Maine, Shapiro and Vining (2010) defined these new technology based firms as the young and originally small firms that engage in research and development intensive sectors. While (Maula, 2001; Maula, Keil & Zahra, 2013) describe technology based firms as those companies that are privately held which have been in existence for less than six years and carry out operations in the biotechnological, medical and health science, communications, computer software and services, computer hardware or semiconductor industries. These definitions imply that technology based firms are those organizations whose major activities depend on technologically inclined products.

Ajagbe, Long, Aslan and Ismail (2012) gave a comprehensive definition of technology based firms which took recognance of organizational revenue as pivotal to its definition. They argued technological based firms as those companies whose sales revenue is generated through the use of at least 51 percent of technology based operations e.g. internet, electronics, mechanical, automobile, clean energy, biomedical, communications, telephone, fax companies and so on. This can be interpreted to mean that the basic activities of the business rely greatly on the use of high technology.

Mason and Brown (2012) also viewed technology based firms as those businesses that have dealings with either technology related products, processes or services. Technology here can be classified as high, medium or low technology. in line with this study, "new technology based firms were referred to as recently established firms whose competitive strength comes from the knowledge and skills of the employees within the fields of the natural sciences, engineering and medicine, and the subsequent transformation of this knowledge into products and services that can be sold on a market" Rickne, and Jacobsson (1999).

Characteristics of Technology Based Firms

Daramola (2012) grouped technology based firms into the following categories. The high-technology, medium-high-technology, medium – low-technology and low-technology based firms. He believed technology based firms should be categorized according to the type of technology it uses whether it be, a low level of technological products, or a high level of technological innovation.

Another categorization of technology based firms which is extremely similar to the previously stated categorization is that given by Saemundsson (1999) where he divided these firms into the new technology based and the medium technology based firms. Here, the new technology based firms are viewed as the newly developed firms who use their employees' knowledge, skills and expertise in their areas of specialty such as the sciences and engineering to gain competitive advantage by producing innovative products and services (Rickne and Jacobsson, 1999). While the medium technology based firms are seen as an extension of the original technology based firms who have undergone several developments which in turn result in the expansion of these firms. Although very similar, these categorizations differ in the sense that while Daramola (2012) focus was on the level of technology and innovations used in the organization Saemundsson (1999) was more particular about the actual size of the organization and its growth level.

It is usually more likely to find new technology based firms than the medium sized firms. Carpenter and Peterson (2002) accredit it to the fact that it is difficult for new technology based firms to obtain the financing they need from external sources which in turn impedes the firm's growth and prevents it from becoming a medium sized firm. Another researcher who worked on the characteristics of technology based firms is Zakrzewska-Bielawsk (2010). He described them firstly as an innovative enterprise, then his second categorization was that they are knowledge-based enterprise, and lastly as a company which makes use of modern information technology. Taking a look at technology based firms as an innovative enterprise shall be the first concept we analyze. Schumpeter propounded the classical theory of innovation which opines that innovation is the process of creating new products and services and developing new production technologies also recognizing unique raw materials for formulating advanced solutions for the economy.

The Role of Technology Based Firms in Economic Development

The famous economist, Porter (2003) defines economic development as the process of obtaining a continuous level of advancement that helps increase the standard of living of the citizens in a nation and enables a country to maintain a higher purchasing power over other countries. His belief was focused on the lives of the citizens and the economy as a whole. Another definition which agrees with that given by Porter is, Fitzgerald and Leigh (2002) who believe that it is the job of economic development to ensure the sustenance and elevation of a country's standard of living especially through the development of both human and physical infrastructure from a long term perspective.

It is believed that it is the characteristics that make up this technology based firms that are to be held responsible for the positive effect these firms have on economic development. Zakrzewska-Bielawska (2010) discussed these characteristics in his work and described them as companies based on knowledge, research and development, and effectively utilizes these resources to allow for greater inventions, innovations and technologically advanced products that determine the performance of the whole economy.

The concept of technology based firms cannot be fully discussed without mentioning their impact on economic growth and development. They have been seen to affect other firms directly or indirectly by their number and growth or by providing specialized input for them (Saemundsson 1999). Countries are now paying significant consideration to the issue of industrial reformation. Studies by researchers such as Jacobsson and Philipson (1996) have shown that the strength of most of developing countries industries is found within their traditional industries whose growth rate is usually slower than average. Schumpeter (2013) was one economist responsible for showing us that the prime movers in this modern economic developing world are the new business ventures and their entrepreneurs. They are responsible for encouraging technological innovations in industries, creating new jobs, and generating wealth for the society (Tushman, and Anderson, 2004).

From several bodies of knowledge, we can come to the consensus that these firms, especially the new technology-based firms' play a great part in contributing efficiency of the economy (Audretsch, 2003). Pinkwart and Proksch (2014) in their research on new technology based firms found out that these firms are responsible for a large number of new jobs, the development of new technologies, and are an important source of growth for the economy.

Challenges of Technology Based Firms

Large bodies of work from researchers have always focused on what technology based firms mean and what they are all about. We have continuously been told that technology based firms are a major tool for economic development. But for us to truly have an in-depth understanding of technology based firms, it is crucial for us to understand that these firms face a lot of challenges even more than ordinary startups and these problems impede their growth and are responsible for some of the reasons why some of these firms pack up and die. For the purpose of this study, we have divided the problems into three categories (Lee, Lee and Pennings, 2008).

The first problems are the internal challenges these firms face which consists of factors such as; entrepreneurial orientation, finance, and other factors. The second category refers to the external problems. It takes a look at factors such as competition, technological advancement and the unpredictable market place. The last source of challenges would be observed from the perspective of the role of external linkages; these are factors such as the partnership and sponsorship.

Internal Challenges

The resource based literature suggests that a firm's competitive advantage is determined by its internal resources (Mason and Brown (2012). It believes that how the firm functions and carries out its activities essentially affects its performance. Therefore, importance has been placed on analyzing the internal challenges faced by a firm. It is believed that these challenges are very important and can be responsible for organizational failure if not properly handled and controlled. The internal challenges adopted for this study include entrepreneurial orientation, technological capabilities, financial stability, lack of qualified personnel, and attitude of employees towards change.

Entrepreneurial Orientation

The concept of entrepreneurial orientation refers to the methods and styles an organization uses to apply the start-up's founding strategy (Lumpkin and Dess, 1996; Miller, 1983). Entrepreneurial orientation is viewed at the firm level rather than at the individual level. Miller (1983) propounded the three dimensions of entrepreneurial orientation which are innovativeness, risk-taking propensity, and proactiveness. These have also been accepted by other researchers such as Covin and Slevin, (1989), Lumpkin and Dess (1996) who have extended the studies on them.

A number of studies have compared the relationship between entrepreneurial orientation and an organizations performance and it has been proven that a firms entrepreneurial orientation plays a major role in determining the organizations success (Covin and Slevin, (1991); Lumpkin and Dess, (1996)). It is important to note that entrepreneurial orientation is not a commodity that can be bought in the market, rather it is an intangible concept that has to be embedded in an organizations activities and routines and should be adopted by all the members of an organization.

The first dimension of entrepreneurial orientation is innovativeness. Innovativeness is a term which refers to a firm's ability to continuously generate new ideas, to experiment on new ideas and products, and also to ensure that it carries out proper research and development to create new products and processes (Lumpkin and Dess, 1996). Innovation is particularly essential for technology based firms considering the dyamic nature of technology.

Technological Capabilities

Technological capabilities are an important part of the resource based view of any organization. They refer to the level of an organizations internal technological know-how. Technological capabilities include a firm's technological knowledge, its patents, its production processes and practices, and all those technologically based factors that act as a source of sustainable competitive advantage for organizations (Zakrzewska-Bielawska, 2010). Every TBF is established and based on technology innovations. Their main activities are focused on exploiting these innovations. These capabilities are particularly important to technology based firms especially due to the fact that the relevance of these firms are based on their continuing improvement on their technological capabilities (Yu-Shan Su, Tsang and Peng, 2012).

Financial Stability

Financing is a very important input in high-tech business enterprises majorly for the smooth running of daily operations such as the acquisitions of assets and the employment of qualified employees. The major source of finance for technological firms is loans from banks and other finance companies. TBF's depend to a great extent on them to fund them for their research and development, investments, and production processes (Ajagbe, Long, Aslan and Ismail 2012). But these firms face a lot of problems while trying to obtain financial resources. Lending institutions do not tend to lend to TBF's due to the following reasons.

First of all, the lack of expertise in this sector is a source of concern to banks when considering these companies for loans. For financial institutions to finance TBF's, it is required that they are very knowledgeable about which industries they are investing into and they should be familiar with the technologies and technological processes (Mason 2010). But with the rate of innovations in these TBF's, banks are not always knowledgeable about all these, which then prevent them from investing in these companies (Lerner 2010).

Secondly, we have the unavailability of collateral security as a factor that hinders banks from investing in TBF's this is especially the case in new technology based firms. New technology based firms are sometimes known for exploiting new technological innovations and traditional and the very conservative lending institutions are not readily willing to invest in ideas. They prefer to invest in ideas that are old and tested. In the case of debt financing, NTBF's may find it difficult to raise debt finance as it is required of them to provide sufficient collateral (Lerner 2010).

The third factor that prevents financial institutions from investing in TBF is the high risk nature in that sector. Institutions can never fully predict which investments are good or bad (Harrison (2010) and Moore (1994)). Banks usually do not employ enough specialists; therefore it is cumbersome when it becomes time for them to analyze these TBF's as they do not understand which companies are good investments and which ones not to invest in (Ajagbe, Long, Aslan and Ismail 2012). Technology firms are viewed as being very risky due to the nature of their job description therefore it is harder for them to obtain financial assistance from financial institutions and they usually have to pay a certain fee to obtain external resources from banks, suppliers or other firms (Lee, Lee and Pennings 2008).

External Challenges

A firm's external environment according to Pearce et al, (2012) and Machuki and Aosa (2011) can be defined as the totality of all environmental factors that affect an organization's activities and impact its performance level. It consists of opportunities, problems, or any other constraints. It is impossible for any organization to survive without interacting with its external environment. The external environment is outside the organizations control, therefore it is the job of the organization to design its internal environment in such a way that it would cope with the changes in its external environment. For organizations to perform well, it needs to have an avid understanding of the environment which it operates in and know which factors that can either help or inhibit its success (Savedoff, 1998). It is through the analysis of the external environment that managers and employees are able to develop strategic plans for the organization (Ward and Lewandowska, 2008).

External Linkages

According to Pfeffer and Salancik (1978), organizations tend to depend largely on their external environment due to their inability to cover the entirety of their value chain. Some organizations are lacking when it comes to their needed resources therefore they outsource certain parts of their value chain and find other organizations with the ability to complement them in the areas where they are lacking.

According to (Aldrich and Zimmer, 1986) these networks are very important to developing firms as they help in discovering business opportunities; they serve as a medium for testing ideas and also help in the gathering of resources. Due to the high risk nature of technology based firms, potential sponsors and partners are usually unwilling to be linked and invest their time, capital and resources in these technology start-ups since their survival rate is never certain. Uzzi (1996) believes that reliable ties with strong standing partners or sponsors can go a long way in enhancing the position of these start-up firms. For the purpose of this study, we shall be observing the 'partnership based linkages' and the 'sponsorship based linkages'.

Partnership Based Linkages

Partnership based linkages also known as cooperative bilateral relationships are relationships between organizations and environmental constituents or external factors. Lee, Lee and Pennings (2008) believed there to be four kinds of partnership-based linkages responsible for promoting start-up performances which include other enterprises, venture capitalists, universities and research institutes

The first partnership based linkage is the strategic alliances with other enterprises. This includes relationships with other bodies which might serve as a complementary factor to these technology based firms such as the customers, suppliers and other organizations. Strategic alliance has been seen to have two positive advantages on technology based companies. The first way strategic alliance provides help to technology based firms is the direct approach whereby these firms provide the necessary knowledge and information, technical, managerial and financial assistance and any other needed resources (Hitt et al., 2000). The second method is less direct whereby the partners help the technology start-ups gain the necessary resources from third parties. Strategic alliances with already well established companies gives new technology based firm the image of an organization with a viable rate of success (Stuart et al., 1999).

Venture capitalists serve as the second partnership based linkage. Situations whereby venture capitalists invest in new technology start-ups tend to be very favourable for these organizations based on the fact that the venture capitalists not only provide financial assistance but also give advice and play a part in the management of the organization to ensure return on their investment (Sapienza, Manigart, and Vermeir, 1996). External elements such as suppliers, investors, buyers and employees view the involvement of venture capitalists in a positive light. According to Stuart et al., (1999) this partnership shows to outsiders that the start-up enjoys favourable prospects.

The third source of partnership linkages for technology start-ups is collaboration with universities and research institutes. These bodies serve as a very useful tool for technology based firms because due to the dynamism of technology, these organizations need access to a continuous source of technological knowledge. Partnering universities also help to further the education of employees (Saxenian, 1994). Ultimately, this partnership gives technology based firms access to high-caliber researchers which help this technology based firms remain relevant. Therefore, universities have been seen to be of use both by encouraging technology development and providing qualified employees (Powell, Koput, and Smith-Doerr, 1996).

To be concise, partnership based linkages of technological start-ups aid the organization in obtaining complementary assets from external bodies.

Sponsorship Based Linkages

Sponsorships can be viewed as a one way relationship where by an outside party provides support for another firm. Certain researchers view it as a marketing tool that companies have been known t take advantage of to enable them develop a higher customer base and obtain more profits (Oladunni 2010). This enables such firms to gain a higher advantage when dealing with competitors. Lagae (2005) defines sponsorship as a business agreement between two parties whereby one party known as the sponsor provides money, goods, services or know-how while in exchange, the sponsored party (individual, event or organization) offers rights and associations that the sponsor utilizes commercially.

As already established, companies established for the main purpose of exploiting an innovation are not always known to possess a certain level of financial security. According to Miller (1983), small firms are responsible for a greater amount of innovations than firms which have been in existence for a long period of time. This has been found to be so because new and small firms are greater risk takers than the bigger firms in the market.

Lee, Lee and Pennings (2008) believe that the availability of sponsorship plays a great role in increasing the availability of external resources, and lead to greater organization growth. These have been seen to reduce the potentially harmful effects that are usually found in the beginning stages of technology based firms. New technology based firms seek the support of sponsors because these sponsors have been found to protect new establishments from the adverse environmental threats.

Sponsorship from companies with high rankings tends to enhance the legitimacy and improve on the prestige of newly established technology based firms (Stuart et al., 1999). Research has also shown(that support from government bodies goes a long way in opening doors and providing access to scare resources for technology based firms (Davis, Bagozzi, and Warshaw, 1989; Saadé, Nebebe and Tan (2007). Innovations are built on knowledge, therefore sponsorships from universities and educational bodies provide technology based institutions with access to their required knowledge (Alharbi and Drew, 2014). In summary, sponsorship based linkages of a technological start-up helps the firm to gain complementary external resources, to enable them dispose the output with better terms, and to identify and develop new entrepreneurial opportunities (Lee, Lee and Pennings, 2008).

Recent studies (Onetti, Zucchella, Jones and McDougall-Covin, 2012) have been carried out in different contexts in an attempt to determine the relationship between the challenges technology based firms face and their performance.

Lee, Lee and Pennings (2008) carried out a research on the relationship between "Internal Capabilities, External Networks, and Performance: A Study on Technology-Based Ventures". These researchers strongly believed that the challenges in the internal environment and external networks of technology based firms have a major impact on the firms overall performance. While carrying out their study, they viewed internal capabilities from the resource based perspective, where they used elements such as entrepreneurial orientation, technological capabilities, financial stability, lack of qualified personnel, and attitude of employees towards change to analyze the internal environment of the organization. They concluded that entrepreneurial orientation has a positive effect on firm performance. From their research, they discovered that high level of innovativeness, risk taking and proactiveness may not lead to a significant increase in sales growth during their first two years, but after the first two years, it tends to have a significant impact (Onetti, Zucchella, Jones and McDougall-Covin, 2012).

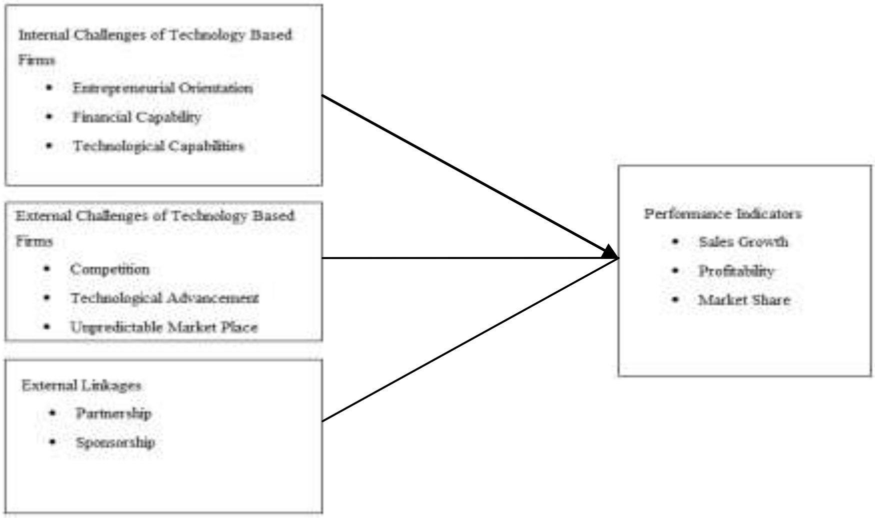
Lee, Lee and Pennings (2008) realized that linkages to other enterprises through partnerships do not have any main effects or interaction with internal capabilities. Sponsorships and partnerships were found to be rare with the TBF. The companies which had strategic alliances were seen to be aligned with other small firms and therefore these ties were not able to provide sufficient resources or reputation. In contrast, companies that were aligned to venture capital companies were found to be impacted significantly. This is based on the fact that venture capital companies that invested in the startups had an incentive to see the firm succeed. Venture capitalists were also found to provide financial resources and management skills which helped the TBF's generate more wealth from their internal capabilities (Onetti, Zucchella, Jones and McDougall-Covin, 2012).

Saemundsson (1999) in his work analyzed various perspectives and how they affect firm growth. His opinion of the innovation system was that it leads to the growth of these TBF. He observed that some companies are great producers of innovative technologies while some are not involved in innovation practices at all. The fastest growing companies were seen to be those with the highest level of research and development (Freeman, 1994).

The second factor that was analyzed in his work was growth willingness. According to Davidsson (1989) a relatively few number of owners of small firms are innovative, change oriented and seek out new business opportunities. This can be linked to the entrepreneurial orientation of the manager or owner. Organizations that accepted change and viewed it in a positive light were more likely to grow than their counterparts who were afraid of change. Although Davidsson had this belief, researchers such as; (Onetti, Zucchella, Jones and McDougall-Covin,

2012) found no direct link between the willingness of the firm to grow and actual future growth of the firm. This study shows us that technology based firms face a number of challenges and these challenges are what affect the growth of new technology based firms into medium technology based firms.

Schematic Model Capturing Technology based firm Challenges



Source: Authors' own conceptualization.

Materials and Method

The study adopted the cross-sectional longitudinal research design with a mixture of descriptive, survey and expost-facto research design. The survey is suitable in recitation of large populations, being cost effective coupled with its ability of high information accessibility. Consequently, very large samples are feasible, making the results statistically significant even when analyzing multiple variables (Anderson 2010). Inferential and descriptive statistical analysis were used for different aspects of the study in relation to the internal and external challenges of technology based firms in Nigeria (Lou, Cao, Zhang & Ahn,, 2017). The study was designed to combine primary survey – based data from headquarters of five top-technology based companies in Lagos metropolis with secondary information from Ebsco online data base and past researches on topics related to this work. The choice of Lagos is due its proximity and strategic locations of large technology based companies from where a purposive selection of the top five technology based firms were selected for the study but due to the stipulations of the organizations and lack of adequate time, only two of the top technology firms were eventually used. The total of the five firms gave a total of 366 employees as the sample size, but the two selected firms gave a total of 175 employees. Therefore, a total of 175 employees were randomly sampled. According to Hair, Black, Babin and Anderson (2010) it was argued that 100 to 200 questionnaires are suitable enough for a large population.

Data analysis was performed using the Statistical Package for Social Sciences (SPSS) version 22.0. The comprehensive nature of the package provided opportunity to extract exhaustively all desired information and statistics. Data were disaggregated by companies possibly to show inherent variations among various characteristics of the two companies sampled. The hypotheses formulated were tested using multiple regression analysis to predict relationships. Overall, data were segregated by companies to show variations that are existing among some selected variables. Content validity of the questionnaire was used to enhance the review of questionnaire items used by previous researchers while the face validity was attained by experts re-examining the instrument and relevant adjustment implemented. The coefficient alpha (α) or Cronbach's alpha was used to measure the internal consistency between the multiple measurements of the variables. To estimate the effect of challenges on performance drive, the regression were operationalized. The independent variable was referred to as repressor or predictor variable (X) while the dependent variable (Y) is referred to as the response has the following equations:

Y=f(x), where Y represents performance and X represents challenges of TBFs.

Y= (y1, y2…yn) where we have Y1= Profitability, Y2= Sales growth, Y3= Market share. Similarly, x=(x1, x2…xn) where: X1= Internal challenges, X2= External challenges and X3= External linkages

Analysis and Findings

Hypothesis One

H01: Internal challenges have no impact on the performance of technology based firms

Ha1: Internal challenges have an impact on the performance of technology based firms

Table 1, ANOVA output for hypothesis one

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.295	9	3.255	11.109	.000[a]
	Residual	43.892	150	.293		
	Total	73.188	159			

a. Predictors: (Constant), quali, aggre, inno, react, fina, capa, auto, risk, Attitu

b. Dependent Variable: perf

Source: Author's Field Survey Result (2017)

The F-value is the Mean Square Regression (3.255) divided by the Mean Square Residual (0.293), yielding F=11.109. From the results, the model in this table is statistically significant (Sig =.000) and hence the null hypothesis was rejected. Therefore, internal challenges have significant effect on the performance of technology based firms at F = 11.109. Hence, the alternative hypothesis is accepted.

Hypothesis Two
H02: External characteristics do not affect the performance of technology based firms

Ha2: External characteristics have an effect on the performance of technology based firms.

Table 2, ANOVA output for hypothesis two

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.617	3	5.872	16.494	.000[a]
	Residual	55.570	156	.356		
	Total	73.188	159			

a. Predictors: (Constant), dyna, advan, compe

b. Dependent Variable: perf

Source: Author's Field Survey Result (2017)

The F-value is the Mean Square Regression (5.872) divided by the Mean Square Residual (0.356), yielding F=16.494. From the results, the model in this table is statistically significant (Sig =.000) and hence the null hypothesis is rejected. Therefore, external characteristics has significant effect on the performance of technology based firms at F = 16.494. Hence, the alternative hypothesis is accepted.

Hypothesis Three
H03: External linkages have no influence on the performance of technology based firms
Ha3: External linkages have an influence on the performance of technology based firms

Table 3, ANOVA output for hypothesis three

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	21.372	2	10.686	32.382	.000[a]
	Residual	51.815	157	.330		
	Total	73.188	159			

a. Predictors: (Constant), sponsor, partner

b. Dependent Variable: perf

Source: Author's Field Survey Result (2017)

The F-value is the Mean Square Regression (10.686) divided by the Mean Square Residual (0.330), yielding F=32.382. From the results, the model in this table is statistically significant (Sig =.000) and hence the null hypothesis was rejected. Therefore, external linkages influence the performance of technology based firms at F = 32.382. Hence, the alternative hypothesis is accepted

Table 4, showing Results of Model Analysis

Proposed Relationship	Hypothesis	Coefficient	T -Statistics	Rejected/Accepted
IC→T	H_1	.234	1.312	Accepted
		.019	3.339	Accepted
EC→T	H_2	.249	3.308	Accepted
		.329	4.592	Accepted
EL→T	H_3	.453	6.626	Accepted
		.223	3.271	Accepted

Discussion of Findings

The findings from Hypothesis one showed that internal environment has a significant effect on performance of technology based firms. This is in line with the study of Onetti, Zucchella, Jones and McDougall-Covin, (2012) who argued that high level of innovativeness, risk taking and proactiveness may not lead to a significant increase in sales growth during their first two years, but after the first two years, it tends to have a significant impact. Subsequently Hypothesis two indicated that external environment has a significant effect on performance of technology based firms. This aligns with the study of Lee, Lee and Pennings (2008) which showed that the challenges in the internal environment and external networks of technology based firms have a major impact on the firms overall performance. In the same vein, hypothesis three revealed that external linkages influence the performance of technology based firms. This supports the study of Saemundsson (1999) which showed that companies that were aligned to venture capital companies were found to be impacted significantly

Summary and Conclusion

In this study, the authors examined the challenges of technology based firms. The possible challenges of these firms were explored. In addition, both the internal and external environment of these firms was evaluated and the findings showcased the level of contributions of each of these environmental factors. Based on the findings of this study, it can be concluded that internal challenges especially the level of entrepreneurial orientation of the firm as well as the external environment and external linkages affect the performance of technology based firms.

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Implementing a Web Based On-Demand Mentorship Platform for Young Entrepreneurs

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Abstract: Over 90 percent of startups fail after the first five years of kick-off in many developing economies like Nigeria due to the lack of entrepreneurial experiences, understanding of the environment and relevant insights required to handle peculiar challenges that come with running a startup company. Entrepreneurs and founders of startup companies can, therefore, improve the longevity of startups and mitigate the degree of startup failures if they can be equipped with the required knowledge and capacity. Such capacity can be harnessed from years of experiences gathered from trying, making efforts, succeeding and failing. However, entrepreneurs and founders, who are starters or lack substantial experience, may contribute to the failure rate of startups. This, nevertheless, can be addressed by taking advantage of those who have already gathered substantial experiences. These are referred to as mentorship in this study. Thus, a sound relationship between an experienced entrepreneur (mentor) and a starter entrepreneur (mentee) can enable the transfer of knowledge that mitigates the failure rate of startups. This study, therefore, seeks to explore the development of a web-based mentorship platform, where experienced entrepreneurs and young entrepreneurs meet and transfer knowledge. The platform is meant to give young entrepreneurs a leverage such that they harness the already existing experiences of experienced entrepreneurs, such as their failures, successes, methods, leadership styles and efforts. This will foster mentorship relationships, quick-finding help, and knowledge-sharing such that the failure rate of startup companies in Nigeria is reduced.

Keywords: Entrepreneurship; Innovation; Mentorship; Web

1. Introduction

Entrepreneurial education has been accepted as one of the means of empowering the youth to tackle the high rate of unemployment in Nigeria (Oyelola, Igwe, Ajiboshin & Peluola, 2014). This has motivated the rise of startups in different industries such as fashion, information technology, foods, and drinks to just mention a few. But the high failure rate of startups is a limitation to the efforts for a sustainable economic growth in Nigeria. Hence, it is insufficient for the youth to only go through entrepreneurial educational programmes without acquiring the necessary practical knowledge and capacity to succeed as an entrepreneur in their respective environment. As discussed by (Oluwatobi, Olurinola, Atayero & Ogundipe, 2016) the quality of a nation's human capital determines the level of entrepreneurial innovation and economic development. Therefore, capacity building in entrepreneurial activities through mentorship programmes can make the difference in effecting an upward curve in the success rate of startups. This can be validated from fact that a consistent and enduring mentorship in the outcome of a youth's endeavour has proven to be the difference between the successful or failing youth (Bruce & Bridgeland, 2014), as it seeks to engage the youth in making healthy decisions that would yield the realization of their hidden potentials. Mentoring sessions require at least a physical meeting place and an appointed time but with the advancement in Information technology, several communication tools have been utilized to make virtual mentoring possible. Mentors can now use these tools to transfer the knowledge and build capacity required by the mentees. However, with the prevalent online applications and platforms, which address differing specific challenges, there are a few platforms such as iMentor Africa that are seamlessly bespoke mentoring solutions. Moreover, the approach taken by iMentor Africa is limited to the virtual world. This study therefore seeks to propose a framework for a web-based on-demand mentorship platform that provides the advantages of mentoring sessions taking place both online and onsite. The rest of this paper is structured as follows: Section 2 presents the literature review. In Section 3, the methodology is presented. Section 4 presents the results of this work as Section 5 discusses the results obtained while Section 6 provides recommendations and concludes the paper.

2. Literature Review

Entrepreneurship is a significant element that adds to the economic development and growth of a nation. It has been widely studied in literature from different perspectives and is becoming a global phenomenon (Clarysse & Moray 2004).

Different authors have tried to define entrepreneurship yet there is no universally accepted definition. But in this paper we will consider the definition given by Chigunta (2002), that entrepreneurship is "the practical application of enterprising qualities, such as initiative, innovation, creativity and risk-taking into the work environment (either in self-employment or employment in small start-up firms), using the appropriate skills necessary for success in that environment and culture". Furthermore, Aldrich and Yang (2012), gave a definition of who an entrepreneur is by defining an entrepreneur as somebody who is endeavoring to begin his or her own particular business, or the individuals who are at present dealing with their business.

Information on and the idea of entrepreneurship as a suitable profession spurs the interest of young people to become entrepreneurs (Uddin, 2015) and as a result, new businesses are springing up almost every day, yet failure rates of new businesses remain very high (Jones, Macpherson & Jayawarna, 2013). This is because people are not getting the blueprints and relevant tools needed to build these businesses (Aldrich & Yang, 2012).

According to the survey carried out by Global Entrepreneurial Monitor (GEM) in Nigeria in 2013, 82% of young Nigerians were identified as potential entrepreneurs with relevant skills. However, only 40% said that they intend to start a business themselves, and 22% are actually in the process of setting up on their own. The reason for the big difference was as a result of inadequate information on the opportunities and challenges they will encounter as entrepreneurs. This discourages them from going into entrepreneurship as it is hard to start up a business in Nigeria. Other limitations discovered were financial issues and lack of relevant skills. The findings from their survey showed that there is a shortage of adequate training and advice to young entrepreneurs (Aderinto, Obamuyi, Popoola & Obileye, 2013).

A possible solution to the problems identified is the introduction of mentorship. Mentorship is an important aspect for promoting career success. Different studies have been conducted on the concept of mentorship.

According to Kram (1985) in his mentor role theory, he stated that mentors offer career development for growth within the organization, and psychosocial growth, adding to the mentee's personal and professional development.

As a way of definition, Murray (1991), defined mentorship as a "deliberate pairing of a more skilled or experienced person (mentor) with a lesser skilled or experienced one (protégé), with the agreed-upon goal of having the lesser skilled person grow and develop specific competencies". From the definition above it shows that mentors can help young entrepreneurs to grow which could be done through guidance, counselling and providing ways on how to handle situations that are peculiar to new businesses. Therefore, the mentor-protégé relationship is an important avenue for securing required professional counsel and additionally serves as a source of moral support (Hisrich & Peters 2002).

Mentorship programmes where mentors provide guidance and support to emerging entrepreneurs have been found to enhance entrepreneurial traits (Ibrahim & Soufani, 2002). Mentors play a significant role in developing entrepreneurs (Cope & Watts, 2000), by providing focused and personalized support and can also improve an entrepreneur's capacity to perceive new business openings. In order to promote the startup of new businesses, mentorship has been found a tool for enhancing the success of these businesses (St-Jean & Tremblay, 2011; Rigg & O'Dwyer, 2012).

To further stress the importance of mentorship in entrepreneurship, a study was carried out by Lockyer and George (2012) on challenges faced by women in starting businesses and mentoring was found as an effective tool for overcoming those challenges (Lockyer & George, 2012; Smith & Beasley, 2011).

Although there are many benefits that come with mentoring, a lot of researchers have sought to determine what makes mentoring effective and how to improve these program[illegible] entrepreneurs (St-Jean & Audet, 2[illegible]).

The most common means to mentoring is a face to face interaction with a mentor. But with the introduction of technology, mentorship programs have been enhanced. We now have what is called virtual mentorship (E-mentorship), where the mentors and protégés can now interact with one another via the use of web tools such as email, online discussion groups, instant messaging, chats, video conferencing, skype, blogs, wikis and document sharing (Purcell, 2004).

E-mentoring offers a number of benefits such as improvement in the quality of communication and access to more than one mentor or mentee at a time thereby expanding professional networks and granting participants with various perspectives on any given situation (An & Lipscomb, 2010). It can offer a global pool of potential mentors (Bierema & Merriam, 2002; An & Lipscomb, 2010). Headlam-Wells, Gosland, & Craig (2005) also mentioned that the effects of social status, gender, age, and race are diminished as physical characteristics are less visible in electronic communication, thus rendering them less important to the overall exchange.

Therefore, the main goal of a mentor is to provide "just-in-time" support and to add value by transferring the benefits of their education, experience, skills and attitudes (Sullivan, 2000) to these young entrepreneurs to ensure the growth of start-ups and viable entrepreneurial businesses and to contribute to the economic growth of Nigeria.

3. Methodology

This section describes the steps taken in order to achieve the set objective of this research work.

3.1 Requirements Elicitation

The first step taken in the process was to gather the requirements needed to develop the system. The user requirements which are basic features required for the users of the system in order to achieve the goal of setting up meetings were collected. This was done by taking an informal survey in order to develop a minimum viable product, a proven methodology to maximize returns on risk. These requirements also cover the requirements for mentors on the platform which are part of the users. Table 3.1 and 3.2 shows the user requirements for both the entrepreneur and the mentors respectively.

Table 3.1: Requirements for Entrepreneurs

General Requirements
- Users should be able to create an account
- Users should be able to login to the platform
- Users should be able to request a meeting in real time
- Users should be able to cancel a requested meeting
- Users should be able to update their profiles
- Users should be able to view the history of their meetings with mentors
- Users should be able to send a feedback rating after a meeting

- Users should be able to see a map of mentors in real time

Table 3.2: Requirements for Mentors

Mentor Requirements
- Mentors should be able to perform all activities of the entrepreneur
- Mentors should be able to accept and reject meetings from entrepreneurs in real time
- Mentors should be able to get a feedback rating after a meeting

3.2 Programming

The next step after gathering the requirements required to develop the system was the implementation of the platform. The core programming language used was JavaScript which was on the NodeJS run-time environment based on its real-time support. The database used was the MySQL database and the AdonisJS framework was used in order to develop a robust platform. Git was used for version control in order to provide a sustainable workflow platform and HTML, CSS and JavaScript were used for the front-end platform with bootstrap as the CSS framework. The Google Maps API was also integrated to support map functionality.

3.3 Deployment

The web application was deployed using a single instance Heroku server with NodeJS and MySQL as add-ons. A website link was created and was shared to prospective users in which all were students, most of which were students of entrepreneurship.

4. Results

This section describes the results from this research work.

4.1 User Interfaces

This section contains the different user interfaces for the users of the web application.

4.1.1 The Signup Page

Fig. 1 shows the signup page which contains the form filled by new users. It contains details such as the email, first name, last name and interest of the user.

Fig 1: The Signup Page

4.1.2 Home Page

Fig. 2 shows the home page which is the primary page users see after login. Here users can perform activities such as requesting a meeting and see a history of the meetings. It also cor a map to see where mentors are in real time.

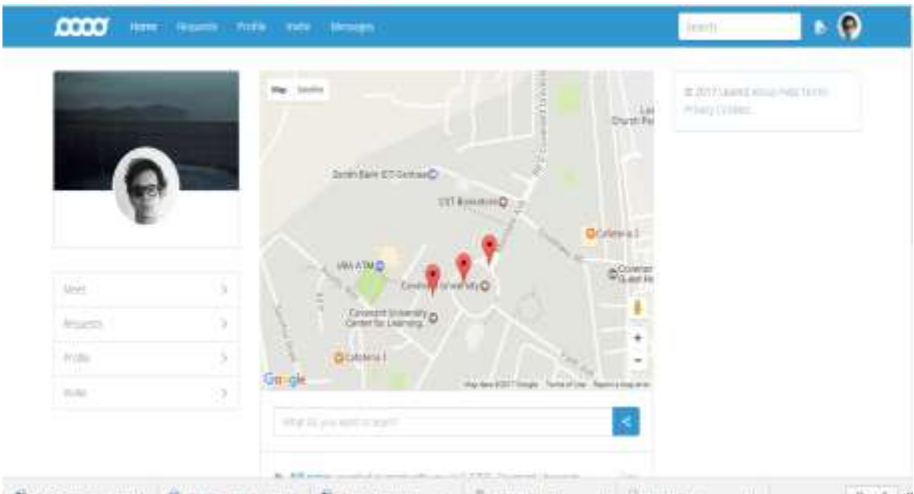

Fig. 2: The Home Page

4.1.3 Profile Page

Fig. 3 shows the profile page which contains the basic details of a given user and the meetings previously held at any given time.

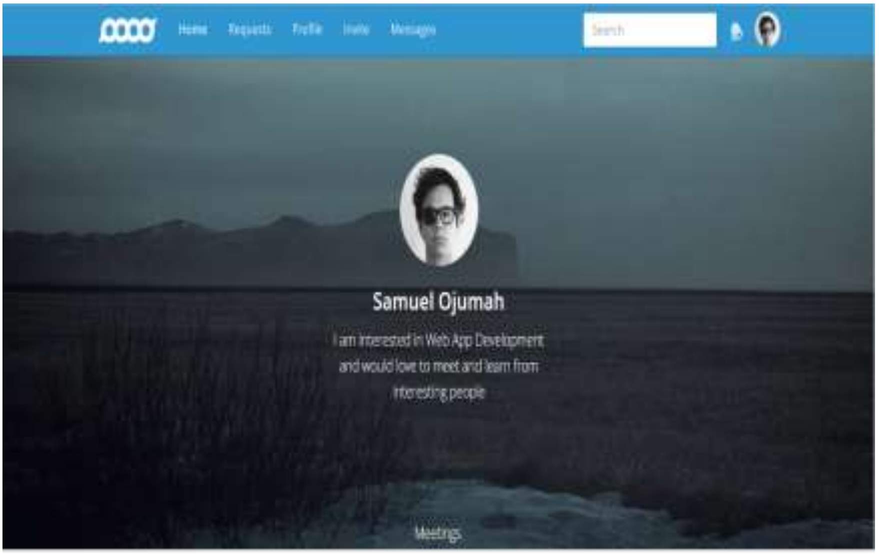

Fig. 3: The Profile Page

4.1.4 Requests Page

Fig. 4 shows the requests page which is a page primarily for mentors and contains the list of entrepreneurs who have sent a request for meeting at point where the mentor has been online.

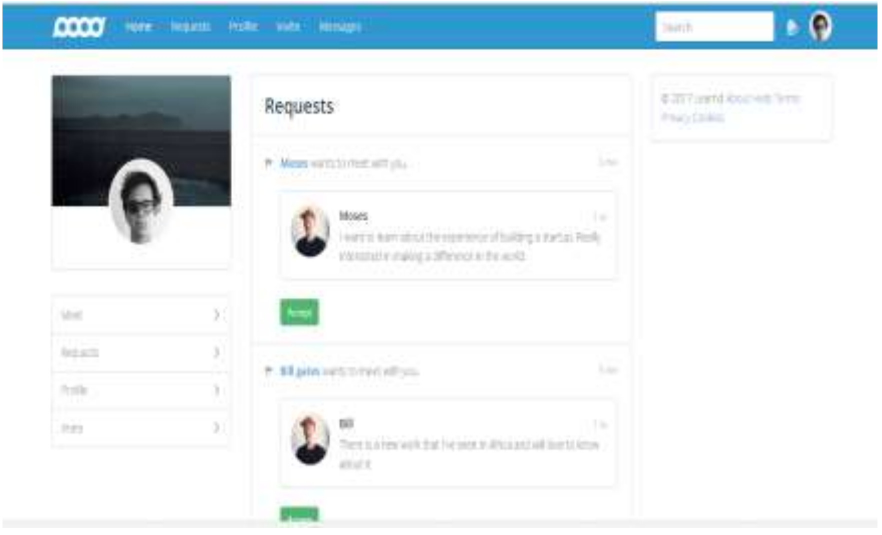

Fig. 4: The Requests Page

4.2 Deployment and User Growth

After deployment and sharing the link to the web application, a total of 13 users out of an expected set of 100 users registered to use the platform. Fig. 5 shows the potential and actual user share of the platform. 100 users registered to use the platform. Fig. 5 shows the potential and actual user share of the platform. However, there have been no meetings as at the time of this writing.

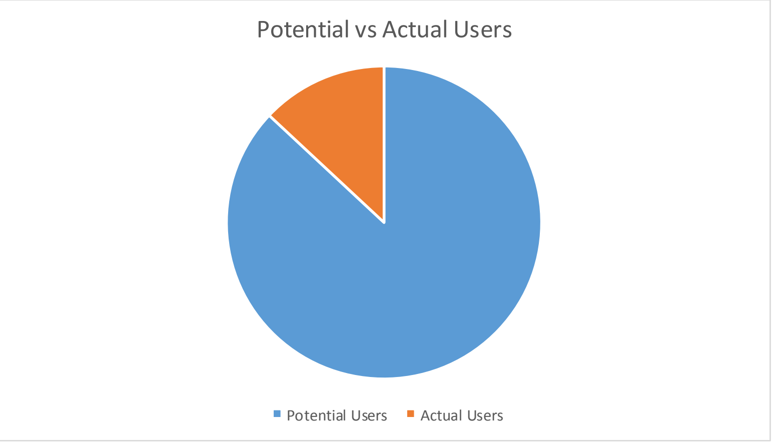

Fig. 5: Potential and Actual user share

5. Discussion

5.1 Effects on the economy

The user growth rate shown in the results validate the need for the platform developed in this work. By focusing on meeting growth instead of raw growth, ideas will be flow freely and more entrepreneurs could potentially be enlightened in their areas of interest. This will cause a ripple effect across the entrepreneurial landscape and lead to higher success rates of startups which will in effect facilitate the growth of the economy where the system is deployed.

5.2 Effects on unemployment

With the development of more successful startups comes the employment of more workers in the given geographical area. As more users are on the platform and meetings grow, the ripple effect will see the decrease in the unemployment rates. A more enlightened startup community will lead to more successful startups being created thereby leading to better job opportunities for individuals in the region.

6. Recommendation and Conclusion

6.1 Recommendation

The results from this research show that developing a platform for young entrepreneurs can serve as a base for the development of more successful startups. The development of a mobile application platform is recommended due to the ubiquity of smartphones around the world most especially among the young population which form the basis of this work. In addition, this work recommends further work to:

- Design specific use cases where young entrepreneurs can be mentored based on several factors stemming from factors such as education, location, gender and race.
- Explore mentoring in groups in which social learning is integrated for the benefit of each member of the group.
- Develop integrations to accommodate resource sharing where materials such as books and articles can be shared and or recommended to entrepreneurs.

6.2 Conclusion

In this work, an on-demand mentorship platform for young entrepreneurs being implemented as a web application is presented. The basic requirements for the system were gathered from mentors and entrepreneurs which are to form the user base. The platform was developed using the NodeJS runtime environment running alongside a MySQL database with HTML, CSS and JavaScript used on the frontend. Usage statistics described in the results show about 13 users out of the target set of 100 registered to use the platform as early adopters as at the time of this writing. These results validate the need for the platform which will help in the development of entrepreneurs and lead to the success of more startups, thus reducing the failure rates seen in the startup ecosystem and ultimately lead to a robust economy in the region where it is deployed.

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Decent Work and Poverty Eradication Among Micro-Entrepreneur Recharge-Card Vendors

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Abstract: It is believed that most micro-entrepreneurial businesses lack decency, and unable to provide for the entrepreneurs and their relations/dependants satisfactorily with the income earned. This study was therefore designed to investigate whether or not recharge-card retailing provides enough income to permit the vendors live above United Nations (UN) poverty benchmark of $1.25; and whether recharge-card retailing qualifies as decent work as conceived by the International Labour Organization (ILO). The population of the study comprised vendors of mobile-phone recharge-cards in Benin City. Cochran's formula was used to determine the sample size. A sample of one hundred and five (105) vendors was taken in specific locations such as the main campus of the University of Benin, Ugbowo Campus; and its environs. This sample was drawn with the aid of convenience sampling technique. Being a descriptive research, the statistical analysis undertaken was also descriptive through the use of frequency distribution and simple percentages. The study found that the vendors' daily investment in card procurement and average sales per day suggests that the financial commitment by most of the vendors guarantees a daily profit that will be greater than $1.25 UN benchmark and that recharge-card retailing can be considered as a decent work as examined on the basis of the four decent work indicators selected and used in the study. It is recommended that government should support vendors by formulating and implementing social and economic policies that will create a friendly and enabling working environment for them; recharge-card vendors should form associations/unions so as to protect their interests and enhance their wellbeing;

and more women should be empowered to venture into the business because it does not require strenuous efforts.

Keywords: Decent work, entrepreneur, poverty, recharge-card retailing, vendors.

Introduction

Most people work to earn a living. They either work for pay or they work in self employment (Kantor, Rani & Unni, 2006). Work involves any activity that demands physical or mental effort, and which is directed at achieving a specific result (Stephen, 2009). Some forms of work are rewarded with pay or wages, while many others are unpaid. Examples of unpaid work in Nigeria include household chores and childcare by mothers within the family, and favours done for others. More importantly, the pay and other conditions of work largely determine whether an individual is poor or rich. For many workers in self-employment such as the micro-entrepreneur recharge card vendors, the work being performed by most of them was chosen out of necessity (Trebilock, 2005), rather than out of positive motivators such as the love of the occupation (Kantor et al., 2006).

Most people must work to earn a living, since the products or services that sustain life including food, clothing and shelter must be paid for. The money needed to pay for these life supporting goods and services is earned by working. Paid work which is synonymous to job, employment, trade, profession, occupation and so on can be seen as the activity an individual perform regularly, especially in order to earn an income. Different forms of work command different pay, for various reasons such as differences in the value workers add to the firm they work for; the demand for the product or service of a worker; as well as workers' skills and the length of training involved in acquiring skills (Pettinger, 2012). In the real world, however, other factors which are difficult to objectively measure, affect pay. These include the power of monopsony employers who use their market power in setting wages; discrimination which prevents qualified workers from getting jobs; powerful trade unions which pressure for higher wages (Pettinger, 2012); and inefficiencies in social, political, and economic institutions which result in unequal access to education and training, and hence unequal access to jobs.

The income made from working as well as other conditions of worker determine to a large extent whether a worker is poor or rich (Kantor et al., 2006; Trebilcock, 2005). Two major global institutions have been fighting poverty from different angles. These institutions are the United Nations Organization (UNO); and the International Labour Organization (ILO) through the decent work agenda. The main objective of this study is to examine the decency of work and poverty eradication among micro-entrepreneur recharge-card (air-time vouchers) vendors. The specific objectives of this study are; to:

i. explore and describe whether or not recharge-card retailing provides enough income to permit the vendors live above poverty benchmark as measured by the United Nations; and
ii. ascertain whether recharge-card retailing qualifies as decent work as conceived by the International Labour Organization (ILO).

Review of Extant Literature

This section contains a review of the concept of poverty, its causes and possible strategies for its eradication. The concept of decent work was examined as well as its different dimensions used in this study such as labour market security, employment security, work security and representation security. This section ends with a discussion on the overlap between decency of work and poverty.

Concept of poverty, its causes and possible strategies for its eradication

Different international organisations have unique definitions of poverty. Poverty means inadequacy of material property or money. It varies in degree from absolute poverty (destitution) to relative poverty. Poverty does not refer only to conditions of famine and shanty dwellings; and that is why poverty can be absolute or relative. Absolute poverty is the most severe and it pertains to lack of basic human needs like foods, water, clothes, shelter, and so on while in terms of relativity, poverty also applies to situations where individuals or families lack resources that would enable them eat the type of food they want, engage in the types of activities and enjoy living conditions and amenities which are taken for granted in the societies in which they live (Foster, 1998).

Over the years, attempts have been made by government to alleviate poverty as reflected in increase in the number of programmes and commitment of resource to the different sectors of the economy. However, very minimal success has been recorded as according to Abur, Eche and Torruam (2013) the failure of poverty eradication programmes is due to lack of co-ordination and commitment, poor funding of the programmes, policy inconsistency, deficient infrastructural facilities and pervasive corruption. Also, Central Bank of Nigeria (2003) in its view based on empirical investigation attributed the failure of poverty alleviation programmes to deterioration in fiscal discipline, corruption, political instability and policy inconsistency. Other causes of poverty in Nigeria can be attributed to lack of sound agricultural policy, poor leadership, excessive internal and external debt burden, lack of basic infrastructural facilities especially bad road and epileptic power supply, and lack of comprehensive national poverty alleviation framework, among others (Edoh, 2003).

In mitigating the devastating effect of poverty on the citizenry, there is need for decisive commitment of all stakeholders such as individuals, communities, governments, non-governmental organisations and relevant international agencies (Abur, et al., 2013). Investing early in basic education and health while fostering gender equality are some of the recommendations made by UNDP as the ways by which poverty can be reduced in a country. In addition, Edoh (2003) suggested the following ways of reducing poverty: government should recognize and encourage the non-governmental organisations to be actively involved in a wide variety of activities to help provide development opportunities for grass-root communities; develop a long strategic plan to address unemployment; federal, state and local governments must ensure commitment in the area of fund allocation for provisions of social services; provision of enabling environment to facilitate private sector economic framework; and government should realistically undertake a comprehensive study on the causes of poor implementation of development policies and strategies.

Concept of decent work

Decent work refers to work that is productive which also offers fair income security in the work-place; social protection for families; prospects for personal development; social integration; freedom for workers to express their concerns and participate in decisions that affect their lives; as well as equal opportunity for male and female workers (ILO, 2013). Decent work offers freedom, equity, human security and dignity (Trebilcock, 2005).

The International Labour Organization (ILO) views decent work at the level of individual workers in terms of security. The Organisation identified seven dimensions of decent work which include labour market security, employment security, job security, work security, skill reproduction security, income security, and representation security. Each dimension has several indicators with which it is assessed. Work that is decent should fulfil the requirements of these indicators under each of the seven dimensions. In other words, decent work will display security along these seven dimensions while work that lacks decency will show deficits or insecurities along the seven dimensions. Different jobs manifest different degrees of deficits or insecurities (Kantor et al., 2006).

The seven work-based insecurities along with their indicators form what the ILO refer to as the People's Security Surveys (PSS). The PSS indicators are very many. Therefore, researchers tend to pick and specify a few for investigation (Kantor et al., 2006, p.2090). In this study, four of the seven work-based indicators were assessed. The four comprised labour market security; employment security; work security; and representation security. The original PSS indicators were evaluated but a few additional variables were added by these researchers to suit the local environment under which the study was conducted.

Dimensions of decent work

In measuring decent work, ILO's People's Security Survey identified seven dimensions namely: labour market security, employment security, job security, work security, skill reproduction security, income security and representation security (Kantor et al., 2006, p.2090). In this study, four out of the seven dimensions were selected and examined as follows:

Labour market security: This dimension of decent work examines the ability to obtain work (Kantor et al., 2006, p.2090). This dimension entails employment status, hours of work, multiple work activities, length of experience, days of employment, difficulty finding work in case of job loss, restrictions on women seeking work, perceived likeliness of losing work if pregnant or ill (Anker, 2002). In this study, labour market security was measured by asking if respondents could attract as many customers (patronage or demand) as they desired. Specifically, it was evaluated through the number of hours spent at work, number of hours spent daily on the retail trade, and whether respondents wished to spend more or less hours at work.

Employment security: This reflects the ability to keep one's work and incorporates dependent work relations particularly for self-employed and piece rate workers (Kantor et al., 2006, p.2092). The indicators used in this study to measure employment security included the number of network providers whose recharge cards a vendor retailed. The higher the number of network providers, the more secure the employment is, since if one network provider folds up, the trader would be sustained by selling the cards of other thriving network providers. Another measure of employment security pertained to the potential of the trade to become the main and sole occupation of the trader; that is, the potential that the trader could make a life-long career out of recharge-card selling. Yet another employment security measure pertained to whether the traders registered their retail business with any government department, be it at the federal, state or local government level.

Work security: Issues covered by work security include absence from work due to work-related injury, illness, stress; excessive work hours; control over work; sexual harassment; hazardous work/dangerous equipment; toilet and water availability; use of protective clothing; safety department at workplace; opinion of workplace safety; compensation for injury/insurance for injury; childcare help; and absence due to household duties (Anker, 2002). In this study, work security was assessed by unobstructively observing the environment under which the vendors sold their wares such as street corners, road junctions, commercial motor parks, car parks of institutions, the frontage of a house, or a shopping centre. Public toilets and water supply are not common features in Nigeria. So, vendors who operated at street corners, road junctions and car parks of institutions were deemed as lacking access to these two important utilities. Vendors who worked from the frontage of houses or in shopping centres would however have access to the toilet and water facilities provided for the houses and shopping centres.

Representation security: This dimension focuses on knowledge and opinions of unions; union in the workplace; belong to union; knowledge of and/or membership in other worker organisations; and circumstances for action (Anker, 2002). The fourth and final measure of decent work that was evaluated in this study was representation security, which is, having a voice. This was assessed by asking if there was a union of recharge-card sellers for interest representation. This dimension was further evaluated by asking if respondents had avenues for giving feedback to recharge-card producers with regard to consumers' reactions to recharge card quality.

Overlap between decency of work and poverty

Paid work, whether in the form of self-employment (as in the case of recharge-card vendors), piece-rate production or waged employment is the commonest source of livelihood in developing economies, including Nigeria. If an economy must reduce poverty, it must improve the number and quality of work opportunities available, as well as the social conditions of all its citizens (Kantor et al., 2006). Decent work which was being advocated by the ILO is closely related to poverty eradication that is being advocated by the United Nations' MDGs because increase in the number of job opportunities, as well as improvement in workers' rights, social protection and representation (having a voice in the work place), are all associated with improvements in people's economic and social well-being (Kantor et al., 2006; Trebilcock, 2005). Poor quality jobs that lack decency tend to be more in the informal sector of economies. The informal economy refers to all economic activities by workers and economic units that are- in law or practice- not covered or insufficiently covered by formal arrangements (Trebilcock, 2005, p.14).

Jobs in the informal economy (recharge-card hawking inclusive) tend to be high in decent work deficits that is, work-related insecurities. Although not all informal workers are poor, and the ILO does not advocate for scrapping jobs in the informal economy, it is well-established that workers in the informal economy tend to be un-recognized, un-registered, un-regulated or un-protected under labour legislation and social protection (Kantor et al., 2006). Workers in the informal economy tend to work in small or un-defined workplaces under unsafe and unhealthy conditions. These individuals tend to operate in the informal economy out of a need to survive. Nonetheless, many of these workers truly are entrepreneurial and they should be supported through relevant government social and economic policies (Trebilcock, 2005).

Methodology

This study entailed an investigation into the decency of mobile-phone recharge-card retailing business and its ability to alleviate poverty in Nigeria. The operations of the recharge card retailers were evaluated against indicators of decent work proposed by the ILO (Kantor, et al., 2006; Trebilcock, 2005); as well as poverty bench-mark income established by the United Nations (United Nations Empowerment Programme [UNDP], 2014). Survey research design was employed and data were descriptively analysed. This is because decent work which was being advocated by the ILO is closely related to poverty eradication that was being advocated by the United Nation MDGs (now sustainable development goals [SDG]). The rationale for the use of descriptive design was based on its ability to provide rich data for subsequent (future) quantitative and/or explanatory investigations.

The population of the study comprised vendors (also called sellers, hawkers or traders) of mobile-phone recharge-cards in Benin City. In determining the sample size, Cochran's formula was used. The formula is shown below:

$$n_o = \frac{(t)^2(p)(q)}{(d)^2}$$

Where: n_o = sample size; t = significant level (5% = 1.96); p = proportion (50%);
q = 1-p (50%); d = margin error (10%).

$$n_o = \frac{(t)^2(p)(q)}{(d)^2} = \frac{(1.96)^2(0.5)(0.5)}{(0.1)^2} = 96.04 \cong 96$$

However, one hundred and twenty (120) questionnaires were distributed in anticipation of possible invalids or improper completion by respondents. Out of the 120, one hundred and five (105) usable copies of the questionnaire were retrieved from vendors in specific locations such as the main campus of the University of Benin, Ugbowo Campus; as well as localities that bordered the campus namely, Ekosodin, Osasogie and Ugbowo from where the vendors carry out their business activities. This sample was drawn with the aid of convenience sampling technique.

Recharge-card vendors are usually found under large umbrellas (for shade from the rain and sun rays), at busstops, car-parks, road junctions and similar sites that witness heavy and constant human traffic. The survey participants/respondents were recruited while at their trade. As many vendors as were willing filled the questionnaires in between selling their wares while the researchers waited to collect them. After three weeks of field work, the researchers obtained 105 valid and usable questionnaires which were used for the study.

The main research instrument for the study was a questionnaire which was designed for eliciting necessary information from the study participants. Questionnaire items were divided into sections. There were items on the trader's demographic variables and on the recharge-card trade. This latter set of questions generated the needed data about the income-yielding capacity of the trade. With regard to the second research concern: whether or not recharge-card retailing could be regarded as decent work, this study assessed indicators along four (4) of the seven (7) decent work measures identified in the People's Security Survey (PSS) (Kantor et al, 2006). The four decent work measures evaluated in this study included labour market security, employment security, work security, and representation security. The rationale for the selection of these four dimensions is due to their relatedness and relevance to mobile-phone recharge-card retailing. The statistical analysis undertaken in this study was also descriptive. In this sense, data were analyzed with frequency distribution and simple percentages through the use of Statistical Package for Social Sciences (SPSS).

Analyses and Discussion of Results

This section is concerned with the presentation and analyses of data collected for this study through the administration of questionnaires. It contains the report and description of the respondents' demographics, evaluation of daily income of recharge-card vendors; and decency of recharge-card retailing.

Description of respondents' demographics

Recharge-card vendors' background variables of interest to this study included gender, marital status, educational qualification, entrepreneurs' age and enterprise age. The results are presented in Table 1 below:

Table 1: Background information on respondents and enterprise

S/N	Variable	Frequency	Percentages
	Gender		
1	Male	70	66.7
2	Female	35	33.3
	Total	105	100
	Marital Status		
1	Single	73	69.5
2	Married	29	27.6
3	Separated	1	1.0
4	Widow	2	1.9

	Total	105	100
	Educational Qualification		
1	No formal education	2	1.8
2	Primary education	11	10.5
3	Secondary education	53	50.5
4	Tertiary education	30	28.6
5	Postgraduate	9	8.6
	Total	105	100
	Age of Respondents (Years)		
1	Below 20	12	11.4
2	20-30	63	60
3	31-40	22	21
4	41-50	6	5.7
5	Above 50	2	1.9
	Total	105	100
	Age of Enterprise (Years)		
1	Below 5	75	71.4
2	5 – 9	23	21.9
3	10 years and above	7	6.7
	Total	105	100

Table 1 above shows that 66.7% of the vendors sampled for this study were females while 33.3% were males. This indicates that there are more female in the recharge-card retailing business than the male counterpart. The marital status reveals that 69.5% of the respondents were single, 27.6% were married, 1% was separated from the spouse while 1.9% were widow. This shows that majority of the recharge-card vendors were singles. The educational qualification of the respondents reveals that 1.9% of the vendors had no formal education, 10.5% had primary education, 50.5% had secondary education while 28.6% had tertiary education. This shows that most recharge-card vendors sampled for this study had basic formal education. With respect to respondents' age, Table 1 above shows that majority of the vendors were between the age of 21-30 years old which constituted 60%, followed by age range of 31-40 years which constituted 21%. Age range above 50 years was the least which constituted 1.9% and the remaining 17.1% were of the range of Below 20 and 40-49 years old. This indicates that most persons in this kind of business are at their youthful age. Finally, the age of the business enterprise shows that majority of the vendors' enterprises are below five (5) years old indicating that majority of the vendors' business was still in their infancy stage.

Evaluation of daily income of vendors

Ascertaining the daily income of recharge-card vendors and comparing it with the UN poverty benchmark of $1.25 is one of the objectives of this study. The variables measured in other to achieve the objective includes: daily investments on cards procurement, average sales per day and vendors' satisfaction/dissatisfaction with the current sales level. The result of the analysis is presented in Table 2:

Table 1: Background information on respondents and enterprise

S/N	Variable	Frequency	Percentages
	Gender		
1	Male	70	66.7
2	Female	35	33.3
	Total	105	100
	Marital Status		
1	Single	73	69.5
2	Married	29	27.6
3	Separated	1	1.0
4	Widow	2	1.9
	Total	105	100
	Educational Qualification		
1	No formal education	2	1.8
2	Primary education	11	10.5
3	Secondary education	53	50.5
4	Tertiary education	30	28.6
5	Postgraduate	9	8.6
	Total	105	100
	Age of Respondents (Years)		
1	Below 20	12	11.4
2	20-30	63	60
3	31-40	22	21
4	41-50	6	5.7
5	Above 50	2	1.9
	Total	105	100
	Age of Enterprise (Years)		
1	Below 5	75	71.4
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Table 2: Daily income assessment of vendors

S/N	Variable	Frequency	Percentages
Daily investment on card procurement (₦)			
1	Less than 1000	2	1.9
2	1000 – 4999	19	18.1
3	5000 – 9999	25	23.8
4	10000 – 14999	16	15.2
5	15000 and above	43	41
	Total	105	100
Average daily sales (₦)			
1	Below 2000	14	13.4
2	2000 – 3999	33	31.4
3	4000 – 5999	15	14.3
4	6000 – 7999	11	10.5
5	8000 and above	32	30.4
	Total	105	100
Satisfaction with current sales level			
1	No	50	47.6
2	Yes	55	52.4
	Total	105	100

Table 2 above shows that majority of the vendors invest ₦15000 and above on daily card procurement. This category accounts for 41% of the total daily investment. This group is followed by 23.8% and 15.2% of the vendors that invest between ₦5000 and ₦9999, and ₦10000 and ₦14999 respectively. Only 20% of the sampled vendors invest less than ₦5000 daily on card procurement.

Table 2 also reveals that the highest percentage which is 31.4% had an average sales range of ₦2000 – ₦3999. This is followed by sales range of ₦8000 and above which accounts for 30.5%. Average sales range below ₦2000 was the least which constituted 13.4%. The remaining 24.8% had an average sales range of ₦4000 – ₦7999. Finally, the Table shows that 50 of the vendors which accounts for 47.6% were not satisfied with their current sales while 55 out of the 105 sampled vendors were satisfied with their current sales level. A close look at the vendors' daily investment in card procurement and average sales per day suggests that the financial commitment by most of the vendors will guarantee a daily profit that will be greater than $1.25 UN benchmark. To further buttress this, majority of the sampled vendors said they were satisfied with their current sales which mean what they earn as profits will be able to take care of their basic needs such as foods, shelter and clothing that will cost more than $1.25. The satisfied vendors must realise that being satisfied with current sales does not mean there is no room for improvement. They should search and adopt better management strategies that will help them to further expand their business and increase their financial fortunes.

Decency of recharge-card retailing

The variables measured in achieving the objective of ascertaining whether recharge-card retailing qualify as decent work as conceived by the International Labour Organization (ILO) relate to labour market security, employment security, work security and representation security. These four selected dimensions of decent work are explained as follows:

Labour market security: This was measured using variables such as number of hours spent per day at work; number of days spent at work; and preference for spending more or less time for business operations. The results are presented in Table 3 as follows:

Table 3: Labour market security assessment

S/N	Variable	Frequency	Percentages
Number of hours spent per day at work			
1	5 – 8	18	17.2
2	9 - 12	52	49.4
3	13 and above	35	33.4
	Total	105	100
Number of days spent at work per week			
1	4	2	2
2	5	10	9.4
3	6	48	45.7
4	7	45	42.9
	Total	105	100
Preference for spending more/less time for business operations			
1	More time	63	60

2	Less time	42	40
	Total	105	100

Table 3 above shows that majority of the sampled vendors spent between 9 – 12 hours per day managing their business. This accounts for 49.4%. This is followed by 33.4% of the vendors that spent 13 and above hours in selling recharge card. Only 17.2% spent between 5 – 8 hours in the business. It can be deduced from the above result that majority of the sampled vendors spent substantial portion of their working days in doing the business. 45.7% of the vendors which is the majority work for 6 days in a week, this is followed by 42.9% that work 7 days in a week. Only 11.4% of the entire sampled vendors work between 4 to 5 days in a week. This shows that majority of recharge-card vendors are committed to their work as they are ready to spend more time doing their business. This kind of entrepreneurial spirit is lacking among typical civil servants that will go late to work, complain bitterly about their job and be absent from work if opportune. Table 3 further shows that majority of the vendors (60%) desired to work more so as to make more sales and gain more profits as well as to serve their customers better to give them (vendors) better platform for favourable competition. For those that prefer less time for work, they assert that it was due to time constraint and the need to attend to personal and family issues.

Employment security: This was measured using the number of recharge-cards they sell (the higher the number, the more secure the employment is, since if one company folds up, the trader would be sustained by selling the cards of other thriving service providers); potential of the trade to become the man occupation of the trader; and whether vendors sign a written contract with anyone or registered their business with any government agencies. The results are shown in Table 4 below:

Table 4: Employment security assessment

S/N	Variable	Frequency	Percentages
Brands of networks (telecommunication service providers)			
1	Glo	105	-
2	MTN	105	-
3	Etisalat	101	-
4	Airtel	103	-
5	Visafone	27	-
	Total	441	-
Number of network sales			
1	3	4	3.8
2	4	74	70.5
3	5	27	25.7

	Total	105	100
Career potential of recharge card business			
1	Not a career	39	37.1
2	Worthy career	66	62.9
	Total	105	100
Formalisation of business through registration			
1	Yes	10	9.5
2	No	95	90.5
	Total	105	100

Table 4 reveals that all the vendors are selling the recharge cards of GLO and MTN companies possibly because most phone users in Nigeria are subscribers to them while only 101 and 103 of the vendors also sell Etisalat and Airtel recharge cards respectively. Only 27 of the vendors sell visafone cards possibly because of it low customer base in Nigeria. 70.5% which is the majority of the vendors are selling recharge card of four networks possibly GLO, MTN, Etisalat and Airtel because of their popularity in the Nigerian market. Only 25.7% and 3.8% of the vendors are selling five and three recharge cards of different networks respectively. Table 4 also shows that 66 out of the 105 vendors could depend on recharge-card retailing as a life-long career while 39 of the sampled vendors do not consider sales of recharge card as a worthy career. Also, the Table shows that majority of the vendors do not register their businesses with the appropriate government agencies. This group accounts for 90.5%. This is abnormal because most of the vendors acquire basic formal education that should expose them to the need for formal registration of business especially with Corporate Affairs Commission (CAC).

Work security: This section emphasis on variables such as number of vendors' shop outlets, number of workers, types of workers and access to water and toilet facilities. The outcome of the analysis is shown in Table 5 as follows:

Table 5: Work security assessment

S/N	Variable	Frequency	Percentages
Number of vendors' shop outlets			
1	1	72	68.6
2	2	9	8.6
3	3	3	2.8
4	No shop	21	20
	Total	105	100
Number of workers			
1	1	19	18.1
2	2	5	4.8

3	3	1	0.9
4	No worker	80	76.2
	Total	105	100
Type of workers			
1	Family workers	5	4.8
2	Paid workers	20	19.1
3	No worker	80	76.1
	Total	105	100
Access to water and toilet facilities			
	Yes	66	62.9
	No	39	37.1
	Total	105	100

Table 5 shows that majority of the vendors has only one shop. This accounts for 68.6% while 20% of them do not have shop for carrying out their business transactions. 11.5% have between 2 to 3 shops. The result also reveals that majority of the vendors do not have employees working for them. This means they are self-employed by managing the business themselves. Only 18.1%, 4.8% and 1% of the vendors employed one, two and three workers respectively. 20 out of the 25 vendors have paid workers while only 5 use their family members as workers. Finally, with respect to water and toilet facilities, 62.9% said they have access to the facilities. This outcome is interesting as such facilities are necessary to keep individuals in a safe environment if properly maintained. Only 37.1% of the vendors said they do not have access to water and toilet facilities.

Representation security: This dimension of decent work was evaluated to know if each vendor had a voice in the business. This was assessed by asking if there was a union of recharge-card vendors and if they had avenue for giving feedback to recharge-card producers. The result is shown in Table 6 below:

Table 6: Representation security assessment

S/N	Variable	Frequency	Percentages
Existence of a union or association			
1	Yes	12	11.4
2	No	93	88.6
	Total	105	100
Feedback to recharge-card producers			
1	Yes	55	52.4
2	No	50	47.6
	Total	105	100

Table 6 shows that majority of the vendors do not have or join any union/association. This category accounts for 88.6% while 11.4% said they belong to union/association. 52.4% of the vendors which is the majority said they have access for giving feedbacks to card producers. This access may possibly be through the use of customer care lines to lay complains on service failures. Calls to the lines are mostly free of charge. Finally, 47.6% of the vendor said they do not have access to give feedback to recharge-card producers. This may be as a result of ignorance of the availability of customer care lines through which complains and enquiries can be communicated with service providers.

Recommendations

Based on the research findings, this study recommends that government should support vendors by formulating and implementing social and economic policies that will create a friendly and enabling working environment; recharge-card vendors should form associations/unions so as to protect their interests and enhance their wellbeing; more women should be empowered to venture into the business since it does not require strenuous efforts as well as the promising prospect of the business due to the growing nature of the industry; and recharge-card vendor should build and sustain friendly relationship with loyal customers for future sales. Finally, this study focused on only four out of the seven dimensions of decent work. It is therefore recommended that other dimensions such as job security, skill reproduction security, and income security should be incorporated in future studies to provide broader perspective on the subject matter.

Conclusion

Poverty is a serious threat to any society because poverty anywhere is a threat to prosperity everywhere (ILO, 1944).

Impoverished countries or localities tend to witness inadequate supply of utilities, and high rates of violent crimes, among others. Citizens of such countries tend to migrate to richer nations, thereby constituting intense migration pressure on these richer countries. For example, it is said that there are more Ethiopia-trained doctors in Chicago (United States) than in Ethiopia (William, 2013). Therefore, there is need for governments everywhere to improve the well-being of their citizens. One way of ameliorating poverty is for governments to provide decent work conditions for their citizens, because of intricate link between poverty and decent work indicators. To do this, governments require data on specific groups of workers and economic units, and their challenges (Trebilcock, 2005, p.27). In proffering solutions to some of the challenges, this study empirically examined decency of recharge card retailing in Benin City and its potency to reduce poverty among the stakeholders. The study found that the vendors' daily investment in card procurement and average sales per day suggests that the financial commitment by most of the vendors will guarantee a daily profit that will be greater than $1.25 UN benchmark. Hence, it can be concluded that majority of the vendors are living above the poverty line and that recharge-card retailing can be considered as a decent work as the trade perform well on the basis of the four decent work indicators selected and used for this study.

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Enhancing the Performance of Agro-Based SMES: The Role of Entrepreneurship Competencies

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***Abstract*:** The role of entrepreneurial competencies in enhancing the performance of SMEs, especially in the agro-based industry of developing economies such as Nigeria has not been discussed extensively in extant literature. Therefore, this research is focused on examining the role of entrepreneurial competencies in enhancing the performance of agro-based SMEs. The study used 232 copies of questionnaires that were administered to agro-based business owners and managers in Lagos State as the data gathered instrument. Data analysis was carried out using regression analysis to show relationships between the variables. At different levels, the findings revealed that entrepreneurial competencies relates with the firms' profitability, customer base, organisational effectiveness, and sales growth. Therefore, the study recommended that entrepreneurial firms should consciously develop the ability of being sensitive to the environment and the ability to recognize opportunities in the market place.

***Keywords*:** Entrepreneurial competencies, entrepreneurial orientation, performance, SMEs, Nigeria

1. Introduction

Entrepreneurial competency refers to personal skills, abilities and knowledge which entrepreneurs use to achieve growth and success of their firms (Dermol, 2010; Oyeku, Oduyoye, Asikhia, Kabuoh & Elmo, 2014). According to Man, Lau and Chan (2002) and Aruni, Akira and Hironori (2014) entrepreneurial competencies include: strategic, commitment, organizing, relationship, conceptual, opportunity competencies. These dimensions of entrepreneurial orientation have been found to significantly influence entrepreneurial firms' performance through their ability to set business goals for the firm, clearly stating how the goals will be achieved, taking corrective measures and steps to achieve the goals (Solesvik, 2012). They also enhance the ability of the entrepreneur to reason or think from different perspectives when making decisions (Lans, Verstegen and Mulder, 2011), and to identify business opportunity that can be exploited in the environment.

The role of entrepreneurial competencies in achieving higher levels of performance in entrepreneurial firms has been discussed in existing literature, for example, Noor, Hasliza and Siti (2010) and Sanchez (2011). None the less, research has revealed that the rate of failure of small and medium enterprises in developing countries, like Nigeria is quite high (Okpara & Wynn, 2007). Besides, most existing researches on entrepreneurial competencies and firm's performance reside in developed countries (for example, Lans, Vertegen & Mulder, 2011). Thus, there is still dearth of empirical literature, especially in developing nations like Nigeria, to show the role of entrepreneurial competencies in enhancing the performance of SMEs in strategic industries to their economy, such as agro-based firms. Therefore, this research is focused on examining the role of entrepreneurial competencies in enhancing the performance of agro-based SMEs.

2. Literature Review

Entrepreneurial competencies are referred to as person's traits such as motives, specific knowledge, capabilities that lead to the success of a firm (Solesvik, 2012). According to Iandoli, Landstrom and Raffa (2007) entrepreneurial competencies are the abilities of an entrepreneur to effectively deal with critical issues by applying situational and internal skills and resources for the overall value of the organisation. These competencies can be learnt as a result of formal education and some are inbuilt features as a result of experience (Brownell, 2006). The areas of entrepreneurial competencies reflect that it is an important concept for improving entrepreneurship performance (Aruni, Akira, Hironori; 2014).

Man, Lau and Chau (2002) identified six major areas of entrepreneurial competencies they are opportunity competencies, relationship competencies, conceptual competencies, organizing competencies, strategic competencies and commitment competencies. These entrepreneurial competencies play direct and indirect roles in affecting the performance of a firm (Aruni, Akira & Hironori, 2014; Thomas, Theresa, & Snape, 2008).

Strategic competencies involves the abilities of an entrepreneur to set, execute and evaluate the strategies of the firm. These competencies can be compared to strategic management. They are characteristics, skills and knowledge that an entrepreneur should have to enable the entrepreneur envisions where it is going and how it wants to get there. It is the abilities of the entrepreneur to come up with long term goals for the business. According to Solesvik (2012) Entrepreneurs who lacked strategic competencies are individuals who perceive their environment as being too complex therefore they could not accurately predict the possible future outcome of their business.

Conceptual competencies enables the entrepreneur to think beyond the norm and creatively generate new ideas. Man et al (2002) suggested that risk taking, innovativeness and decision making skills are part of conceptual competencies. Decisions are needed to be made by the entrepreneur in their firms, when decision made involves unstructured problem then new ideas to solve this problem must be generated (Solesvik, 2012). Conceptual competencies are required by the entrepreneur to survive in a dynamic environment by being proactive, creative and innovative in his activities. Conceptual competencies involve separating facts from opinions and trying to see things from the big picture.

Opportunity can be simply defined as not a completely formed market need, a technology, a product or service or an invention which has no defined market yet (Ardichvili, Cardozob and Ray, 2003). It is the ability of an entrepreneur to be able to see opportunities in the business environment. An entrepreneur that has opportunity competencies is characterized by the abilities to sense opportunities in the market and take advantage of the opportunity. It is the ability for an entrepreneur to sense a need and develop value adding product to satisfy the need.

Organizing competencies are associated with managerial competence, human resource management competence and financial management competence (Murray, 1996; Brownell, 2006, Brinckmann et al 2011). Organizing competencies is closely related to the management aspect of the organisation. This is very important because entrepreneurs most times are required to perform various tasks in the functional areas of their firm. It involves monitoring and ensuring that activities are carried out properly in the organisation.

Relationship competencies enable the entrepreneur to network with other people so as to get valuable information that will help the entrepreneur in sourcing for resources like raw materials and to venture into other activities. It also enables the entrepreneur to connect with other people into similar activities so as to share knowledge and ideas about ways things can be better done. Building a relationship of trust with customers and suppliers enables the entrepreneur to get suggestions from them on how to carry out their business operation in a better way and it enables the entrepreneur to get credit facilities from suppliers (Solesvik, 2012).

Commitment competencies involves abilities to drive business and be devoted to achieving the goals of the business and be devoted to achieving the goals of the business (Solesvik, 2012). Commitment competencies include drive, will, duty, responsibility and perseverance Baum and Locke (2004), Lans et al (2011), Markman and Baron (2003). Commitment competencies are the abilities that enable an entrepreneur to move ahead even after failing and making mistakes.

2.1 Relationship between Entrepreneurial Competencies and Firm Performance

Prior Literature has shown that entrepreneurial competencies have significant effect on firm's performance (Man et al; 2002). The capability for the entrepreneur to recognize opportunities in the business environment enables the entrepreneur to venture into activities that enables the firm to have competitive advantage (Noor, Hasliza and Siti; 2010, Solesvik; 2012). Entrepreneurial competencies affect the firm performance and also affect the competitiveness of the firm.

The ability for the entrepreneur to build a relationship of trust with their customer and suppliers and the ability to successfully partner or network with suppliers and other people encourages flexibility in production and other business activities. The ability to think quickly of solutions to problems encourages creativity and taking of calculated risk (Solesvik, 2012). The ability to coordinate and organize activities in the firm ensures smooth running of activities within the firm. The ability to set goals, execute plans and evaluate actions enables the entrepreneur to use his resources to achieve competitive advantage.

3. Methodology

The research design that was used in this research is survey research. In survey research the opinions of people will be collected by use of questionnaires. The opinion of agro-based SMEs' owners and managers was collected so as to answer the questions of this research hypothesis. The population of this study is the agro-based firms that operate in Lagos and the estimated population of the registered agro based firms in Lagos is 1500 firms (Ibidunni & Falola, 2013). Hair, Black , Babin and Anderson (2010) argued that a sample size of between 100 and 200 is considered appropriate given a research involving a fairly large population. Thus a sample size of 232 was used for this project. Based on internal consistency, a Cronbach alpha value of 0.803 was arrived at to ascertain the reliability of the reliability of the items in the research questionnaire. The regression analysis was used to test the research hypotheses.

4. Analysis and Results

The respondents that made up the study consist of both the male and female gender, however, the sample is made up of more males 180(77.6%) than female 52(22.4%) respondents. In terms of the age of respondents, 44(19.0%) of the respondents were between 21-30 years, 97(41.8%) of the respondents were between the age of 31-40 and 91(39.2%) of the respondents are 41 years and above. All respondents included in the sample were Nigerians. With respect to the educational qualification of the respondents, 18(7.8%) of the respondents have WASSCE/ O LEVEL, 38(16.4%) of the respondents have NCE/ OND, 139(59.9%) of the respondents have HND/ B.SC, 27(11.6%) of the respondents have a POST GRADUATE/ MBA and 10(4.3%) fall under the category of others. According to the samples 49(21.1%) of the firms have been in operation for less than 5 years, 76(32.8%) of the firms have been in operation for 6-10 years, 59(25.4%) of the firms have been in operation for 11-15 years and 48(20.7%) of the firm have been in operation for 16 years and above. More so, 219(94.4%) firms have below 100 staff, 11(4.7%) firms have between 100-199 staff, 2(0.9%) firms have 200-299 staff and no firm had 300-399 staff. This shows that most firms in the agro-based business are small and medium enterprises. With respect to position occupied in the firm, 67(28.9%) of the respondents occupy the position of Chairman/ M.D, 74(31.9%) of the respondents occupy the position of senior manager in their firm, 18(7.8%) of the respondents occupy the position of CEO/ Deputy M.D in their firm, 73(31.5%) of the respondents are managers in their firm. According to the sample, 51(22.0%) of the firms' business operations are fishery, 34(14.7%) of the firms' business operation are farming, 58(25.0%) of the firms' business operation are poultry, 69(29.7%) of the firms are involved in sales of agro allied products and 20(8.6%) of the firms fall under the category of others.

Table 1: Regression Results of Entrepreneurial Competencies and Firm Performance

Independent Variable	Dependent Variable	R	R^2	β	F-value	Sig.
Opportunity	Profitability	0.235	0.055	.256	F(4,227) = 3.305; sig. = 0.012	.001***
Conceptual				-.075		.366
Strategic				.006		.944
Commitment				.048		.487
Opportunity	Customer Base	0.109	0.012	-.002	F(4,227) = 0.686; sig. = 0.602	.977
Conceptual				.052		.545
Strategic				.075		.361
Commitment				-.001		.985
Opportunity	Sales Growth	0.214	0.046	.170	F(4,227) = 2.717; sig. = 0.031	.023*
Conceptual				.061		.468
Strategic				-.122		.130
Commitment				-.056		.421
Opportunity	Organisational Effectiveness	0.375	0.141	.005	F(4,227) = 9.283; sig. = 0.000	.945
Conceptual				.219		.006**
Strategic				.153		.046*
Commitment				-.252		.000***

Source: Ibidunni et al (2017)

***$p \leq 0.001$, **$p \leq 0.01$, *$p \leq 0.05$

Table 1 shows the regression results of four entrepreneurial competencies on performance variables. The first level of relationship reflects the effect of entrepreneurial competencies on firms' profitability. Only opportunity competency is statistically significant to profitability ($r^2 = 0.055$, $\beta = 0.256$, sig. = 0.001). The second set of relationships shows that entrepreneurial competencies have no statistically significant role on the firms' customer base. At the third level, the sales growth of the firms is statistically influenced by opportunity competency ($r^2 = 0.046$, $\beta = 0.170$, sig. = 0.023). At the forth level, three dimensions of entrepreneurial competencies have significant effects on organisational effectiveness. These are: conceptual competency ($\beta = 0.219$, sig. = 0.006); strategic competency ($\beta = 0.153$, sig. = 0.046); and commitment competency ($\beta = -0.252$, sig. = 0.000). Together, these three entrepreneurial competencies account for 14.1 percent ((r^2 = 0.141) of the effect of entrepreneurial competencies on organisational effectiveness.

5. Discussion

Findings from this study proved that entrepreneurial competencies, especially the opportunity competency, enhance profitability. Firms with competitive advantage are firms that are more profitable in that particular industry. Other researchers such as (Solesvik, 2012; Chandler and Hanks, 1994; Murray, 1996) found out that opportunity competencies essentially lead to competitive advantage of firms which also leads to the profitability of firms. The findings of this study shows consistency with the finding of previous researchers because opportunity or a need identified in the business environment irrespective of the location or culture provides the entrepreneur the chance to increase the firm's profit margin.

In addition, this study showed that entrepreneurial competencies does not influence customer base of firm. Since the customer base of the firm are made up of people that patronize the firm regularly, it might be significant for owners and managers to think of relationship based competencies and competencies that enhance their access to information about the customers (Robles & Zárraga-Rodríguez, 2015). More so, opportunity competency was shown to influence sales growth. This indicates that that ability of the entrepreneurs to access new opportunity and gaps in their existing market can be a leverage for enhancing their sales volume, for example through the creation of new products (Ibidunni & Falola, 2014).

Findings from this study show that entrepreneurial competencies impact organisational effectiveness particularly the conceptual, strategic and opportunity competencies. The findings of this research are consistent with the findings of (Abolaji & Ibidunni, 2015; Solesvik, 2012). Conceptual competencies impact on the effectiveness of the firm because decision making skills are important for managing a venture and decision making skills make up the conceptual competencies. Commitment competencies also influence organisational effectiveness by enabling the entrepreneur to be committed or to be driven by the vision of achieving the goals and objectives of the firm. While, strategic competencies enhance organisational effectiveness by enabling the entrepreneur to come up with long-term goals and objective that makes up the reasons why the firm is in existence.

6. Conclusion and Recommendation

The study examined the role of entrepreneurial competencies in enhancing the performance of agro-based SMEs in Nigeria. Generally the statistical relationship between entrepreneurial competencies and performance was weak, except with organisational effectiveness. The recommendations of this research therefore include that entrepreneurial firms should consciously develop the ability of being sensitive to the environment and the ability to recognize opportunities in the market place. Also, entrepreneurial firms should not just rely on being reactive to the business environment by waiting for new trends to force them away from the normal way of carrying out their activities but they should also be proactive in the business environment by being an agent of change. In achieving effective organisations, the owners and managers of agro-based SMEs should be strategic, critical thinkers and be committed to their firms' strategic directions and stakeholders' satisfaction.

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Entrepreneurial Financing in a Knowledge Based Economy

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Abstract: Funding is critical; to the smooth take-off and, ensures the effective functioning and guarantees the continued existence of any new venture. Financing entrepreneurial ventures has particularly been challenging in all kinds of economies including knowledge-based economies. The inability to overcome funding problems has forced many people with ambitious ideas that would have been launched audaciously towards economic emancipation and development to forcefully discard them. The objective of this paper is to identify different sources of entrepreneurial financing, and review extant literature associated with the various sources of financing. The study is qualitative in design. Consequently a total of ninety articles considered useful were retrieved from various sites for the study. The discovered numerous avenues available for entrepreneurial financing. while, the study concludes that every aspiring entrepreneur must prepare to launch out first with founders, family, and relatives capital and thereafter explore a catalogue of other sources mentioned in this paper depending on the firm's capabilities and peculiarities to continue with the financing of the firm. The research recommends that every entrepreneur should be skillful at bootstrapping.

Keywords: Entrepreneurial financing, knowledge-based economy, new ventures, startups.

1 Introduction

Entrepreneurial firms play critical roles in modern knowledge-based economies. These firms provide majority of the new jobs, are sources of radical innovations, increase in productivity, and serve as a disciplining device for the behaviour of established firms. These firms are helpfulat achieving economic growth by combining resources, increasing competitive pressures (Valliere & Peterson, 2009) and, by way of purely imitating ventures have the exploited underutilised resources gainfully (Minniti & Levesque 2006). However, raising funds to pursue their visions, expand and seek avenues that guarantee survival and subsequently profitable operations has been an uphill task. Considering the central role entrepreneurial firms perform in economies around the world, many multilateral organisations such as OECD, UNDP, and national agencies like US' Small business administration (SBA) and Nigeria's (SMEDAN) have prioritise the financing of their organisations.

2 Literature Review

2.1 Entrepreneurial Financing

Entrepreneurial financing entails the understanding of the importance along with the distribution of resources and its application to startups (Maleki, 2015; Kerr, Lerner & Schoar, 2014; Cumming, 2007). The domain of entrepreneurial finance has helped in resolving significant questions that confront all entrepreneurs in respect of how much finance to raise; when should it be sourced and where, as well as how much will be considered appropriate for the new venture; and how should the financing be structured? (Maleki, 2015; Salamzadeh, 2015a, b; Winton & Yerramilli, 2008). Indeed, majority of new venture promoters have realised that except adequate funding is obtained, their dreams will largely remain on the drawing boards. This is why entrepreneurs draw out a long list of likely financiers including their own employers, banks, angel investors, venture capitalists, equity or some other source of funding (Chen, Miao, & Wang 2010;Jafari, Salamzadeh,, & Yousefiyar, 2014). Many traditional avenues for financing that entrepreneurs approach for funding are skeptical about the business and financial plans, demand for high equity participation, exert firm control and managerial influence and have little knowledge of the characteristic growth process that start-ups go through (Mason, 2006; Salamzadeh & KawamoritaKesim, 2015).

2.2 Knowledge Based Economy

Tocan (2012) asserted that the volume of knowledge available for our use had always doubled every five years and has served as the major motivation for the transition from the industrial society to knowledge society. The noticeable effect of knowledge is felt among many of our organisations, democracies, employees, politics, companies, educational institutions and the way we live.

The knowledge based economy is severally defined. Archibugi and Lundvall (2001) said that a knowledge economy is an economy influenced globally by the speed of information and communication technology's real time irrespective of the distance involved.

Tocan also cited Nicolescu (2006) who opined that knowledge based economy is typified by the transformation of the knowledge into base material, capital, products, production factors that is important for the economy and with the aid of the transformation process produce, sale, acquire, learn, stock, develop, distribute and save the knowledge for sustained competition and profit making in the future.

APEC (2000) on the other hand, opined that a knowledge based economy is dependent on the production and fruitful use of knowledge. APEC averred further that though knowledge seems to be the main driving force for economic growth, wealth creation, and employment at all industries levels, APEC's economic committee cautioned that this knowledge should not be based only on a small number of high technology industries responsible for economic growth and wealth creation but should encompass all the knowledge needed including cultural, social and managerial knowledge which is much more comprehensive than technological knowledge.

3 Methodology

The research is essentially conceptual and qualitative in nature. It is descriptive by design. Thus, it is aimed at providing information that will explain the sources and other fundamental issues associated with entrepreneurial finance. Numerous websites were visited and a total of ninety articles were collected and perused and those found most relevant were used for the study. Generally the whole sources of financing entrepreneurial ventures were considered.

4 Sources of Financing Entrepreneurial Ventures

4.1 Internal Sources

4.1.1 Funds Provided by Founder and Relatives

This source of financing consists of the owner's 'personal savings, including money collected from relatives known as "love money". At this embryonic stage, the equity capital made available by the founder is the major source of funding (Mitter, & Kraus, 2011). These kinds of funds facilitate the earliest working capacity of entreprise. It also serves as an indicator of commitment and a display of seriousness on the part of the owner of the new venture. In this startup level, the capital needs of the new venture are moderately diminutive ((Mitter, & Kraus, 2011). However, the longer the entrepreneur is capable of surviving on owner's capital, coupled with the long hours of work (sweat equity) and the cash flow of the firm definitely minimises the risk associated with external funding. Besides, avoiding external financing greatly reduces undue pressure from financiers and this gives the owner more independence and the latitude to manage the organisation better (Markova & Petkovska-Mircevska, 2009).

4.1.2 Bootstrapping

Neeley (2005) explains that bootstrap financing are creative techniques used in identifying and obtaining resources, optimizing its utilisation, and reducing the real costs accompanied with applying these methods to source for finance irrespective of where they are identified; whether it is within the business, or sourced from different people, or offered by various companies and organizations (Bhide, 1992; Winbor & Landstrom, 2001). It can also mean highly creative means of obtaining and utilising resources devoid of debt or sourcing for equity financing from traditional fountains like business alliances (Van Auken & Neeley, 1996). Bootstrap financing approaches inspire entrepreneurs to utilise private savings or other private temporal debt, to solicit for capital from relatives, to barter for services, to obtain funding from quasi equity also known as unsecured loans with flexible loan repayment schedule. Examples of these kind of loans include mezzanine debt and subordinated debt, to cooperate for better customer access, to negotiate for client-based funds, to manage assets effectively, to reduce the length of accounts receivable, to share resources with other organisations, to forgo salary, to achieve effective cash management, to delay payments provided it does not affect firm reputation, to lease equipment, to outsource production, and to seek subsidies, incentives or grants (McMahon & Holmes, 1991).

4.1.3 Crowdfunding

The funding of projects using multiple sources where little sums of money are raised from a considerable number of persons by means of the Internet through virtual platforms is known as crowdfunding (Otero, 2015). Crowd funding has developed rapidly since 2009 (Liu & Liu, 2016). Crowd funding got its ideas from notions like micro-finance (Morduch, 1999) and crowdsourcing (Poetz and Schreier, 2012).However, crowdfunding stand in its own distinct class of sourcing for funds through the increasing number of people who use the internet and visit sites that have interest in the topic regularly. The field of crowdfunding has advanced considerably. In spite of this monumental achievement, consensus about what it means is not immediately in sight. That is why Schwienbacher and Larralde (2010) consider crowdfunding as a clarion call that is fundamentally done using the internet with the sole aim of obtaining funding for a an important cause by encouraging people to donate in return for a kind of reward and/or voting rights or just to help humanity.

Mollick (2013) opined that as much as the above definition can be said to be comprehensive, It has been found to be deficient in what researchers in different domains have named crowdfunding including internet-based peer-to-peer lending (Lin & Viswanathan, 2013) and fund sourcing campaigns started by enthusiasts of the musical band (Burkett, 2011). However, for the sake of entrepreneurship, the next definition is precise and sufficient enough to permit further development of the concept. Thus, crowdfunding denotes any endeavour that is carried out by entrepreneur as a person or group that may be cultural, social, and profit orientated to finance some of its ventures by pulling from comparatively little donations from a reasonably significant number of people that uses the internet devoid of standard financial intermediaries (Mollick, 2013).

4.1.4 Business Alliances

Entrepreneurs at the startup level may resort to forming cooperative agreements with other firms to procure funding, improve its cash flow and minimise costs (Gulati, 1998; Chesbrough, 2007; Dyer, & Singh). Many benefits used in justifying the formation of business alliances are: easy access to existing or emerging markets and regions, effective utilization of sales personnel and distribution channels, access to customer lists, product endorsement by bigger firms, lack of capital to do it independently, customer orders, expedited product development, economies of scale, cooperation instead of competition, increased business expertise, joint venture arrangements on projects, and others. Business alliance members are creative and commit to extensively looking out for most compatible and complementary members on the basis of industry experience, professional associations, industry networks and contacts, lawyers, trade fairs, accountants, bankers, friends, investments fora, and others. Functional business alliances are very useful to a new venture that is limited by resources to do it alone. However, alliances become unfashionable immediately the firm has grown, and accumulated competent human resource, and has attained self-sufficiency.

4.2 External Sources

4.2.1 Business Angels

These are accomplished and wealthy persons, past entrepreneurs, or senior executives who put in their own money essentially in dynamic new ventures (Mitter & Kraus, 2011) in exchange for ownership equity. Prowse (1998) argues that angels come in as the second round of funding to salvage the firm when the entrepreneur has exhausted his personal savings and other capital that were raised from relatives prior to formally approaching the venture capitalists.

Ernst and Young (2014) assert that one of the stipulations to their client firms to access their capital is to engage partners who will function energetically in managing the firm. Angels normally put their money in technologies or in businesses they have experience in. Besides, the provision of risk capital, Brettel, Rudolf, and Witt (2005) has demonstrated that angels often put to the disposal of the entrepreneur their management prowess (know-how). That is, angel investors offer entrepreneurial knowledge and wide contacts to their client firms. They are well known and are helpful at propping-up new ventures using countless number of methods such as assisting in the writing of the business plan, supporting in the distribution and marketing programmes while collaborating in the financing and the accounting function. Politis (2008) also revealed that angels assist new ventures with their network and personal links (*know-who*) which is instrumental at establishing linkages with resellers, fostering collaboration with partners and other investors. This is the main reason why angels invest in organisations within their catchment areas. Firms that are sponsored with angel capital also enjoy gaining mentorship and industry expertise from those who are knowledgeable and are willing to guide you along the path of your business (Ernest & Young, 2014)

4.2.2 Venture Capitalists (VCs)

Mitter and Kraus (2011) explain that venture capitalists are organizations that provide capital funding to institutions. They are private or subsidiaries of publicly quoted companies or corporate venture capital firms. Venture capitalist can be said to be proficient asset managers known for investing capital got from institutional investors, or wealthy persons, into encouraging entrepreneurial firms that are likely to grow (DaRin, Hellmann, & Puri, 2011). Venture capital can be made available as venture firm enters different levels in its growth process. Conventionally, venture capitalists concentrated on the provision of funds needed for the take-off the business. However in some knowledge based economies there is a gradual shift to bigger and later growth phases of the business (Aernoudt, 2005). Venture capital is particularly important in funding the early-stage (known as seed stage) of the entrepreneurial firm as the equity capital of the entrepreneur is expended and debt instruments are difficult to be accessed. At this time, most entrepreneurial firms are approximately 10.5 months old from the time the businesses received their first angel financing and to a greater degree have not earned income (Wong, 2002). Venture capital supported businesses are usually above one year old (Gompers, 1995) as at the time they received their first funding. It is estimated that a little below forty percent of them do not earn revenues within the period (Kaplan & Stromberg, 2003, 2004).

4.2.3 Corporate Investors

Entrepreneurial firms had consistently considered corporate investors as a divestment option, other than as a means of funding. Many corporate investors acquire entrepreneurial firms to complement their product or service offerings. The firms now see the new capital window as a strategic avenue to improve on the business' operations. Though these are typical occurrences in bigger businesses, many new venture promoters see this practice as a big source of funding especially when what is at stake has huge potentials. Most currently, Yahoo sold its internet business to Verizon. Corporate investors stop entrepreneurial firms from building cooperation with competitors or competing openly with the corporate investor. A good number of entrepreneurs currently are initiating firms fundamentally to be bought over by successfully huge companies some day in the future (Markova & Petkovska-Mircevska, 2009).

4.2.4 Bank loans

Banks are external finance that takes the form of loans that are borrowed by an entrepreneurial firm to help its business activities (Mitter & Kraus, 2011). After, founders, family and friends capital come bank loans which stand as a basic source of funding to entrepreneurial firms (Fatoki, 2014). While, Winton and Yerramilli (2008) have hypothetically demonstrated that venture capital funding is preferred over debt financing especially under conditions of high risk and uncertainty, DeBettignies & Brander (2007) on the other hand, argued that entrepreneurs' preference for debt over equity occurs most especially when the interest of the entrepreneur is aligned and the cost of capital is lowered for the entrepreneur.

Ernst and Young (2014) argued that though bank loans are considered as the most traditional form of funding for new ventures; it is also observed that naturally, banks like limiting their risk by lending to firms that offer some form of collateral. While bank loans serve as an important source of external financing for small firms, the challenge most young entrepreneurs face when exploring this source of funding are: limited business and industry experience, limited credit history, volatile profit and cash flow, the likelihood of having huge debt outstanding, limited equity in the business, the probability of earning marginally when the firm is publicly placed and there is a tendency to lose it all (principal and interest) at liquidation (Markova & Petkovska-Mircevska, 2009).

4.2.5 Government grants and loans

There are many sources of funding that are available to young entrepreneurs to access that are offered by government organisations. Some of these schemes are provided by Nigeria export processing council, Nigeria export processing zones authority, Bank of Industry, and Central bank of Nigeria. However, experience has shown that meeting up with the requirements has been an uphill task and must have accounted for the reasons while a large number of new venture owners/promoters have been prevented from accessing such facilities (Ernst &Young, 2014).

5 Other Sources of Funding new Ventures

5.1 Trade credit

One way entrepreneurs finance their activities is to get customers/consumers to pay before actual supply is made. This is called prepayments. However, this situation is especially possible when the' product/service of the firm is in high demand. In many advanced and knowledge-based economies, it has been projected that slightly above 80 per cent of every industry to industry sale is done on credit. Consequently, left with little working capital, entrepreneurial firms have to ask suppliers for twice as much short-term credit as they obtain from banks, demonstrating its importance to the sector (Jones-Evans, 2013). In the United Kingdom, it is considered normal for new ventures to owe their suppliers an amount equal to 20 percent of their total assets which is a key support expected of big corporations to give smaller firms (Independent taskforce on non-bank lending, 2012). Thus, the relative dependence of entrepreneurial firms on large firms has created a friendly relationship in the supply chain that has encouraged firms with sufficient cash flows to oblige debt to companies in need which has helped lending firms to exercise enormous control over recipient firms. More so, by changing and simplifying procurement procedures, this has eased contractual agreements for new ventures that are likely to create sufficient business and revenues with attendant reduction of bank funding (Jones-Evans, 2013). However, Mitter and Kraus (2011) argues that interest rates on trade credit are high and should only be considered as a source of financing where bank loans are lacking,

5.2 Factoring and Invoice discounting

Motivated by the desire to sale and improve revenue base, many venture firms sale on credit. With the passage of time, scores of these account receivables are not paid on time. Challenged by the paucity of funds, a venture firm (borrower) approaches a lender to buy over the accounts receivables. The factor (lender) agrees to do so at a discount. The factor advances as much as 70-85 percent of the total receivables at the inception of the agreement and promises to pay the balance on collection of the balance outstanding with the purchaser after an interest and fee has been deducted. The practice is that the asset must be more than the amount requested. Factoring and Invoice discounting is a kind of asset based financing that is useful to startups and gives them the leverage to use their working capital effectively. Factoring is typically undertaken by financial institutions such as banks or private factoring brokers (Bakker, Klapper, & Udell, 2004; Jindrichovska, 2009).

5.3 Asset financing

This is another method that venture firms use to finance their plants and equipments (vehicles, machinery, and equipment). It includes:

5.3.1 Hire purchase entails gradual payments which eventually write off what was left of the balance and the interest charged on the plant and equipment and the firm owns the asset (Jones-Evans, 2013).

5.3.2 Operating leases: involves the borrowing of a particular asset needed by a firm for its use over a period of time. The firm undertakes to pay an agreed amount of money known as lease payments during the period up to the time the asset is returned. where, the asset falters in performance, the supplier either fixes it or replace the existing one with a new one (Jones-Evans, 2013).

6 Conclusion

What is most dreadful to many people about venturing into entrepreneurship is first, how and where to raise funds? Second, there is the fear of failure. Third, is the fear of managers 'unscrupulous behaviour when the owner is not personally doing it. Fourth, is the fear of such disdainful looks that comes from friends, classmates, neighbours and sometimes, from family members. The question is what is your own fear? Most of these fears could be precipitated by the ambition every young man harbours, especially those aspiring for a degree education or had already acquired one and are hoping of someday knotting their tie and working for dream job hopefully with a blue-chip company. Now, those aspirations are turning into despair and despondency. Hope is not lost though. However, it is important to audaciously state that because many illiterates are persuaded first by the desire for survival, they venture into business and keep it sustained, become successful eventually as years' passes by, and end up employing the most educated. Yet the educated do not challenge themselves with questions such as why?

Now that economies are contracting, and organizations are shrinking in sizes, the only viable alternative left to be explored is entrepreneurship. It is the question of raising finance that prompted this paper. Having enumerated the many sources of financing, their benefits and drawbacks, it is significant to state that first, you start with your savings. Anybody who did not start with his/her savings may give little attention to the venture. When the attention is lacking, the venture's chances of survival may become very low. All the sources of financing earlier mentioned are critical to the success of a venture. What is remains key is the relative ease with which various sources can be accessed. However, entrepreneurs should note that when you are privileged to be introduced to any bank by its respectable customer: the chances of you getting a loan from the bank become higher. Additionally, entrepreneurs should know that having the character, the capacity and collateral endears a firm to any bank. Most importantly, the paper recommends that bootstrapping skills should be the ready companion of any entrepreneur who wants to succeed.

Finally, just like any other contest places demand on you, entrepreneurship is no exception. The challenges are myriad but the benefits finally are huge. Consequently, you should not be deterred by the financing challenge facing your desire of launching out or your entrepreneurial firm presently.

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Politics and Entrepreneurship in a Developing Economy

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Abstract: The success or failure of entrepreneurs in a country is highly determined by the ability of the government to formulate and implement policies that would create a good atmosphere for business activities to thrive. In most cases developing nations do not possess favorable policies and are plagued with numerous factors which deny them of these policies, these factors range from poor implementation to inconsistency in application and also corruption. An important distinction between developed and developing nations often lies in the wide disparity between policy pronouncements and policy implementation. However, signs of this disparity are found in the extent that policies are clear and measurable and that application is consistent. The study made use of primary data sourced from 100 respondents through the administration of questionnaire. The paper discusses the various factors which militate against the implementation of policies, which will in turn affect the success of entrepreneurial activities. It also seeks to answer questions which centers around the effects of economic variables on entrepreneurship as a factor of production. It was recommended among others that the implementation of policies should be swift and consistent and also leaders should embrace a foresighted approach in the formulation of policies.

Keywords: Entrepreneurial Activities, Economic Variables, Policy Pronouncements, Policies.

Introduction

The policies used in sustaining and developing an economy are formulated and implemented by government on different levels or arms, this is an indication that for an economy to be stable the government of the day needs to have a sound idea of policies that would guarantee a stable and developed economy. The activities of entrepreneurs are dependent on how viable the economy is, and the level of opportunities it creates. However, the individuals occupying administrative positions in government are either voted in or appointed, this is done directly and indirectly by the citizens of that country. Politics is the collection of legal activities engaged in by politicians in order to attain a public office position for the purpose of satisfying the basic needs of citizens of a particular country. When, there is a presidential election, one of the biggest issues is always the state of the economy. In Nigeria, the citizenry expects the new administration to pursue policies that would reduce unemployment, keep inflation under control and ensure adequate economic growth (Adegbuyi & Oludaru, 2013).

This in turn, determines the success of entrepreneurial activities in the country, its success reassures the government of the absence of economic issues such as inflation and unemployment and it's failure will welcome such issues. This means that there is a dependency relationship on government policies by entrepreneurial activities. The implementation of policies is determined by the choice of programs that will be used and also how responsive the people are to such programs. The objective of the study is to determine the effect of political activities on entrepreneurship growth and development and to determine the extent to which economic policies has improved entrepreneurship growth in Nigeria. This study is focused on Politics and entrepreneurship in a developing economy considering and analyzing responses from 100 respondents of both undergraduate final year students and postgraduate students of Covenant University, the study seeks to know if the activities of political actors influence the development of entrepreneurship in Nigeria and its effect on the economy as a developing one. Covenant University is a Christian based university with Dr. David Olaniyi Oyedepo as its chancellor. Covenant University was chosen to carry out this research because, it not only has a strong theoretical entrepreneurship curriculum called Entrepreneurship Developmental Studies (EDS), that is compulsory for all levels of students ranging from undergraduate students to postgraduate students, it also conforms to the policy of the government in ensuring that there is a center for entrepreneurship learning. This has provided a basis for other institutions to learn from thereby increasing awareness on its development and its effect on the economy. Therefore, the paper delves into the concept of entrepreneurship, government policies and developing economies. It also discusses the history, roles and challenges of government in the development of entrepreneurship in Nigeria. The effects of politics on entrepreneurship were discussed as well as its impact in a developing economy and also ways of ensuring implementation of favorable policies.

For the purpose of this study, the following research hypotheses were generated as a guideline to this study.

Hypothesis 1

H_0: Positive political activities cannot increase growth of the economy

H_1: Positive political activities can increase growth of the economy

Hypothesis 2

H_0: Favorable policies does not influence the development of entrepreneurship

H_1: Favorable policies influences the development of entrepreneurship

Literature Review

The impact of political activities has a direct effect on the economy and this also has an effect on the activities of entrepreneurs in the nation and also the development of entrepreneurship. The nature of politics, economy and entrepreneurship, requires us to study and analyze the various concepts involved in this study.

Concept of Entrepreneurship

Entrepreneurship has evolved into a global concept and has been termed as an economic driver. Earlier definitions of entrepreneurship centered on its role as go-between and by the middle ages, it was seen in terms of large scale projects. In the early 18th century, the concept of entrepreneurship gained its differentiation from the capitalist and the 19th and 20th century viewed this concept from an economic perspective (Yahaya & Nuhu, 2011). Entrepreneurship is the conscious effort by an individual to respond to diverse opportunities arising from his or her environment. The various entrepreneurial activities engaged in by an entrepreneur, requires innovation, proactive steps, calculated risk taking, creativity and management. The various challenges that may arise for an entrepreneur can be internal or external.

Internal form of challenges may include; legal and political factors, socio-cultural factors and economic factors. Political and economic factors and the variables surrounding it, serve as one of the major points for discussion for this paper. The external factors include competition from foreign firms and also policies of international bodies.

The concept of entrepreneurship is perceived as a creative and innovative response in economic and social ventures through willingness and ability of an individual to explore investment opportunities and being able to run it successfully, through making it profitable or suffering loss of invested capital. It involves combining resources to increase value and introducing change and innovation into the production process and creating wealth and employment opportunities. In order to understand and engage in entrepreneurial activities, individuals must engage in continuous environmental scanning, because this is the basic step of entrepreneurship. However the business environment is of a dynamic nature and this compels the 21st century entrepreneur to assume a pro-active nature.

Concept of Government policies

The beginning of a new administration starts with a public declaration of its political agenda, and when it is elected into office, it sets to achieve this by formulation of policies, and these policies are implemented through selected programs. Policy is a course of action or a program of actions, which is selected from among several options by certain actors in response to certain problems (Ikelegbe, 2006). Policy formulation, is the development of relevant policy in relation to public problem and the proposition, consideration and enactment of the policy (Ikelegbe,1996). Public policy making and implementation is a very critical aspect of governance that demands the efforts of both government and non-governmental institutes, in order to make sure that the interest of stakeholders in the country is protected. Public policy itself refers to all authorized means devised by government in order to achieve its stated goals and objectives. This can take the form of rendering social services to the community by a governmental agency or ministerial department. Public policy is thus a mechanism used in translating goals/objectives in to practical actions that can affect positively the lives of people and in the long run create a favorable economy for entrepreneurship activities to thrive. Policy implementations are those activities that are directed towards putting programs to the necessary personnel, logistic support and funds, which will enhance the actualization of the policy objectives (Okereke, 1998)

Concept of Developing Economy

A developing economy or under developed country is a nation with an underdeveloped industrial base, and a low human development index (HDI) relative to other countries. On the other hand, since the late 1990s developing countries tender to demonstrate higher growth rates than the developed ones. There is no universal, agreed upon criterion for what makes a country developing versus developed and which countries fit these two categories.(IGI global, 2016). In 2015, Nigeria was listed as a developing country by the international union of Geodesy and Geophysics (IUGG) at its 26th general assembly. This position occupied by Nigeria serves as an indication that the activities of the government as it concerns policy formulation has not been given the complete elements that would enable her to graduate to a developed country.

The state of an economy is one of the yardsticks used in appraising the performance of the government of the day. Therefore most politicians or leaders try to address economic issues with a proactive approach. This mindset or culture is not imbibed by leaders of developing nations and Nigeria is not an exception. An economy is sometimes influenced by its economic system and political system as well, and this goes a long way in determining the allocation of factors of production, choice of policies and programs, foreign policies and the management of the nation's resources. Most countries that are categorized as a developing nation are found to be practicing a mixed economy and are also plagued by a corrupt system, the presence of corruption in a system denies the citizens of whatever benefits a particular political system has to offer and this implication serves as a constraint to the growth of the Nigerian economy.

History of Government contributions towards development of Entrepreneurship

The Nigerian government assumed its role in entrepreneurship development only after the Nigerian civil war (1967-70). Throughout the mid-1980s there has been increased commitment of government to entrepreneurship development it kicked off with the initiation of the structural adjustment economic program (SAP) IN 1986. In addition to this, was the establishment of the national directorate of employment (NDE), National open Apprenticeship Scheme (NOAS), Small and Medium Enterprise Development Association of Nigeria (SMEDAN), these are steps made by the Nigerian government to ensure a good foundation for entrepreneurship to thrive. The nation also witnessed the introduction of entrepreneurship studies into the

Nigerian educational system in the early 2000s. This was a mandatory course especially for students of higher institutions. The center for entrepreneurship development was saddled with the responsibility of teaching and gingering students of higher institutions (especially in science, engineering and technological (SET)) to acquire entrepreneurial, innovative and management skills, was established. On a broader stage, the government increased tariffs on imported goods, that could be made locally, in order to discourage importation and increase entrepreneurial ventures in targeted industries.

Role of Government in Entrepreneurship Development

The role of Government in the development of entrepreneurship cannot be over emphasized, in Nigeria the government operates at a Federal, State, and Local level, and this makes expectations and duties to vary, but the three levels should develop a synergic effort towards fulfilling these roles. The roles of government in entrepreneurship development include;

- Formulation of favorable policies
- Monitoring of economic variables
- Creation of a healthy business environment
- Legal provisions
- Swift implementation of policies
- Policy evaluation and control
- Government support structure and systems
- Access to funding
- Access to business training and skills
- Access to business premises

Challenges of Government in Entrepreneurship Development

The formulation of good policies has never been the problem of the Nigerian government, in this area it has witnessed the formulation of viable policies which could stir the economy to its peak, and create an atmosphere for businesses to thrive. The constraint to this step of development is as a result of various factors such as;

- Misallocation of funds
- Poor implementation of policies
- Inconsistency
- Inadequate feedback mechanism
- Corruption
- Lack of funds
- Mismanagement of funds
- Nepotism

The Effect of Political Activities on Entrepreneurship

The political activities discussed in this context would be centered on formulation of policies and the activities surrounding its processes, the Nigerian government has its political environment, plagued by political rivalry, poor vision and corruption. These activities affect the implementation of policies and delays the processes involved, the business environment would be affected by this from the economic perspective, the distribution of factors of production, and its cost would either increase or decrease, this encourages or discourages entrepreneurial activities in the country. There is a need to analyze the concept of aggregate demand because the aggregate demand in the economy is an indicator of the level of purchasing power by its citizens. Aggregate demand or domestic final demand (DFD) is the total demand for final goods and services in an economy at a given time. It specifies the amount of goods and services that will be purchased at all possible price levels. The government influence aggregate demand through the use of expansionary fiscal policy, which involves adjusting its budget during the year. It can do this by increasing its purchase of goods and services by increasing transfer payments to individuals and organizations, or by reducing taxes. If the aggregate demand is high, people would purchase more and entrepreneurs would witness success of their product or service and thereby encourage them to engage in more entrepreneurial activities.

The Effects of Political activities in a Developing Economy

The political actors in a country are saddled with the responsibility of formulating policies on different level and in different arms, and the state of the economy should be a major point of consideration before the process of policy formulation begins. Most developing economies are import oriented and this makes them dumping grounds for exporters, who may maybe manufacturing inferior goods. The policy of the Government has effects on the state of the economy as it finds itself in this category. The various effects of these policies include;

- Protection or neglect of indigenous firms
- Increase or decrease in importation
- Improved standard of living
- Increase multinational trade
- Adequate management of resources
- Review of trade policies
- Evolving into a developed economy
- Remaining stagnant as a developing economy

Factors and ways involved in implementation of favorable Policies

The implementation of policies has been identified as the major problem of the Nigerian government and for various stakeholders in the country such as entrepreneurs, there would be no way they can benefit from a policy if it has not been implemented. Policies are implemented through programs, which contain procedures, but this is not the end, there should be a laid down feedback mechanism process, to evaluate and monitor its effectiveness. The government should consider and recognize factors that aid in the formulation and implementation of favorable policies. These factors include;

- Economic analysis
- Bench marking
- Observing due process
- Consideration of foreign policies and trade agreements
- Sensitization of citizens
- Identification of required resources
- Establishment of adequate feedback mechanism

Methodology

This study made use of primary data sourced from 100 respondents through the administration of questionnaire and the Statistical Package for Social Sciences (SPSS) was used to analyze responses and derive conclusions. Secondary sources were also consulted in getting information concerning the aforementioned topic. These secondary sources were mostly past research work, analysis of papers of scholars, textbooks, and journal articles.

Analysis of Data

SEX

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	71	74.7	74.7	74.7
	FEMALE	24	25.3	25.3	100.0
	Total	95	Percent	100.0	

The above table shows that 74.7% of the respondents were male and 25.3% were female. This is to show that most of the respondents were male.

AGE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	44	46.3	46.3	46.3
	25-30	41	43.2	43.2	89.5
	31-40	7	7.4	7.4	96.8
	41-50	2	2.1	2.1	98.9
	51 and above	1	1.1	1.1	100.0
	Total	95	100.0	100.0	
	Total	95	100.0	100.0	

The above table shows that 46.3 % of the correspondents are between the ages of 18-24, and the ages of 25-30 take the percentage of 43.2%, 31-40 have 7.4%,41-50 have 2.1% and 51 and above constitute 1.1%. This is to say that 18-24 has the largest percentage and 51 to above have the least percentage.

LEVEL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	400/500Level	6	6.3	6.3	6.3
	PGD/M.Sc./MBA/M.Eng/M .A2	77	81.1	81.1	87.4
	Ph.D.	12	12.6	12.6	100.0
	Total	95	100.0	100.0	

The table above shows the educational level of correspondents, 400/500level has 6.3% PGD/M.Sc/MBA/M.Eng/M.A constitute 81.1%, Ph.D. has a total of 12.6%. This is to show that most of the respondents fall under the PGD, M.Sc., MBA, M.Eng and M.A.

The Nigerian government adopt excellent policies that could change the future of their Citizens

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	28	29.5	29.5	29.5
	AGREE	27	28.4	28.4	57.9
	UNDECIDED	9	9.5	9.5	67.4
	DISAGREE	20	21.1	21.1	88.4
	STRONGLY DISAGREE	11	11.6	11.6	100.0
	Total	95	100.0	100.0	

The table above shows 29.5% strongly agree that the Nigerian government adopt excellent policies that could change the future of their citizens, 28.4% agree, 28.4% disagree, 9.5% are undecided, and 11.6% strongly disagree.

Economic issues in Nigeria are approached with a sense of urgency

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	10	10.5	10.5	10.5
	AGREE	20	21.1	21.1	31.6
	UNDECIDED	17	17.9	17.9	49.5
	DISAGREE	31	32.6	32.6	82.1
	STRONGLY DISAGREE	17	17.9	17.9	100.0
	Total	95	100.0	100.0	

The table above shows the relative opinions of the respondents in response to the questions, 10.5% strongly agree that economic issues in Nigeria are approached with a sense of urgency, 21.1%, agree, 17.9% are undecided, 32.6 disagree and 17.9 strongly disagree.

Political activities have no effect on the economy

		Frequency	Percent	Valid Percent	Cumulativ e Percent
Valid	STRONGLY AGREED	11	11.6	11.6	11.6
	AGREE	17	17.9	17.9	29.5
	UNDECIDED	19	20.0	20.0	49.5
	DISAGREE	20	21.1	21.1	70.5
	STRONGLY DISAGREE	28	29.5	29.5	100.0
	Total	95	100.0	100.0	

The table above shows that 11.6% strongly agree that political activities have no effect on the economy, 17.9% agree, 20.0% are undecided, 21.1% disagree and 29.5% strongly disagree.

Politicians make effort to fulfill their agendas

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	9	9.5	9.5	9.5
	AGREE	23	24.2	24.2	33.7
	UNDECIDED	18	18.9	18.9	52.6
	DISAGREE	28	29.5	29.5	82.1
	STRONGLY DISAGREE	17	17.9	17.9	100.0
	Total	95	100.0	100.0	

The table above shows that 9.5% strongly disagree that politicians make effort to fulfill their agendas, 24.2% disagree, 18.9% are undecided, 29.5% disagree and 17.9% strongly disagree.

Economic policies does not affect the state of the economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	12	12.6	12.6	12.6
	AGREE	16	16.8	16.8	29.5
	UNDECIDED	14	14.7	14.7	44.2
	DISAGREE	20	21.1	21.1	65.3
	STRONGLY DISAGREE	33	34.7	34.7	100.0
	Total	95	100.0	100.0	

The table above shows that 12.6% strongly agrees that economic policies do not affect the state of the economy, 16.8% agree, 14.7% are undecided, 21.1% disagree, 34.7% strongly disagree.

Political crises does not encourage the innovation of youths in a developing economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	39	41.1	41.1	41.1
	AGREE	36	37.9	37.9	78.9
	UNDECIDED	9	9.5	9.5	88.4
	DISAGREE	8	8.4	8.4	96.8
	STRONGLY DISAGREE	3	3.2	3.2	100.0
	Total	95	100.0	100.0	

The table above shows that 41.1% strongly agree that political crises do not encourage the innovation of youths in a developing economy, 37.9% agree, 9.5% are undecided, 8.4% disagree, 3.2% strongly disagree.

Government regulations influence the growth of entrepreneurship in a developing economy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	32	33.7	33.7	33.7
	AGREE	51	53.7	53.7	87.4
	UNDECIDED	9	9.5	9.5	96.8
	DISAGREE	2	2.1	2.1	98.9
	STRONGLY DISAGREE	1	1.1	1.1	100.0
	Total	95	100.0	100.0	

The table above shows that 33.7% strongly agree that government regulations influence the growth of entrepreneurship in a developing economy, 53.7% agree, 9.5% are undecided, 2.1% disagree, 1.1% strongly disagree.

The Nigerian infrastructure limits entrepreneurial effectiveness and is a barrier to entrepreneurship success

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	29	30.5	30.5	30.5
	AGREE	38	40.0	40.0	70.5
	UNDECIDED	15	15.8	15.8	86.3
	DISAGREE	10	10.5	10.5	96.8
	STRONGLY DISAGREE	3	3.2	3.2	100.0
	Total	95	100.0	100.0	

The table above shows that 30.5% strongly agrees that the Nigerian infrastructure limits entrepreneurial effectiveness and is a barrier to entrepreneurship success, 40.0% agree, 15.8% are undecided, 10.5% disagree, 3.2% strongly disagree.

Favorable Economic policies aid entrepreneurs in starting up their business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	39	41.1	41.1	41.1
	AGREE	33	34.7	34.7	75.8
	UNDECIDED	18	18.9	18.9	94.7
	DISAGREE	3	3.2	3.2	97.9
	STRONGLY DISAGREE	2	2.1	2.1	100.0
	Total	95	100.0	100.0	

The table above shows that 41.1% strongly agree that favorable economic policies aid entrepreneurs in starting up their business, 34.7% agree, 18.9% is undecided, 3.2% disagree, 2.1% strongly disagree.

Entrepreneurship development has been given adequate attention by policy makers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	STRONGLY AGREED	13	13.7	13.7	13.7
	AGREE	29	30.5	30.5	44.2
	UNDECIDED	19	20.0	20.0	64.2
	DISAGREE	24	25.3	25.3	89.5
	STRONGLY DISAGREE	10	10.5	10.5	100.0
	Total	95	100.0	100.0	

The table above shows that 13.7% strongly agree that entrepreneurship development has been given adequate attention by policy makers, 30.5% agree, 20.0% are undecided, 25.% disagree, 10.5% strongly disagree.

Test of Hypothesis 1: Statement of Hypothesis

H_0: Positive political activities cannot increase growth of the economy

H_1: Positive political activities can increase growth of the economy

The test statistics to be used in this hypothesis is the regression analysis. The significance level below 0.05 implies a statistical confidence of above 95%. Therefore, we reject the null hypothesis once the P-value is ≤ 0.05 and accept the alternative hypothesis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.077[a]	.006	-.005	1.407

a. Predictors: (Constant), Political activities have no effect on the economy

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.093	1	1.093	.552	.460[b]
	Residual	184.213	93	1.981		
	Total	185.305	94			

a. Dependent Variable: The Nigerian government adopt excellent policies that could change the future of their citizens

b. Predictors: (Constant), Political activities have no effect on the economy

The Regression analysis used in evaluating hypothesis 1 shows how much of the dependent variable variance is explained by the model. The results from the table shows that the extent to which the variance in economic growth is being explained by positive political activities is 0.6% i.e. (R square =

0.006). The Anova table reveals the assessment of the statistical significance of the result. The alternative hypothesis is rejected because the P-value is greater than 0.05. The model in this table reaches statistical significance (sig = 0.460), in which the P-value is equal to .460, and greater than 0.05. Therefore, we reject the alternative hypothesis. This implies that "Positive political activities cannot increase growth of the economy". This therefore, is the null hypothesis.

Test of Hypothesis 2: Statement of Hypothesis

H_0: Favorable policies does not influence the development of entrepreneurship

$H_{1:}$ Favorable policies influences the development of entrepreneurship

The test statistics to be used in this hypothesis is the regression analysis. The significance level below 0.05 implies a statistical confidence of above 95%. Therefore, we reject the null hypothesis once the P-value is $\leq$ 0.05 and accept the alternative hypothesis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.369[a]	.136	.127	.717

a. Predictors: (Constant), Favorable Economic policies aid entrepreneurs in starting up their business

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	7.539	1	7.539	14.678	.000[b]
1	Residual	47.766	93	.514		
	Total	55.305	94			

Dependent Variable: Government regulations influence the growth of entrepreneurship in a developing economy

b. Predictors: (Constant), Favorable Economic policies aid entrepreneurs in starting up their business

The results from the table variance are explained by the model. The Regression analysis used in evaluating hypothesis 2 shows how much of the dependent variable shows that the extent to which the variance in the development of entrepreneurship being explained by the influence of favorable policies is 13.6% i.e. (R square = 0.136). The Anova table reveals the assessment of the statistical significance of the result. The null hypothesis is rejected because the P-value is less than 0.05. The model in this table reaches statistical significance (sig = 0.000), in which the P-value is equal to .000, and less than 0.05. Therefore, we reject the null hypothesis. This implies that "Favorable policies influence the development of entrepreneurship". This therefore, is the alternative hypothesis.

Discussion of Findings

From the above analysis, it can be said that there was a 100% response to the questionnaire. The findings show that favorable policies influence the development of entrepreneurship and people are of the opinion that positive political activities cannot increase the growth of the economy. This shows that citizens actually believe the policies formulated is a stronger than determinant of economic growth than political behaviors and activities.

Recommendation and Conclusion

The policies formulated by political actors, affect the economic variables operating in the state and this in turn, affects the aggregate demand of people in the country, and the aggregate demand either encourages or discourages entrepreneurial activities and efforts. Political actors in developing economies especially Nigeria should adopt a proactive approach in dealing with economic issues and formulate policies with a foresighted approach and also ensure swift implementation of these policies and establish an effective feedback mechanism.

The formulation of favorable economic policies is the cradle of entrepreneurship in an economy especially that of a developing economy, and the growth of entrepreneurship and its collective activities, assures the government of an economic boost on the long-run.

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Entrepreneurship Education and Practices among Undergraduates in Olabisi Onabanjo University, Ago Iwoye, Ogun State, Nigeria

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***Abstract*: Introduction**: Entrepreneurship has been regarded as a reviving, revamping and a surviving tool for a recessed economy like Nigeria; it also serves as a pivot which aid sustainable development. This study therefore examined the entrepreneurial education and practices among undergraduates in Olabisi Onabanjo University, Ago Iwoye, Nigeria. It has been realized that the type of education offered in most tertiary institutions produce graduates for whom there is no market demands. Graduates are produced only for wage employment in the formal sector.

Objectives: The objective is to examine the effects of entrepreneurial education, practices and activities on self-reliance among undergraduate students. Entrepreneurship education will help influence self-reliance as well as creating wealth, employment and finally make these youths build a virile economy as entrepreneurship education shoots them from obscurity (unemployment) to limelight (business mogul).

Methods: Data was gathered using a questionnaire from one hundred and thirty eight (138) respondents. The data was analyzed using SPSS 20.0.

Findings: The outcome of the study revealed that entrepreneurial practices among students is high**.** This therefore implies that entrepreneurship is a key phenomenon to economic advancement.

Conclusion: The paper concludes that institutions have the responsibility of stimulating the interest of the students by creating an enabling environment for learning, making entrepreneurship education more fascinating, especially in the areas of procurement of facilities for training. Theory and practice also should be harnessed to form a whole for better entrepreneurial performance.

Keywords: Entrepreneurship Education, Practices, Students, Olabisi Onabanjo University

Introduction

In Nigeria, like most countries all over the world, the phenomenon of economic downturn is fast gaining momentum in recent times, with unemployment as a major indicator. This development has however become intractable over the years, and has continued to escalate, thereby posing serious challenges to the social wellbeing and economic stability of most countries in the world, both developing and developed (ILO, 2012). Nigeria, as a country, has been grappling with the problem of economic instability since the early 1980s when the key indicators of the erstwhile economic buoyancy of the country, traceable to the 1970s, were tingly noticed to be on the precipice. In recent time, there has been increasing global concern over the continuously expanded rates of unemployment around the world, particularly in most developing countries, where the youth have been identified as the most affected groups. As a result, various governmental and non-governmental organizations have initiated policies through support agencies such as National Directorate for Employment (NDE), the National Poverty Eradication Programme (NAPEP), Small Medium Enterprises Development Agency (SMEDAN), National Office for Technology Acquisition and Promotion (NOTAP), Raw Materials & Development Council (RMRDC) among others to address the problems of unemployment among Nigerian citizens (Olayinka 2010, Emannuel, 2012, Akhuemonkhan et al., 2013). These aforementioned strategies were initiated with the hope that the development of self-employment and small enterprise initiatives would serve as a measure to unlock the economic potentials of the people, increase the capacity to empower and equip individuals in society to participate and benefit from their national economy as well as facilitates economic development which forms the bases for transformation (Unachukwu, 2009, Ekpo and Edet, 2011). More recently, the Federal government of Nigeria established another means to inculcate self-employment (entrepreneurship) culture in students of tertiary institutions. This mandate was given to the National Universities Commission (NUC, 2004) to include entrepreneurial studies in the curriculum of Nigerian Universities with the hope of reducing unemployment among fresh graduates (Aja-Okorie and Adali, 2013).

1.1 Conceptual Clarification

1.1.1 Who is an Entrepreneur?

Entrepreneurs are individuals who recognize opportunities where others see chaos, or confusion. One anonymous quote found by Jeffery A. Timmons sums up the realities for entrepreneurs. “Anyone can be an entrepreneur, who wants to experience the deep dark canyons of uncertainty and ambiguity; who wants to walk the breathtaking highlands of success”. Entrepreneurship in the modern dispensation in Nigeria can be traced to the colonial era due to the problem of trade by barter of exchanging agricultural products. It means primarily innovation, to others it means risk-taking. To others, a market stabilizing force and to others it means starting, or owning and managing small business.

1.1.2 Nature and Characteristics of an Entrepreneur

No one is genetically programmed to be an entrepreneur. It is not something you are born with. It is more a matter of will, persistence and environment which can be encourage or discouraged, conditioned or avoided. In other words, it can be acquired. According to Daniel (1997) has this to say about entrepreneurial behaviour. Behaviour that is quite profound in entrepreneurs we have observed the level of this initiative persistence and belief. Most entrepreneurs have to overcome significant odds to develop and fully capture their opportunities. The nature of the process in which entrepreneurs are involved requires significant levels of "out of the box" (nontraditional) thinking along with positive initiation Okpara, (2006). Typical of the attributes identified by a variety of writers on the subject of entrepreneurship or enterprise are: Innovation, autonomy/ independence, belief in control of one's own destiny, creativity, determination, flexibility, Goal oriented, hard work, imagination thinking, initiative, leadership quality, optimism, perseverance, problem solving ability, futuristic confidence and individuality and more (Okpara, 2006).

1.1.3 Types of Entrepreneurs

Clarence Dangof made the classification of entrepreneurs as follows on the basis of this study.

1. **Innovating Entrepreneurs:** He introduces new goods, inaugurates new method of production and discovers new market.
2. **Imitative Entrepreneurs:** These are characterized as very great caution and skepticism in experimenting any change in their enterprises.
3. **Fabian Entrepreneurs:** They take very great caution and skepticism in experimenting any change in their enterprises.
4. **Drone Entrepreneurs:** They are characterized by a refusal to adopt even at the cost of several reduced returns relative to other producers. Other types of entrepreneurs include Solo Operators, Active partner, inventors, challengers, buyers and life timers etc. Nwachukwu (2009) said in his book that an average Nigerian thinks of owning business of his own but never fulfills the desire. Only very few actually begin a going enterprise or actualize their dreams.

1.1.4 Entrepreneurship

Entrepreneurship refers to the intentional creation or transformation of an organisation for the purpose of creating or adding value through organization of resources (Bird and Jelinek, 1988). As a dynamics process of vision, change and creation (Kuratko, 2005), it requires to be taught for the transfer of its skills and knowledge from an expert to someone else. It involves an application of energy and passion towards the creation of an enterprise and this includes the; willingness to take calculative risks; team work; the creative skill to marshal needed resources; fundamental skill of building solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion (Walstad, and Kourilski, 1999; Arenius and Minniti, 2004; Kuratko and Hodgetts, 2004).

1.1.5 Entrepreneurship Education

Entrepreneurial education is focused on developing youth with the passion and multiple skills. It aims to reduce the risk associated with entrepreneurship thought and guide the enterprise successfully through its initial stage to the maturity stage. According to Brown (2000) entrepreneurial education is designed to communicate and inculcate competencies, skills and values needed to recognize business opportunity, organize and start new business venture. Gorman, Hanlon, and King, (1997) point out that entrepreneurship education is an educational programs that is focused on impacting students with issues on entrepreneurship. Entrepreneurship education has passed through several developmental stages.

Literature Review

Entrepreneurship, as an emerging field of study and as an area of human endeavor, has received increasing interest of researchers, academicians and policy makers the world over. It has equally provoked controversies over its concept and definition. Entrepreneurship is seen as an effective means not only of combating unemployment, poverty and under-development in the developing nations, but also as a strategy for rapid economic development in both developed and developing nations (Schumpeter, 1934; Clausen, 2006; Praag & Versloot, 2007). Entrepreneur is a function of metal ability that is, individual has to learn on how to think of what is lacking in an environment, ability to provide or supply to the environment whereby satisfying those needs is what makes individual entrepreneur and job creator Omoluabi, (2014). Entrepreneurship is so much more than just learning to run your own business. It is an approach to life that involves thinking of you as a can-do person. After all, if you can start your own business, you can do just about anything (Stevenson, 2007).

In Nigeria, studies have been carried out on the effect of entrepreneurship development on the problem of high unemployment rate, high level of poverty and slow economic growth rate (Adejumo, 2001; Salami, 2013). Given the generally held view that entrepreneurship development is the key to poverty eradication, employment generation and rapid economic development, various governments in Nigeria have, over the past three decades, evolved policies and programmes, aimed at developing entrepreneurship through the development of small and medium scale enterprises (SMEs). In spite of all the efforts, unemployment rate has remained high, rising from 13.1% in year 2000 to 23.9% in 2011, with youth unemployment put at over 50% (IMF, 2013; Risenetworks, 2013). Over 100 million Nigerians live below poverty line on less than US$1 a day and with the percentage of the population in abject poverty rising from 54.7% in 2004 to 60.9% in 2010 (Yusuf, 2011). Above all, Nigeria's human development index (HDI) remains abysmally low at 0.453, much below world weighted average of 0.7 (UNDP, 2006).

Theoretical Anchorage

Planned Behaviour Theory

This study draws heavily on the theory of planned behaviour. The theory of planned behaviour was postulated by Azjen (1991) and adopted by Krueger and Carsrud (1993). According to planned behaviour theory, entrepreneurial behaviour (EB) is a function of entrepreneurial intentions (EI). Krueger and Carsrud (1993) illustrated this relationship as follow: Attitudes = Motivation (Behavioural control) = Intentions = Behaviour.

Entrepreneurial intentions are aimed at either creating a new venture or creating new values in existing ventures (Vesalainen and Pihkala, 1999). This theory according to Thandi and Sharma (2003) suggests that a person's attitude towards becoming an entrepreneur, subjective norms (perception of others), and behavioural control are antecedents of intention. Meaning that attitude, subjective norms and perceived behaviour control act (motivation). Thus, the more favourable the attitudes and subjective norms is and the greater the perceived behavioural control is, the stronger the intention to perform the behaviour. The theory of planned behaviour has been used successfully to predict intentions in various applications (Kruegar and Carsrub, 1993).

Methods

Data was gathered using a questionnaire from one hundred and thirty eight (138) respondents. The data was analyzed using SPSS 20.0.

Demographic Characteristics of Respondents

Valuable	Categories	Frequency	Percentage (%)
Sex	Male	18	13%
	Female	120	87%
Age	15-20 years	8	5.8%
	21-30 years	100	72.5%
	31-40 years	20	14.5%
	41 years and above	10	7.2%
Level	100 Level	15	10.9%
	200 Level	50	36.2%
	300 Level	20	14.5%
	400 Level	48	34.8%
	500 Level	5	3.6%
Study Mode	Full Time	95	68.8%
	Part Time	43	31.2%
Marital Status	Single	85	61.6%
	Married	53	38.4%
Religion	Christianity	83	60.1%
	Muslim	55	39.9%
Ethnicity	Yoruba	98	71%
	Igbo	32	23.2%
	Hausa	8	5.8%
Nationality	Nigerian	120	87%
	Foreigner	18	13%

Source: Field Survey, 2016

Analysis of demographic variables revealed that the distribution of respondents by sex according to the result of the analysis, 18 (13%) of the respondents were male while 120 (87%) were female, the studies revealed that majority of the respondents are female with 120 (87%). According to the result of the analysis, 8 (5.8%) of the respondents were between 15 - 20years, 100 (72.5%) of the respondents were between 21- 30years, 20 (14.5%) of the respondents were between 31- 40years while 10 (7.2%) of the respondents were

41 years and above, the studies revealed that majority of the respondents are 21 – 30 years with 100 (72.5%).

The result of the analysis, 15 (10.9%) of the respondents are 100 Level student, 15 (36.2%) of the respondents are 200 Level student, 20 (14.5%) of the respondents are 300 Level student, 48 (34.8%) of the respondents are 400 Level student and 5 (3.6%) of the respondents are 500 Level student, the studies revealed that majority of the respondents are 200 Level student with 50 (36.2%). Also, the result of the analysis, 95 (68.8%) of the respondents were full time study and 43 (31.2%) of the respondents were part time student, the studies revealed that majority of the respondents are full time student with 95 (68.8%).

According to the result of the analysis, 85 (61.6%) of the respondents were single and 53 (38.4%) of the respondents were married, the studies revealed that majority of the respondents are single with 85 (61.6%). Also, the result of the analysis, 83 (60.1%) of the respondents were Christianity, 55 (39.9%) of the respondents were Muslim, the studies revealed that majority of the respondents are Christian with 83 (60.1%). The result of the analysis, 98 (71%) of the respondents were Yoruba, 32 (23.2%) of the respondents were Igbo, 8 (5.8%) of the respondents were Hausa, the studies revealed that majority of the respondents are Yoruba with 98 (71%). According to the result of the analysis, 120 (87%) of the respondents were Nigerian while 18 (13%) of the respondents were foreigner, the studies revealed that majority of the respondents are Nigerian with 120 (87%).

Relationship between Entrepreneurial Activities and Self-Reliance

S/N	**Statement**	Yes	No	Undecided
1	I'm adequately motivated to participate in entrepreneurial activities in Olabisi Onabanjo University.	102 73.9%	30 21.7%	6 4.4%
2	Personal interest influence decision to become entrepreneurs.	115 83.3%	19 13.8%	4 2.9%
3	Role model in society influence decision to become entrepreneurs.	92 66.7%	41 29.7%	5 3.6%
4	Educational institution/ environment/ facility influence decision to become entrepreneurs.	82 59.4%	54 39.1%	2 1.5%
5	Entrepreneurial activities influence decision to become entrepreneurs.	92 66.7%	43 31.1%	3 2.2%
6	Fellow students motivate my intention to be an entrepreneur.	109 79%	20 14.5%	9 6.5%
7	Lecturers motivate my intention to be an entrepreneur.	72 52.1%	63 45.7%	3 2.2%

8	To make money motivate my intention to be an entrepreneur.	128 92.7%	8 5.8%	2 1.5%
9	Employment generation motivate my intention to be an entrepreneur.	115 83.3%	22 16%	1 0.7%
10	Meeting peoples' need motivate my intention to be an entrepreneur.	92 66.6%	43 31.2%	3 2.2%
	Grand Total	**999** **72.4%**	**343** **24.9%**	**38** **2.8%**
	Mean Total	**100** **72.4%**	**34** **24.9%**	**4** **2.8%**

Table 4.2 revealed that students are adequately motivated to participate in entrepreneurial activities in Olabisi Onabanjo University 102 (73.9%), personal interest 115 (83.3%), role model in society 92 (66.7%), educational institution/ environment/ facility 82 (59.4%), entrepreneurial activities 92 (66.7%) influence their decision to become entrepreneurs. Fellow students 109 (79%) lecturers motivate 72 (52.1%), to make money 128 (92.7%), employment generation 115 (83.3%) and meeting peoples' need 92 (66.6%) motivate their intention to be an entrepreneur.

Table 4.3 Relationship between Entrepreneurship Education and Self-Reliance

S/N	**Statement**	Yes	No	Undecided
1	Entrepreneurship classes have fully prepared them for to be self-reliance.	94 68.1%	44 31.9%	0 0%
2	Are you encouraged to start their own business due to entrepreneurship courses attended in Olabisi Onabanjo University.	106 76.8%	30 21.7%	2 1.5%
3	Entrepreneurship education has built me becoming self-employed	126 91.3%	9 6.5%	3 2.2%
4	Entrepreneurship education has built me to be entrepreneur in order to creates job	128 92.8%	10 7.2%	0 0%
5	Entrepreneurship education has built me to gathers resources to create wealth.	85 61.6%	50 36.2%	3 2.2%
6	Entrepreneurship education makes someone to be self-dependent.	86 62.3%	50 36.2%	2 1.5%
7	Entrepreneurship education makes me uses my creative ability to publicize	128 92.7%	8 5.8%	2 1.5%
8	Entrepreneurship education makes me sees opportunities where others do not see	120 87%	18 13%	0 0%
	Grand Total	**873** **79.1%**	**219** **19.8%**	**12** **1.1%**
	Mean Total	**109** **79.1%**	**27** **19.8%**	**2** **1.1%**

Table 4.3 revealed that entrepreneurship classes have fully prepared them for to be self-reliance 94 (68.1%), students are encouraged to start their own business

due to entrepreneurship courses attended in Olabisi Onabanjo University 106 (76.8%). Entrepreneurship education has built them to become self-employed 126 (91.3%), entrepreneur in order to creates job 128 (92.8%), to gathers resources to create wealth 85 (61.6%), makes someone to be self-dependent 86 (62.3%), makes me uses my creative ability to publicize 128 (92.7%) and sees opportunities where others do not see 120 (87%).

Discussion of Findings

This study has been 'carefully' examined through the collection and analysis of quantitative data. The overall finding of the study is that there is a strong relationship between students' exposure to entrepreneurship activities and their self-reliance to becoming self-employed. This was observed as majority of respondents in the study indicated their willingness and believed they have developed capacity to establish their own business based on the fact that they have benefited from entrepreneurship courses offered in Olabisi Onabanjo University. Thus, this study affirms that the provision of entrepreneurship education to students has impacted in them skills and knowledge as well as affects their decision or self-reliance to set up a business enterprise. It was however found that despite the high rate of entrepreneurship intentions, most Olabisi Onabanjo University students perceive different barriers that could limit their plan or decision to start up their own business.

Recommendations

Based on the findings of this study, the following recommendations are made:

i. For this to become a reality and not a mere wish, the onus is tripartite, that is, respective institutions, government agencies concerned and the students. In this equation, the institutions have the responsibility of stimulating the interest of the students by creating an enabling environment for learning, making entrepreneurship education more fascinating, especially in the areas of procurement of facilities for training, both theories and practical as well as qualified instructors to impart in the students the required skills.

ii. To achieve the foregoing, the government should, as a matter of urgency, fund tertiary institutions sufficiently, and give the businesses engaged by students after school the required protection and support. This would in turn instill confidence in the students and rekindle their hope of overcoming the general phobia of uncertainty trailing the business terrain in Nigeria.

iii. Also, this would, in no doubt, boost the nation's economy, lest we have an accentuation of another vicious cycle of political stratagem. Students too have the responsibility to be resolute in their determination to become entrepreneurs after their tertiary education by backing their acclaimed intentions with actions and not merely words. Students do occupy a vantage position in the crusade of promoting the actualization of the government's initiative of encouragement of self-employment through entrepreneurship education in tertiary institutions in the country. In other words, students should be imbued with the determination to take advantage of this initiative, see it as a legacy bequeathed to them, and do all within their capability to ensure it comes to fruition.

Conclusion

Against the background of getting more people in the private sector to be involved in the quest for job creation with a view to reducing the spate of unemployment in Nigeria, which is the haul mark of the transformation agenda of the present federal government in Nigeria, entrepreneurial activities of tertiary students after school is a good omen for the country whose economy is on the precipice. It will also create jobs for the other starters in the economy, especially fresh school leavers who are transiting. The study further concluded that qualitative academic foundation played a key role, and as such, provision of functional instructional facilities and experienced instructors are germane in order to enhance effective training and mentoring of the students. Adequate funding and other support should be given to both the institutions and students as a means of motivation in order to allay attendant fears of uncertainty in the business terrain in the country, lest the intention to go into business fizzles out at the fledging stage.

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