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GUIDELINES OF OPERATION

Brief Profile of Journal of Entrepreneurship Studies (JES) Benue State University, Makurdi

The Journal of Entrepreneurship Studies (JES) Benue State University, Makurdi is housed in the Centre for Entrepreneurship Studies, Benue State University, Makurdi, Benue State-Nigeria. The idea to establish the journal was conceived by members of the Board of Centre for Entrepreneurship Studies, Benue State University on the 11th of November, 2015 in a Board Meeting presided over by Dr Timothy T. Alabar. A 5 man committee under the chairmanship of Dr Mrs Aliegba Becky was constituted and mandated to set out the template for the takeoff on the Centre Journal. The Committee submitted their report on the 30thth of March, 2016 with a suggested name of the journal, the structure, membership of the Board and the generaol modus operandi for a successful takeoff of the journal. The report of the committee which has Dr T.T. Alabar as the managing editor and Dr A.I. Ochugudu as the editorial secretary was adopted by the Board. Also, the ratification of the decision of the journal committee by the Board formally gave birth to JES on the 15th of April, 2016. The intention to float the journal was borne out of the need to provide a scholarly platform for academic debate and for the promotion of knowledge both locally and internationally in the field of entrepreneurship.

Editorial Policy

Journal of Entrepreneurship Studies Benue State University, Makurdi is published bi-annually. The journal focuses on publishing scholarly and well-researched articles comprising theoretical and empirical works in the field of Entrepreneurship finance, micro finance, financing of SMEs, foreign direct investment and funding of small scale business in Nigeria, infrastructural financing, financial management practices in public sector, finances for growing businesses, new venture financing, informal sources of finance for SMEs, challenges of entrepreneurial endeavours in Nigeria, boosting entrepreneurship in developing countries, financing mix in emerging market, developing and sustaining entrepreneurship culture and mainstreaming entrepreneurship profession among others. Also, critical literature reviews, book reviews and other research results in related fields may be considered for publication in special editions as may be determined by the editorial board from time to time.

Submission of Articles

a. Only original manuscripts that have not been published or not under active consideration for publication in other journals can be considered for publication in this journal.
b. Manuscripts to be considered for publication in this journal cannot exceed 20 pages on A4 size paper, typed double line spacing with 12 font **New Times Roman** (this is inclusive of tables, charts, graphs, appendixes and references).
c. The in-text referencing format accepted for this journal is the current APA style.
d. Every article must be accompanied with an abstract of not more than 150 words. The title of the work must be specified at the top.
e. The title page must include the title of the article, name of the author, organisational or institutional affiliation, full mailing address, e-mail, and a valid phone number.
f. Biographical information of contributors shall be provided on a separate sheet accompanying the paper.

Publication Fee

The publication fee shall be in two parts viz: assessment fee and pagination fee.

√ ***Assessment Fee:*** Submission of every article must be accompanied with a non-refundable fee of five thousand naira (N5000=) only as an assessment fee. This is subject to review from time to time as may be deemed necessary by the editorial board.

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Signatories

The managing editor as the chairman and the editorial secretary shall be the sole signatories to the account of the journal. They shall from time to time as may be required by the board, present a financial statement of their stewardship and seek approval of the Board on any major decision to be taken.

They shall oversee the day to day affairs of the journal and report to the Board any major challenges encountered in the course of running the journal that may require the collective decision of all board members.

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THE EFFECT OF CORPORATE DONATIONS AND EMPLOYEE RELATIONS' ON EARNINGS PER SHARE OF LISTED CONSUMER GOODS MANUFACTURING COMPANIES IN NIGERIA

Paul Aondona Angahar

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Abstract

This paper examined the effect of Corporate Donations and Employee relations which are Corporate Social Responsibility (CSR) variables on the financial performance measured by Earnings per Share (EPS) of consumer goods manufacturing companies listed on the Nigerian Stock Exchange (NSE). A sample of seven (7) companies was selected using purposive sampling method from a population of 12 Consumer goods manufacturing companies listed on the Nigerian Stock Exchange market as at January, 2012. The audited financial statements of the companies for the years 2003-2012 were used for the analysis. The study employed multiple regression analysis to examine the relationship between Corporate Donations and Employee relations with the Earnings per Share. The results showed that the CSR variables of Corporate Donations and Employee relations have positive and significant relationship with the EPS. The study recommended that corporate entities in Nigeria should invest in CSR activities especially corporate donations and employee relations in order to boost their image/reputation thereby increasing their returns.

Key Words: Corporate Donations, Employee relations, Earnings per Share, Corporate Social Responsibility, Nigerian Stock Exchange.

Introduction

Due to increased globalisation, greater environmental and social awareness and efficient communication, the concept of firm responsibilities beyond the purely legal or profit-related has gained new impetus. Firms are being asked not just how much money they have made but how they make it. Consequent on this, firms have to move from the confine of financial responsibility to shareholders to accepting the broader accountability to stakeholders for social performance. In order to succeed, corporate organisations now have to be seen to be acting responsibly towards the people, planet and profit (3Ps). These three factors are obviously highly inter-related. Although, they are considered to be economic instruments, they also have an immense impact on human development and the wellbeing of society.

The Nigerian society has become increasingly concerned that greater influence and progress by firms have not been accompanied by equal effort and desire in addressing social issues including problems of poverty, drug abuse, child labour and delinquencies, improper treatment of workers, faulty production output and environmental degradation or pollution by the industries. It is therefore essential to realise that public yearning for increased social responsibility will not disappear if business organisations fail to respond to the challenges of the society. However, the performance of companies in Nigeria particularly in the consumer goods manufacturing sector has being sub-optimal in recent years due to the impact of financial crises, policy somersault, insurgency, sharp decline in lending to the private sector associated with structural issues in the banking system and increased risk aversion, decaying infrastructure, low power generation and poor distribution network, which lead to increased manufacturing cost. Despite these challenges, consumer goods manufacturing firms in Nigeria engage in social roles which attract huge financial implications, demanding research attention as to whether socially responsible corporate activities can create or destroy shareholder wealth. It is against this backdrop that this paper seeks to examine the effect of Corporate donations and employee relations’ which are Corporate Social Responsibility (CSR) variables on the Earnings per Share of consumer goods manufacturing companies listed on the Nigerian Stock Exchange (NSE).

The broad objective of this paper is to examine the effect of Corporate Social Responsibility activities by firms on their financial performance. The specific objectives are:

1. To examine the effect of corporate donation on earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange.
2. To examine the effect of employees' relation on earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange.

The rest of the paper is organised and presented seriatim around the following related themes: Conceptual considerations, statement of hypotheses, methodology, data analysis and test of hypotheses, conclusion, recommendation

Conceptual Considerations

The Concept of Corporate Social Responsibility: In the literature on corporate social responsibility (CSR) different authors described it in different ways. There is no universal definition of CSR, organisations have framed different definitions and there are several perceptions of the term according to the context locally and among the countries. According to Carroll (1983:608), "corporate social responsibility involves the conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions when discussing the firm's ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent".

Carroll (1983) opines that, for CSR to be accepted by a conscientious business person, it should be framed in such a way that the entire range of business responsibilities are embraced. It is suggested here that four kinds of social responsibilities constitute total CSR: economic, legal, ethical and philanthropic. Furthermore, these four categories or components of CSR might be depicted as a pyramid and all of these have always been in existence but in recent years, ethical and philanthropic functions have taken a significant place. Each of these four categories deserves closer consideration.

The economic responsibility views business organisations as an economic entity designed to provide goods and services to the members of the society. The profit motive was established as the primary incentive for entrepreneurship. The business organisation was the basic economic unit in society, as such; its principal role was to produce goods and services that consumers needed and wanted and to make an acceptable profit in the process. The legal responsibility stressed that Society has not only sanctioned businesses to operate according to the profit motive but at the same time, business is expected to comply with the laws and regulations promulgated by the government as the ground rules under which business must operate. Firms are expected to pursue their economic missions within the framework of the law. Ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights. Philanthropy encompasses those corporate actions that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programmes to promote human welfare or goodwill. Examples of philanthropy include business contributions to financial resources such as contributions to the arts, education, or the community.

According to Egels (2005), the area defined by advocates of CSR increasingly covers a wide range of issues such as plant closures, employee relations, human rights, corporate ethics, community relations and the environment. According to Ruggie (2002), CSR is a strategy for demonstrating good faith, social legitimacy, and a commitment that goes beyond the financial bottom line. CSR is about how companies manage the business processes to produce an overall positive impact on society.

Holme and Watts (2002) has provided different perceptions of what CSR should mean from a number of different societies. CSR is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government.

The concept of social responsibility has very high important components of ethics that are the guidelines going to improve the quality of life of the people in organisations and, at the same time, provide an industrial competitive advantage for the firm and needs to be developed as a corporate strategy of the firm focusing in the issues of social, environmental and economics (Amole and Adebiyi, 2012).

According to Frooman (1999), the definition of what would exemplify CSR is an action by a firm, which the firm chooses to take, that substantially affects an identifiable social stakeholder's welfare. A socially responsible corporation should take a step forward and adopt policies and business practices that go beyond the minimum legal requirements and contribute to the welfare of its key stakeholders. CSR is viewed, then, as a comprehensive set of policies, practices, and programmes that are integrated into business operations, supply chains, and decision-making processes throughout the company and usually include issues related to business ethics, community investment, environmental concerns, governance, human rights, the marketplace as well as the workplace.

Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (European Commission, 2001). Corporate Social Responsibility (CSR) is a means of discussing the extent of obligations a business has to its immediate society; a way of proposing policy ideas on how those obligations can be met; as well as a tool by which the benefits to a business for meeting those obligations can be identified. CSR is also referred to as 'corporate' or 'business responsibility', 'corporate' or 'business citizenship', 'community relations', 'social responsibility'. It involves the way organisations make business decisions, the products and services they offer, their efforts to achieve an open and honest culture, the way they manage the social, environmental and economic impacts of business activities and their relationships with their employees, customers and other key stakeholders having interest in the Business and its operations.

Measurement of Corporate Social Responsibility: Determining how corporate social responsibility and financial performance are connected is further complicated by lack of consensus in measurement methodology. However, there are two generally accepted methods for measuring CSR. The first method is a reputation index, where knowledgeable observers rate firms on the basis of one or more dimensions of social performance. One reputation index was generated by Moskowitz, (1972), who over a period of several years rated a number of firms as outstanding, honorable mention, or worst. Content analysis is a second method of measuring CSR. Normally, in content analysis the extent of the reporting of CSR activities in various firm publications and especially in the annual report are the main point of focus (Bowman and Haire, 1975; Abbott & Monsen, 1979; Anderson & Frankle, 1980; Ingram, 1978). Despite the popularity of these sources, there is no way to determine empirically whether the social performance data revealed by corporations are under-reported or over-reported. Besides, some of these reports are giving to cover expenditure on gifts and donations which do not cover all the attributes of CSR that are considered to be relevant.

This paper considered the CSR expenditure reported by companies in their annual reports to have precedence over other items of report because it captures the actual financial commitment involved and is subject to both internal and external audit to confirm its authenticity.

The Concept of Corporate Financial Performance: Corporate Financial Performance is defined as a company's financial viability, or the extent to which a company achieves its economic goals (Price and Mueller, 1986; Venkatraman and Vasudevan, 1987). General measures of financial performance fall into two broad categories: investor returns and accounting returns. The basic idea of investor returns is that, the return should be measured from the perspective of shareholders. Whereas, Accounting Return measures of financial performance focuses on how firm earnings respond to different managerial policies.

Market performance measures by risk-adjusted return, or alpha, and total return are used by McGuire *et al*., (1988) as measures of financial performance. Accounting-based performance measures are return on assets (ROA), total assets, sales growth, asset growth, and operating income growth. The ratio of debt to assets, operating leverage, and the standard deviation of operating income were other accounting-based measures of risk. Waddock and Graves, (1997) measured financial performance using three accounting variables: return on assets, return on equity, and return on sales, providing a range of measures used to assess corporate financial performance by the investment community.

Earnings per share (EPS) or price/earnings (P/E) ratios are used in some studies as the most common measure of accounting returns (Bragdon and Marlin, 1972). On the other hand, Cochran and Wood, (1984), used three accounting returns measures: the ratio of operating earnings to assets, the ratio of operating earnings to sales, and excess market valuation. In addition to this, three other measures of financial performance are used by researchers: market-to-book ratio; accounting profit ratio (return on assets, return on equity, return on investment, and return on sales) and stock market returns.

The proxy for financial performance used in this paper is earnings per share (EPS). The *earnings per share ratio* (EPS ratio) measures the amount of a company's net income that is theoretically available for payment to the holders of its common stock. A company with high earnings per share ratio is capable of generating a significant dividend for investors, or it may plow the funds back into its business for more growth; in either case, a high ratio indicates a potentially worthwhile investment, depending on the market price of the stock.

If an investor is primarily interested in a steady source of income, the EPS ratio is useful for estimating the amount of room that a company has for increasing its existing dividend amount. However, in many cases simply reviewing a company's history of making changes to its dividend is a better indicator of the actual size of future dividends. In some cases, a company may have a high ratio, but pays no dividend at all, since it prefers to plow the cash back into the business to fund additional growth.

It is very worthwhile to track a company's earnings per share ratio on a trend line. If the trend is positive, then the company is either generating an increasing amount of earnings or buying back its stock. It calculated by Subtracting any dividend payments due to the holders of preferred stock from net income after tax, and divide by the average number of common shares outstanding during the measurement period.

Methodology

The following null hypotheses were put forth for empirical testing:

Ho_1: Corporate donations do not have significant effect on earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange

Ho_2 Employees' relation does not have significant effect on earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange

An ex-post facto research design was adopted for the study. The population of the study comprised of 12 Consumer goods manufacturing companies listed on the Nigerian Stock Exchange market as at January, 2012. The study used purposive sampling technique to select its sample size. The sample of the study comprised seven (7) consumer goods manufacturing firms whose audited annual reports for 2003-2012 financial years were available to the researcher.

The study involved four (4) variables namely: earnings per share (EPS), which is the dependent variable, donations (DNT) and employees' relation (ER) which are the independent variables and firm size (SIZE) the control variable.The data for these variables were obtained from the annual reports of the sampled firms. The variables are operationally defined as follows:

- **Earnings Per Share (EPS):** Measures the amount of a company's net income that is theoretically available for payment to the holders of its common stock.
- **Donation(DNT)**: is the proxy for corporate social responsibility, it is an independent variable and covers the firms' involvement in charitable and innovative giving to the economically disadvantaged and non-profit organisations and so on, the study uses the natural logarithm of the total donations by the sampled firms.
- **Employee Relations:** is the proxy for corporate social responsibility**.** It is an independent variable, the study used total staff cost to represent employee relations. The total staff cost covers a firm's relation with union, layoff decision and penalty involving employee safety, pension plan, profit shares, training and education of employee and other economic benefits to the employees of an organisation.
- **Firm Size:** This study used firm size as a control variable and the proxy for firm size is the total assets of each sampled firms.

Sources of Data Collection: The various companies' annual reports and accounts for the period under study provide the data for the study. In particular, the directors' report, income statement and notes to the financial statement were used as the secondary source of data for this study.

Data Analysis Procedure/Techniques: The techniques employed for data analysis were regression analysis and correlation analysis.

- **Regression Analysis**: The Ordinary Least Square (OLS) tool was used to determine the relationship between the independent and the dependent variables that will be used for the study.
- **Correlation Analysis:** The study further adopted the use of correlation analysis to ascertain the short run relationship between the dependent and explanatory variables, and to investigate the direction of such relationship. This shows the strength of the relationship between the variables under consideration. The strength of this relationship is represented by the correlation co-efficient (r).

Model Specification: The hypotheses stated in section 3 are employed to develop the model below:

Where
EPS = Earnings per share
= intercept coefficient
= coefficient for each independence variable
DNT = Donations
ER = Employee relation
SIZE = Firm size (total asset)
å = estimated error margin

Significance Test: This is tested at 5% level of significance. A significance level of less than or equal to 0.05 shows that the model used for the study is fit and can lead to the generalisation of better results. However, if this value is more than 0.05, it shows that the model is not fit to generate good and convincing results and should be modified or discarded.

Data Analysis and Test of Hypotheses
This section presents the data collected from seven (7) consumer goods manufacturing companies that were sampled for the study.

The data, presented, was used in analysing the effect of corporate donations and employee relations on the financial performance of manufacturing firms quoted on the Nigeria Stock Exchange.

Descriptive Statistics:

The descriptive statistics of all the variables in the two models used in this study are presented below:

Table 1 Descriptive Statistic

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
EPS	70	-420.0000	2661.0000	27909.0000	398.700000	553.9233806
DNT	70	35000.0000	187068620.0000	1767690905.0000	25252727.214286	39612238.5893574
ER	70	10915300.0000	6728770000.0000	110930358095.0000	1584719401.357143	2017340885.2022293
SIZE	70	265238346.0000	88963218000.0000	998619900686.9999	14265998581.242855	16740398855.7969170
Valid N (listwise)	70					

Source: Descriptive Analysis Output - Researcher's Field Work (2014)

Table 1 presents the descriptive statistics of the dependent and independent variables in the analysis. From the table, the first variable (EPS) represents the dependent variable for the model. The average earnings per share is N3.99 with a standard deviation of N5.54 which implies that earnings per share is vulnerable and can increase or decrease drastically by N5.54. The highest earnings per share recorded was witnessed by Nestle Nigeria Plc. at N26.61 while the lowest was witnessed by Cadbury Nigeria Plc. at N-4.20

For the independent variables (donation and employee relation), the average donation is N25, 252,727.21 with standard deviation of N39, 612,238.59 which means that donation can increase or decrease by N39, 612,238.59. The highest donation was witnessed by Guinness Nigeria Plc. at N187, 068,620.00 while the lowest is Beta glass Nigeria Plc. at N35,000

The average employees relation cost is N1,584,719,401.36 with standard deviation of N2,017,340,885.20 which means that this variable can increase or decrease by N2,017,340,885.20. The highest employee relation cost is recorded by Nigeria Breweries Plc. at N6, 728,770,000.00. The lowest value of N10, 915,300.00 is recorded by Cadbury Nigeria Plc.

Correlation: This section presents the analyses of the correlation statistics of the independent and control variables used in the two models. They are presented below:

Table 2: Correlation Analysis

		DNT	ER	SIZE
DNT	Pearson Correlation	1	.284*	-.037
	Sig. (2-tailed)		.017	.760
	N	70	70	70
ER	Pearson Correlation	.284*	1	.443**
	Sig. (2-tailed)	.017		.000
	N	70	70	70
SIZE	Pearson Correlation	-.037	.443**	1
	Sig. (2-tailed)	.760	.000	
	N	70	70	70

**. Correlation is significant at the 0.05 level (2-tailed).
Source: SPSS Version 20 Correlation Output - Researcher's field work (2014)

In table 2, the Pearson correlation coefficients between the independent and control variables and their significant levels are presented. The correlation coefficient shows that the associations between the variables under investigation are low. The table shows both positive and negative association among the variables, however, the correlations are low. The low correlation coefficient shows that the variables are not strongly related to one another to the extent of affecting the validity of the result of this study.

Regression of the Estimated Model Summary: This section analyses the model summary presented below

Table 3: Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.762[a]	.580	.561	366.9339381	.580	30.415	3	66	.000	.495

a. Predictors: (Constant), SIZE, DNT, ER
b. Dependent Variable: EPS
Source: Regression Output using SPSS version 20

a. Predictors: (Constant), SIZE, DNT, ER
b. Dependent Variable: EPS
Source: Regression Output using SPSS version 20 - Researcher's Field Work (2014)

Table 3 shows that there is a relationship that exist between the dependent variables (earnings per share) and the independent variables (donations and employees relation) 76.2%. It also shows that donation and employees' relation is accountable for 58% variation in earnings per share indicating that donations and employees relation are important in achieving effective financial performance of corporate organisation in Nigeria while the remaining 42% of the variation in the earnings per share is explained by factors not captured in the model. The difference between the R2 and the adjusted R2 is 1.9%. This implies that if the entire population is studied, the result will deviate from it by 1.9%.

Table 5: Regression Results using Model

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-60.750	65.824		-.923	.359		
	DNT	3.713E-006	.000	.266	3.135	.003	.886	1.128
	ER	5.815E-008	.000	.212	2.243	.028	.714	1.401
	SIZE	1.917E-008	.000	.579	6.397	.000	.775	1.290

a. Dependent Variable: EPS

a. Dependable Variable EPS
Source: Researcher's Field Work (2014)

Table 5 shows that an increase in donation by one unit will significantly increase earnings per share by 26.6 %. Similarly a unit change in employees relation cost will significantly increase the earnings per share by 21.2%. The result shows that the two independent variables (donation and employees relation) significantly affect the earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange. On the overall, increase in donations and employees relations' will increase the EPS of consumer goods manufacturing firms listed on the Nigerian Stock Exchange.

Variance Inflationary Factors obtained from the regression result is less than two (2) and indicates the absence of multi-co linearity problem among the independent variables under investigation (Berenson and Levine, 1999). This technique ensures that the independent variables are not so correlated to the point of distorting the result and assist in filtering out those ones which are likely to impede the robustness of the model.

Test of Hypotheses:
The hypotheses formulated were tested in this section thus:

Ho_1: Corporate donations do not have significant effect on earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange

Ho_2 Employees' relation does not have significant effect on earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Exchange

Table 5 is used to test hypothesis 1 and 2. Since the significance of corporate donations is 0.003 which is less than 0.05 and the significance of employees' relation is 0.028 which is also less than 0.05, the null hypotheses are rejected. Therefore there is a significant relationship between earnings per share and the independent variables (donation and employees relation cost) in the Nigerian Stock Market.

The analysis and test of the research hypotheses reveal the following results:

- From the descriptive statistics (table 1) of all the variables used in the regression, the average earnings per share is N3.99 with a standard deviation of N5.54. It also shows that corporations donate an average N25,252,727.21 while the average of employee relation cost is N1,584,719,401.366. The standard deviation of these variables shows moderate disparity N39, 612,238.59 for donation and N2, 017,340,885.20 for employees' relation. Comparing DNT and ER shows that ER has the highest deviation and DNT has the lowest meaning that it has better contribution than ER. The average returns on asset shows a value of N1.73 showing that investors receives at least, an annual returns of N1.73 on their assets and this figure can vary positively or negatively by N4.47.
- The correlation coefficient (Table 2) shows that the associations between the variables under investigation are low. The table shows both positive and negative association among the variables, however, the correlations are low. The low correlation coefficient shows that the variables are not strongly

related to one another to the extent of affecting the validity of the result of this study.

- The model summary of model (table 3) shows that there is a relationship between the independent variables and earnings per share (76%) and this relationship is statistically significant at 0.00% level. Regression result of model shows that an increase in donation by one unit will significantly increase earnings per share by 26.6 %. Similarly a unit change in employees relation cost will significantly increase the earnings per share by 21.1%. The result shows that the two independent variables (donation and employees relation) significantly affect the earnings per share of consumer goods manufacturing firms listed on the Nigerian Stock Market.
- Size is an important characteristic to take into account. Clearly, larger firms have a larger operational impact, greater visibility, and thus are expected to spend more on CSR to get a socially responsible rating. This study, therefore, include firm size, measured by the book value of total assets, in the analysis. From the regression result in the model, It shows that a unit change in firm size will significantly increase the earnings per share by 57% .
- Based on the results from the first and second test, the null hypotheses were rejected. The result of the test using the model reveals a strong positive and significant relationship between EPS and DNT, and EPS and ER. The studies reveal that there is a strong positive relationship between firms' philanthropy level in Nigeria and their financial performance. Given an equal chance companies involved in charity and better staff welfare will be better accepted.

Conclusion

This study sought to deepen an understanding of the ways by which corporate social responsibility influences financial performance of manufacturing firms on Nigerian stock markets. From the result of this study the following conclusions are reached:

That there is a significant and positive relationship between earnings per share, donation and employees relation; hence consumer goods manufacturing firms should improve expenditure on corporate donation and employee's relation because it will provide better returns on the long run.

Recommendations

Following the findings of the study and the accompanying conclusions the following recommendations are put forth as issues with policy implications: The study recommends that corporate entities in Nigeria should invest in CSR activities especially corporate donations and employee relations in order to boost their image/reputation thereby increasing their returns.

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Appendix 1
The List of Sampled Companies and Industries under Consumer Goods

Companies	Industries
Guinness Nigeria Plc.	Breweries
Nigerian Breweries Plc.	Breweries
Vita foam Nigerian Plc.	Industrial/Domestic product
Beta Glass Plc.	Industrial/Domestic product
Cutix Nigeria Plc.	Industrial/Domestic product
Nestle Nigeria Plc.	Food/Beverages
Cadbury Nigeria Plc.	Food/Beverages

ETHNICITY AND ENTREPRENEURIAL INCLINATIONS: AN EXPLORATORY STUDY OF TIV OF NORTH CENTRAL NIGERIA

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Abstract

The study assesses the impact of ethnicity on entrepreneurial inclinations of the Tiv ethnic nationality of Nigeria. 224 final year undergraduate students comprising of 93 Tiv and 131 non-Tiv ethnic groups in the Department of Accounting of the Benue State University were sampled. Survey design was employed with self-rating questionnaire adopted from McClelland, Mansfield, Spencer and Santiago (1987) as the method of data collection. Data was analysed using one-sample t-test of mean differences. The study found that the non-Tiv group is significantly more inclined to entrepreneurship than the Tiv ethnic group. Based on these findings the study recommends that institutions responsible for policy initiatives including churches should inculcate the Tiv with the entrepreneurial spirit and competencies including finance to position them to create and operate viable businesses thereby creating employment and wealth for them and Nigerians as a whole.

Keywords: Entrepreneurial Inclination, ethnicity, Tiv, North Central Nigeria

Introduction

In recent years, policy makers in all jurisdictions have a pervasive interest in entrepreneurship as a way of promoting the economic fortunes of individuals, ethnic groups, regions or even nations

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(Carree &Thurik, 2003, Audretsch & Keilbach, 2004; van Praag & Versloot, 2007). Despite the interest and efforts of policy makers in giving equal opportunities to all, evidence still abound that some regions or ethnic groups are more entrepreneurial than others. For example, in China, people of *Shanghai* are more entrepreneurial than people from *Beijing* (Shiller, 2005); similarly, the *Igbo* and *Ijebu* of Nigeria and the *Kikuyu* of Kenya are well known as being more entrepreneurial than other ethnic groups in their respective countries (Nafukho, 1998). The explanation for these differences is still debatable. Prior studies attribute the variations in entrepreneurial inclinations among ethnic groups in part to the differences in cultural values (Iyer & Schoar, 2010; Mungai & Ogot, 2009; Hofstede, 1980; 1991), orientations, beliefs and legitimisation of entrepreneurship (Etzioni, 1987; Harrison & Huntington, 2000; Aldrich &Waldinger, 1990; Light & Rosenstein, 1995; Thomas &Mueller, 2000). Thus, individuals are drawn toward entrepreneurship because it is compatible with their values formed by their cultural background (Dana, 1995).

In this study, entrepreneurial inclinations of the *Tiv* ethnic group are assessed relative to *non-Tiv* ethnic groups. To study entrepreneurial inclination of an ethnic group, researchers' generally tend to assess the entrepreneurial competencies, ideas, skills, knowledge and talents of the target ethnic group (e.g., McClelland, Mansfield, Spencer & Santiago, 1987; Cooper & Ziemnowicz, 2017; Ajekwe & Ibiamke, 2016). *Tiv* is the fourth largest of the over 200 ethnic groups in Nigeria. The *Tiv* have distinct cultural values, beliefs and practices; they speak a common language, probably a common worldview and claim a common ancestral origin. It has been suggested in theoretical literature that the *Tiv* socio-cultural features are capable of inhibiting their entrepreneurship development or holding back in check their desire to engage in entrepreneurial activity (Ajekwe & Ibiamke, 2017). Furthermore, Philip Ahire, a professor of sociology at Ahmadu Bello University Zaria and the editor of *The Tiv in Contemporary Nigeria* noted in 1993 that the *Tiv* economy (marketing of agricultural produce, household goods, transportation, *etc*) is dominated by other ethnic groups. Given the size and importance of the *Tiv* as the fourth largest ethnic group in Nigeria with an estimated population of twelve million[1], it is appropriate and proper to explore inclinations of the *Tiv* to entrepreneurship more closely (in quantitative terms).

In particular, if the suggestions and observations alluded to are true, then *Tiv* (individuals and the ethnic group) face a worrisome prospect with negative implications for wealth and employment creation and economic development. Entrepreneurship is orchestrated by entrepreneurs; people who create and operate viable businesses through vigorous application of their ideas, skills, knowledge and talent (Baron, 2006). Under this scenario, this study could be the starting point for policy initiatives that would eventually inculcate the *Tiv* with the entrepreneurial spirit, competencies, knowledge, skills and abilities. Through vigorous application of these competencies, the *Tiv* would be in a position to create and operate viable businesses thereby creating employment and wealth, not only for the *Tiv* but also for Nigerians as a whole.

Literature Review

Several concepts and definitions of entrepreneurial competencies have been used in extant literature ranging from observable performance (Boam & Sparrow, 1982; Bowden & Masters, 1983); standard or quality of the outcome of a person's performance (Rutherford, 1995); underlying attributes of a person (Boyatzis, 1982; Brophy & Kiely, 2002) or behavioural patterns that the incumbent needs to bring to a position in the order to perform its tasks and functions with competence (Woodruffe, 1992).In this study, entrepreneurial competencies are defined as the underlying attributes of a person, such as his/her knowledge, skills, behaviours, attitudes and abilities that significantly facilitate the achievement of successful outcomes in business and other human endeavours.

The concept of competency is important in entrepreneurship. Studies have been conducted to identify which competencies

1 In the absence of reliable national census figures, the exact numerical strength of Tiv is contentious and debateable.

are most crucial in starting and maintaining a business (Huck & McEwen, 1991; Chandler & Jansen, 1992; Chandler & Hanks, 1994; Man & Lau, 2002), or to assess the best techniques to train small business operators (Wallace, 1998). Other studies have attempted to explain business success or failure in terms of possession or otherwise of personal entrepreneurial competencies (PEC) by an entrepreneur (Glancey, Greig & Pettigrew 1998; Stewart, Watson, Carland & Carland, 1998). These studies identified several entrepreneurial competencies which successful entrepreneurs possess; including opportunity recognition, networking, conceptual thinking, organizing, strategic and commitment competencies (Man & Lau, 2000; Man, Lau & Chan, 2002). Several other classifications and approaches to competencies exist in the literature (such as Dixon, Meier, Brown & Custer, 2005; Bagheri & Pihie, 2011; Gibb, 1998; Spencer & Spencer, 1993; Grezda, 2005; Capaldo, Iandoli & Ponsiglione,2004; Man & Lau,2000; etc). These classifications and approaches are crucial matters for academic debate; however, this is not a subject matter of this study.

This study is anchored on McClelland, Mansfield, Spencer and Santiago (1987) who, after critically analysing cases of successful entrepreneurs in Malawi (Africa), Ecuador (South America) and India (Asia), concluded that potentially successful entrepreneurs or managers need to have thirteen personal entrepreneurial competencies grouped in three clusters: "Achievement", "Planning", and "Power" clusters. The thirteen competencies are not intelligence-based (McClelland, 1973); they transcend nationality, gender, ethnic group, culture and geographical location (McClelland *et al.,* 1987). These personal entrepreneurial competencies (PECs) are summarised in Table 1 and explained subsequently.

Table 1: Personal Entrepreneurial Competencies in their 3 Clusters

Achievement Competencies	Planning Competencies	"Power" Competencies
Opportunity recognition	Information seeking	Persuasion/Networking
Initiative	Systematic planning	Use of influence strategies
Persistence		Self confidence
Commitment to work contracts		Assertiveness
Concern for high quality		
Concern for efficiency		
Problem solving		

Source: McClelland, D., Mansfield, R., Spencer, L. (Jnr), & Santiago, J. (1987). *The identification and assessment of competencies and other personal characteristics of entrepreneurs in developing countries*. Washington DC: USAID (pp. 66-71).

Achievement Competencies

Achievement competencies are those competencies that are required to achieve excellent results. They involve setting high standards and meeting them, taking calculated risks, anticipating and removing obstacles in the way of success, doing better than one's previous best and beating competition. Achievement competencies are explained below:

- **Opportunity Recognition:** Opportunity recognition has always been considered as a central aspect of entrepreneurship (Gaglio, 2004, Kirzner, 1999; Shane & Venkataraman, 2000, Shane, 2002; Shane, 1992). Opportunity recognition is the ability to discover an idea to create a new business and to search information regarding the technology to deploy and new market possibilities (Ozgen, 2003). The potential entrepreneur combines education and experience (Shane & Venkataraman, 2000; Shane & Eckhardt, 2003; Shane, 2000) with other critical factors such as "alertness" (Kizner, 1999; Tang Kacmar & Busenitz, 2012) and appropriate networks (Singh, 1998; Davidsson & Honig, 2013) to recognise meaningful business opportunities.

- **Initiative**: Initiative is demonstrated by for example, a business owner doing things before being asked or forced by events to do so; such as acting to extend the business into new areas, new products or new services. Entrepreneurs with high initiative are often driven to work hard. These entrepreneurs frequently work independently and are often driven to achieve task mastery, regardless of the extra effort necessary to do so. Entrepreneurs with strong initiative set specific, time bound, challenging goals. These entrepreneurs are often very confident in their capabilities to perform well and enjoy seeking out novel opportunities.
- **Persistence**: Persistence refers to entrepreneurs' pursuit of work with energy, drive, and a need to finish. He/she overcomes obstacles by changing strategies, doubling efforts, using multiple approaches to get to the finish line even when it seems out of reach. Persistent entrepreneurs recognise when a goal cannot be achieved, and adjust the focus appropriately; they change course with ease and keep others focused on the objective. Persistent employees, when called upon, take charge and complete tasks that others are unable to complete. Persistence is absolutely crucial as mistakes are bound to be made. In the absence of persistence, learning opportunities which come from mistakes are lost.
- **Commitment to Work Contracts:** Commitment to work contracts refers to the necessity of entrepreneurs to honour their commitments irrespective of the obstacles involved. They make a personal sacrifice or expend extraordinary effort to complete a job; they accept full responsibility for problems in completing a job for customers; they pitch in with workers or work in their place to get the job done and express a concern for satisfying the customer.
- **Concern for High Quality of Work**: Concern for high quality of work refers to the need for entrepreneurs to produce and sell top or better quality products or services; they seek to offer the best quality products or services in the market.
- **Concern for Efficiency:** Concern for efficiency refers to an entrepreneur's never-ending search for ways to do things

faster or at less cost. He/she uses information or business tools to improve efficiency and expresses concern about costs versus benefits of improvement, change, or course of action.

- **Problem Solving**: Problem solving is a characteristic of successful entrepreneurs' consideration of multiple sides of an issue and weighing consequences before making a final decision. They see beyond the immediate solution to potential process improvements; making informed and well thought out decisions, based on all available and obscure information. A successful entrepreneur will always utilise information that is relevant, current and clear–and which leads to creative solutions. Even in the most difficult situations, she/he recognises issues and makes appropriate decisions in a timely manner. In all cases, the entrepreneur consistently not only creates new ideas and processes despite initial ambiguity of the situation but also enthrones a problem solving culture in the organisation.

Planning Competencies

Planning competencies are competencies that are required to support achievement of organisational deliverables. They are two: the search for information and systematic planning.

- **Information Seeking:** Information seeking is the trait of an entrepreneur involving the undertaking of personal research on how to provide a product or render a service. He/she consults experts for business or technical advice; seeks information or asks questions to clarify a supplier's needs and personally undertakes market research, analysis, or investigation and uses contacts or information networks to obtain useful information.
- **Systematic Planning**: Systematic planning refers to a successful entrepreneur's planning habit of breaking a large task down into subtasks; developing plans that anticipate obstacles; evaluating alternatives and taking a logical and systematic approach to activities

Power Competencies

Achievement and planning competencies are necessary but not sufficient conditions for successful outcomes. An entrepreneur also requires the ability to exert power over colleagues or employees and the working environment, to control situations, enforce change and resolve conflicts. Entrepreneurs must be skilful in limiting the choices from confrontational others, carrying out their will despite resistance from others, removing physical or psychological constraints in the pursuit of their goals; they have the desire to influence, and impose their will on others or the environment. Power competencies are four:

- **Persuasion:** Persuasion refers to successful entrepreneurs' ability to convince customers to buy their products or services; to provide financing or whatever. Entrepreneurs assert their competence, reliability, or other personal or company qualities and strong confidence in their products or services.
- **Use of Influence Strategies:** This refers to the fact that an entrepreneur acts to develop business contacts and uses influential people as agents to accomplish his/her own objectives; he/she selectively limits the information given to others and uses a strategy to influence or persuade others
- **Self-confidence:** Self-confidence is a characteristic of a successful entrepreneur in expressing confidence in his or her own ability to complete a task or meet a challenge; sticking with his or her own judgment in the face of opposition or immediate lack of success and doing something that he or she says is risky.
- **Assertiveness:** Assertiveness is a successful entrepreneur's habit of confronting problems with others directly; telling others what they have to do; and reprimanding or disciplining those failing to perform as expected.

Methodology

- **Sample Size and Procedure:** One of the author's final year undergraduate students in the Department of Accounting at the Benue State University was sampled for this study. A useable sample of 224 students was drawn. The following procedure was employed to partition the sampled 224 students into *Tiv* and *non-Tiv* ethnic groups: There are 774 local government areas (LGAs) across the 36 states and the Federal Capital Territory of Nigeria. The sampled students were required to indicate their "local government of origin". Members of the *Tiv* ethnic nation are known to be indigenous to fourteen identified local government areas. Other ethnic groups resident in these "fourteen *Tiv* local government areas" would not claim them as their "local government of origin"; similarly, the *Tiv* will not claim other local governments as their "local government of origin" even if they are residents of those local government areas. Students who indicated these 14 identified LGAs as their "local government of origin" were assumed to be *Tiv*; others who identified other LGAs apart from the identified 14 as their "local government of origin" were assumed to be *non-Tiv*. Based on this criterion, the sample drawn consisted of 93 *Tiv* and 131 *non-Tiv students.*

These students were already familiar with the theoretical aspects of entrepreneurship and they represent a significant share of the pool of potential entrepreneurs. The sampled students were of the same educational level and for the past four years, they had been taught by identical lecturers under the same environment; this ensures fair comparability of the groupings within the sample. It is therefore expected that there would be no significant differences between mean personal entrepreneurial competency scores of these students; whether they are of *Tiv* or *non-Tiv* ethnicity. It is suggested that if there are differences in the PEC scores between the *Tiv* and *non-Tiv* groups, then the differences are explainable in terms of cultural differences between the two ethnic groups.

- **Data Collection Instrument:** The research employed a self-rating questionnaire adopted from McClelland *et al*. (1987, pp. B44-B52) and comprised of 70 behavioural statements. The respondents were asked to rate how well each statement described him or her on a five-point Likert scale (with 5 = very well, 4 = well, 3 = somewhat, 2 = very little and 1= not at all). To enhance data reliability and guard against the possibility of unduly high collaboration, the students were instructed to complete the questionnaire in private and not to confer with others while completing the questionnaire. There were 5 items based on each of the 13 competencies and an additional 5 items composing a social desirability scale. The scoring for each competency scale includes a correction factor based on the social desirability score. As suggested by McClelland *et al*. (1987, p.72), the score sheet was moderated so as to mitigate the tendency of subjects to fake responses in order to present socially desirable answers. Consequently, if the total score on the social desirability scale was 20 or more, then the total scores on the 13 competencies were "corrected" to arrive at the "true" assessment of the strength of each individual's competencies. Where the social desirability score was 24-25; 22-23; 20-21; and 19 or less; the competency scores are deducted by 7; 5; 3; and 0 respectively. Appendix 1 shows the research instrument and also demonstrates the moderation/correction procedure.

- **Analysis Tool:** In order to ascertain and examine the impact of ethnicity on entrepreneurial inclinations; a one sample t-test was conducted for each of the entrepreneurial competencies based on ethnicity. The mean score for *non-Tiv* on each competency was used as the test value and compared with *Tiv* competency scores.

The strength of the impact is then tested using an effect size (r). An effect size is simply an objective and (usually) standardised measure of the magnitude of observed effect. Many measures of effect size have been proposed, the most common of which are Cohen's d, Pearson's correlation coefficient r and the odds ratio. In line with Fild (2009), this study adopts the Pearson's correlation coefficient, r, as an effect size measure because it is constrained to lie between 0 (no effect) and 1 (a perfect effect). It is calculated by the formula:

$$r = \sqrt{\frac{t^2}{t^2 + \quad df}}$$

Results and Discussions

- **Results:** Results presented in Table 2 display the mean ($\bar{x}$) and standard deviations (ó) for the whole sample, *non-Tiv* ethnic groups and *Tiv* ethnic group under columns (1), (2) and (3) respectively. A total of 224 responses were collected; these respondents comprises of 131*non-Tiv* and 93 *Tiv*. Results of the one sample t-test statistics are displayed in column (5) of Table 2, according to which, the non-*Tiv* group has a mean score of 240.0 with standard deviation of 19.0 while the *Tiv* ethnic group has a total mean entrepreneurship score of 231.6 with standard deviation of 20.9. The *Tiv* group scores are more widely dispersed than the non-*Tiv*; for example, the *Tiv* individuals scored both the lowest and highest scores in the sample (N =224). The one-sample test statistics show that entrepreneurship in the *non-Tiv* ethnic group is overall significantly higher than in the *Tiv* group (t (92) = 8.46; $p <$ 0.01, *r = 0.4*), and that the individuals in the *non-Tiv* group are more alike in their entrepreneurial inclinations than those in the *Tiv* group. The *r* = 0.4 is effect size which depicts that the effect size of the differences between *Tiv* and *non-Tiv* ethnic groups is large. According to the rule of thumb *r* d" 0.1 is small; *0.3* d" *r* < 0.5 is medium; *r* > 0.5 is large effect size.

Table 2: Test of mean differences between *Tiv* and *Non-Tiv* Ethnic Groups

	(1)		(2)		(3)		(4)	(5)	
	Whole Sample		**Non-Tiv**		**Tiv**		**(2 – 3)**	**Statistics**	
	N = 224		N = 131		N = 93		Difference In means	t-test	P-value
	$\bar{X}$	σ	$\bar{X}$	σ	$\bar{X}$	σ			
Initiative	18.4	2.9	18.6	2.7	18.0	3.0	0.67	2.12	0.036*
Opportunity Recognition	17.6	2.7	17.8	2.5	17.2	3.0	0.46	1.97	0.053
Persistence	18.4	2.8	18.7	2.9	17.9	2.6	0.74	2.72	0.008**
Information Seeking	20.8	2.6	21.0	2.5	20.5	3.0	0.56	1.79	0.076
Concern for High Quality	19.8	2.4	20.1	2.2	19.2	2.6	0.92	3.48	0.001**
Commitment to Work Contract	19.1	2.3	19.3	2.2	18.7	2.3	0.62	2.56	0.012*
Efficiency	16.8	2.6	17.1	2.4	16.4	2.7	0.74	2.64	0.010**
Systematic Planning	16.0	2.3	16.2	2.5	15.8	2.2	0.34	1.54	0.128
Problem Solving	18.6	2.8	18.7	2.7	18.4	2.9	0.31	1.02	0.309
Self-confidence	18.0	3.2	18.7	2.9	17.0	3.2	1.66	4.95	0.000**
Assertiveness	17.8	2.9	18.0	2.8	17.6	3.1	0.39	1.24	0.217
Persuasion/ Networking	17.2	3.0	17.4	2.8	16.8	3.1	0.64	1.98	0.051
Use of Influence Strategies	18.2	3.1	18.3	3.0	18.0	3.4	0.25	0.73	0.466
Total	**236.5**	**20.2**	**240.0**	**19.0**	**231.6**	**20.9**	**8.46**	**3.90**	**0.000****

Regarding the individual competencies, the one sample t-test results in Table 2 Column (5) indicate that the *non-Tiv* ethnic groups have significantly higher personal entrepreneurial competencies than the *Tiv* ethnic group in six competencies; that is, Persistence, Concern for high quality of work, Efficiency orientation, Self confidence, Initiative and Commitment to work contracts. Results also indicate that *non-Tiv* groups have higher personal entrepreneurial competencies than the *Tiv* in the remaining seven competencies namely; opportunity recognition; information seeking, systematic planning, problem solving, persuasion, assertiveness and use of influence strategies but the results are not significantly different. Based on these findings the study concludes that the *non-Tiv* ethnic groups are more inclined to entrepreneurship than the *Tiv* ethnic group.

- **Discussion of Findings:** The study findings motivates the following question: Why do the *Tiv* ethnic group show significantly lower entrepreneurial competencies in persistence, concern for high quality work, concern for efficiency, self confidence, initiative and commitment to work contracts than *non-Tiv* group? At the same time, why do the *Tiv* and *non-Tiv* ethnic groups show no significant differences among them in terms of opportunity recognition, information seeking, systematic planning, problem solving, assertiveness, persuasion and use of influence? This paper suggests that these are predominantly driven by ethnicity. The Tiv socio-cultural factors such as entrepreneurial culture, values and beliefs negatively influence their degree of inclination to entrepreneurship (Ajekwe & Ibiamke, 2017).

  In terms of initiative, the one sample t-test shows that *non-Tiv* group have significantly higher initiative than the *Tiv* group (t (92) =2.12, p=0.036, r = 0.2). This result is possibly driven by the communal character of the *Tiv* ethnic group which predisposed them to collectivism and feminism as in Hofstede (1980; 1991). Collectivist and feminine cultures do not support individualistic wealth creation through entrepreneurship; a culture of collectivism causes the individual to lose his/her sense of independence, self initiative, motivation, and internal locus of control (Morrison, 1998). Individualist cultures, the opposite pole of collectivist cultures, (e.g., the *Igbo* in Nigeria) produce more enterprising individuals. In individualistic cultures, individual uniqueness and self-determination is valued. A person is more admirable if s/he is "self-made" or "makes up their own mind" or show initiative or works well independently (Rutledge, 2011). The collectivist and feminine orientation of *Tiv* highlighted by *ya na angbian* philosophy of fair distribution, and a nurturing behaviour toward weaker members of the *Tiv* society is thought to breed a dependency orientation (Gbenda, 2005; Chia, 2001)

  Another personal entrepreneurial competency in which the *Tiv* ethnic group falls short relative to *non-Tiv* group is self-confidence. The one sample t-test shows that *non-Tiv* group have significantly higher self-confidence than the *Tiv* group ($t(92) = 4.95$, $p < 0.01$, $r = 0.5$). From the history of colonial administration in Nigeria, the *Tiv* did not hide their irreverence for the colonial administration whom they accused of spoiling the land. This made the colonial masters to see the *Tiv* ethnic group as too proud and ethnocentric; consequently they (*Tiv)* were an unfavoured "tribe" (East, 1939). Thus, when there arose a need to promote and encourage "local entrepreneurship" the *Tiv* were an unlikely candidate. Their low entrepreneurial inclinations may have taken root from the colonial era when they were not considered for encouragement for "local entrepreneurship". Up to date, there are those who believe that the *Tiv* are at a disadvantage in terms of possession of material wealth; this has esteem and political consequences, exemplified by their low representation in the top political management of the Federal Government of Nigeria. In line with the social identity theory, the extent with which an ethnic group is held in high or low esteem is expected to be associated with a positive or low self-concept at the individual level in the concerned group (Taylor & Modhaddam, 1994). Low esteem afforded by society to a group usually translates into low personal self-esteem or self-confidence.

In terms of persistence, East (1939) posits that another trait in the *Tiv* character is their lack of perseverance; they can never keep doing the same thing for any length of time which may have accounted for their significantly lower scores in the persistence ($t(92) = 2.72$, $p = 0.008$, $r = 0.3$). The *Tiv* ethnic group also have significant lower personal entrepreneurial competencies in concern for high quality ($t(92) = 3.48$, $p = 0.001$, $r = 0.3$); commitment to work contract ($t(92) = 2.56$, $p = 0.012$, $r = 0.3$), and efficiency ($t(92) = 2.64$, $p = 0.010$, $r = 0.3$).

On the other hand, Nigerians comprising all the different and numerous ethnic groups have had a long history (since 1914) of being administered as one unit under the same political and economic system. The different Nigerian ethnic groups have a common platform through the use of English language for close social interaction, increasing opportunities for blurring cultural differences. It is assumed, therefore, that increased knowledge of each other, combined with the need for a sense of common identity; together with education at the same educational institutions, the cultures of the different ethnic groups in Nigeria are converging and integrating. Furthermore, all the students in the sample are taught some of these entrepreneurial competencies as part of the undergraduate degree curriculum. In other words, the converging and integrating forces within the Nigerian cultural milieu may explain why there are no significant score differences between the *Tiv* and *non-Tiv* in the seven identified entrepreneurial competencies.

Conclusions

The study assesses the impact of ethnicity on entrepreneurial inclinations of the *Tiv* ethnic group. Entrepreneurial inclinations (i.e., entrepreneurship) were measured by PEC scores of *Tiv* versus *non-Tiv* students. Overall, the levels of entrepreneurship among the *Tiv* and *non-Tiv* are significantly different. The *non-Tiv* group was found to be more entrepreneurial than the *Tiv* group. Upon closer examination, it is observed that the *Tiv* exhibit lower but statistically insignificant personal entrepreneurial competencies in seven (i.e., opportunity seeking, information seeking, systematic planning, problem solving, assertiveness, persuasion and use of influence strategies) out of thirteen studied; while the *Tiv* ethnic group possess a statistically significant lower levels of entrepreneurship in six competencies (i.e., initiative, persistence, concerned for high quality, commitment to work contracts, efficiency and self-confidence) than the *non-Tiv* ethnic groups. The observed similarities and differences of entrepreneurial competencies between the ethnic groups is explainable in terms of the *Tiv* socio-cultural factors including historical-cultural values and beliefs that influence their perceptions, worldview and opinions about entrepreneurship and the converging and integrating forces within the Nigerian cultural milieu and similar exposure to theories of entrepreneurship by the sampled students.

Based on the findings the study recommends firstly that the *Tiv* nation should realise that entrepreneurship is neither inimical their communal values nor the welfare of the less fortunate in their communities. They should embrace the philosophy and practice of entrepreneurship. The study also recommends that institutions responsible for policy initiatives including government, global organisations, non-governmental organisations (NGO) as well as the churches, should inculcate the *Tiv* with the entrepreneurial spirit and competencies including the necessary finance to position them to create and operate viable businesses, creating employment and wealth for them and Nigeria as a whole. Particularly, both the catholic and protestant churches, the most respected institutions among the *Tiv* should undertake a "mission" to ensure that the *Tiv* fully embrace entrepreneurship with financial inclusion.

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APPENDIX 1: SELF-RATING QUESTIONNAIRE

Your Name ……………………………………....
Gender..
Matriculation Number …………………………….
Department………………………………………..
Local Government of Origin.................................

Instructions

1. This questionnaire consists of 70 brief statements. Read each statement and decide how well it describes you. Please be honest about yourself.
2. Select one of the numbers below to indicate how well the statement describes you:
   5 = very well
   4 = well
   3 = somewhat
   2 = very little
   1 = not at all
3. Write the number you select on the line to the right of each statement. Here is an example:
   I remain calm in stressful situations 2
   The person who responded to the item above wrote a "2" indicating that the statement described him or her very little.
4. Some statements may be similar, but no two are exactly alike
5. Please answer all questions
   Write the number on the line to the right of each statement.

Question Number	Statement	Score
1	I look for things that need to be done	
2	I like challenges and new opportunities	
3	When faced with difficult problems, I spend a lot of time trying to find a solution	
4	When starting a new task or project, I gather a great deal of information	
5	It bothers me when things are not done very well	
6	I give much effort to my work.	
7	I find ways to do things faster	
8	I plan a large project by breaking it down into smaller tasks	
9	I think of unusual solutions to problems	

10	I feel confident that will succeed at whatever I try to do	
11	I tell others when they have not performed as expected	
12	I get others to support my recommendations	
13	I develop strategies to influence others	
14	No matter whom I'm talking to, I'm good listener	
15	I do things that need to be done before being asked to by others	
16	I prefer activities that I know well and with which I am comfortable	
17	I try several times to get people to do what I would them to do like	
18	I seek the advice of people who know a lot about the problems or tasks I am working on	
19	It is important to me to do high quality job	
20	I work long hours and make personal sacrifices to complete jobs on time	
21	I am not good at using my time well	
22	I think about the advantages and disadvantages of different ways of accomplishing things	
23	I think of many new ideas	
24	I change my mind if others disagree strongly with me	
25	If I am angry or upset with someone, I tell that person	
26	I convince others of my ideas	
27	I do not spend much time thinking about how to influence others	
28	I feel resentful when I don't get my way	
29	I do things before it is clear that they must be done	
30	I notice opportunities to do new things	
31	When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want	
32	I take action without seeking information	
33	My own work is better than that of other people I work with	
34	I do whatever it takes to complete a job	
35	It bothers me when my time is wasted	
36	I try to think alone of problems I may encounter and plan what to do if each problem occurs	
37	Once I have selected an approach to solving a problem, I do not change that approach	
38	When trying something difficult or challenging. I feel confident that I will succeed	
39	It is difficult for me to order people to do things	
40	I get others to see how I will be able to accomplish what I set out to do	
41	I get important people to help me accomplish my goals	
42	In the past, I have had failures	
43	I take action before it is clear that I must	
44	I try things that are very new and different from what I have done before	
45	When faced with a major difficulty, I quickly go to other things	
46	When working on a project for someone, I ask many questions to be sure I understand what that person wants	

47	When something I have been working on is satisfactory I do not spend extra time trying to make it better	
48	When I am doing a job for someone, I make a special effort to make sure that person is satisfied with my work	
49	I find ways to do things for less cost	
50	I deal with problems as they arise, rather than spend time trying to anticipate them	
51	I think of many ways to solve problems	
52	I do things that are risky	
53	When I disagree with others, I let them know	
54	I am very persuasive with others	
55	In order to reach my goals, I think of solutions that benefit everyone involved in the problem	
56	There has been occasions when I took advantage of someone	
57	I wait for directions from others before taking action	
58	I take advantage of opportunities that arise	
59	I try several ways to overcome things that get in the way of reaching my goals	
60	I go to several different sources to get information to help with tasks or projects	
61	I want the company I own to be the best of its type	
62	I do not let my work interfere with my family or personal life	
63	I get the most I can out of the money I have to accomplish a project or task	
64	I take logical and systematic approach to activities	
65	If one approach to a problem does not work, I think of another approach	
66	I stick with my decisions even if others disagree strongly with me	
67	I tell people what they have to do, even if they do not want to do it	
68	I cannot get people who have strong opinions or ideas to change their minds	
69	I get to know people who may be able to help me reach my goals	
70	When I do not know something, I do not mind admitting it	

Scoring Sheet

Rating of statements	Score	Competency
_ + _ + _ + _ - _ +6 = (1) (15) (29) (43) (57)		Initiative
_- _+ _+ _ + _ +6 = (2) (16) (30) (44) (58)		Sees and acts on opportunities
_+ _+ _- _ + _ +6 = (3) (17) (31) (45) (59)		Persistence
_+ _- _+ _-+ _ +6 = (4) (18) (32) (46) (60)		Information seeking
_+ _+ _- _ + _ +6 = (5) (19) (33) (47) (61)		Concern for high quality of work
_+ _+ _+ _ - _ +6 = (6) (20) (34) (48) (62)		Commitment to work contract
_- _+ _+ _ + _ +6 = (7) (21) (35) (49) (63)		Efficiency orientation
_+ _+ _- _ + _ +6 = (8) (22) (36) (50) (64)		Systematic planning
_+ _- _+ _ + _ +6 = (9) (23) (37) (51) (65)		Problem solving
_- _+ _+ _ + _ +6 = (10) (24) (38) (52) (66)		Self confidence
_+ _- _+ _ + _ +6 = (11) (25) (39) (53) (67)		Assertiveness
_+ _+ _+ _ - _ +6 = (12) (26) (40) (54) (68)		Persuasion
_- _+ _+ _ + _ +6 = (13) (27) (41) (55) (69)		Use of influence strategies
Total Score		
_- _- - _ - _ +18 = (14) (28) (42) (56) (70)		Correction factor

Corrected Scoring Sheet

Instructions

1 The Correction Factor (the total of items **14, 28, 42, 56,** and **70)** is used to determine whether or not a person tries to present a very favourable image. If the total score on this factor is 20 or greater, then the total scores on the 13 competencies must be corrected to provide a more accurate assessment of the strength of the competencies for that individual.

2 Use the following numbers when figuring the corrected score:

If the correction factor score is	Subtract the following correction number from the total score for each competency
24 or 25	7
22 or 23	5
20 or 21	3
19 or less	0

3 Use the next page to correct each competency before using the Profile Sheet

Corrected Score Sheet

Competency	Original Score	Correction Number*	Corrected Total
Initiative			
Sees and Acts on Opportunities			
Persistence			
Information Seeking			
Concern for High Quality of Work			
Commitment to Work Contract			
Efficiency Orientation			
Systematic Planning			
Problem Solving			
Self-Confidence			
Assertiveness			
Persuasion			
Use of Influence Strategies			
CORRECTED TOTAL SCORE			

* This number depends on a person's Correction Factor Score and will be 7, 5, 3, or 0, the same for each competency.

WOMEN ENTREPRENEURS AND POVERTY REDUCTION IN BENUE STATE

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PP. 46-65

Abstract

This study was undertaken to ascertain the relationship between women entrepreneurs and poverty reduction in Benue State. The study adopted a survey design and selected major markets in Makurdi Metropolis as samples from which data were collected via the use of questionnaires. The hypotheses were tested using simple linear regression analysis and the result showed a significant relationship between women entrepreneurs and poverty reduction in Benue state. The study, therefore recommended that, there should be more avenues created for the training of women entrepreneurs through workshops and seminars. This will enable them identify more opportunities and possibilities in the society will make them create more viable job opportunities that serve societal needs/aspirations thereby reducing the scourge of poverty on lives of women and the society at large.

Key Words: Women Entrepreneurs, Entrepreneurship, Poverty Reduction, Benue State.

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Introduction

There is a growing interest in fostering entrepreneurial activities in both developed and developing countries. The interest rests on the belief that entrepreneurship stimulates economic growth and development. Entrepreneurs generally are said to have strong influences on the sustainable development processes of both developed and developing countries due to their active innovation that result in jobs creation, which is an integral aspect of poverty reduction in the society. Women entrepreneurs are known to have made a substantial contribution to national economies through their participation in start-ups and their growth in small and medium businesses in Nigeria.

According to Kpelai (2009:145)"women in the traditional African economy form the primary producers especially in agriculture, food processing including both preservation and the storage of products and that of marketing and trading surpluses of other vital household items''. Women were also involved in other activities such as weaving, spinning and other handicrafts, while the predominant role of men in the corresponding period was hunting". These roles played by women were more entrepreneurial oriented.

The role of women within the entrepreneurial milieu is of significant importance in our contemporary society. Evidences suggest that women are key players in entrepreneurial activities and these activities make significant contributions in poverty alleviation and economic development as a whole, in almost all nations of the world (Barringer and Ireland 2010). The unique role of women in the field entrepreneurship has emerged as an important area of research over the years with governments and researchers in both developed and developing countries giving it a great deal of attention (McClelland, Swail, Bell and Ibbotson, 2005). With the significant number of women in the labor market and their productive activities, particularly in Small and Medium scale industries make them a force to be reckoned with, and this empowerment has contributed immensely to the overall economic development of their nations.

Okarfo andMordi (2010) see women entrepreneurs as women that participate in total entrepreneurial activities, who take the risks involved in combining resources together in a unique way so as to take advantage of the opportunity identified in their immediate environment through production of goods and services. Their level of involvement in Nigeria is basically at the micro, small and medium scale phase (MSMEs), which contributes more than 97% of all domestic enterprises, 60% of the nation's GDP and 94% of the total share of the employment base (……..). Mayoux (2001) however, observed that the spectrum of women in entrepreneurship often ranges from Home-Based Businesses (HBB) to micro, small, and medium enterprises (MSEs).

The recent massive involvement of women in many entrepreneurial activities in Nigeria is as result of economic misfortunes occasioned by the economic downturn witnessed in recent times. It should be realized that, adversity draws out strength and qualities of every person, which make them move two steps in the creative direction to devise ways of reducing the hardship faced. This make people even discover more opportunities around them, which they tap in to provide solutions to their emerging needs as well as the needs of the society. This manifest the spirit of entrepreneurship, which remains the ability to make ends meet using the ordinary to get the necessary. Poverty then, which is the reverse, is the inability of not making ends meets because one did not use the ordinary to get the necessary.

Vijayakumar and Jayachitra (2013) posit that entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs.

Despite the recognised growing number of women in productive ventures with its attendant initiatives and resources to promote and develop women's entrepreneurship, with the aim of reducing the hardship experienced by women and children especially in the rural areas, most families live in abject poverty.

It should be noted that, the greatest resource the human race has ever been endowed with is intelligence and entrepreneurship. With the idea of entrepreneurship, an individual becomes users of new perspectives and also generator of ideals, which falls in the realm of innovation that is sure to liberate the poor who is willing to learn the basic principles that will help them manage themselves properly in order to reduce the poverty line prevailing in our society.

It is on the strength of the foregoing therefore that, this paper set to critically look at how the involvement of women entrepreneurs may be a panacea for poverty reduction in Benue State.

Research Objectives

The aim of this study is to investigate the relationship between women entrepreneurs and poverty reduction in Benue state. Specifically, the study was carried out to focus on two sub-objectives:

i. To determine the relationship between women entrepreneurs and job creation in Benue state

ii. To examine the correlation between women entrepreneurs and welfare of women in Benue state.

Research Hypotheses

Ho_1: There is no significant relationship between women entrepreneurs and job creation in Benue state.

Ho_2: There is no correlation between women entrepreneurs and welfare of women in Benue state.

Literature Review

This section of the work will be basically categorized into conceptual clarifications and review of related works.

Conceptual Clarifications

Women Entrepreneurs

Vijayakumar and Jayachitra (2013) described women entrepreneurs as an enterprise owned and controlled by a woman having a minimum financial interest of 51% of the capital and giving at least 51% of employment generated in the enterprise to women. Globally the impact of women entrepreneurs is gaining recognition intensely; worldwide, as the number of female business owners continues to increase steadily as women entrepreneurs and are making positive impact in the global economy. For instance, women produce over 80 percent of the food for sub Saharan Africa, 50-60 percent for Asia, 26 percent for the Caribbean, 34 percent for North Africa and the Middle East, and more than 30 percent for Latin America (Ali and Ali, 2013). Women entrepreneurs around the world are major contributors to the economy, as they are making a difference in the socio-economic arena. They contribute numerous ideas and a great deal of energy and capital resources to their communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages (Ali and Ali, 2013).

Global Entrepreneurship Monitor (GEM) (2005) confirm that women participate in a wide range of entrepreneurial activities across the 37 GEM and their activities in different countries have paid off in form of many newly-established enterprises for job and wealth creation. The role of entrepreneurs as agents in the labour market for creation of employment, wealth creation, poverty alleviation and provision of resources has helped tremendously to increase the number of women owned entrepreneurial ventures in the world (United Nations, 2006).

Characteristics of Women Entrepreneurs

Women entrepreneurs often have a special personality. They value autonomy and independence. They possess energy and a high need for achievement. Women Entrepreneurs often have a strong internal locus of control. They perceive change as opportunity and are willing to take careful risks. They usually have social skills and possess a balance between intuition and thinking organization (Ogidi, 2014). According to Gould and Perzen (1990:3) female business owners generally have the same characteristics and motivations with men business owners. Their entrepreneurial characteristics include adaptability, competitiveness, discipline, drive, honesty and internal locus of control.

Challenges of Women Entrepreneurs

Although women entrepreneurs have been recognized as an important source of economic growth and poverty reduction in many countries, their potential has not yet been realized in an optimal fashion in many countries on the African continent. African women entrepreneurs experience gender divide and continue to face a number of challenges as a result of patriarchal practices which situate women in a subordinate position to men (Woldie and Adersua 2004). Many women in Nigeria and Africa at large operate in environments where socio-cultural traditions play a large role in determining who becomes an entrepreneur. Socio-cultural conditions in some parts inhibit women from starting their own businesses and traditional women roles are still highly regarded (Woldie and Adersua 2004).

Various studies have shown that women entrepreneurs face several challenges in their business operations (Mattis 2004, and Kibanja and Munene 2009). Many of the challenges reported for American women entrepreneurs are common to those faced by Nigerian women entrepreneurs. Research emphasis has been on women generally lacking the necessary human and external resources for starting and developing their own business ranging from financial constraint, government policies, infrastructure and technological factors, lack of assets, lack of information, competition, tax burdens, low level education, work experience, motivation, social-cultural factors and family responsibility, networking and in access to training (Carter, 2000, Chen, Jhabvala, and Lund, 2002, Woldie and Adersua 2004, Marlow and Patton 2005, Verheul and Thurik 2006, Kibanja and Munene 2009, Mordi, Simpson, Singh, and Okafor, 2010).

Poverty Reduction

Poverty has a multi-dimensional nature that consists of vulnerability, powerlessness and social exclusion in addition to the matter of not having enough on the tables to eat. The World Bank defined poverty as the state of living on less than $2 a day (World Bank Development Report, 2000/2001). However, the incidence of poverty in the third world is higher among women than among men (Nkpoyen and Bassey, 2012).

Poverty reduction is all about improving human. To Shil (2009), poverty reduction is the act of reducing the scourges of poverty of an individual or community. Thus, in a developing country like Nigeria, where majority of the population are women who reside in rural areas, rural development becomes imperative for the economic development of the nation, and for rural development, poverty alleviation needs to be the focus of all development programs (Ifelunini and Wosowei, 2012 and Appah, John, and Soreh, 2012). However, if Nigeria wants to reach its full potential in terms of economic and social developments, it cannot afford to ignore the importance of its indigenous entrepreneurs (especially indigenous women entrepreneurs) and the contributions that they make to the country's economy. Entrepreneurship remains the gateway to sustainable wealth creation in Nigeria (Ogundele , Akingbade, and Akinlabi, 2005, Nkpoyen and Bassey, 2012).

Government Efforts Aimed at Reducing Poverty among Women in Nigeria

Nigeria government has put in place institutional arrangements for the articulation and implementation of programs and projects that are women oriented in order to foster the role of women in development (Oguche and Lawal, 2004, Akpodono, 2016 Chinenye, 2002). These include:

i. The establishment of national commission for women by decree 30 of 989, which became operational in 1990. It is aimed at developing policies and programs that could enhance the status of Nigeria women and address the various issues militating against their full participation in the development process. It has as one of its objectives to encourage the sense and essence of cooperative society and activities among women both in urban and rural areas and stimulate in them, creative entrepreneurship in the field of cottage industries and small scale industries.

ii. Better life programme was initiated in 1987 to improve the status of Nigeria women. It corroborated with the government, private and non-governmental organizations (e.g. National Council of Women Societies) to provide vocational training and credit facilities for women. It also promoted their cottage industries and the marketing of their products. Better life programme was absorbed into the National commission for women which later metamorphosized in to family support programme before its demise.

iii. National Directorate of Employment (NDE) was set up to combat the several problem of employment through vocational training and unemployment generations. The women's employment branch of the NDE lays emphasis on women employment issue.

iv. Women education sections have been set-up in federal and state ministries to spearhead and collate activities to assist women achieve access to education. Several girls secondary schools have been establish in all levels of government (Federal, State; Local Governments).

v. National council on education (NCE) in 1986 endorsed policy objective for female education. Parts of the policies for female education are: creating awareness in citizens on the fact that equal education opportunities exist irrespective of gender, age, locality, creed or status and should therefore be available. Other responsibility include the provision of basic literacy and skill acquisition for illiterate females and early school leavers through skill such as sewing, cooking, baking, typing, knitting and subsistence and the awakening of the consciousness of women to the need for the development of positive self image.

vi. The National Economic Empowerment and Development Strategy (NEEDS) offered Nigeria an opportunity to experiment with medium-term economic development plan from 2004 to 2007. Onah (2006:46) posited that NEEDS focused "on wealth creation, employment generation, poverty reduction and re-orientating values". These goals, he corroborated can be realized "by creating an environment in which business can thrive, government is redirected to providing basic services, and people are empowered to take advantage of the opportunities which the plan will usher". The strategies that will drive the above goals are: reforming government and its institutions; growing the private sector; implementing a social character and value; reorientation. The federal government had in turn encouraged States and Local Governments to adopt and adapt the NEEDS document to suit its peculiar purposes accordingly the equivalent of NEEDS in the states are called SEEDS, while in the local governments, they go by the acronym LEEDS

vii. National Poverty Eradication Programme: The National Poverty Eradication Programme (NAPEP) was established in 2001 to replace Poverty Alleviation Programme (PAP) that was established in the year 2000. The programme was primarily aimed at expanding the Nigerian economy, with emphasis on the development of SME's and the provision of macro-credit to entrepreneurs (Chinenye, 2002).

Review of Related Works

The review of related works in this area will be based on the set hypotheses in the work.

Women Entrepreneurship and Job Creation

Women Entrepreneurs and Job Creation According to Global Entrepreneurship Monitor (2004), women entrepreneurs create jobs, wealth and innovation in their enterprises. Entrepreneurship is the key to job creation and income generation which in turn reduces inequalities among men and women. Women are now able to create employment for the society through engaging in various business activities (Ndemo and Maina, 2007:8)

Studies on development of Micro and Small Enterprises by Stevenson and Onge (2005:1) indicate that women are now starting business at a faster rate, which enables them to make significant contributions to job creation and economy growth. In patriarchal societies, poverty has gender dimensions where men are expected to play a critical role as providers. This is however changing as more and more women are now engaging in business activities due to economic empowerment, education support, feminist movements and political support by the government (Onsongo, 2006:.2).

The Institute of Economic Affairs of Kenya (2008:18) reports that though the overall poverty incidence declined from 56% in 2000 to about 47% in 2005/06, the poverty headcount was higher among women in both rural (50%) and urban (46%) areas. A number of women-owned businesses in developing countries today are micro, small or medium enterprises. This is due to various reasons such as: inability of women to raise sufficient capital to begin business, lack of sufficient collateral to access credit facilities to expand business and family related activities such as child rearing may hinder business growth. These reasons can then be addressed by the government and institutions while providing solutions that are long lasting.

In a study done by Ngonze (2006: 4-5), women make up to 40 percent of the world's work force as they help run the economy in vital and key areas of the society such as production, agriculture, hospitality industry and the service industry. It also showed that 7.8 million Micro Enterprises employed 5.1 million people, which was an increase from 2 million eight hundred thousand recorded in 2002.

i. ***It is therefore proposed that*****: There is no significant relationship between women entrepreneurs and job creation in Benue state**.

Women Entrepreneurship and Women Welfare

Welfare means a situation whereby an individual or groups are doing well or rather it is an individual wellbeing or interest or good (Atkinson, 1999). It is also the sum of individual, household or the community wellbeing. It is the achievement of individuals and families basic needs. This shows that welfare is subject to change within a given period and to some extend rely on the income level or and having employment (Eurobarometer, 2007). A study by Okpoko (2002) revealed that female entrepreneurs have made significant impact in Nigeria, in the area of increase in social standard, reduction in the level of unemployment, poverty alleviation, and financial sustainability which has helped to improve the welfare of women.

ii. ***It is therefore proposed that*: There is no correlation between women entrepreneurs and welfare of women in Benue state**.

Methodology

A survey research design was used in this study. This enabled the researcher to collect responses of women entrepreneurs in Makurdi town with regards to the study variables. It was also more convenient for the purpose of this study. The target population was 160 women enterprises in Modern Market, Wadata Market and Wurukun Market. The population statistics were obtained from Benue Chamber of Commerce, Industries, Mines and Agriculture (BECCIMA) and Benue State Ministry of Trade and Investment. A stratified sampling technique was used to divide the population into strata. Using Yamene's (1967) formula a sample size of 114 women was arrived at. The study used a structured questionnaire as instrument for data collection.

Validity and Reliability of Instrument

Factor analysis was used in this study to measure the validity of the instrument. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were used to assess the construct validity of each variable in the study. At 1% level of significance, the result shows that the data is highly significant ($p<0.001$). The result shows that the Kaiser- Meyer- Olkin (KMO) which measures the sample adequacy was .724 while the Bartlett's Test of Sphericity was significant (App. chi-square= 283.429, sig. = .000) which indicates the sufficient inter correlations of the factor analysis. Also, the Cronbach's coefficient alpha was used to test the reliability of the instrument. Cronbach's coefficient Alpha of more than 0.7 was taken as the cut off value for being acceptable which enhanced the identification of the dispensable variables and deleted variables. The overall Cronbach's Alpha for all the constructs was 0.826 hence it is considered reliable.

Data Analysis

In this study both descriptive and inferential statistics were employed for data presentation and analysis. Correlation analysis was used to determine the nature of the relationship between the variables and at a generally accepted conventional significant level of P=0.05. In addition, simple linear regression analysis was employed to test the hypotheses.

Model Specification

This study is anchored on two major variables namely; the independent variable (women entrepreneurs) and the dependent variable (poverty reduction). Poverty reduction is thus regarded as a function of women entrepreneurship.

$$PR = f\,(WE) \qquad \text{(i)}$$

The explicit form of the model can be stated thus:

$$PR = a_0 + a_1 WE + e \qquad \text{(ii)}$$

Where;

PR = Poverty reduction (dependent variable)

WE = Women entrepreneurship (independent variable)

a_0 = intercept

a_1 = parameter estimate

e = disturbance terms or error term.

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 21. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at $p < 0.05$.

Results and Discussion

Correlation Statistics for Linear Relationship between Variables

Pearson correlation is used to measure the strength and direction of the linear relationship between variables. From the results, a significant relationship exists between the variables. The result shows that women entrepreneurship contributes 43.4% of the change in job creation as indicated by the correlation coefficient value of 0.434 which is significant at á = 0.01. Also, women welfare was positively correlated to women entrepreneurship as indicated by correlation coefficient value of 0.481 indicating that women entrepreneurship was a significant factor and contributed up to 48.1% of the increase in women welfare.

Table 1: Correlation Statistics for Linear Relationship between Variables

Variable	Women Entrepreneurship	Job Creation	Women Welfare
Women entrepreneurship	1		
Job Creation	.434**	1	
Women Welfare	.481**	.469**	1

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

The result from Table 1 shows that the regression model had a coefficient of determination (R^2) of about 0.570. This means that 57.0 % variation in job creation is explained/ predicted by the contribution of women entrepreneurship. The findings are supported by the ANOVA (F test) results that the model was fit ($F = 130.046$, $p < 0.05$). Hypothesis one ($H0_1$) estimated that there is no significant relationship between women entrepreneurs and job creation in Benue state. However, research findings showed that women entrepreneurship had significant effect on job creation with $â_1$ = 0.892 (p-value = 0.000 which is less than á 0.05) implying that we reject the null hypothesis stating that there is no significant effect of women entrepreneurship on job creation. This implies that for each unit increase in the positive effect of women entrepreneurship, there is 0.892 units increase in job creation. Also, the effect of women entrepreneurship on job creation was stated by the t-test value =11.404 which implies that the standard error associated with the parameter is less than effect of the parameter.

Table 3: Regression Analysis Showing the Effect of Women Entrepreneurship on Job Creation

Model	B	Std. Error	t	Sig.	R	R^2F
Constant	0.371	0.345	1.0780.000		0.7550.570130.046	
Women Entrepreneurs	0.892	0.078	11.404	0.000		

Source: Field Survey, 2017.

The result from Table 4 shows that the regression model had a coefficient of determination (R^2) of about 0.367. This means that 36.7 % variation in women welfare is explained/ predicted by the contribution of women entrepreneurship. The findings are supported by the ANOVA (F test) results that the model was fit ($F = 56.719$, $p < 0.05$). Hypothesis two ($H0_2$) estimated that there is no correlation between women entrepreneurs and welfare of women in Benue state. However, research findings showed that women entrepreneurship had significant effect on women entrepreneurs with $â_1$ = 0.788 (p-value = 0.000 which is less than á 0.05) implying that we reject the null hypothesis stating that there is no significant effect of women entrepreneurship on women welfare. This implies that for each unit increase in the positive effect of women entrepreneurship, there is 0.788 units increase in women welfare. Also, the effect of women entrepreneurship on job creation was stated by the t-test value

=7.531 which implies that the standard error associated with the parameter is less than effect of the parameter.

Table 4: Regression Analysis Showing the Effect of Women Entrepreneurs on Women Welfare

Model	B	Std. Error	t	Sig.	R	R^2	F
Constant	0.771	0.461	1.672	0.000	0.605	0.367	56.719
Women Entrepreneurship	0.788	0.105	7.531	0.000			

Source: Field Survey, 2017.

Discussion of Findings

The findings of this study revealed that women entrepreneurs have significant relationship with poverty reduction. Responses gathered from the respondents indicate that women are now able to create employment for the society through engaging in various business activities. Most women employ the services of unemployed youths and pay them either daily or monthly. This finding agrees with Ali and Ali (2013) who averred that women entrepreneurs contribute numerous ideas and a great deal of energy and capital resources to their communities, and generate jobs as well as create additional work for suppliers and other spin-off business linkages. The study also revealed a significant relationship between women entrepreneurship and women welfare in Benue State. This is in agreement with Okpoko (2002) whose study revealed that female entrepreneurs have made significant impact in Nigeria, in the area of increase in social standard, reduction in the level of unemployment, poverty alleviation, and financial sustainability which has helped to improve the welfare of women.

Conclusion

As poverty alleviation lies at the top of Nigerian government, women who are the majority poor in the society must be given assistance in starting and running businesses. It is in the light of this that this study is set to examine women entrepreneurs and poverty reduction in Benue State. This was necessitated due to the fact that many women with the desire to start and run a small or micro-enterprise are sometimes frustrated for certain reasons such as lack of self-confidence in dealing with government organizations, lack of access to supporting facilities, which are mostly based in the urban areas, lack of advisory assistance from professionals etc. The study therefore engaged in a survey of the practical experiences of these women entrepreneurs and results however, revealed that entrepreneurial activities of women entrepreneurs have contributed much in the creation of jobs that probably leads to poverty alleviation duly manifested in the financial stability and improvement in the welfare of women in the state.

Recommendations

Based on the above conclusions, the study recommends as follows:

i. There should be more avenues created for the training of women entrepreneurs through workshops and seminars. This will enable them to create more job opportunities for themselves and unemployed youths.

ii. The governments, non-governmental bodies and individuals should create necessary awareness on the availability of existing empowerment initiatives in the state for women so that the women can take advantage of these initiatives to empower themselves. This should also include regular monitoring of women to ensure that they invest their resources in something meaningful to give them some degree of economic independence and financial sustainability.

iii. The government and religious leaders should be charged with the responsibility of organising public enlightenment campaign on the importance of women entrepreneurship and the need for husbands to engage their wives in productive business activities in order to improve the welfare of the family.

iv. It is also recommended that an initiative be implemented to support networking amongst women entrepreneurs amongst potential women entrepreneurs, and amongst government agencies and other support organisations which can play motivating role in promoting women entrepreneurship.

v. Measures should be taken to reduce the cultural and natural setbacks inhibiting women entrepreneurs in certain areas of the Nigerian society especially, Muslim women in this part of the country.

vi. Adequate public health services should be provided especially in rural areas to take care of the health needs of pregnant women entrepreneurs. The lack of which can cause maternal deaths and reproductive health challenges, which are deeply related to the low socio-economic status of Nigerian women.

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INNOVATION: A LITERATURE REVIEW

Bemaa, Terkura Titus

PP. 66-88

Abstract

Innovation is the design, invention, development and/ or application of new or improved products, services, processes, systems, and organisational models with the aim of producing new value for customers and improving the firm's earnings. Innovation though related to many concepts, it is very distinct. Many firms use it as a strategic weapon for attaining and sustaining competitive advantage. However, not all investments in innovative activities are successful. In this paper, the researcher has set out to consider the following objectives: Explore the background of the study: Review the concept of innovation; Discuss innovation and related concepts; Explain innovation activities; State drivers of innovation; and present the attributes of innovation. The paper concluded that innovation is critical to the continued existence of any organisation as there is no better alternative to it.

Introduction

Innovation has become an indispensable aspect of firms that are desirous of survival and growth. It is behind the transformation and the major propeller of the competitive engines of many businesses and economies of nations of the world. It is unarguably responsible for high standard of living of many people worldwide and potentially helps in meeting global difficulties in many fields such as the environment and health (OECD, 2007). In line with the above, Atalay, Anafarta, & Sarvan, (2013) cited many scholars contending that innovation is one of the significant variables that facilitate firm success and survival (Jimenez & Sanz-Valle, 2011) and guarantees sustainable competitive advantage (Standing & Kiniti, 2011; Bartel & Garud, 2009).

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It will not be out of place if it is posited that innovation is as old as mankind. Right from creation to the time of philosophers of the Greek City State, innovation has been pursued in every sphere of life. For instance, the shape of the world was questioned, the distance from the earth to the sun was also put into dispute. The attempts of the Wright brothers to fly an object in space as at the time were considered futile. Until now, travelling to the Mars was considered unthinkable. All attempts to question every phenomena was all in an effort to invent, innovate (i.e. improve) on the status quo. Where the established idea was queried and an improved solution was found and implemented successfully, innovation is thereafter said to have been birthed.

The objectives of this paper are to: Explore the background of the study, review the concept of innovation; discuss innovation and related concepts; explain innovation activities; state drivers of innovation; and present the attributes of innovation.

Background of the Study

In contemporary times spanning back to the twentieth century, Baker (2002) mentioned that earliest researchers on innovation (Stalker 1961; Hull & Stage, 1982) focused on the organisation's ability to respond and adapt to external and/or internal changes. With the passage of time, work on innovation gave emphasis to proactive innovation. Also, types of innovation were identified. Furthermore, the preoccupation of organisation's ability to promote both process and product innovation, regardless of an immediate need for change took the centre stage (Kanter, 1988).

The arguments of Kanter were sooner than later taken to be insufficient. Instead, a third type of innovation known as the strategy innovation by some, and business concept innovation by others were introduced. According to the sponsors of this concept (Hamel & Prahalad 1994; Hamel 1996), the growing need for today's organisations to proactively address the challenges of the future by undertaking radical innovation that will transform their environments and the marketplace should be uncompromising, non-negotiable and the task for all members of an organisation. It is not surprising therefore, when you find successful entrepreneurial firms like Google make statements like to fully realise the innovation potentials, Google encourages all of its employees to think and act like entrepreneurs (Salvoia & Copeland, 2011).

The Concept of Innovation

Innovation has occupied a centre stage in topical studies of many disciplines made up of economics, business, management, humanities, arts, engineering, sciences, sociology and public administration.

Godin (2008) in agreement with the above assertion explained that innovation is everywhere. Innovation is also a central ideal in the popular imaginary, in the media, in public policy and, is part of everybody's vocabulary. I am sure you are not only nodding in approval realising the ubiquity of innovation but ready to enumerate easily examples of innovation that you know recently.

While it is true for us to hold discourses with examples in academic circles, the term innovation has not got a common acceptance. Let an attempt made here in this paper to outline varying opinions as they exist on this subject matter. Baker (2002) identified the first major scholar to have addressed the topic of innovation as Schumpeter (1942). Consequently, Baker (2002) cited Schumpeter to have defined innovation as encompassing the entire process, starting from a kernel of an idea continuing through all the steps to reach a marketable product that changes the economy.

Furthermore, Therrien, Doloreux, and Chamberlin (2011) observed that, innovation is a multifaceted process connected to altering the activities tasks of transformation that a firm pursues to acquire and build upon its distinctive technological competence, understood as the set of resources a firm owns and the methods that are used to convey innovative capabilities. Innovation at firm level denotes a firm's willingness and tendency to conform to new ideas that lead to improvement and the commercialisation of new products (Rubera & Kirca, 2012).

European Community (EC) assert that innovation is the successful commercial exploitation of new technologies, ideas or methods by way of introducing new products or processes, or by way of improving existing ones. Thus, innovation is the product of an interactive learning procedure that includes usually many participants from within or outside the companies (EC DG XIII, 1996).

To Simmie and Hart (1999), innovation is the commercialisation of creativity. Similarly, Amabile (1996) defined innovation as the successful application of creative ideas inside an organisation. Conversely, Warren and Susman (2004) explained that successful innovation is the deployment of novel technological knowledge, market knowledge, and business models that are capable of producing new products or services, or a combination of both that can be offered to customers such prices that will guarantee profits.

As quoted by Thompson (2006), some authorities profusely expressed their views on what constitutes a business innovation. They are listed below:

- Trewin (2004) noted that business Innovation means the introduction of novel or considerably improved operational, organisational or managerial procedures.
- Zairi (1999) viewed innovation as a process of ensuring that new ideas are successfully developed to satisfy customer needs. In short, innovation converts new knowledge into new products and services.
- In most simplistic manner taking into cognisance the enterprise perspective, innovation means the processes that convert ideas or concepts into commercial value in a manner that is beneficial to the enterprise and the customer (Drucker, 1985; McGrath & Bruce, 1998).

In another development, innovation is said to be the successful conversion of new concepts and knowledge into new products and process that deliver new customer's value in the market place (QMD).

West and Farr (1990) opine that innovation is a deliberate introduction and utilisation within a role, group or organisation of ideas, processes, products or procedures, that is novel but important to a particular unit for adoption but designed to substantially serve the use of the individual, the group, organisation or wider society.

OECD OSLO Manual (2005) looked at innovation as the application of novel or considerably improved product (good or service), or process, a new marketing method, or a new organisational method in business practice, workplace organisation or external relations.

Indeed, the variations in the opinion of experts on innovation are seemingly inexhaustible. Consequently, Eveleens (2010) made a compilation of some authors' views which are presented below:

- Industrial innovation includes the technical, design, manufacturing, management and commercial activities involved in the marketing of a new (or improved) product or the first commercial use of a new (or improved) process or equipment (Freeman, 1982).
- Innovation is the development and commercialisation of new products or services (Rogers, 2003).
- Innovation denotes transforming a company's organisational and management style and the administration of the production process (Van de Ven, Angle & Poole, 2000).
- Innovations are ways of commercialising new products, new delivery methods and changes in packaging (Jaramillo, Lugones & Salazar, 2000).
- Woo, 2017cited definitions of innovation-based on four thoughts:

The classic definition portrays innovation as a historic and irreversible change in the process of production of things and "creative destruction" (Schumpeter, 1934);

(3) The Theory of Change defines innovation as anything new (Barnett, 1953); a conduit of change (O'Sullivan & Dooley,

2009); a process (Aiken & Hage, 1971; Rasul, 2003); a value driver (Wang & Kafouros, 2009); or an invention (Zaltman, Duncan & Holbek, 1973);

(4) The competitive advantage definition: consider innovation as a source of competitive advantage and viewed as a decisive factor for economic growth and the basic condition of company development in a competitive environment (Johannessen, 2009); or a weapon to create of new knowledge. While Acs, Anselin and Varga, 2002; Strambach (2002) see it as the application of new products, services, processes and paradigms that are embedded into existing innovation leading to new ways of thinking and new knowledge.

Innovation means exploiting new ideas successfully (UK DTI, 2004).

- Innovating successfully requires creating and implementing new processes, products, services and methods of production that may lead to significantly improved outcomes, proficiencies, effectiveness or quality (Albury, 2005).
- Innovation presuppose successfully developing, implementing and applying new or structurally enhanced products, processes, services or organisational forms (Hartley, 2006).
- Innovation is the hopeful realisation of something brand new that adds value (Jacob & Snijder, 2008).

Another set of definitions have been adapted from Mobbs' Innovation for Growth. Below are some of the definitions that were captured: Schumpeter (1934) defined innovation as:

1. The introduction of a good (product) that is new to consumers or that is of higher quality than was available in the past.
2. Method of production that is new to a particular branch of industry which is not necessarily based on new scientific discoveries and may have already been used in other industrial sectors.
3. The opening of new markets.
4. The use of new sources of supply.

5. New forms of competition that leads to the restructuring of an industry.

- OECD (1981) defined innovation as consisting of all those scientific, technical, commercial and financial stages essential to successfully develop and market new or enhanced processes and machineries or the introduction of a new method to a social service for which R and D is only one of such stages.
- Porter (1990) asserts that companies attain competitive advantage by innovating. The author however, opines that companies handle innovation broadly by applying new technologies and new ways of doing things.
- The European Innovation progress report (2006) thought innovation is concerned with change and the capacity to manage change over a period of time. They added that innovation may involve exploiting successfully new ideas that take the form of a new or enhanced product or service but also concern the method in which a product is produced. At the same time, they argued that, innovation could mean the creative positioning (or marketing) a present product, or in respect of altering the business model (a new paradigm).
- Ahmed and Shepherd (2010) aside from listing the characteristics of innovation as a definition, also argued that an innovation is not just about business alone but may involve such other non-business activities, like legislation, a change in fashion or the advancement of knowledge.

Interestingly too, some definitions of innovations were adapted from "Defining Innovation: A new framework to aid policy makers is as listed below:

- Innovation is the meeting point between invention and insight that leads to the creation of social and economic value. (Council on Competitiveness, Innovate America, National Innovation Initiative report 2004).

- Innovation encompasses a broad array of activities to enhance firm performance comprising of the application of a new or substantially improved product, service distribution process, manufacturing process, marketing method or organisational method (European Commission, Innobarometers, 2004).
- Innovation is a mixture of invention, insight and entrepreneurship that project growth industries, produces new value and creates high value jobs (The business council of New York State, Inc. Ahead of the curve, 2006).
- Innovation is the design, invention, development and/or application of new or improved products, services, processes, systems, and organisational models with the aim of producing new value for customers and improving the firm's earnings (Committee, Department of commerce, Federal Register Notice, Measuring Innovation in the 21st Century Economy Advisory, April 13, 2007).
- Innovation success is the degree with which firms create value for customers by transforming new knowledge as well as technologies into successful brands for national and global markets. This high rate of innovation equally open more new markets, leads to economic growth, job creation, creates wealth and a higher standard of living (21st Century Working Group, National Innovation Initiative, 2004).

A Review of Related Terms

Innovativeness

Just like innovation, innovativeness is shrouded in controversy as to what it is. Garcia and Calantone (2002) explained that in spite of the disagreement and differing dispositions, a single consistency that does exist is the fact that "innovativeness has often been presented as the extent of disruption in the marketing and/or technological variables such as newness to the firm, product distinctiveness (pioneer), product, a leading product, change in the pattern of behaviour and product newness and others. Therefore, the innovativeness of product is a factor of the prospective disruption a product (process or service) produces in the marketing and/or for technological process. Garcia and Calantone (2002) argue that from a broad point of view, innovativeness is the extent to which new innovations produce a model change in the science and technology and/or market structure in an industry. From a smaller view point, "innovativeness" is the degree of a new innovation to affect the firm's current marketing resources, expertise, technological resources, knowledge, competencies, or strategy.

The important point of emphasis here is, product innovativeness is not same with firm innovativeness. Firm or organisational innovativeness denotes the tendency of a firm to innovate or develop new product (Ettlie, Bridges, & O'keefe, 1984).

Firm or organisational innovativeness can also be the tendency of a company to adopt innovations (Damanpour, 1991; Freeman, 1994). Juxtaposing the two perspectives, it will be appropriate to argue that the innovativeness of any product that a company markets or adopt is not a yardstick of organisational innovativeness. Understandably, many companies now use the innovation strategy of imitating and improving upon current products or technologies. This method is described by the analyser's strategy recommended by Miles and Snow (1978). Such kinds of companies are usually outstandingly successful at improving upon product designs. Microsoft is a known classic example of adopting this type of strategy. Even successful employers including Microsoft, are often viewed by competitors as great imitators and not highly innovators. From the foregoing, a highly innovative product does not automatically imply that such a product is from a highly innovative company.

Invention

The new Oxford Dictionary of English, (1998) defines an invention as anything that has come into existence for the first time. Invention does not necessarily satisfy any beneficial customer need, and does not comprise the application of the idea in the marketplace. What distinguishes innovation from invention are these facts:

1. Innovation involves much more than creating something new.
2. Innovation can only be what it is if exploitation is beneficial as value is added to those concerned-customers, target group and stakeholders.

Invention often involves creating something yet to be desired by customers. Many inventions do not reach the market because they are not implementable due to some factors - cost of the product, process or service. Or it was implemented but later failed because the number of adopters expected to sustain its continued offer into the market was too low. Where an invention is applied and produced into a product that adds value to customers, it is known as an innovation (O'sullivan, 2008).

Innovation and Growth

Innovation is a dive into our wildest imagination in earnest expectation of a desired hope. Similarly, Drucker (1988) viewed innovation to be a deliberate and fixated attempt to actualise transformation in an organisation's economic or social potential. Growth may be measured in many other ways including improved service quality, reduced lead times in supply chain, cost reduction, cost avoidance, and increased turnover in profit-focused organisations, price–earnings ratio, stock prices, reduction in turnover rate and knowledge management. Examples of innovative companies that are found to experience growth (O'sullivan, 2008) are Apple, and Microsoft in the USA, Dantata and Sawoe, and Tantalisers in Nigeria, Hyundai, Samsung, and Kia in South Korea.

Innovation and Creativity

O'Sullivan (2008) also cited Rosenfeld and Servo (1991) to have argued that creativity is a critical scaffold for innovation and, an innate characteristic of human beings. As a mental process, creativity obtains fruits that help in the production of new thoughts and concepts that are suitable, beneficial, and actionable.

Amabile (1996) on the other hand, thought creativity is the production of new and beneficial ideas in any field. Creative ideas must be unique. Such an idea (product or service) must be different from what is in existence. It must just not be different but should compulsorily be suitable to the goal at hand, correct, valuable, or expressive of meaning. Though creativity is fundamental to innovation, none should be taken for the other.

Innovation and Design

Von Stamm (2003) explained that design as it relates to innovation means the deliberate decision–making process by which information (an idea) is converted into an outcome in the form of tangible (product) or intangible (service).

O'Sullivan (2008) explained that the design processes taps profoundly from creativity to solve problems such as the affective, shape, and benefits of the final outcome. Consequently, at the time of the innovation process is been exploited, organisations occupy themselves with design processes is capable of producing an output fit appropriately with market requirement. It is worthy of note that though, design serves as a central component of the development phase of an innovation, it is only one part. Exploitation could consist of other rudiments like process development and market preparation.

Innovation and Change

Innovation provokes change. However, equating innovation with other forms of change is wrong. Any change that should be equated to innovation requires some level of desirability and intentionality (West and Farr, 1990). When you put the output of innovation and change under scrutiny, one clear distinction - that change can have a positive or negative impact on the organisation. Hence innovation must add value to the customer to qualify for its positive contributions; it is safe to conclude that not all innovations are change agents.

Innovation Activities

OECD (2005) asserts that innovation activities consist of all scientific, technological, organisational, financial and commercial stages that really directs, or are planned to direct, to the application of innovations. Some of these activities may be innovative in their own right, while others are not new but are required for the implementation of innovations. Innovation activities also explain R &D that has no direct relationship to the development of a particular innovation.

Some of the other innovative activities contained in R and D are later phases of development for preproduction, production and distribution, development activities with a minimal degree of newness, support activities like training and market preparation, development and implementation activities for innovations like new marketing methods or new organisational methods that are not product and process innovation. Innovation activities may also include acquisitions of external knowledge or capital goods that are not part of R and D.

Drivers of Innovation

The necessity to innovate for survival, growth, improve income level, and polish the brand image for continuous success, has become a way of life in organisational life. Goffin and Mitchell (2010) have enumerated four drivers of innovation as follows:

- **Technological Advances**: Goffin and Mitchell (2010) asserts that knowledge creation has increased astronomically and there are copious instances to show how new technologies have impacted profoundly on markets like railways, watches, television, cell phones and logistics. Logistics is now been modernised by RFID technology - radio frequency identification labels to automatically communicate information concerning the nature and location of articles. The capability of new technologies to create new industries and reduce unemployment levels, require that companies remain on alert at scanning new technologies that are likely to cause upsets in their markets. Existing technologies can be considered as they may be extensively used. Take for instance, sophisticated electronics are now significant part of car design. Considering the upheavals in technological development, MNCs have realised that they can no longer rely on their in -

house researches alone but the need to collaborate with stakeholders have become real. It is pertinent for organisations now to be on the prowl to watch development in existing technologies they correctly use and those that they may replace. Technology is indispensable to the service companies as it were to manufacturing. Consequently, R&D has profound influence on ways service firms conduct businesses. For instance, banks are developing technologies to help customise their services to some specific customer segments. Amazon has developed a kindle to help avid readers buy cheaply and enjoy easy download of their books. Also they are testing the capability of drones supplying orders to customers. Furthermore, they have developed a box to watch or listen to internet music streaming.

- **Changing Customer Needs:** In many countries - China, Japan and even USA, the population is aging. This development has sparked off different requirement as there is a change in size and nature of consumer markets.

  Goffin and Mitchell (2010) explain that the changing consumer demographics presupposes that traditional market segments are either easing out or may break into smaller sizes and the need for firms to change their product ranges has become compelling. In line with the above, car manufacturers in the USA now target over 15 key segments as opposed to only five in the late 1960s.

- **Intensified Competition:** This is a major driving force of innovation. Globalisation as facilitated by information and communication technology has reduced the world to a global village. Information is easily accessed, transport cost is reduced and transaction effected through the internet. These avenues have kindled competition such that indigenous companies are facing stiff competition. These local companies are forced to innovate to stay strong in the market.
- **Changing Business Environments:** Many business environments are beginning to be free from hitherto restrictions. For instance, the EU's free economic zones, North America Free Trade Association (NAFTA) have expanded

their economic areas for businesses within their zones to operate freely. To compete successfully, complying to many regulations is mandatory. All this has forced companies to become more innovative.

Furthermore, Baker (2002) listed many other drivers of innovation as follows:

> Financial pressures to decrease cost, increase efficiency, do more with less; Shorter product life cycles; Value migration; Industry and community needs for sustainable development; Increased demand for accountability; Community and social expectation and pressures (giving back to the host communities, doing Good); and the changing economy.

Properties of Innovation

For innovation to be what it is, certain things must be typical of it. Consequently, Stone, Rose, Lal, & Shipp (2008) lucidly discuss them as follows:

- **Innovation Involves the Mixture of Raw Materials in the Development of Products**: A new thing is likely to be produced in the course of innovation. The important raw materials must be assembled for innovation to happen, and the accurate nature of those raw materials may differ depending upon the anticipated outputs and outcomes.
- **It is Possible for Raw Materials for Innovation to be Tangible and Intangible**: Innovation processes get different raw materials which can be both tangible and intangible. Tangible inputs possess physical features and cost. However, intangible inputs do not have physical features but carry with it a cost. Intangible inputs are known in economic literature as "knowledge assets" and in business management literature as "intellectual assets". Inputs that possess future benefits are known as assets. Therefore, for an innovation to take place there must be a fine and adequate blend of tangible and intangible inputs.

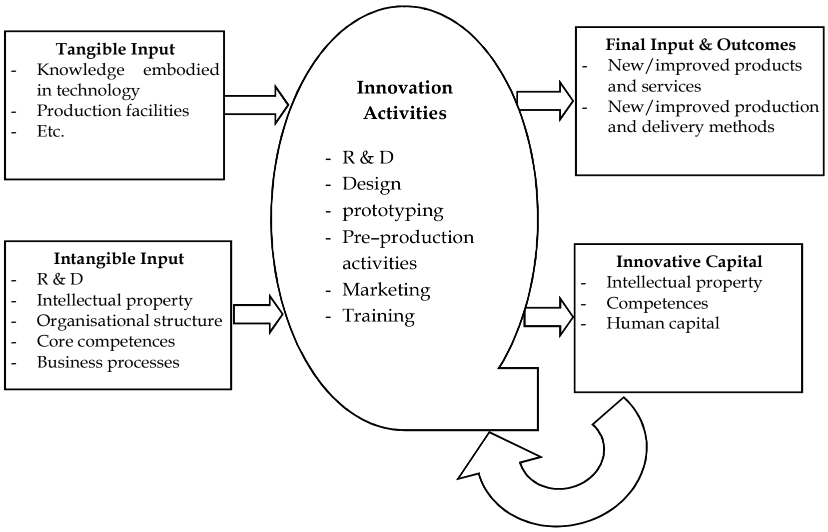
- **Knowledge is a Critical Input to Innovation**: Innovation consists of utilisation of knowledge in creative activities. Innovation does not happen when the understanding of resources, tools, technology, materials, markets and needs in the situation at hand is lacking. Realising the incredible significance of knowledge to the innovative process, innovating organisations voluntarily expend unbelievable amounts of capital on research and acquisition of knowledge (e.g. intellectual property).

  It is important to warn here that discovery and accumulation of knowledge does not necessarily guarantee prosperity as many firms have committed a sizeable portion of their earnings in research without developing any profitable innovation. An investigation carried out by Economist Intelligence Unit showed fifty percent of the respondents saying that their finest thoughts originated from alterations that were made from industry and market structure, twenty-one percent said it was from scientific breakthroughs of R&D (Cisco, 2007).

  Following the above, Bhide (2008) vehemently opposed the traditional opinions which assert that additional scientists and engineers and additional expenditure on research are required. The author reiterated that the above stand point is needlessly alarmist and purely based on widely held misunderstanding of how technological innovation yields economic growth. The financial pay-off here depends on the way technology is applied to develop innovation not in the production of new technological ideas.
- **Inputs to Innovation are Assets**: Arundel (2007) explains that majority of innovation inputs are classified as assets for the reason that they are used constantly in one innovation project or are applied in a project that results in different products. Intangible assets that are not commonly reported (due to the difficulty encountered in measuring them), are gradually recognised as significant.

Innovation Activities
- R & D
- Design
- Prototyping
- Pre–production activities
- Marketing
- Training

Intangible assets though not categorised as inputs to innovations, they provide the necessary assistance that lead to innovations. Innovation is energised by a company's (or any organisation's) outlay of tangible capital (such as computer networks) or intangible capital (such as organisational structures, human resources/training). These innovative activities could lead to tangible output (e.g. new or improved product or processes) and intangible ones (e.g. highly skilful staff are likely to be involved in future innovations). The figure below explains this better.



Adapted from Stone et al. (2008**)**

- **Innovation Comprises of Activities that are Aimed at Producing Economic Value**: Primary to the idea of innovation, is the innovator's resolve to produce anything of economic value, a kind of thing that is of use to the consumers and render economic reward to the innovator. Hence, innovators get rewarded when the product or service is developed then the term commercialisation become a significant process to the innovative process.

- **The Innovation Process is Complex**: The complexity of the innovation process makes it difficult to be minimised to measurable elements (i.e. Naira value of R&D, number or value of patents). Indeed, what is considered the traditional component of innovation is gradually considered as insufficient in the explanation of the process (Mandel, 2008). The author concluded that upon a whopping investment into R&D and high education which are considered major facilitators to innovation, employment in technologically advanced industries is low and even computer and electronic sectors, had never improved.

Innovation is not a straight forward process. Instead, the process is often repetitive such that the outputs of early activities become the inputs for later process. Innovation is also a simple mixture of component factors or confined within the boundaries of firms but can occur within a whole supply chain network or can be completely outsourced. Branscomb (2008) in support to the above gave many instances where relational (i.e. cooperative agreement) innovations never emerged out of R&D labs.

- **Innovation Composes of Risk**: frequently, a mixture of input could not create the most anticipated innovative outcome or the eventual financial rewards. Most frequently, there is the possibility that the innovation process fail. However, innovation is not for companies that avoided risk. Societies, organisations and individuals that look forward to undertaking innovation activities, should be prepared to assume some level of risk.

The degree of risk a firm is ready to assume is a determinant of the preparedness of the firm in pursuing innovation that is new to the firm, new to a region, new to an industry, or new to the world.

- **Innovation Composes of Research, Development, and Commercialisation**: Lev (2001) opines that innovation consists of three interrelated phases:

a. Learning and discovering, whether internal to an organisation or external as found in networks, consortia, linkages or with partners, focuses on creating and acquiring knowledge and skills (the research stage).
b. Implementing and demonstrating technical feasibility (the development stage).
c. Commercialisation and promotion of products diffusion and facilitation of financial and economic returns.

Activities that guide organisation into learning and discovery render both new concepts that motivate and encourage innovation and knowledge that support problem solving in the execution activities. Commercialisation activities consists of market identification and exploration, offers inkling into the socioeconomic milieu of the market and that indicate the way products are to be designed and modified for maximum gains. In moving from one phase to the other, the intricacies of the innovative process become apparent as outputs from different phases are transformed into inputs for others.

Conclusion

Innovation is critical to all and sundry, and must be taken seriously. Though innovation processes does not guarantee fool-proof solution to customer needs, it is better pursued than ignored. Many business organisations through innovations have had major breakthroughs that have raked in phenomenal benefits and are still counting. Innovation though related to many other concepts is still uniquely different. Organisations are encouraged to keep innovating because it is a tool for sustained competitive advantage, propels economic growth and raised income, increases the lifespan of citizens, provides affordable technologies, and provides alternative products and services for customers to choose from. No matter the risks associated with innovation, there is no better alternative to it.

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THE BIG FIVE PERSONALITY TRAITS AS DETERMINANTS OF JOB PERFORMANCE BEHAVIOR IN BUSINESS ORGANISATIONS

Joseph Teryima Sev

PP. 89-134

Abstract

The objective of the study is to investigate the influence of the Big Five Personality Traits on Job performance behavior in Business Organisations. The Big Five Personality Traits are Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity (Emotional Stability). The focus is on Breweries, Foods and Beverages Manufacturing Organisations in Nigeria. Data for the research was obtained from both primary and secondary sources. The sample size for the study was 352 determined through Taro Yamanes formulae. Bowley's population allocation formula was used to obtain individual company sample size from 12 organisations. ANOVA (Analysis of Variance) was then adopted in the testing of the two formulated hypotheses. The study findings revealed that the Big Five Personality Traits i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity (Emotional Stability) significantly influencing job performance behavior in Breweries Foods and Beverages Manufacturing Organisations in Nigeria. It was therefore recommended that periodic evaluation and assessment of employee's personality traits to determine fitness and suitability in discharging responsibilities on assigned tasks and positions is pertinent for Breweries Foods and Beverages Manufacturing Organisations that desire growth success.

Keywords: Big Five Personality Traits, Job performance behaviors, Business Organisations, Manufacturing Organisations

Introduction

Personality traits are categorised at; the *Big five personality traits*, the *social traits, personal conception traits* and the *emotional adjustment traits*. All these traits predict job performance behavior of employees in organisational settings (Sev, 2006). As noted by Paul Costa and Robert McCrae (1992), they describe the personality traits in terms of five (5) dimensions called the Big five. The Big five are traits clusters that appear consistently to capture main personality trait; openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism. The question is that, to what extent has the Big Five Personality traits been able to influence job performance in organisation?

Management of people would have been easier if everyone were the same, but they aren't. They exist variations in personal characteristics and the influence of the social background (i.e the culture in which managers/employees of organisation were brought up), the sex, race or disability, difference in cognitive abilities, intelligence, personalities, background and the environment in which they were brought up. These factors have influenced the behaviors of employees at work place resulting to low performance trend, inefficiency, high productivity, effectiveness, work completions on schedule, customers satisfied with service, better work methods revealed by employee, lack of job satisfaction and motivation, negative moods amongst others. The question is, why are some employees revealing positive work performance behaviors while some exhibits negative work performance behaviors. The interest in this research is to explore the Big Five Personality Traits in business organisation and see its influence on performance outcome in Breweries, Foods and Beverages Manufacturing Companies in Nigeria. The study therefore seeks to achieve the following objectives: to examine the effect of the Big Five Personality Traits on job performance behavior in Breweries, Foods and Beverages Manufacturing Organisations in Nigeria; and to determine the effects of the positive job performance behavior of employees caused by the Big Five Personality Traits on profit growth, market share increase, return on investment (turnover), and share capital growth in the Breweries, Foods and Beverages Manufacturing Organisations in Nigeria.

Research Hypotheses

Ho_1 The Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) do not significantly influencing job performance behavior in Breweries, Foods and Beverages Manufacturing Organisations in Nigeria.

Ho_2 The Big Five Personality Traits do not significantly influencing profit growth, market share increase, return on investment (turnover) and share capital growth in the Breweries, Foods and Beverages Manufacturing Organisations in Nigeria.

Review of Related Literature

The Big Five Personality traits real value to organisational behavior is that is that, it does bring back the importance of predispositional traits, have been clearly shown to relate to job performance (Luthans, 2001).

Importantly, it should also be noted that these traits are stable. It provides ideal personality profile for employees over their whole career, because different traits are needed for different jobs in organisation. The key to success or competitive advantage is to find the right fit that will facilitate attainment of organisation mission and vision through assigning the right caliber personal to the right jobs for effective performance.

The Big five, known by the acronym OCEAN, are not personality types. These are set of factors "Super-traits," which describe common elements among the 'Sub-traits' identified as clustering together looking for a heading. Costa and McCrae (1992) identified Six traits under each of the five headings giving 30 traits in total as summarised below:

a. **Openness to Experience:** Openness to experience is a personality trait that is expressed by a need to expand and examine experience. It defines the extent to which an individual allows himself or herself to be affected by external or internal influences (Luthans, 2001). It includes the ability to be imaginative, unconventional, curious, broadminded and cultured (Clarke and Robertson, 2005). "Openness to Experience" different facets are fantasy, aesthetics, feelings, actions, ideas and values (Costa and McCrae 1992). "Fantasy" corresponds to high imagination in an individual. "Aesthetics" measures an individual's inherent interest in art and beauty. "Feeling" talks about the extent to which an individual is open to his/her own feelings. The above three facets form a factor called openness to internal experience (Griffins and Hackett, 2004).

b. **Conscientiousness:** Costa and McCrae (1992) defined traits relating to conscientiousness as (competence, order, dutifulness, achievement, striving, self-disciplined, deliberation) run from "focused" to "flexible." Focused (C^+) traits are useful for leaders, senior executives and other high achievers. It is possessed by employees with high score. The reveal the following attributes dutifulness, achievement, oriented, self-disciplined. Flexible (C^-) traits are useful for researchers, detectives and management consultants. It is possessed by employees with low score in this trait. They reveal attributed of being frivolous, irresponsible and disorganized. Barrack and Mount (1991) define conscientiousness traits as being diligent, attentive, vigilant, comprehensive, responsible, systematised and determined. It also includes the characteristics of being persevering, organised, responsible, dependable, thorough and industrious. Individuals with this dimension are naturally hardworking result oriented and ambitious. These dimensions are no doubt highly valued by all organisations (Daft, 2008).

c. **Extraversion:** The traits relating to extraversion are warmth, gregariousness, assertiveness, activety, excitement-seeking, positive emotions. They run from "Extravert" (E^+) traits to introverts traits. Extravert (E^+) traits are useful in sales, politics and the arts. Introvert (E^-) traits are useful for production management and in the physical and natural sciences. Extraverts are gregarious, warm, and positive while introverts are quiets, reserved and shy (Costa and McCrae 1992).

In the views of Barrack and Mount (1991), expressive outgoing, companionable, gregarious, chatty, confident and determined persons are called extraverts. Extraverts have a tendency to be spontaneous, communicative, energetic, positive, and enthusiastic (Goldberg, 1990; Watson & Clark, 1997). They are lining for admiration, social acknowledgement, control and command (Costa and McCrae 1992). They are completely associated with emotional commitment (Erdheim, Wang & Zickar, 2006). Extraverts are capable of practicing affirmative emotions (Costa and McCrae 1992) which in turn lead to job satisfaction (Connolly & Viswesvaran, 2000). Extravert personalities are emotionally firm and sure that why they possess contented personality which is a blissful personality of contented life and job satisfaction (Judge et al, 2002). Extroverts are effective analysts of job performance for professions like administrations, social relation and sales.

High extroverted employees likely use their stable, cool-headed, optimistic and aggressive manner to react to customers' requests which results in work completion and customer satisfaction. Varca (2004) predicts that when a person is highly extraverted, he/she usually provides services ahead of time. They also make better use of their competencies than do employees with low extraversion. This increases their self-efficacy, confidence which in turn leads to better work efficacy (Berry and Feij, 2003; Griffin, 1997).

d. **Agreeableness:** The traits relating to agreeableness are (trust, straightforwardness, altruism, compliance, modesty, and tender-mindedness). They run from "Adapter" (A^+) to Challenger (A^-). Adapter (A^+) traits are useful in teaching, social work and psychology. Challenger (A^-) traits are useful in advertising, management and military leadership. "High Agreeableness" (A^+) personalities are straightforwardness, compliant and sympathetic while "Low Agreeableness" (A^-) are quarrelsome, oppositional and unfeeling (Mullins, 1996).

Agreeable defines the features such as self-sacrifice, helpful, nurturance, gentle and emotional support at one end of the dimension and enmity, indifference to others and self-interest on another end (Digman, 1990). Agreeableness consists of traits such as polite, flexible, naïve, helpful, supportive, merciful, kind and open-minded (Barrack and Mount, 1991) and tends to be generous, calm, trusting, truthful and sincere (Judge and Bono, 2000). The agreeableness personality dimension suggests a courteous, flexible, trusting and natured, cooperative, forgiving, soft-hearted, tolerant person (Cooper, 2003). Agreeableness employees consider personal interactions carefully such that they offer more constructive responses to customers and to their work. In addition, agreeableness can push staff members to work together, which should result in effective working behaviours (Barrack and Mount, 1991).

e. **Neuroticism:** According to Louisburg et al, (2007), neuroticism is also known as "negative affectivity." It refers to peoples dispositions to experience negative emotional states, feel distressed, and view the world around them negatively. They may play devil's advocates in an organisation pointing out problems with a proposed course of action. Managers high in on Neuroticism traits may often feel angry and dissatisfied and complain about their own and others lacks of progress. They also experience negative moods, feel stressed and have negative orientation at work. They are more critical of their work performance, a tendency that drives them to make improvements and excel in critical thinking and evaluations. Managers who are low on Neuroticism trait do not tend to experience many negative emotions and moods and are less pessimistic and critical of themselves and others (Jones and George, 2007).

Costa and McCrae (1992) maintains also that managers high in Neuroticism traits are Reactive (N^+). They are anxious, depressed, and self-conscious; examples are social scientist, academicians, customer service, professionals, while managers low in Neuroticism traits are "Resilient" (N^-). They are calm, contended and self-assured; examples are Airline pilots, military snipers, finance managers, engineers. Traits relating to Neuroticism/negative emotionality are worry, anger, discouragement, self-consciousness, impulsiveness, vulnerability.

Methodology

This study employed a cross-sectional research design or survey research design. The design suitability is also seen in the fact that it involved taking a sample of elements from a population of interest which is measured at a single point in time (Baridam, 2001). The survey instruments such as 5-point Likert rating scale questionnaire were designed in a way that meaningful results could be achieved. The population of the study comprises of Four (4) Breweries firms and Eight (8) foods/ Beverages Manufacturing firms with respective management staff population as follow:

Table 1.0: Number of Organisations Based on Classification

S/No	Name of Manufacturing Company	Population of Management Staff	Selected Sample Size
The first category of organisation (management staff above 200, bigger in size in terms of employees, scope of operations and Assets base).			
1.	Nigerian Bottling Company (NBC) plc Lagos	900	107
2.	Guiness NigeriaPlc, Ikeja Lagos	436	52
3.	Seven Up Bottling company plcIjora- Lagos	380	45
4.	Flour Mills of Nigeria, Apapa-Lagos	237	28
	Total		**232**
The second category of organisations (management staff between 100-199 or less than 200, moderately bigger in size in terms of employees, scope of operations and assets base).			
5.	Cadburys Nigeria Plc, Ikeja Lagos	190	23
6.	Friesland Foods (WAMCO) Nigerian Ltd Lagos	186	22
7.	Consolidated Breweries plcIddo-Lagos	184	22
8.	Nigeria Breweries plcIganmu Lagos	144	17
9.	Promasidor Nigerian LtdApapa-Lagos	110	13
	Total		**97**
Third category of organisations (management staff less than 100, smaller in size in terms of management staff, assets base and quality, scope of operations).			
10.	VitaMalt Ltd, Agbara Estate Lagos	80	10
11.	Northern Nigeria Flour Mills plc Kano	80	10
12.	Submiller Breweries Ltd, AkwaAnambra State	32	4
	Total		24
	Grant Total	**2959**	**352**

	Total		**97**
Third category of organisations (management staff less than 100, smaller in size in terms of management staff, assets base and quality, scope of operations).			
10.	VitaMalt Ltd, Agbara Estate Lagos	80	10
11.	Northern Nigeria Flour Mills plc Kano	80	10
12.	Submiller Breweries Ltd, AkwaAnambra State	32	4
	Total		24
	Grant Total	**2959**	**352**

Source: Company's Records and Field Survey, 2017

Source: Company's Records and Field Survey, 2017

The selection of the companies was bordered on factors such as size (bigger, moderate and smaller in size); age and assets base scope of operations. The choice of the companies employed the use of Disproportionate Stratified Sampling technique in which the companies are classed into three (3) strata. The first category of organisations is bigger in size in terms of employees, scope of operations and assets base. They have a population of management staff above 200. The second category of organisations is moderately bigger in size in terms of employees, scope of operations and assets base. They have a management staff population between 100 and 199. The third category of organisations is companies that are smaller in size in terms of employees, scope of operations and assets base. They population of management staff here is less than 100.

Primary source of data collection especially questionnaire i.e. Five (5) point Likert rating scale questionnaire of Strongly Agree (SA), Agree (A), Undecided (U), Disagree(D) and Strongly Disagree (SD) was administered to obtain viable information on the subject matter of Big Five Personality Traits as determinants of job performance behavior in Business organisations in 12 companies.

To scientifically generate a sample size, the Taro Yamane's (1964) formula was applied thus:

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

Where = Sample size
= Level of significance
= Population size
= Constant value

A total population size of 2959 was used to obtain the sample size of twelve (12) companies in the study at 0.05 level of significance as shown below:

$$n = \frac{2959}{1 + 2959(0.05)^2}$$

$$n = \frac{2959}{1 + 2959(0.0025)}$$

$$n = \frac{2959}{1 + 7.3975}$$

$$n = \frac{2959}{8.3975}$$

$$n = 352$$

From the total sample size, the individual company's sample size was calculated. The formula applied was Bowley's population allocation formula (1964) in Nzelibe (1999, p.201) as shown below:

$$nh = \frac{nNh}{N}$$

Where = the number of units allocated to each company.
= The total sample size.
= The number of employees in each company.
= The population size.

Following the Bowley's population allocation formula, the individual company's sample size is derived as follows:

i. For Nigerian Bottling Company (NBC) Plc, Iddo-Lagos = = 107

ii. For Guiness Nigeria Plc, Ikeja-Lagos = = 52
iii. For Seven Up Bottling Company Plc, Ijora-Lagos = = 45
iv. For Flour Mills of Nigeria, Apapa-Lagos = = 28
v. For Cadburys Nigeria Plc, Ikeja-Lagos = = 23
vi. For Friesland Foods (WAMCO) Ikeja-Lagos = = 22
vii. For Consolidated Breweries Plc, Iddo-Lagos = = 22
viii. For Nigeria Breweries Plc, Iganmu-Lagos = = 17
ix. For Promasidor Limited Lagos = = 13
x. For Vita Malt Ltd, Agbara Estate Lagos = = 10
xi. For Northern Nigeria Flour Mills Plc, Kano = = 10
xii. Submiller Breweries Ltd, Akwa-Anambra State = = 4

Based on the researchers classification on strata, the companies with management staff population above 200, larger in scope of operations and assets base and quality includes; Nigerian Bottling Company Plc Lagos, Guiness Nigeria Plc, Ikeja-Lagos, Seven Up Bottling company Plc, Ijora-Lagos and Flour Mills of Nigeria, Apapa-Lagos. The company with management staff population between 100 and 199 includes Cadburys Nigeria Plc, Ikeja-Lagos, Friesland Foods (WAMCO) Ikeja-Lagos, Consolidated Breweries Plc Iddo-Lagos, Nigeria Breweries Plc Iganmu-Lagos and Promasidor Nigeria Limited Lagos. They are moderately bigger in size in terms of employees, scope of operations and assets base. The company with management staff below 100 includes Vita Malt Ltd, Agbara Estate Lagos, Northern Nigeria Flour Mills plc Kano and Submiller Breweries Ltd, Akwa-Anambra State. They are smaller in size in terms of employees, scope of operations and assets base.

In order to ascertain the validity and reliability of the instruments for the research, Factor Analysis was applied in determining the construct validity while the Cronbach Alpha was used for determining the reliability of the instruments. Pilot test was conducted in which three (3) questionnaire were issued each to the twelve (12) companies making a total of thirty six (36) copies of questionnaire for pilot testing.

The input variable factors used in the study in the case of the Big Five (5) personality traits dimensions were subject to exploratory factor analysis to investigate whether the construct as described fits the factors from the factor analysis. Bartlett's Test of Sphericity and Kaiser-Meyer-Olkin Measure of sampling adequacy are applied in determining the construct validity.

Table 2.0: Factor Analysis

Factors	Statistics	Big Five Personality Traits Analysis in organization as influencing performance behaviour	Loading	No of Items
Openness to Experience	K.M.O. = 0.808 Sig = 0.00 (TVE) = 0.592 Cronbach Alpha() = 0.855 Bertlett's test of Sphereity Approx. Chi square = 2254.42 Df = 21	Explorers (O^+) – High in openness to experience 1. You are an explorer who is creative, open minded, and intellectual in your organization. 2. Successful Entrepreneurs, Change agents, Architects, theoretical scientist possess these traits. 3. High in openness to experience may prompt job efficiency, explore new view points and develop real interest in their activities in your organization. 4. High in openness to experience employees distinguish important work activities and combine their observation with appropriate behavior to develop work methods that maximize productivity, efficiency and effectiveness in organization. 5. They pursue opportunities to learn new perspectives therefore revealing better performances in organizations. 6. They have high need for achievement and ambition to excel constantly seeking for new methods to complete work of the organization. 7. Your organizational members possess the attributes of high openness to experience.	 0.846 0.829 0.806 0.792 0.868 0.822 0.818	**7**

Factors	Statistics	Big Five Personality Traits Analysis in organization as influencing performance behaviour	Loading	No of Items
Openness to Experience	K.M.O. = 0.844 Sig = 0.00 (TVE) = 0.534 Cronbach Alpha() = 0.812 Bertlett's test of Sphereity Approx. Chi square = 944.12 Df = 1	Preserver (O^-) – Low in openness to experience 1. Your organization members are highly unimaginative, disinterested, narrow minded in its affairs. 2. High work performance behavior and efficiency is not their concern.	0.867 0.825	**2**

Factors	Statistics	Big Five Personality Traits Analysis in organization as influencing performance behaviour	Loading	No of Items
Conscientiousness	K.M.O. = 0.811 Sig = 0.00 (TVE) = 0.583 Cronbach Alpha() = 0.743 Bertlett's test of Sphereity Approx. Chi square = 2161.28 Df = 28	Focused (C^+) – High in Conscientiousness		
		1. The employees of your organizations are focused with qualities of been dependable, dutiful, and achievement-oriented, self-disciplined.	0.866	**8**
		2. You are systematic and efficient.	0.792	
		3. The employees because of their work participation have enhanced high job performance and able to reach goals of the organization.	0.841	
		4. The employees exhibit higher level of motivation and job satisfaction.	0.827	
		5. High Conscientiousness employee in your firm attains greater job efficiency which improves job involvement.	0.765	
		6. You pay attention to details.	0.903	
		7. They regulate their work behaviors more effectively and exhibit capacity to function in productive manner and accomplish more work quickly.	0.837	
		8. They experience greater psychological attachment to their jobs.	0.814	

Factors	Statistics	Big Five Personality Traits Analysis in organization as influencing performance behaviour	Loading	No of Items
Conscientiousness	K.M.O. = 0.834 Sig = 0.00 (TVE) = 0.538 Cronbach Alpha() = 0.826 Bertlett's test of Sphereity Approx. Chi square = 1639.48 Df = 3	Flexible (C^-) – Low in Conscientiousness		**3**
		1. Your employees are frivolous, irresponsible and disorganized.	0.876	
		2. They do lack sense of goals and do perform task poorly.	0.815	
		3. They don't observe rules and standards.	0.826	

Factors	**Statistics**	**Big Five Personality Traits Analysis in organization as influencing performance behaviour**	**Loading**	**No of Items**
Extraversion	K.M.O. = 0.862 Sig = 0.00 (TVE) = 0.578 Cronbach Alpha() = 0.808 Bertlett's test of Sphereity Approx. Chi square = 2752.08 Df = 21	Extravert (E^+) – High in Extraversion 1. Employees of your company are high sociable, outgoing, gregarious, warm, positive, confident, communicative, energetic, and enthusiastic. 2. Extraverts are effective analyst of job performance for professions like administrations, social relations, and sales. 3. You are a talkative. 4. Highly extraverted employees in your company likely use their stable, cool-headed, optimistic and aggressive manner to react to customers' requests which results in work completion and customer satisfaction. 5. Highly extraverted in your firm make better use of their competencies which results to increase self-efficacy, confidence which leads to better work efficacy. 6. Highly extraverted in your company usually provides services ahead of time. 7. I feel comfortable around people.	0.863 0.855 0.918 0.875 0.826 0.808 0.795	**7**

Factors	**Statistics**	**Big Five Personality Traits Analysis in organization as influencing performance behaviour**	**Loading**	**No of Items**
Extraversion	K.M.O. = 0.797 Sig = 0.00 (TVE) = 0.512 Cronbach Alpha() = 0.796 Bertlett's test of Sphereity Approx. Chi square = 959.22 Df = 1	Introverted (E^-) – Low in Extraversion 1. Your organizations have quiet, reserved and shy employees. 2. Managers in production department, physical and natural sciences possess this trait.	0.826 0.844	**2**

Factors	**Statistics**	**Big Five Personality Traits Analysis in organization as influencing Job performance behavior**	**Loading**	**No of Items**
Agreeableness	K.M.O. = 0.854 Sig = 0.00 (TVE) = 0.588 Cronbach Alpha() = 0.912 Bertlett's test of Sphereity Approx. Chi square = 1712.08 Df = 15	Adapter (A^+) – High in Agreeableness		**6**
		1. Your employees are straight forward, complaint, sympathetic, helpful, self-sacrifice, supportive, merciful, kind, polite, open-minded, courteous, good natured, soft hearted, cooperative, supporting etc.	0.867	
		2. Employees of your organizations considers personal interactions carefully, such that offers constructive response to customers and to their work.	0.825	
		3. Your Boss encourages staff members to work together which results in effective working behaviors.	0.908	
		4. HighAgreeableness employees develop positive perceptions of work efficiency.	0.775	
		5. High Agreeableness employees have critical implications for understanding service based productive behaviors efficiency.	0.908	
		6. Your employees when interacting achieve better effects which likely increases work efficiency.	0.775	
Factors	**Statistics**	**Big Five Personality Traits Analysis in organization as influencing Job performance behavior**	**Loading**	**No of Items**
Agreeableness	K.M.O. = 0.778 Sig = 0.00 (TVE) = 0.542 Cronbach Alpha() = 0.805 Bertlett's test of Sphereity Approx. Chi square = 952.02 Df = 1	Challenger (A^-) – Low in Agreeableness		**2**
		1. Your organizations have employees who are oppositional, unfeeling and quarrelsome by orientation.	0.806	
		2. Your employees do not exhibit forgiving, cooperative work behaviors that lead to following rules and acting courteously.	0.787	

Factors	**Statistics**	**Big Five Personality Traits Analysis in organization as influencing Job performance behavior**	**Loading**	**No of Items**
Neuroticism or Negative Affectivity	K.M.O. = 0.843 Sig = 0.00 (TVE) = 0.528 Cronbach Alpha() = 0.874 Bertlett's test of Sphereity Approx. Chi square = 2312.34 Df = 21	Reactive (N^+) – High in Neuroticism or Negative Affectivity 1. Your employees easily feel distressed and view world around them negatively. 2. They are angry and dissatisfied and complain of lack of progress, worry a lot and feel in secured. 3. They have no belief and faith in other colleague and lack confidence, self-image and experience negative moods in organizations. 4. Neurotics personalities in your firm does not have positive attitude toward work and lack confidence and optimism. 5. They are less ambitions and less focus on career goals in your firm. 6. They less likely devote themselves to work and more likely to be distracted easily which increases their behavioral risks. 7. Neurotic'spersonality negatively correlates with leadership effectiveness constantly and negatively correlates with job success.	 0.823 0.854 0.888 0.795 0.814 0.922 0.788	**7**
Factors	**Statistics**	**Big Five Personality Traits Analysis in organization as influencing Job performance behavior**	**Loading**	**No of Items**
Neuroticism or Negative Affectivity	K.M.O. = 0.816 Sig = 0.00 (TVE) = 0.554 Cronbach Alpha() = 0.732 Bertlett's test of Sphereity Approx. Chi square = 769.48 Df = 1	Resilient (N^-) – Low in Neuroticism or Negative Affectivity 1. Your company has personalities who are calm, contented and self-assured in nature. 2. They exhibit matured work related behaviors.	 0.876 0.824	**2**

Table 3.0 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.868**
Bartlett's Test of Sphericity	Approx. Chi-Square	2116.12
	Df	28
	Sig.	0.000
Overall Reliability Statistics : Cronbach's Alpha		**0.812**

The SPSS analysis gives us an overall Cronbach's Alpha values of Kaiser-Meyer Olkin (KMO) & Bartlett's test of Sphericity which is a measure of sampling adequacy that is recommended to check the case to variable ratio for the analysis being conducted. Also, the Bartlett's Test of Sphericity relates to the significance of the study and thereby shows the validity and suitability of the responses collected to the problem being investigated through the study. We can see that we have good values for all variables for the Measure of Sampling Adequacy (MSA) but the overall value is a bit high at **0.868**. However, Bartlett's Test of Sphericity has an associated P value (Sig. in the table) of < 0.05 as by default SPSS reports p values of less than 0.05 as 0.000. So from the above results we know that we can now continue and perform a valid factor analysis. It can be seen that the Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) were subjected to reliability test using Cronbach's Alpha but in all cases it was high.

The SPSS analysis gives us Cronbach's Alpha values for all item sunder the Big Five Personality Traits as shown in the above table. This is an indication that our instruments are reliable. According to Everitte (2006), an alpha value of less than 0.60 is unacceptable; 0.60-0.65 is undesirable, 0.65-0.70 is minimally acceptable; 0.70-0.80 is respectable; 0.80-0.90 is very good and more than 0.90 means consider shortening the scale by reducing the number of items. As it is for all the Breweries and Foods/other Beverages firms under survey, it shows that, the instrument is very reliable, hence our overall reliability statistics: Cronbach Alpha is **0.812**.

The Analysis of Variance (ANOVA) test is adopted for the study to establish the effect of the Big Five Personality Traits (i.e Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) on the job performance behavior in Breweries and Foods/other Beverages Manufacturing Organizations in Nigeria. Also, the effect of the positive job performance behavior of employees caused by the Big Five Personality Traits on profit growth, market share increase, return on investment (turnover), share capital growth in the Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria.

Data Presentation and Analysis

This section deals with the descriptive statistics, which is the presentation of tables and figures and test of hypotheses. A total of 352 copies of questionnaire were distributed to the management staff cadre of the twelve (12) Breweries and Food/others Beverages manufacturing firms in Nigeria under survey.

Specifically for the first category of organisation with management staff above 200 are bigger in size in terms of employees, scope of operations and Assets base. 232 copies of questionnaire were distributed to respondents but only 213 copies were returned. 101 copies were returned from Nigerian Bottling Company (NBC) Plc Lagos, 46 copies returned from respondents of Guinness Nigeria Plc Lagos, 42 copies of questionnaire were returned from Seven Up Bottling Company Plc Lagos and 24 copies of questionnaire returned from Flour Mills of Nigeria, Apapa-Lagos.

For the second category of organisations with management staff between 100-199 or less than 200 which are moderately bigger in size in terms of employees, scope of operations and assets base. 97 copies of questionnaire were distributed to respondents but only 89 copies of questionnaire were returned. 20 copies of questionnaire were returned from Cadburys Nigeria Plc Lagos, 19 copies of questionnaire were returned from Friesland Foods (WAMCO) Nigerian Ltd Lagos, 22 copies of questionnaire were returned from Consolidated Breweries Plc Lagos, 15 copies of questionnaire were returned from Nigeria Breweries Plc Lagos and 13 copies of questionnaire were returned from Promasidor Nigerian Limited Lagos.

For the third category of organisations with management staff less than 100, smaller in size in terms of management staff, assets base and quality, scope of operations. 24 copies of questionnaire were issued out to respondents but only 21 copies of questionnaire were filled and returned. 10 copies of questionnaire were filled and returned from Vita Malt Ltd Agbara Estate, Lagos. 8 copies of questionnaire were returned from Northern Nigeria

Flour Mills Plc Kano and 3 copies of questionnaire were filled and returned from Submiller Breweries Akwain Anambra State.

Altogether, 323 copies of questionnaire were fully filled by respondents and returned out of 352 copies of questionnaire distributed constituting 91.97% response rate which is still very high for the research to be conducted. ANOVA (Analysis of Variance) is used in the test of the formulated hypotheses.

Table 4.0 Influenced of the Big Five Personality Traits on Employee Job Performance Behaviour in Breweries, Foods and Beverages Manufacturing Firms in Nigeria

Statement	Name of Organization	Degree of Response by Management Staff					
		SA	**A**	**U**	**D**	**SD**	**TOTAL**
The employees of the Breweries and foods/other Beverages Manufacturing Organizations in Nigeria possess the Big Five personality traits (i.e Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity that is influencing job performance behavior in order to attain competitive success.	1) Nigerian Bottling Company (NBC) plc Lagos.	52 (51.48%)	43 (42.57%)	-	4 (3.96%)	2 (1.98%)	**101**
	2) Guinness Nigeria plc Ikeja-Lagos.	21 (45.65%)	20 (43.47%)	-	2 (4.34%)	3 (6.52%)	**46**
	3) Seven Up Bottling Company plc Lagos.	20 (47.61%)	20 (47.61%)	-	2 (4.76%)	-	**42**
	4) Flour Mills of Nigeria, Apapa-Lagos.	11 (45.83%)	10 (41.66%)	3 (12.5%)	-	-	**24**
	5) Cadburys Nigeria Plc Ikeja-Lagos.	9 (45%)	8 (40%)	-	-	3 (15%)	**20**
	6) Friesland Foods (WAMCO) Nigerian Ltd Lagos.	8 (42.10%)	8 (42.10%)	2 (10.52%)	1 (5.26%)	-	**19**
	7) Consolidated Breweries plc Lagos.	9 (40.90%)	9 (40.90%)	-	2 (9.09%)	2 (9.09%)	**22**
	8) Nigerian Breweries plc Iganmu-Lagos.	10 (66.66%)	5 (33.33%)	-	-	-	**15**
	9) Promasidor Nigerian Limited Lagos.	5 (38.46%)	4 (30.76%)	2 (15.38%)	2 (15.38%)	-	**13**
	10) Vita Malt Ltd Agbara Estate, Lagos.	4 (40%)	3 (30%)	-	3 (30%)	-	**10**
	11) Northern Nigeria Flour Mills plc Kano.	3 (37.5%)	3 (37.5%)	-	-	2 (25%)	**8**
	12) Submiller Breweries Ltd Akwa in Anambra State.	2 (66.66%)	1 (33.33%)	-	-	-	**3**
	Total						**323**

Source: Field Survey, 2017

KEY: SA = Strongly Agree, A = Agree, UD = Undecided, D = Disagree, SD = Strongly Disagree; The Numbers in the brackets are percentages.

In the question that sought to find out whether employees Job performance behavior of the Breweries and foods/other Beverages Manufacturing Organisations is influenced by the Big Five Personality Traits namely; Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity, it is seen from the table 3 above that Nigerian Breweries Plc Iganmu-Lagos and Submiller Breweries Ltd Akwa have a lead of 66.66% each representing 10 respondents and 2 respondents respectively who strongly agree. They are followed by Nigerian Bottling Company (NBC) Plc Lagos with 51.48% representing 52 employees who strongly agree. Next is Seven Up Bottling Company Plc Lagos with 47.61% representing 20 employees for strongly agreed. They are followed by Flour Mills of Nigeria Lagos with 45.83% with 11 respondents who are strongly agreed and Guinness Nigeria Plc Lagos with 45.65% with 21 respondents who strongly agreed. Next is Cadburys Nigeria Plc Ikeja-Lagos with 45% representing 9 employees who strongly agree. They are followed by Friesland Foods (WAMCO) Nigerian which have 42.10% standing for 8 respondents who strongly agree. Next is Consolidated Breweries Plc Lagos with 40.90% representing 9 employees who strongly agree too. They are followed by Vita Malt Ltd Agbara-Lagos with 4 respondents representing 40% for strongly agree. Next is Promasidor Nigerian Limited Lagos with 38.46% standing for 5 respondents that strongly agree on the notion. They are followed by the Northern Nigeria Flour Mills Plc Kano with 37.5 % representing 3 employees who strongly agree.

In the “Agree” option Seven Up Bottling Company Plc Lagos lead with 47.61% standing for 20 employees. They are followed by Guinness Nigeria Plc Lagos with 43.47% representing 20 employees. Next is the Nigerian Bottling Company Plc Iddo-Lagos with 42.57% standing for 43 respondents followed by Friesland Foods (WAMCO) Lagos with 42.10% representing 8 respondents. They are followed by Flour Mills of Nigeria Lagos with 41.66% standing for 8 employees. Next is followed by the Consolidated Breweries Plc Lagos with 40.90% standing for 9 employees followed by Cadburys Nigeria Plc Ikeja-Lagos with

40% standing for 8 respondents. Northern Nigeria Flour Mills plc Kano followed on this option "agree" with 37.5% representing 3 employees. Next is followed by the Nigerian Breweries Plc Lagos with 5 employees representing 33.33% and Submiller Breweries in Akwa with 33.33% standing for 1 respondent. Promasidor Nigerian Limited Lagos followed on the "agree" option with 4 respondents representing 30.76% while Vita Malt Ltd Agbara Estate-Lagos has 3 respondents for this option standing for 30%.

For the undecided option, Promasidor Nigerian Limited Lagos have a lead with 2 respondents standing for 15.38%. They are followed by the Flour Mills of Nigeria Lagos with 3 respondents representing 12.5% the last on this option is the Friesland Foods (WAMCO) Lagos with 10.52% representing 2 respondents on the undecided option for the subject matter under survey.

For the "disagree" option show that Vita Malt Ltd Agbara-Lagos leading with 30% representing 3 employees. They are followed by Promasidor Nigerian Limited Lagos with 15.38% (2 employees), followed by Consolidated Breweries Plc Lagos with 9.09% (2 employees), followed by Friesland Foods (WAMCO) Lagos with 5.26% (1 employee). Next is Seven Up Bottling Company Lagos with 4.76% (2 respondents) followed by Guiness Nigeria Plc Lagos with 4.34% (2 respondents). Next on this option is 3.96% from Nigerian Bottling Company Plc Lagos standing for 4 respondents.

The last option of "Strongly Disagree" shows Northern Nigeria Flour Mills Plc Kano leading with 25% representing 2 employees on the subject matter. They are followed by Cadburys Nigeria Plc Lagos with 15% representing 3 employees. Next is Consolidated Breweries Plc Lagos with 9.09% standing for 2 respondents on the subject matter under survey. They are followed by Guinness Nigeria Plc Lagos with 6.52% (3 employees) and lastly followed by Nigerian Bottling Company Plc Lagos with 1.98% representing 2 respondents on the subject matter.

Table 5.0 the influence of Big Five Personality Traits (Breweries, Foods and Beverages Manufacturing organisations) on the Attainment of Improves and Positive Works Performance Behaviours by Employees of Business Organisations

Statement	Name of Organisation	Degree of Response by Management Staff					
		SA	**A**	**U**	**D**	**SD**	**Total**
Improve and positive work Performance Behaviours are embraced and attained by employees of Breweries and foods/other Beverages Manufacturing organisations such as high work participation leading to high performance and goals of the company, high level motivation and job satisfaction, development of work methods that maximises productivity, efficiency, effectiveness, development of high self-efficacy which leads to better work behaviour that leads to successful work completion and customers satisfaction with influence of Big-Five Personality Traits.	1. Nigerian Bottling Company Plc Lagos.	50 (49.50%)	44 (43.56%)	2 (1.98%)	3 (2.97%)	2 (1.98%)	**101**
	2. Guinness Nigeria Plc Lagos.	22 (47.83%)	20 (43.48%)	-	4 (8.69%)	-	**46**
	3. Seven Up Bottling Company Plc Lagos.	21 (50%)	19 (45.24%)	2 (4.76%)	-	-	**42**
	4. Flour Mills of Nigeria Lagos.	12 (50%)	11 (45.83%)	-	1 (4.17%)	-	**24**
	5. Cadburys Nigeria Plc Lagos.	9 (45%)	8 (40%)	-	2 (10%)	1 (5%)	**20**
	7. Friesland Foods (WAMCO) Nigerian Ltd, Lagos.	8 (42.11%)	7 (36.84%)	2 (10.53%)	2 (10.53%)	-	**19**
	8. Consolidated Breweries Plc Lagos.	10 (45.45%)	9 (40.91%)	-	3 (13.64%)	-	**22**
	9. Nigerian Breweries Plc Lagos.	8 (53.33%)	7 (46.67%)	-	-	-	**15**
	10. Promasidor Nigerian Limited Lagos.	5 (38.46%)	5 (38.46%)	-	3 (23.08%)	-	**13**
	11. Vita Malt Ltd Agbara-Estate, Lagos.	4 (40%)	3 (30%)	-	2 (20%)	1 (10%)	**10**
	12. Northern Nigeria Flour Mills Plc Kano.	3 [illegible]	4 [illegible]	1 [illegible]	-	-	**8**
	13. Submiller Breweries Ltd Akwa-Anambra State.	2 (66.67%)	1 (33.33%)	-	-	-	**3**
	Total						**323**

Source: Field Survey, 2017

As for the data shown in Table 4 above, the overwhelming majority revealed agreement on the subject matter. 292 out of 323 respondents representing 90.40% in the Breweries and foods/other Beverages firms surveyed confirmed that improved and positive work performance behaviors are embraced and attained by employee of Breweries and foods/other Beverages

Manufacturing organisations such as high work participation leading to high performance and goals of the company, high level motivation and job satisfaction, development of work methods that maximises productivity, efficiency and effectiveness, development of high self-efficacy which leads to better work efficacy and stable behavior that enhances successful work completion and customers satisfaction. All these are as a result of the influence of the Big-Five Personality Traits possessed by the employee. Only 31 out of 323 respondents (9.60%) had a contrary opinion on the subject matter.

Specifically, for the "strong Agree" option, Submiller Breweries Ltd, Akwa in Anambra State lead with 66.67% (2 respondents) followed by Nigerian Breweries Plc Lagos with 53.33% standing for 8 respondents. Next is Seven Up Bottling Company Plc Lagos and Flour Mills of Nigeria Lagos with 50% each with 21 and 12 respondents respectively. They are followed by Nigerian Bottling Company Plc Lagos with 49.50% (50 respondents). Next to them is Guinness Nigeria Plc Lagos with 47.83% standing for 22 employees. Consolidated Breweries Plc Lagos followed up with 45.45% representing 10 respondents. Next is Cadburys Nigeria Plc Lagos with 45% (9 respondents). Friesland Foods (WAMCO) Nigerian Ltd Lagos followed with 42.11% standing for 8 employees. They are followed with Vita Malt Ltd Agbara-Lagos with 40% standing for 4 employees. Promasidor Nigerian Limited Lagos had 38.46% (5 respondents) and lastly Northern Nigeria Flour Mills Plc Kano with 37.50% standing for 3 respondents on "strongly Agree" option.

For the "Agree" option, Northern Nigeria Flour Mills Plc Kano with 50% standing for 4 respondents. They are followed by Nigerian Breweries Plc Lagos with 46.67% standing for 7 employees. Flour Mills of Nigeria Lagos have 45.83% representing 11 employees. They are followed by Seven Up Bottling Company Plc Lagos with 45.24% (19 employees). Nigerian Bottling Company Plc Lagos has 43.56% standing for 44 respondents. Next is Guiness Nigeria Plc Lagos with 43.48% (20 employees). They are followed by Consolidated Breweries Plc Lagos and Cadburys Nigeria Plc Lagos 40.91% (9 employees) and

40% (8 employees) respectively. Next is Promasidor Nigerian Limited Lagos with 38.46% representing 5 respondents followed by Friesland Foods (WAMCO) Nigerian Plc Lagos with 36.84% (7 respondents). Submiller Breweries Akwa followed with 33.33% standing for 1 respondent. Lastly, Vita Malt Ltd Agbara-Lagos with 30% representing 3 employees agree on the subject matter.

For the undecided option, the greatest percentage of 12.5% standing for 1employee is recorded by the Northern Nigeria Flour Mills Plc Kano. The Friesland Foods (WAMCO) Nigerian Plc Lagos followed with 10.53% standing for 2 respondents. They are followed by Seven Up Bottling Company Plc Lagos with 4.76% (2 respondents). Nigerian Bottling Company Plc Lagos followed with 1.98% standing for 2 employees. There are no respondents for Guinness Nigeria Plc Lagos, Flour Mills of Nigeria Lagos, Cadburys Nigeria Plc Lagos, Consolidated Breweries Plc Lagos, Nigerian Breweries Plc Lagos, Promasidor Nigerian Limited Lagos, Vita Malt Ltd Agbara-Lagos and Submiller Breweries Ltd Akwa-Anambra State for the undecided option.

For the "Disagree" option, Promasidor Nigerian Limited Lagos leads with 23.08% standing for 3 respondents while Vita Malt Ltd Agbara Estate Lagos followed with 20% (2 respondents). Next is Consolidated Breweries Plc Lagos with 13.64% representing 3 respondents on the matter. They are followed by Friesland Foods (WAMCO) Nigerian Ltd Lagos with 10.53% (2 employees). Cadburys Nigeria Plc Lagos is the next with 10% (2 employees). They are followed by Guiness Nigeria Plc Lagos and Flour Mills of Nigeria Plc Lagos with 8.69% (4 respondents) and 4.17% (1 respondent) respectively. The least percentage of 2.97% represents is recorded by the Nigerian Bottling Company Plc Lagos. There is no respondent for Seven Up Bottling Company Plc Lagos, Nigerian Breweries Plc Lagos, Northern Nigeria Flour Mills Plc Kano and Submiller Breweries Ltd, Akwa-Anambra State.

For the "Strongly Disagree" option, the greatest percentage of 10% standing for 1 respondent by Vita Malt Ltd Agbara Estate Lagos is recorded. They are followed by Cadburys Nigeria Plc Lagos with 5% (1 respondent) for this option. Nigerian Bottling

Company Plc Lagos have 1.98% for 2 respondents. Lastly, Guinness Nigeria Plc Lagos, Seven Up Bottling Company Plc Lagos, Flour Mills of Nigeria Plc Lagos, Friesland Foods (WAMCO) Nigerian Plc Lagos, Nigerian Breweries Plc Lagos, Promasidor Nigerian Limited Lagos, Northern Nigeria Flour Mills Plc Kano and Submiller Breweries Ltd Akwa-Anambra State have no respondent for the "Strongly Disagree" option.

Table 6.0: The Influence of Positive Job Performance Behaviour of Employees Caused by the Big Five Personality Traits on Profit-Growth, Market Share Increase, Return on Investment (Turnover), Share Capital Growth in the Breweries, Foods and Beverages Manufacturing Firm in Nigeria

Statement	Name of Organization	Degree of Response by Management Staff					
		SA	A	U	D	SD	Total
The positive Job Performance Behaviors of Employees (i.e high job performance and goals attainment, high level motivation and job satisfaction, consumer satisfaction, constancy in seeking for new methods development of work methods to complete work in organizations, develop work methods that maximizes productivity, high self-efficacy, stable behavior patterns that leads to successful work completion etc) caused by the Big-Five Personality Traits (i.e Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism has influenced on Profit, Market share, Return on investment (turnover), Share capital growth in Breweries and Foods/other Beverages Manufacturing Firm in Nigeria.	1) Nigerian Bottling Company plc Lagos.	50 (49.50%)	44 (43.56%)	-	7 (6.93%)	-	101
	2) Guinness Nigeria plc Lagos.	24 (52.17%)	18 (39.13%)	4 (8.69%)	-	-	46
	3) Seven Up Bottling Company plc Lagos.	20 (47.61%)	17 (40.48%)	-	-	5 (11.90%)	42
	4) Flour Mills of Nigeria Lagos.	12 (50%)	10 (41.67%)	2 (8.33%)	-	-	24
	5) Cadburys Nigeria Plc Lagos.	10 (50%)	8 (40%)	-	2 (10%)	-	20
	6)Friesland Foods (WAMCO) Nigerian Ltd Lagos.	9 (47.37%)	8 (42.11%)	1 (5.26%)	-	1 (5.26%)	19
	7) Consolidated Breweries plc Lagos.	10 (45.45%)	8 (36.36%)	-	2 (9.09%)	2 (9.09%)	22
	8)Nigerian Breweries plc Lagos.	8 (53.33%)	7 (46.67%)	-	-	-	15
	9) Promasidor Nigerian Limited Lagos.	6 (46.15%)	5 (38.46%)	-	2 (15.38%)	-	13
	10) Vita Malt Ltd Agbara-Estate, Lagos.	4 (40%)	3 (30%)	2 (20%)	1 (10%)	-	10
	11) Northern Nigeria Flour Mills plc Kano.	4 (50%)	2 (25%)	-	1 (12.5%)	1 (12.5%)	8
	12) Submiller Breweries Ltd Akwa - Anambra State.	2 (66.67%)	1 (33.33%)	-	-	-	3
	Total						323

Source: Field Survey, 2017

As data shown in Table 5 above, it is clearly revealed that positive Job Performance behaviors of Employees i.e. high job performance and goals attainment, high level of motivation and job satisfaction, constancy in seeking for new methods to complete work in organisations, revealing better and quality performance output, developing work methods that maximised productivity, efficiency and effectiveness. Developing high self-efficacy which will leads to better work efficacy, Stable behavioural patterns that leads to successful work completion and customer satisfaction and achieving greater efficiency at work etc. caused by the Big-Five Personality Traits i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism or negative affectively has influenced on Profit attainment, Market share growth, return on investment (Turnover), Share capital increase in the Breweries and Foods/other Beverages Manufacturing Firm in Nigeria.

For the “Strongly agree” option, the Submiller Breweries Ltd Akwa - Anambra State have a lead with 66.67% (2 respondents). Next is Nigerian Breweries Plc Lagos with 53.33% representing 8 respondents. They are followed by Guinness Nigeria Plc Lagos with 52.17% standing for 24 respondents. Next is Flour Mills of Nigeria Lagos and Cadburys Nigeria Plc Lagos with 50% (12 employees) and 50% (10 employees) respectively, and Northern Nigeria Flour Mills Plc Kano with 50% (4 employees). They are followed by Nigerian Bottling Company Plc Lagos with 49.50% representing 50 respondents. They are followed with Seven Up Bottling Company Plc Lagos with 47.61% standing for 20 employees. They are followed closely by Friesland Foods (WAMCO) Nigerian Plc Lagos with 47.37% representing 9 employees. Next is Promasidor Nigerian Limited Lagos with 46.15% standing for 6 respondents. They are followed by Consolidated Breweries Plc Lagos with 45.45% standing for 10 respondents. Lastly, the least percentage of 40% representing 4 respondents is recorded by Vita Malt Ltd Agbara-Estate, Lagos.

For the “Agree” option, Nigerian Breweries Plc Lagos leads with 46.67% representing 7 respondents. Next to them on this option is Nigerian Bottling Company Plc Lagos with 43.56%

standing for 44 respondents. They are followed by Friesland Foods (WAMCO) Nigerian Plc Lagos with 42.11% standing for 8 respondents. Flour Mills of Nigeria Lagos followed with 41.67% standing for 10 respondents. Next is Seven Up Bottling Company Plc Lagos with 40.48% representing 17 respondents. Guinness Nigeria Plc Lagos followed 39.13% representing 18 respondents. Next is Promasidor Nigerian Limited Lagos with 38.46% standing for 5 respondents. Consolidated Breweries Plc Lagos followed with 36.36% standing for 8 employees. Vita Malt Ltd Agbara-Estate, Lagos have 30% standing for 3 employees. The least percentage of 25% representing 2 respondents is recorded for Northern Nigeria Flour Mills Plc Kano.

For the "Undecided" option, Guinness Nigeria Plc Lagos leads with 8.69% representing 4 respondents. They are followed by Flour Mills of Nigeria Lagos with 8.33% standing for 2 respondents. Next to it is Friesland Foods (WAMCO) Nigerian Plc with 5.26% representing 1 employee. Vita Malt Ltd Agbara-Estate Lagos have 20 % standing for 2 respondents. There are no respondents for Nigerian Bottling Company Plc Lagos, Seven Up Bottling Company Plc Lagos, Cadburys Nigeria Plc Lagos, Consolidated Breweries Plc Lagos, Northern Nigeria Flour Mills Plc Kano and Submiller Breweries Ltd Ltd Akwa - Anambra State.

For the "Disagree" option, Promasidor Nigerian Limited Lagos leads with 15.38% (2 respondents). Next it Northern Nigeria Flour Mills Plc Kano with 12.50% with (1 respondent), they are followed by Cadburys Nigeria Plc Lagos and Vita Malt Ltd Agbara-Estate Lagos with 10% (2 respondents) and 10% (1 respondent) respectively. Consolidated Breweries Plc Lagos followed with 9.09% representing 2 respondents. Nigerian Bottling Company Plc Lagos have 6.93% standing for 7 respondents. There are no respondents for other organisations.

For the "Strongly Disagree" option, Northern Nigeria Flour Mills plc Kano leads with 12.50% representing 1 respondent. They are followed by Seven Up Bottling Company Plc Lagos with 11.90% representing 5 respondents. Next is Consolidated Breweries Plc Lagos with 9.09% standing for 2 respondents.

Lastly Friesland Foods (WAMCO) Nigerian Ltd with 5.26% standing for 1 respondent, there are no respondent for the remaining organisation considered in this research for the "Strongly Disagree" option.

Test of Hypotheses

Ho_1 The Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) do not significantly influencing job performance behavior in Breweries, Foods and Beverages Manufacturing Organisations in Nigeria.

Descriptive Statistics

	N	Mean	Std. Deviation
Openness to Experience	40	3.50	2.699
Conscientiousness	39	3.03	2.835
Extraversion	36	3.28	2.667
Agreeableness	56	4.30	1.617
Neuroticism	66	4.26	1.793
Total	**237**		

The mean of 3.50 and the standard deviation of 2.70 representing for Openness to Experience, while the mean of 3.03 and the standard deviation of 2.84 representing Conscientiousness, followed by the mean of 3.28 and the standard deviation of 2.67 for Extraversion. Agreeableness has a mean of 4.30 and the standard deviation of 1.62 and Neuroticism has the mean of 4.26and the standard deviation of 1.73.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	174.263	4	43.566	3.566	.008
Within Groups	2834.657	232	12.218		
Total	**3008.920**	**236**			

The ANOVA shows that the independent variables are statistically significantly at F (4, 232) = **3.566**, P < 0.05. We reject the null hypothesis and accept the alternative hypothesis which stated that, the Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) are significantly influencing job performance behavior in Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria.

Ho_2: The Big Five Personality Traits do not significantly influencing profit growth, market share increase, return on investment (turnover), and share capital growth in the Breweries, Foods and Beverages Manufacturing Organisations in Nigeria.

Descriptive Statistics

	N	Mean	Std. Deviation
Profit Growth	58	3.48	2.887
Market Share Increase	61	2.91	3.144
Return on Investment (Turnover)	56	2.96	2.464
Share Capital Growth	62	4.19	2.615
Total	**237**		

The mean of 3.48 and the standard deviation of 2.89 representing Profit Growth, while the mean of 2.91 and the standard deviation of 3.14 representing Market Share Increase, followed by the mean of 2.96 and the standard deviation of 2.46 for Return on Investment (Turnover) while Share Capital Growth has a mean of 4.19 and the standard deviation of 2.62.

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	136.177	3	45.392	4.477	.004
Within Groups	2362.186	233	10.138		
Total	**2498.363**	**236**			

The ANOVA shows that the independent variables are statistically significantly at F (3, 233) = **4.477**, P < 0.05. This show that we reject the null hypothesis and accept the alternative hypothesis which stated that, the positive job performance behavior of employees caused by the Big Five Personality Traits is significantly influencing on the profit growth, market share increase, return on investment (turnover), share capital growth in the Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria.

Discussion of Findings

The survey conducted has produced important discoveries as evidenced and derived from the data presentation and analysis.

For the test of Hypotheses One (1), On the effect of the Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) as influencing job performance behavior in Breweries and Foods/other Beverages Organisations in Nigeria, the ANOVA variables are statistically significant at F(4, 232) = 3.566, P < 0.05. Thus the null hypotheses which states that the Big Five Personality Traits will not significantly influence on job performance behaviour in Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria is rejected and the alternative hypotheses is accepted, showing that the Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) will influence job performance behaviour in Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria. The positive performance behaviors influenced by the Big Five Personality Traits are high participation leading to high job performance and goal attainment of the company, employees constantly seeking for new methods to complete works in organisations, revealing better quality performance output developing work methods that maximises productivity, efficiency and effectiveness. Developing high self-efficacy which will lead to better work completion and customer satisfaction and achieving greater efficiency at work. The negative work performance behaviour manifest as a result of the Big Five Personality Traits are absenteeism, lateness to work, laziness, uncooperative attitudes, negative moods, irresponsible behaviour, fraudulent act, narrow mindedness. All these impact negatively on productivity and work performances.

The above positions agree with the views of Barbara Engler (2006), Mcshane and Glinow (2000), Robbins (1989), Luthans (2002) who in their separate research endeavours on the Big Five Personality Traits opines that it has several applications. Most notably, it has been successfully used to predict job performance. Many of the traits reflected in the Big Five structure are related to these needed for positive achievement in work. For example, measures associated with the dimension of Conscientiousness are often helpful in predicted job success (Barrick and Mount, 1991), as are measures related to agreeableness (Tett, Jackson, and Rothstein, 1991).

Looking at some of the Big Five measures in terms of requirements for successful performance in specific occupations may permit employers to make intelligent decisions concerning job candidates. Successfully serving as a chief executive officer/managing director of a commercial bank or in any conglomerate company requires an individual who is highly conscientious and emotionally stable the warrant effective decision making and addressing challenges. Again, successfully driving a truck, thriller, Bank Bullion Van, for example also requires an individual who is conscientious and emotionally stable. An impulsive, sociable individual is more likely to cause problem on the road (Hogan and Hogan, 1995).

Earlier use of personality measures by organisations lead to considerable reservations about the practice because of problems of faking, low validity, and the potential for ethical abuse. However, newer data suggest that well-developed personality measures can successfully predict job performance and increase fairness in the employment process. Well-constructed questionnaires do not systematically discriminate against people with disabilities (Hayes, 1996), women, or the elderly or people of minority group status (Hogan and Hogan, 1995). Instead they can be used as a force for equal employment opportunity, social justice, and increased productivity (Hogan, Hogan and Roberts, 1996).

Again, Tokar and Subich (1997), confirms that the Big Five personality measures can also contribute to the prediction of job satisfaction of Adults in various occupations and concluded that the Big Five traits dimension contribute significantly to the prediction of job satisfaction. In particular, extraversion and low neuroticism are unique predictors. This is in line with Hollands (1996) discoveries which linked the Big Five Personality Traits with his typology of persons and work environments to underscore that people work well when there is a good fit between their personality type and the characteristic of the work environment. The optional use of the human resource can certainly be facilitated by the framework of the Big Five (Goldbery, 1993).

For example, Bank managers will prefers a congruent work environment that will suit his personality to enable him render quality services and banking operations to warrant the attainment of profit goals and market share increase.

Luthans (2000) confirms that those employees with high extraversion tend to be associated with management and sales success, those with high emotional stability tends to be more effective in stressful situation e.g. Bank officers. Those managers with high in agreeableness tends to handle customer relations and conflicts more effectively and those with openness to experience tend to have job training proficiency and make better decision in a training problem solving simulation.

Interestingly, with groups rather than individuals becoming more important in today's workplace, the "Big Five" personality traits may also be predictive in team performance. A recent study found that, the higher the average scores on team members on the traits of conscientiousness, agreeableness, extraversion and emotionally stability, the better their teams performed. In other words, depending on the situation, all the Big Five traits should be given attention in the study and application of organisational behavior.

Miller and Lyman (2003) in his studies measures of the Big Five in relation to psychopathy, or antisocial behavior. They correlated individual scores on the Big Five with an expert generated FFM psychopathy prototype and self-report of behavior as well as with several laboratory tasks. Persons whose personality profile consist of low agreeableness and conscientiousness and high extraversion along with mixed measures of the facets pertaining to neuroticism (high in impulsiveness and angry hostility, low in anxiety, depression, self-consciousness and vulnerability) were opt to behave in ways associated with psychopathy. They were more likely to abuse substances, engage in risky sex and become involved in delinquent or criminal behaviors. In addition, they were more aggressive in a laboratory task, were less willing to delay gratification and showed a preference for aggressive responses. Such results join other studies in providing sting support for a dimensional approach to the assessment of personality disorders and show that the Five Factor Model (FFM) is sufficiently broad to account for most of the variations in personality disorders (Clark, Vorhies, and McEwen, 2002; Schroeder, Wormworth, and Livesley, 2002).

The implication of the above position is that Breweries and Foods/other Beverages firms should endeavors to carryout assessment and evaluation at the point of interviewing candidates to establish whether the applicants possess the Big Five personality traits that is desired by the organisation to enhance quality performance, commitment and productivity and most importantly the attainment of the organisational goals.

More so, periodic evaluation of the personality traits to checkmate deviant behaviors contrary to organisational expectation is pertinent. This will require organisation having a department to showcase this task and financial budget to address this situation be prepared annually to enable business organisation live up to expectations.

For Hypotheses Two (2), which states that the positive job performance behaviour of employees caused by the Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) is not significantly influencing on the profit growth, market share increase, return on investment (turnover), share capital growth in Breweries and Foods/other Beverages Organisations in Nigeria; stated in null form was rejected and the alternative hypothesis that it will significantly influencing job performance behaviour in Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria was accepted.

The ANOVA (Analysis of Variance) test shows that the independent variables are statistically significant at $F (3, 233) = 4.477$, $P < 0.05$. This show that positive job performance behaviour of employees caused by the Big Five Personality Traits is significantly influencing profit growth, market share increase, return on investment (turnover), share capital growth in Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria.

Positive job performance behaviors such as seeking new methods to complete works in organisations, develop work methods that maximises productivity, efficiency and effectiveness, developing high self-efficacy which leads to better work completion and customer satisfaction and achieving greater efficiency at work, high participation leading to high job performance and goal attainment of the company, high level of motivation and job satisfaction amongst others are caused by the Big Five Personality Traits resulting to profit attainment, market share growth, return on investment (turnover), share capital growth in the Breweries and Foods/other Beverages Manufacturing firms.

The above position confirms the views of Mcshane and Glinow (2000), Luthans (2001) who in their respective studies asserts that Big Five Personality dimensions namely Conscientiousness, Agreeableness, Openness to Experience, Extraversion, and Neuroticism/Negative affectivity affects work related behaviors and job performance. People with high emotional stability tend to work better than others in high stressed situations. Those with high agreeableness tend to handle customer relations and conflict based situations more effectively.

Conscientiousness employee has taken center stage as the most valuable personality traits for predicting job performance in almost every job group. Conscientious employees set higher personal goals for themselves and have higher performance expectations than employees with low level of Conscientiousness. Employees with high conscientiousness tend to engage in more organisational citizenship behaviors. Conscientious employees are necessary for emerging organisational structures that rely on empowerment rather than the traditional "command and control" system. This personality trait also plays an important role in customer service, along with agreeableness and emotional stability. High extraversion tend to be associated with management and sales success while openness to experience tend to have job training proficiency and make better decisions in a training problem solving simulation.

From the foregoing, it is clearly revealing that employees that possess high in conscientiousness, high in emotional stability, high in extraversion, high in agreeableness and high in openness to experience will reveal high job performance behavior leading to high profit attainment by organisation, high market share growth, high return on investment (turnover), cause share capital to be high as well.

The implication of the above position is that, the Breweries and Foods/other Beverages organisations needs to have a Human Resource Management Department that will ensure that at all times, employees are assigned responsibilities and tasks that matches their personality traits qualities to enable them perform optimally to facilitate the attainment of organisational goals desired such as profit, market share increase, high turnover, increase in share capital, growth, expansion amongst others.

Conclusion and Recommendations

The Big Five Personality Traits commonly used terms are Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism (Loehlin, 1992). The acronym for remembering these factors is known as OCEAN (John, 1990). In each of these traits, employees in organisation can either reveal high score or low score on each trait.

For Conscientiousness employees who score high on the dimension are dutiful careful, dependable, self-disciplined. Low Conscientiousness employees have opposite qualities. For emotional stability employees who score high on the dimension are relaxed, secure and calm, low emotional stability employees have opposite qualities.

For Openness to Experience employees who score high on the dimension are sensitive, flexible, creative and curious, felling. Low Openness to Experience has opposite qualities.

For Agreeableness employees who score high on the dimension are courteous, good-natured, empathic, caring, trust, straightforward. Low Agreeableness employees have opposite qualities.

For Extraversion employees who score high on the dimension are outgoing, talkative, sociable, assertive, and gregarious. Low Extraversion employees have opposite qualities.

The Managing Directors/Chief Executive Officers of the Breweries and Foods/other Beverages Manufacturing Organisations in Nigeria can benefit from recognising that people with certain personalities will probably be attracted to, hired by, and willing to stay with the organisation and particularly perform functions within the organisation. The resulting homogeneity in personalities can help individuals work well together, but it does limit the group's access to the contributions that can come from people who use different styles of thinking and working.

Organisation management knowing the Big Five dimensions and their attributes and evaluating employees consistently to know where in the company the will work better for goals attainment is important taking into consideration the personality attribute they possess.

Therefore, the following suggestions may serve as success parameters deriving from the findings of the study:

1. In Employment interviews conducted by the organisations, the Human Resource Management Department should endeavor to appraise and know the applicants personality traits, status and profile with respect to their physical appearance, mental abilities, emotional stability, social qualities, his level of initiative, innovativeness, how dependable and reliable he will be. His level of resourcefulness, enthusiasm, originality, ability to accept responsibility also needs to be appraised. This will help to fill existing gaps concerning ability to perform the organisational jobs/tasks for which they are acquired for and cause performance improvements in organisation in areas such as profit growth, market share growth, return on investment (turnover) amongst others.
2. Periodic evaluation and assessment of the employees Personality Traits to determine employee's fitness and how suitable they are to discharge responsibilities on assigned tasks and positions is pertinent. This is necessary hence personality is determined by both the Nomothetic factors (i.e. heredity) and Idiographic factors (i.e. environmental, social and cultural factors). X-raying to know whether manifest traits by employees are caused by environmental factors which can influence performance of employees either negatively or positively will serve as a way forward for Breweries and Foods/other Beverages Organisations to know how well they are capable to serve organisation interest for goal attainment.
3. High job performance behaviours that will yield organisations competitive success be encouraged by the Breweries and Foods/other Beverages Manufacturing Organisations. These include exhibiting higher level of motivation and job satisfaction, attaining greater job efficiency which improves job involvement, increase in self-efficacy of employees leading to better work efficacy, better performances in unfamiliar environments, ability to explore new viewpoints, appropriate behavior to develop work methods that maximises

productivity, efficiency and effectiveness. These will facilitate competitive advantage position of the organisation and result to the attainment of organisational goals through enhanced leadership, better organised and planning schedules, greater efforts, persistence, more drive and persistence, innovation, increase learning, creativity amongst others.

4. Personality job fit assessment test is necessary to warrant matching of Personality Traits with best congruent work environments for organisational tasks to be performed effectively and for higher productive output as desired by the organisations. Conducting this will be rewarding for Breweries and Foods/other Beverages Manufacturing companies in realising their mission and the vision as much as possible. For example Extraversion personalities are good for sales and marketing jobs in highly concentrated social environments, Conscientiousness personality traits employees are good as Chief Executive Officers of organisations and in leadership position to carry employees along. When there is a personality-job-fit, the extent to which a person ability and personality match the requirements of the job is in agreement. When a manager achieve personality-job-fit, employee are more likely to contribute and have higher levels of job satisfaction and commitment.
5. Sanctioning of employees which are seen revealing deviant Personality Traits contrary to Job/tasks expectations assigned to them should be encouraged by Breweries and Foods/other Beverages Manufacturing companies surveyed hence the Big Five Personality Traits have their unique characteristics and once an employee is recruited, it is expected that they possess the requisite and necessary qualities required for the position assigned to them. Failure to live up to expectations, expected performance norms and standards of operations deserves punishment and negative sanctions since business organisations are set to accomplish profit goals, market share goals, return on investment (turnover), growth, expansion goals amongst others.

6. One School of thought on personality known as Idiographic approach school established that, personality of individuals is determined by the social, cultural and environmental influences and factors in which employees are found. Therefore it is recommended that requisite and adequate Training and Development measures to enhance shaping of employee personalities traits manifested that is deviant form positive high performance behaviors required by organisations best standards be encouraged as much as possible to warrant attainment of the mission and vision statements of the Breweries and Foods/other Beverages Manufacturing organisations at all times.

Contribution to Knowledge

The Empirical research finding has enable us to establish that positive job performance behaviours such as appropriate behaviors to develop work methods that maximises productivity, efficiency and effectiveness, better performances in unfamiliar environments, ability to explore new view points, exhibiting higher level of motivation and job satisfaction, increase in self-efficacy of employees leading to better work efficacy amongst others are attained with the possession of high conscientiousness, high agreeableness, high extraversion, high openness to experience and emotional stability.

These are dimensions of the Big Five Personality Traits. Recruiting employees with these traits dimensions by Breweries and Foods/other Beverages firms will lead to competitive success and attainment of profit goals, market share increase, return on investment (turnover), growth, diversification goals amongst others.

Also, training and developing staff to exhibit these Big Five Personality Traits is essential hence personality is also determined by social, cultural and environmental factors if competitive advantage is to be attained by firms.

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APPENDIX

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5th June, 2017.

Dear Sir/Madam,
Here is a questionnaire on "The Big Five Personality Traits as Factors Influencing Job Performance Behavior in Business Organisation: A Case Study of Breweries and Foods/Other Beverages Manufacturing Organisations in Nigeria.

You have been chosen as one of the respondent in this study. You are therefore humbly requested to supply honest and sincere answers and responses to the questions by ticks (") as appropriate as you can in the Boxes/spaces provided. There is no right or wrong answers.

Your identity is not needed at all and the information provided will be treated with utmost confidence and solely for academic purposes.

Yours Faithfully
Sev Joseph Teryima

Research Questionnaire

1. The Big Five Personality Traits (i.e. Openness to Experience, Conscientiousness, Extraversion, Agreeableness and Neuroticism/Negative affectivity) have been influencing job performance behavior of employee in your Organisations?

a. Strongly Agree (SA) [ ]
b. Agree (A) [ ]
c. Undecided (U) [ ]
d. Disagree (D) [ ]
e. Strongly Disagree (SD) [ ]

2. Improve and positive work performance behaviours are embraced by employee in your Organisations with the influence of Big Five Personality Traits?

a. Strongly Agree (SA) [ ]
b. Agree (A) [ ]
c. Undecided (U) [ ]
d. Disagree (D) [ ]
e. Strongly Disagree (SD) [ ]

3. The effect of Positive Job Performance Behaviour of Employees caused by the Big Five Personality Traits influenced profit growth, market share increase, return on investment (Turnover), share capital increase in your Organisations overtime.

a. Strongly Agree (SA) [ ]
b. Agree (A) [ ]
c. Undecided (U) [ ]
d. Disagree (D) [ ]
e. Strongly Disagree (SD) [ ]

INTERROGATING THE HYPOTHESIS OF ACHIEVING SELF SUSTENANCE THROUGH YOUTHS ENTREPRENEURSHIP IN NIGERIA

Ochugudu, Achoda Ipuele, Abubakar Sadiq Suleiman and *Kajo, A. Emmanuel*

PP. 135-155

Abstract

This paper interrogates the hypothesis of achieving self-sustainability through youths entrepreneurship with the aim of ascertaining the extent to which youths entrepreneurship could influence self-sustainability. The study adopts qualitative approach and reviewed extant literature on the issues under investigation. Quantitative secondary data was also sourced from available statistics contained in the publications of the National Bureau of Statistics from 2000 to 2018. It was observed that states with low poverty index had higher sustainability index indicating that states where entrepreneurship vocation was encouraged among the youths like the South-Eastern states had higher sustainability index than the Northern states where majority of the youths were not engaged in entrepreneurship. Consequently, the poverty index in the Northern states was found to be higher than the index in the Southern and Eastern states where youths entrepreneurship was high. The study recommends that government; private organizations and Non-governmental organizations should continually initiate and implement conscious policies and programmes aim at youths entrepreneurship development as a way of accelerating self-sustainability among the teeming Nigerian youths that are currently unemployed.

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Keywords: Hypothesis, Youths entrepreneurship and self-sustainability

Introduction

There couldn't have been a better time to interrogate the issue of youths entrepreneurship as a vehicle for self-sustenance than now that the Nigerian economy is going through the most difficult times of her existence caused by the economic recession. This economic trauma has not only placed huge responsibilities on government at all levels but has also thrown households into the challenge of coping with the high cost of living. Today, most families live from hand to mouth. Salaries are gradually becoming luxuries as nobody can predict when the next one will drop. News of school resumption account for most cases of high blood pressure in the hospitals. Traditional treatment has almost replaced conventional medical attention as the masses can no longer afford the high medical bills of the hospitals both public and private. In fact the economic recession has incapacitated and limited the ability of most families to access medical care, education, feeding, clothing, housing, electricity, comfortable means of transportation and other basic amenities. The worse hit in this situation are the youths that hitherto rely on public sector jobs and political patronage to function and survive in the society. Their unpreparedness for the uncertainties of today threw them off-balance. Efforts to push through and survive has escalated vices of kidnapping, armed robbery, cultism, ritual killings, prostitution, hate speeches, agitation, terrorism, cybercrimes etc. this has placed huge social burden on both the government and corporate organizations.

Several options/solutions has been contemplated by both government and parents on the way out of these economic, political and socio-cultural quagmire and the consensus among experts and economic analysts seem to be in favour of youth entrepreneurship. To this school of thought, the wheel of development of any country lies on how productive and creative the youthful populations are. The youths in any society are the engine of growth and development of that society because they provide the labour force for production of goods and service to take effect. Youths are a significant masse of people, whose action and inaction can develop or destroy the hegemonies of their society. For instance, the 2006 census indicated that the population of the youths constituted over 70% of the total population (NBS, 2006). This population of youths is a great asset for the Nigerian state if their potentialities are properly harnessed and utilized in the right direction.

The transition of society from one generation to another is significant to the formative and developmental aspiration of such society. Interestingly, a society that prepare their youths for the sake of future aspiration will not only secure her future developments but will prepare her next set of leaders with the challenges of national reconciliation and development. Therefore, the role of youths on national development is sacrosanct (holy, revered, untouchable) to the whole developmental aspiration of any society.

The youth are often referred to as agents of societal rejuvenation and leaders of tomorrow. So, their mindsets and roles are of major importance to the development of any society. It is perplexing to say that no nation will experience development when the youths who have a greater role to play on national development and constitutes the largest percentage of the population are idle and ineffective. The current state of the mind of Nigerian youth is not encouraging and does not inspire confidence. Societal neglects and government inability to design an integrated and implementable policy framework targeting the youthful energy for self and national sustainable development has left the youth without guardianship, mentorship and direction. This is because, instead of utilizing their energy, curiosity, creativity, passion and impatience for change to foster self-sustainability and national development, the society has left the youth without hope, guardianship, mentorship and future aspirations if the agonies of poverty, unemployment, frustration, despondence, confusion, hopelessness, parental and governmental neglects are anything to go by. It is against this backdrop that this paper attempt to interrogate the youths narrative and clearly establish the link between youths entrepreneurship and self-sustenance in Nigeria. To achieve this, the paper shall clarify certain concepts, discuss the current status of youths in Nigeria, present self-sustenance index across the 36 states and justify how/why entrepreneurship could be a panacea to the youths question in Nigeria.

Youths

Controversies surround the meaning and definition of youths. While some definitions are influenced by inclination, educational background, experiences and country of origin, others are merely a product of prejudice and perception. Also, arising from the divergent views and opinion about who a youth is, some social commentators prefer to use characteristics such as impatience for change, zealousness, radicalism, rebellions, curiosity, hard work, self-esteem and ambitiousness etc. to define a youth. Operationally, some of the common definitions of youths include the following:

- According to Rethinking Youth (2009), Youth is seen as a relational concept. Globally, youth is described as the period in an individual's life that runs between the end of childhood and entry into the world of work (Onuekwusi and Effiong, cited in Adcbo 2009).
- Youths is also defined as a social position that reflects the meanings different cultures and societies give to individuals between childhood and adulthood. Scholars argue that age-based definitions have not been consistent across cultures or times and that thus it is more accurate to focus on social processes in the transition to adult independence for defining youth (Tyyska, Vappu, 2005). Age is the easiest way to define this group, particularly in relation to education and employment. Definitions of the specific age range that constitutes youth vary. The youth have been defined in terms of age and period of time. In Africa, like developed countries, nations draw a line on youth as the age at which a person is given equal treatment under the law — often referred to as

> the age of maturity. This age is often 18 (eighteen) years in many countries and once a person passes this age, they are considered to be an adult. Still in some circumstances, you see people of the age up to 45 and sometimes 49 being classified as youths. The consideration does to appear to see youths as those falling within the age below the group known as elders. In most societies, people cross the line into being seen as elderly from the age of 50. In some situations, 60, hence in such societies, people that fall within the ages of 59 and below to a societal determined boundary (lower age limit) may be seen to still be youths. It therefore goes to show that the operational definition of the term youth often varies from country to country, depending on specific socio-cultural, institutional, economic and political factors.

Categorically, we shall identify three groups of definition of youths in age brackets.

In the first group, the United Nations General Assembly, the Commonwealth, the World Bank and the Economic Commission for Africa have shared opinion in their attempts to establish the categorization of youth age. United Nations, for statistical consistency across regions, defines "youth" as those persons between the ages of 15 and 24 years, without prejudice to other definitions by member states (UNESCO: Social and Human Science, 9/9/13). World Bank and the Economic Commission for Africa also put the description of the youths as those persons falling between the ages of 15 and 24 years. Altschuler, Strangler, Berkley, Burton (2009) presents the same category but with their lower gauge moved up to 16 years while the upper gauge still remains 24 (16-24) years. Still, under this first category, the Commonwealth put the youth at the age bracket between 15-29 years. Both categories above present youths essentially as teenagers, hence agreeing with the definition of youths as *adolescent, teenager, kid,* and *young person* and as neither childhood nor adulthood but rather somewhere in between (see Webster's New World Dictionary again).

The second main group made up of African Youth Charter (2006) and others define youth as those between the ages of 15 and 35 years. The South African Draft Youth Policy document, defining and profiling youth in their National Youth Policy 2008-2013 inclusively and referred to young people as those falling within the age group of 14 to 35 years. This is based on the mandate of the National Youth Commission Act 1996 and the National Youth Policy of 2000. This inclusive approach takes into account, both historical as well as present-day conditions". It just went one year below to accommodate the age of 14, seeing it essentially as the age of maturity for both male and female. This second group appears to have come up with their definition of the youths as people above childhood but just below middle/ maturity age.

The third group took a more specific and legalistic consideration in arriving at their age grouping of the youth. Accordingly to Nigeria National Youth Policy (2001:6) defines the youth as comprising the young males and females aged 18 — 35 years, who are citizens of the Federal Republic of Nigeria. This is because in most countries laws, the age of adolescent is crossed at 18. The upper limit is however not clearly justifiable by any known consideration. However; the former group's position appears to be driven by the same consideration in putting the upper limit almost at the same point.

Given that the Nigerian youths consist more than half of the population (see National Population Census 2006), they ought to play a pivotal role in the development of the country. The primary questions that need to be answered first is; what is the state of Nigerian youths? Are they, in their present state ready to perform such important function? What therefore shall be done to put the youths in the right position to carry out this responsibility? These are the issues that we shall look into in the section below.

The Current State of the Nigerian Youths

Awogbenle and Iwuamadi (2010) showed that the statistics from the Manpower Board and the Federal Bureau of Statistics indicate Nigeria has a youth population of 80 million, representing 60% of the total population of the country. Also, 64 million of them are unemployed, while 1.6 million are underemployed. Aggregating 64million and 1.6 million as a percentage of 80million shows that 82% of the youths population are unemployed and by extension are also poor without the capacity to self-sustain themselves. According to National Bureau of Statistics (2009:238; 2014), the national unemployment rates for Nigeria between 2000 and 2012 showed that the number of unemployed persons constituted 31.1% in 2000; 13.6% in 2001; 12.6% in 2002; 14.8% in 2003; 13.4% in 2004; 11.9% in 2005; 13.7% in 2006; 14.6% in 2007; 14.9% in 2008; 19.7% in 2009; 21.10% in 2010; 22.10% in 2011; 23.90% in 2012 and many likely rise by 2% in 2013. According to the Vanguard newspaper head line of December 17, 2013 54% of Nigerian youth were unemployed in 2012, for persons between ages 15 and 24 years, 41.6% were unemployed. For persons between 25 and 44 years, 17% were unemployed. As at 2016, youths unemployment stands at 47.40%. As regards sex, data showed that males constituted 48.1% while females constituted 51.9%. It is important to note that the figures above may not have captured in totality the youth unemployment situation in Nigeria, however, they are pointing to the fact that the phenomenon is a very critical issue with reference to the entrepreneurship development and economic development.

Self-Sustenance Index by States in Nigeria

Even though the aggregate youths unemployment index stands at 47.40% as at 2016, the distribution by state varies from one state to the other depending on the volume of economic activities and availability of opportunities for creating values in each state. The stable below will illustrate this assertion:

Table 1: Poverty and Self Sustenance Index by States in Nigeria

S/N	Name of State	Poverty Index %	Self-Sustenance Index %
1	Lagos	8.5	91.5
2	Osun	10.9	89.1
3	Anambra	11.2	88.8
4	Ekiti	12.9	87.1
5	Edo	19.2	80.8
6	Imo	19.8	80.2
7	Abia	21.0	79
8	Rivers	21.1	78.9
9	FCT	23.5	76.5
10	Kwara	23.7	76.3
11	Akwa Ibom	23.8	76.2
12	Delta	25.1	74.9
13	Ogun	26.1	73.9
14	Kogi	26.4	73.6
15	Ondo	27.9	72.1
16	Enugu	28.8	71.2
17	Bayelsa	29.0	71
18	Oyo	29.4	70.6
19	Cross River	33.1	66.9
20	Plateau	51.6	48.4
21	Nasarawa	52.4	47.6
22	Ebonyi	56.0	44
23	Kaduna	56.5	43.5
24	Adamawa	59.0	41
25	Benue	59.2	40.8
26	Niger	61.2	38.9
27	Borno	70.1	29.9
28	Kano	76.4	23.6
29	Gombe	76.9	23.1
30	Taraba	77.7	22.3
31	Katsina	82.2	17.8
32	Sokoto	85.3	14.7
33	Kebbi	86.0	14
34	Bauchi	86.6	13.4
35	Jigawa	88.4	11.6
36	Yobe	90.2	9.8
37	Zamfara	91.9	8.1

Source: National Bureau of Statistics, 2016

Poverty Index by Geopolitical Zones

1. SW-19.3%.
2. SS-25.2%.
3. SE-27.4%.
4. NC-42.6%.
5. NE-76.8%.
6. NW-81.1%

Sources: National Bureau of Statistics, 2016

States with high youths unemployment ratio tend to have high poverty prevalence and low sustainability index than those with low youths unemployment ratio. It therefore means that there is a direct relationship between youths unemployment and poverty but an inverse relationship between youths unemployment and sustainability index. While Lagos has a poverty index of 8.5% with the highest self-sustenance ratio of 91.5%, Zamfara state on the other hand has a poverty index of 91.9% with the lowest self-sustainability index of 8.1%. On the whole, states in the North have the lowest self-sustenance index. In fact, all Northern states have self-sustenance index of less than 50% indicating a high prevalence of both youths unemployment and poverty. This means that entrepreneurship activities in these states are likely to be very low given that High entrepreneurial activities= high employment=high sustenance index=low youth unemployment=low poverty.

What then can be done to reverse the high prevalence of youth unemployment in the Northern states of Nigeria as shown in Table 1? And what options are available to the youths in these areas? These questions are going to be addressed in the next section using the strategic intervention of youth entrepreneurship since the above formula establishes a significant relationship between youths unemployment and entrepreneurship.

Entrepreneurship

Entrepreneurship is more than simply "starting a business." It is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change. It is the act of being an entrepreneur which is seen as "one who undertakes innovations with finance and business acumen in an effort to transform innovations into economic goods hence Entrepreneurs see "problems" as "opportunities," and then take action to identify the solutions to those problems and the customers will pay to have those problems solved.

Entrepreneurial success is simply a function of the ability of an entrepreneur to see opportunities in the marketplace, initiate change (or take advantage of change) and creates value through solutions. According to Obi (2010) for the Nigerian youth to survive in Entrepreneurship the following skills are required; he/she must be a high achiever, risk-taker, self-confident, resourceful, goal setter, task-oriented, innovative, future-oriented, communication ability and technical knowledge. Binks and Vale (1990) defined entrepreneurship as 'an unrehearsed combination of economic resources instigated by the uncertain prospect of temporary monopoly profit'. Hence Kanothi, (2009) defined Entrepreneur as the 'instigator of entrepreneurial events for so long as they occur'. Tijani-Alawiye (2004) defines entrepreneurship as the process of increasing the supply of entrepreneurs or adding to the stock of existing small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs, who can successfully run innovative enterprises, nurture them to growth and sustain them, with a view to achieving broad socio-economic developmental goals. One of these goals is sustaining employment. Furthermore, Acs and Szerb (2007) noted that entrepreneurship revolves around the realization of existence of opportunities in combination with decision to commercialize them by starting a new firm. More importantly, Schnurr and Newing (1997) justified the need for promoting entrepreneurship culture on the ground that youth in all societies have sterling qualities such as resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, boldness, audacity and courage which are all valuable traits for entrepreneurship development. Supporting this assertion, Bennell (2000) maintained that governments, NGOs and international bodies seeking to improve youth livelihoods could best pursue their empowerment objective by tapping into the dynamism of young people and build on their strong spirit of risk taking through entrepreneurship development. Entrepreneurship development has also led to employment generation, growth of the economy and sustainable development.

To keep the discussion simple, we use a narrow definition of entrepreneurship, which focuses on the objective of income generation, i.e. those individuals who are, or want to become self-employed or who have started, or want to start, a new business, in either the formal or informal sector, in order to generate income. We do recognise though that entrepreneurship is often defined more broadly relating to a type of behaviour rather than simply starting a business or becoming self-employed. For example, the International Labour Organisation (ILO) defines entrepreneurship as "a way of thinking, reasoning and acting ... It is much more than starting a new business. It is the process whereby individuals become aware of self-employment career options, develop ideas, take and manage risks, learn the process and take the initiative in developing and owning a business" (in Schoof, 2006). We exclude more widely defined entrepreneurship, which might include entrepreneurial proactive behaviour by individuals for purely charitable purposes, e.g. social entrepreneurship, or those displaying entrepreneurial traits whilst being employed, e.g. intrapreneurs

Youth Entrepreneurship: For the purpose of this paper we do not define a specific age range to focus on for youth but keep it broad. This is because the understanding of what constitutes the youth age-cohort varies by context. For example, countries and official statistics define youth in different ways, so the setting of an age range may cause issues in terms of data comparability. Similarly, different organisations define youth differently so narrowing down youth by specific age may unnecessarily render this discussion unsuitable to some organisations. For example, YBI defines youth as up to age 35, whereas the UN defines youth as ages 15-24. Further, there are more entrepreneurs in the 25-34 age group than any other age range (GEM 2011), which suggests that a broader age range, e.g. if age 35 is used as the upper age bracket, will include a reasonably high proportion of all entrepreneurs and hence allow for conclusions to be drawn from the general entrepreneurship literature and data for young(er) entrepreneurs.

Type of Entrepreneurs

- **Necessity Driven Entrepreneurs**: entrepreneurs who have few or no other income generation or employment opportunities, and thus become entrepreneurs to sustain their livelihood by necessity rather than choice. Llisterri et al. (2006), who show entrepreneurship by necessity to be more commonly found among poor people and those with lower levels of education. Schoof (2006) based on GEM data, further argues that necessity driven entrepreneurship is associated with low tax revenue as a percentage of GDP, lower levels of participation in secondary and tertiary education as well as high levels of income disparity and low levels of social security. Desai (2009) further argues that necessity driven entrepreneurs are more likely to operate in the informal economy as there tend to be few or no incentives to formalise in the context they operate in.
- **Opportunity Driven Entrepreneurs**: entrepreneurs who pursue a perceived market opportunity and choose to start their own business, despite having the option of generating an income through employment elsewhere at the time of starting a business. Schoof (2006) argues based on GEM data that opportunity entrepreneurship tends to be more prominent in more developed countries, because of perceived higher level of future business opportunities, confidence in one's skills to start a business, and existing support available to entrepreneurs. This is supported by Llisterri et al. (2006), who show that opportunity driven entrepreneurs tend to have

generally higher levels of education and tend to be from a middle or upper-middle class background. Similarly, Making Cents Internally (2010) found that opportunity driven entrepreneurs frequently come from more privileged backgrounds or middle-income countries and leverage educational and economic advantages to convert a business idea into a business. However, as Desai (2009) points out many opportunity driven entrepreneurs will begin informally and only formalise once they perceive significant benefit from doing so. This may be particularly the case in emerging economies where the domestic market is expanding rapidly creating opportunities for new business entry but where improvements in the political and regulatory environment may lag behind economic expansion.

- **Growth Oriented Entrepreneurs**: entrepreneurs who have a relatively higher job creation potential (which may also be an indication of greater international market reach and/or a higher degree of innovation in products and services offered). We note, however, that in the literature growth orientation - also described as growth aspirations, growth potential, growth ambition or high impact entrepreneurs - can also refer to international market reach and the degree of innovation in products and services offered by the entrepreneur, or simply to entrepreneurs who engage in the entrepreneurial process with the aim to create as much value as possible (e.g. Stam et al. 2012).

The Role of Entrepreneurship in Facilitating Youths Self Sustainability

Entrepreneurship has been recognized as an important aspect and functioning of organizations, individuals and economies (Dickson, 2008). It contributes in an immeasurable ways toward creating new job, wealth, poverty reduction and income generating for both government and individuals. This consequently improves the disposable income of the people and by extension makes them self-reliant. It is not surprising that government at all levels are leveraging on youths entrepreneurship as a panacea for poverty reduction, self-reliant, and economic empowerment of its citizens. For instance, the Federal Government had since 1999 been injecting funds into different skills acquisition programmes, small businesses, support for the informal sector through provision of credit facilities for boisterous economic activities at both the urban and rural communities. This is a decision in the right direction as majority of the population live in the rural areas and an improvement in the quality of life would prevent migration of the residents of the rural communities to the urban centres. The implication of this is that it will create employment opportunities thus leading to greater reduction in social maladies or vices. The wide spread and acceptance of entrepreneurship education is a clear indication of its usefulness and importance in the present realities. The development of entrepreneurship will go a long way in providing the necessary impetus for economic growth and development and by extension youths empowerment. It will be crucial in boasting productivity, increasing competition and innovation, creating employment and prosperity and revitalizing economies for self-sustainability of the youths (SBS, 2002, in Ritche and Lam, 2006). The entrepreneurship contributes to the economy through the goods or services produced for which they are paid for by consumers, through generation of economic activities such as buying, selling, marketing, payment of taxes to the government, undertaking corporate social responsibility to the various stakeholders within the community in which the enterprise is operated. Entrepreneurs are the heroes and heroines in the economic sphere. In any market oriented economy, entrepreneurs are the agents of social and economic transformation and change. In developing countries in particular, entrepreneurship is being vigorously advocated because of its potential to:

- Create jobs through the formation of new enterprises especially small and medium scale enterprise.
- Raise productivity through various forms of innovation.
- Facilitate transfer of technology or the adaptation of existing ones.

- Harness resources that might otherwise remain idle and put them into productive use.
- Stimulate growth in those sectors which supply it with inputs.
- Reinvigorate large scale enterprises and also public enterprises.
- Encourage and sustain economic dynamism that enables an economy to adjust successfully in a rapidly changing global economy and enable individuals to use their potential and energies to create wealth, independence and status for themselves in society. Therefore the role of youth entrepreneurship in stimulating self-reliant and sustainability cannot be over emphasized. The question at this point therefore is how can youths entrepreneurship be stimulated to achieve self-sustainability? This question is addressed in the section below.

How to Encourage Youths Entrepreneurship for Self-Sustainability in Nigeria

Several factors stimulate youths entrepreneurship. Some of the factors that the government must clearly understand and focus on in order to mainstream youth entrepreneurship include the following:

a. **Market Opportunities:** Market opportunities determine the availability of profitable opportunities and hence the efficacy of any supply side approaches to foster entrepreneurship. Government must formulate policies that stimulate economic activities and make easy of doing business more flexible in the country. The indicators used in market opportunities are:

i. Market Size: the extent to which market size, including both national and access to international markets allows for economies of scale

ii. Market Openness: the extent to which new firms are free to enter existing markets

b. **Alternative Livelihoods:** The lack of alternative employment opportunities is an important driver of entrepreneurship, in particular necessity driven entrepreneurship. The indicator used in analysis of alternative livelihoods is: Youth unemployment: the share of the labour force aged 15-24 without work but available for and seeking employment. Government must creative incentives for business engagement and support for entrepreneurship so that the vast majority of the people who cannot secure white-collar job can find it easier to go into entrepreneurship.

c. **Cultural Support for Entrepreneurship**: Entrepreneurial culture determines the extent to which entrepreneurship is encouraged in a particular context. Differences in entrepreneurial culture are increasingly understood to account for differences in the level of entrepreneurial development across the country. This is because the entrepreneurial culture in a particular context affects the attitude that an individual has towards entrepreneurship, the likelihood of choosing entrepreneurship as a career, the ambitions to succeed and also to start again after failure. The indicator used in analysis of cultural support for entrepreneurship is usually cultural and social norms: the extent to which social and cultural norms encourage or allow actions leading to new business methods or activities that can potentially increase personal wealth and income. Option of entrepreneurship culture should be vigorously pursued by all stakeholders so that our teeming youths will be better prepared and trained for apprentice that leads to wealth creation.

d. **Infrastructure:** Basic infrastructure determines entrepreneurship in terms of the ease with which entrepreneurs can access physical resources such as communication, utilities and transportation, which will affect their ability and the cost at which they can market their products and services. These infrastructures should not only be provided but the cost be keep within reach so that businesses will be able to pay for them and still break-even

e. **Investor Protection:** The extent to which investors are protected is critical to encourage entrepreneurial activity. This measure tends to be related to the legal and administrative environment within which individuals, firms and governments interact to create wealth. It specifically focuses on the extent to which investors' interests are protected and hence likely levels of investment into businesses increased. There must therefore be adequate and relevant legislature to guarantee the safety of investments in the society as well avenues for seeking redress in event of any breach should also be available for investors.

f. **Access to Finance:** One of the most prominently cited constraints to entrepreneurship is the lack of adequate start-up finance. Evidence shows that SMEs are more constrained by limited access to start-up finance than larger corporations, and that this is exacerbated by weaknesses in financial systems. Securing start-up finance is also often highlighted as being particularly difficult for young people to achieve due to their relatively lower securities, e.g. adequate credit history, collateral or guarantees, as well as lack of credibility as a result of limited experience compared to 'older' entrepreneurs (World Bank, 2008). Government through its several agencies should regularly intervene in this area by removing the bottle necks that makes it difficult to access loans by entrepreneurs. Much has been done in this area but much more intervention is still required to stimulate entrepreneurship. The indicators used in access to finance are:

i. Ease of Access to Loans: Ease with which bank loans can be obtained with only a good business plan and no other collateral.
ii. Venture Capital Availability: Ease with which entrepreneurs with innovative but risky projects can find venture capital.
iii. Finance and Entrepreneurship: The availability of financial resources including equity and debt for SMEs.

g. **Taxes and Regulation:** The extent to which taxes and regulation are either size neutral or minimal encourage the formation of new small to medium sized enterprises (SMEs) under government policy. Waivers and tax relief should be granted to new entrants or the youths entrepreneurs to enable them stabilizes their business and partially recoup their investment before regularizing their taxes.

h. **Macroeconomic Environment:** The stability of the macro-economic environment is important for businesses to be able to flourish. i.e. the relative stability of the macroeconomic environment in terms of government budget balance, gross national savings, inflation, interest rate spread, government debt and country credit ratings influence entrepreneurship.

i. **Entrepreneurship Education at Primary and Secondary Levels:** There is increasing recognition that there are substantial benefits from entrepreneurship education being integrated into national curricula from primary level. Early entrepreneurship education in particular is perceived to be crucial in assisting young people to develop entrepreneurial skills, attributes and behaviours as well as to develop enterprise awareness and to realise entrepreneurship as a career option. Government should ensure that entrepreneurship as a subject should be taught at all levels as a way of preparing the youths for the task of wealth creation through entrepreneurship.

j. **Government/Private Entrepreneurship Programmes:** Comprehensive government/private entrepreneurship programmes can greatly enhance and facilitate entrepreneurial activity by providing the required support services to entrepreneurs. i.e the presence and quality of programmes directly assisting SMEs at all levels of government including national, regional and municipal levels should be launched. Examples in Nigeria include:

i. The Youth Entrepreneurship Support (YES) Programme: Is BOI's effort at addressing the worrisome phenomenon of youth unemployment in Nigeria by building the capacity of the youths and funding their business ideas. The YES programme is aimed at equipping young people with the requisite skills and knowledge to be self-employed by starting and managing their own businesses.

ii. YOUNG Entrepreneurs of Nigeria (YEN): YEN is a platform with mandate to collectively build a world-class economy for Nigeria through national and grassroots talent harnessing, unity of purpose, effective communication and youth entrepreneurship development. It is into advocacy, Funding, Mentorship & Business Clinic Solutions, Capacity Building and Development, Entrepreneurship Development, Advisory Services, Skills Acquisitions, Training & Consultancy among others.

iii. Youth Entrepreneurship Development Programme: The Youth Entrepreneurship Development Programme (YEDP) was launched on 15th March, 2016 to enhance the deployment of the ingenuity and resourcefulness of Nigerian youths for maximum economic development. This was in recognition of the fact that there was no better segment of the Nigerian population than the youths to propel us to our much-needed economic recovery and diversification.

iv. Other several CBN initiatives for funding SMEs are also part of the encouragement for entrepreneurship.

Once all these determinants are adequately present in high quantity and quality in any country, the rate of business formation or youths entrepreneurship prevalence will also be high, thus resulting in low poverty ratio and high self-sustainability index among the youths.

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DEVELOPING SMALL AND MEDIUM SCALE ENTERPRISES (SMEs) AS IMPERATIVE FOR SUSTAINABLE DEVELOPMENT IN NIGERIA: THE ROLE OF THE GOVERNMENT

Innocent Felix Idoko and *Susan Peter Teru*

PP. 156-173

Abstract

This paper seeks to examine government intervention in the SMEs sector, SMEs potentials, and their major challenges. Many studies projected that the sector can boost the economic development and ease unemployment problem in Nigeria given the necessary infrastructure and other impetus like affordable credits among others. SMEs are the bedrock of many economies in the World. In Nigeria, their most common problem has been severally found to be finance, resulting in low capital base, hence their inability to meet up with viable operational expenses. Their unethical practices, like poor accounting system and the inability to form cooperatives are hardly worthy to attract formal credit. They also have poor; skills, technology and low turnover as well as facing several deprivations like deficient infrastructure. Though, subsequent regimes strived to address their problems like the establishment of SMEs intervention institutions for modeling them but most of the reform agenda has no significant impact on the SMEs' growth and expansion. Most findings on SMEs via review of empirical literature were consistent and correlating. The government should eliminate duplication, reduce the bureaucratic nature of the intervention institutions, fund them properly, and provide adequate training and basic infrastructure to these enterprises, while they have to improve their managerial capacities, accounting system and form professional cooperatives.

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Keywords: Small and Medium Scale Enterprises, Sustainable Development, the Role of the Government

Introduction

Right from the time immemorial the small and medium scale enterprises (SME) have dominated the Nigerian economy. For instance, petty retailing, sewing, blacksmithing, farming, and many others have existed alongside the medium scale enterprises whose dimensions have been defined differently at different times. They provide numerous jobs and services to people and also provide raw materials to industries. SMEs are therefore the prime movers of the economy, but have controversial stories in the economy. The small and medium scale enterprises in Nigeria have undergone several deprivations ranging from the economic crisis after the crash of the petroleum oil prices in the world market of the late 1980s and that of the 2016/2017 which sent most businesses closing shops. They were most affected. Some though survived, but could only operate skeletally, with marginal profits, sustaining few workers. But because of the indispensable nature of the SMEs to the economy, the sector has continued to survive.

The government has established several programmes like the Structural Adjustment Programmes introduced in 1986 by the Babangida administration and the National Economic Empowerment and Development Strategy (NEEDS) introduced in 2002 by the Obasanjo regime and many others meant to steer up the sector. According to Ekpeyong (2002), most of the government programmes on SMEs were cut up in the web of inadequacies. Hence, the issue of SMEs has generated a lot of debates in public discussions and symposia, at both local and international levels, among public authorities, policy makers, the academia and other stakeholders. But this sector is popularly considered to be a foothold of the Nigerian economy which must be strongly supported.

Earlier in the words of Osoba (1987), "…after many years of debates, there is no disagreement in society now about the capabilities of SMEs in enhancing the rapid development and growth of the nation". According to the writer, if the necessary environment and infrastructure are properly harnessed, the SMEs can generate high employment per unit of investment, accelerate the rate of utilization of local resources, adopt energy saving devices and contribute substantially to local value added. The goals and objectives of rapid integrated development with emphasis placed on the satisfaction of basic needs and the use of local resources can easily be achieved through the promotion and expansion of the SMEs. This has become evident in many emerging countries like South Korea, Hong Kong, China, Taiwan, Argentina and also from the Chinese and Japanese experience. The SMEs sub-sector is of no less important in a developing country like Nigeria.

Mosha (1986) opined that the SMEs indirectly seek to diffuse economic power by helping to check imbalances between the various localities of a country and between different income groups in the same localities. The writer maintained that encouraging SMEs can help to eliminate the unhealthy imbalances in the rate of economic growth between rural and urban areas and thereby help towards integrating rural development. This, he maintained can go a long way to reducing rural-urban migration and associated problems of unplanned urbanization. There is undoubtedly a general opinion that the SME sector is the bane of many economies, and hence no viable economic option could be envisaged without it. What is more, Stokes (2000) opined that by the late 1970s and '80s, SMEs were hailed as the new savior of ailing western economies. Therefore in Nigeria, promoting the SMEs sector can facilitate the meeting up the partial requirement for both domestic and global bench marks. Against this backdrop therefore, this study seeks to:

i. To examine government interventions in the SMEs sector in Nigeria
ii. To examine the potential of the SMEs sector as a launching pad for Nigeria's industrialization.
iii. To identify the real challenges of the SMEs in Nigeria.
iv. To make feasible recommendations for turning around the SMEs sector in Nigeria.

Review of Literature

Conceptual Clarification

To most writers, the distinction between small and medium scale enterprises is an unsettled matter. To Stokes (2000), all firms are difficult to define on paper but easy to recognize by seeing them in operation, but can however be distinguished from large firms as follows:

- Retailing and Service — ₦1 million or less annual sale
- Manufacturing — 250 or few employees
- Wholesaling — ₦5 million or less annual sale

The National Council of Industry in a seminar in Makurdi,(2002) defined small scale enterprises as "any firm with a total cost including working capital but excluding the cost of land above ₦1.5 Million but more than ₦50 Million and labour size between 1.1 to 3.5 workers. A medium scale enterprise is any firm with total cost including working capital but excluding cost of land above ₦50 Million and labour size between 36 and 100 workers.

The Federal Ministry of Industries defines small scale enterprise as one which employs 1-50 persons and investment not exceeding ₦750,000, with capita input of not more than ₦300,000 in machinery and equipment.

CBN insisted that any business whose turnover is above ₦500,000 does not qualify to be described as a small scale business. The Nigerian industrial policy describes small industry are those with total investment between 100,000 and 2 Million for the purpose of this paper, we are resorting to the definitions of the Nigerian government as a guide.

The Essence of SMEs

Despite the turbulence of SMEs in Nigeria, the sector has contributed immensely to the development, growth and expansion of the economy (Ekpeyong, 2002).

i. The sector is no doubt the largest employer of labour, and thereby reducing the rate of crime indirectly by reducing idle minds in the society.
ii. The sector can be regarded as the most viable means of preparing youths for entrepreneurship and self-employment.
iii. A major contributor to the growth and expansion of the economy through the provision of goods and services.
iv. It increases the per-capita income of the people through the growth of the nation's real, national income.
v. It contributes greatly to the growth of industries through the provision of raw materials.
vi. Great contribution to the socio-economic development of Nigeria by encouraging the transformation of traditional technology into modern technology.

The Major Challenges of SMEs in Nigeria

The SMEs constitute the most dominant and most popular form or sector in the economy, yet its mortality rate is the highest, about 30% (Okpara, 2007). According to Onugu (2005) the top ten contending bottlenecks for SMEs in descending order of magnitude include; management problems, lack of finance, infrastructural deficiency, inconsistent government policies and bureaucracy, unfavorable environment, multiple taxation, lack of access to modern technology, unfair competition, marketing problems and raw materials problems.

The rate of growth of SMEs in Nigeria is stunted due to other problems too, including lack of proper planning thus leading to wastage of scarce resources. Again, the lack of cooperative membership makes the individual SMEs too weak to attract credit or skilled personnel. They can hardly enjoy the economy of large scale purchases and operation. Most of them have poor locations, and high costs due to several factors, prominent among which include epileptic power supply and high cost of fuel.

Far in the developed economies, Stokes (2000) stated that small businesses are in turbulent sector, with huge movement in and out. The story could be worst in Nigeria where many new enterprises can be established yearly with only a few of them surviving or expanding, while a large number will fail and wither away. The major problems militating against the growth and expansion of the SMEs in Nigeria can be summarized as follows:

i. **Managerial Problem**: Lack of necessary managerial skill is a major problem affecting most categories of SMEs. Most of them lack money to employ competent hands for management. Because of lack of management skill, most of them can hardly prepare business plans. Again, their working capital are often mismanaged.
ii. **Finance**: The financial problems of the SMEs are many as most of them often start with low capital base. Hence, they lack the required working capital for purchasing raw materials, stationary and overhead cost and other day-to-day expenses in addition to the lack of capital equipment. Therefore, they have poor assets to pledge for loan and can hardly afford convincing feasibility studies to attract formal credit. Thirdly, in addition to unethical practices like running a business purely for immediate personal upkeep of owners, most SMEs in Nigeria lack standard accounting records.
iii. **Dilapidated Infrastructure**: Some of the SMEs located in the rural areas are worst hit by inadequate power supply or lack of it completely, poor roads, lack of storage facilities, etc, which contribute to the poor performance of the sector.
iv. **Inconsistency in Policies and Bureaucracy**: Njoku (2002), Ekpenyong (1992) also identified inconsistency in government policies as a major problem affecting the growth and prospects of SMEs in Nigeria.
v. **Environmental Problem**: Political instability, environmental hazard and communal clashes often make it precarious for them to operate.
vi. **Multiple Taxation:** This has been identified by many researchers including Nosike (2008) who criticized the system of "pay for any attachment to your shop, pay for lock up shops, permit levy, provision levy etc as easy ways of exploiting SMEs investors.

vii. **Non Availability of the Right Technology:** Most of the SMEs depend on obsolete technology as they cannot afford sophisticated ones. Hence, their probability of fast growth and expansion is very low.

viii. **Unfair Competition:** The failure of the market system to correct the imbalances in trade such as discrimination in extending fertilizer to farmers on political linkage, using only women in sales promotion, etc. may be better addressed by the government.

ix. **Marketing Problems:** The major marketing challenges facing the SMEs include the lack of foreign exchange, poor road network, particularly in the rural areas, poor processing facilities and poor preservative mechanism for fragile or perishable products.

x. **Lack of Raw Materials:** Most of the SMEs find it difficult to acquire the essential raw materials for production. They have raw material preservation problems, scarce funds to purchase raw materials regularly, refining local materials as substitute and lot more deprivations.

Methodology

This is a Review and Analytical paper. A thorough review of related literature was undertaken and a critical analysis then done. Several conference, workshop/seminar and lecture papers were reviewed, including texts, newspapers, internet, political opinions and white papers on SMEs were examined. Specific findings were made in fulfillment of the study objectives upon which conclusions and policy recommendations were cautiously made.

Government Intervention in the Problems of SMEs Sector

In practical terms, most investors would like to rely greatly on borrowed funds for their businesses, without which many will park off. Unfortunately, there are no plain sources for them, especially in obtaining the required credit. The age long form of assistance from family members and friends have become inadequate because of the rising cost of doing a business and it's scarcity too, due to the rising cost of living. On the other hand, the SMEs are very unlikely to be able to meet stringent conditions placed by banks and other financial institutions to give consumer credit rather than industrial credit to the SMEs which may spell beyond short-term. So, the most viable option left to the SMEs is to raise their personal savings and whatever financial assistance the government can give them.

The First National Development Plan 1962-1968 provided substantial loans to the SMEs through the Federal Loans Board. Following the collapse of most of the SMEs after the Nigeria Civil War (1967-1970), the Federal Military Government initiated policies aimed at stimulating the growth of Indigenous SMEs with the establishment of Small and Medium Scale Industries (SMI) unit. Hence, the government reactivated the industrial centers at Zaria and Owerri, and also established monitoring and consultancy centers for the sector.

The Central Bank of Nigeria (CBN) has been in the forefront of implementing government financial policies of funding the SMEs sector. For instance, in order to promote indigenous SMEs, CBN in 1970 directed the dominating expatriate Banks to increase the volume of their credit exposure to the sector. Again, in 1971, the SMEs Credit Guarantee Scheme was launched with the aim of providing substantial financial assistance to the sector (FGN 1982).

In pursuance of its role of financial intermediation to both the SMEs and large industries, the Federal Government in 1973 established the Nigerian Industries Development Banks and the Nigerian Bank for Commerce and Industry (later referred to as NBCI). The banks were to provide assistance to the SMEs under the Federal Ministry of Industries special Fund for SMEs. NBCI approved several projects worth ₦55.4 Million between 1980 and 1984.

Since the 1980s, the Federal Government has attracted foreign capital to the SMEs through the World Bank,, African Development Bank (ADB) and the International Finance Corporation (IFC). For instance, in one of such assistance, the World Bank spent over $4 million to promote the SMEs through pilot projects in five states of the Federation. In 1988, the African Development Bank (ADB) granted an export stimulation loan of $2.52 Million to finance SMEs investment in Nigeria. The loan was to be repaid in 20 years. Between 1986 and 1989, the government gave a serious focus on SMEs policies of employment generation, maximization of local value added, export promotion and forward and backward linkages. Hence new monetary and fiscal measures were introduced, such as:

i. A new definition of SMEs with capital investment of ₦100,000 ₦2 million to small and ₦2 Million - ₦5 million for medium scales enterprises (Excluding land but including working capital).
ii. Establishment of the National Economic Reconstruction Fund (NERFUND), export promotion Fund (EPF), Export Credit Guarantee and Insurance Scheme (ECGIS), Export Development Fund (EDF), Export Expansion Fund (EEF) and Export Adjustment Scheme Fund (EASF) and the small and Medium Scale Industries Development Scheme (SMIDA).

Government Policies for SMEs in Nigeria

The cardinal objectives and policies of the Nigerian government towards the small and medium scale entrepreneurship development include the achievement of:

i. Self-sufficiency and self-reliance in retail production and distribution of cash crops and staple food like livestock, fisheries, forestry, poultry, grains etc.
ii. Increased production and supply of raw materials to boost domestic manufacturing especially agro based industries.
iii. Increased production in the non-oil sector
iv. Creation of self-employment opportunities for the able bodied youths and elderly alike (including women) so as not only to improve the standard of living but also to reduce the rural-urban drift in population.
v. Economic independence in a manner that every individual who has aspiration for self-employment be given moral boost and incentives to do so. In pursuance of small and medium

scale entrepreneurship development as the bane of private venture holdings in Nigeria. The government has over the years legislated the following;

vi. Credit by the Nigerian Agriculture, cooperative Bank (NACB) now Nigerian Agricultural cooperative and Rural Development Bank (NACRDB) Micro Finance and other commercial banks.

vii. Credit by the Nigerian Agricultural insurance company (NAIC).

viii. Training, credit, tools and equipment by the National Directorate of employment (NDE) trained graduates and non-graduates.

ix. Roads, infrastructure by Federal Roads maintenance Agency (FERMA) and formerly by the Federal Ministry of Works.

Previous Programs that Facilitated SMEs Development by Central Bank of Nigeria (CBN, 2003)

The policy initiatives of the Federal Government through the CBN specific programmes

Schemes Established and Directed at SMEs Promotion

- Small-scale industry scheme (1971)
- Agricultural Credit Guarantee Scheme (1973)
- Nigeria Agricultural and Co-operative Bank (1973)
- Nigerian Bank for Commerce and Industry (1973)
- Small and Medium Scale Enterprises Loan Scheme (1992)
- National Economic Reconstruction Fund (1994)
- Family Economic Advancement Program (19997)
- National Poverty Eradication Programme (NAPEP)

In addition, a number of specialized banks that could aid SMEs development were introduced. Including the People's Bank in 1989, Community Banks 1992 and Microfinance Banks in 2005.

Strategies for Promoting SMEs in Nigeria

The government, as is evidenced by the following objectives and strategies many of which have been ongoing for a while has indeed appreciated the above problems.

Key Strategies

Towards realizing the above objectives, the Federal Government had adopted the following key strategies:

- Priority attention to rural and urban water supply nation-wide.
- Appreciate investments inn power generation. Implementation of an emergency power programme (EPP), encouragement of establishment of commercial power plant and focusing on transmission, distribution and rural electrification.
- Establishment of anti-corruption bodies such as Economic and Financial Crime Commission (EFCC) and Independent Corrupt practices Commission (ICPC).
- Roads construction and rehabilitation and the establishment of road maintenance agency
- Provision of ₦50 billion for the take-off of the Bank of Industry
- Implementation of the Small and Medium Industries Equity Investments Scheme (SMEIS), which requires banks to set aside 10% of their profits before tax to improve availability of funds to SMEs and
- Enactment of the Pension Act, which could be an additional source of funding for SMEs.

It has however been worrisome that despite the incentives, policies, programmes and support aimed at revamping the SMEs, they have performed rather below expectation in Nigeria. This means that a lot more needs to be done including a paradigm shift in the focus and administration or implementation of the policies and programmes.

Summary of Government Promotion Programmes for SMEs

i. A format step by the Federal Government of Nigeria (FGN) in promoting SMEs was the First National Development Plan (1962-1968) geared towards all sectors of the economy. The indigenization Decree of 1972 providing some exclusive list of SMEs for only Nigerian investors was a step forward for the sector.

ii. In the quest for promoting entrepreneurship in Nigeria, the National Economic Reconstruction Fund (NERFUND) was established by Decree No. 2 of 1989 to foster local entrepreneurship in the country. NERFUND's major objective was to provide small and medium term finance in addition to other essential services to entrepreneurs through commercial and the then merchant banks. To ease accessibility of NERFUND's loans through banks, one to three years grace period of the five to ten years mature period was grantable to borrowers. This policy targeted almost all sectors of the Nigerian economy with moderate interest rates and easy terms of repayments of loans.

iii. To Boost Skills Acquisition and to Empower Youths for Self-Employment; the Federal Government of Nigeria (FGN) initiated a policy guideline for the study of entrepreneurship education through the National Universities Commission (NUC) in a circular directive that beginning from 2007/2008 session, all University students must undergo a compulsory two-year entrepreneurship programme.

iv. Again, in continuation of building entrepreneurship, various poverty alleviation programmes were established for empowering many Nigerians. For instance, the main thrust of Obasanjo's administration's economic policy (1999-2007) was the Poverty Alleviation Programme (PAP) widely perceived to be a short cut to achieving greatness in the development of SMEs

Major Findings

Government intervention in the SMEs sector in Nigeria often lack effective mechanism for achieving sustainable development for the sector.

The SMEs act as catalysts for developing various skills, providing raw materials, and markets for industries in Nigeria. The SMEs however have low per head turn over due to several deprivations like unfavourable policies, deficient infrastructure, inaccessibility to credit, etc.

The major challenges of the SMEs in Nigeria include inadequate finance, lack of managerial skills, ineffective government policies, SMEs inability to form cooperatives, and infrastructural deficiency.

Conclusions and Recommendations

The small and medium scale enterprises may be regarded as a catalyst for any meaningful economic development. But a pertinent question to ask is whether the government interventions in the problems of the SMEs sector have been result oriented. The simple response is that many factors have rendered most government intervention measures ineffective. First and foremost, the financial institutions as the agents of intervention are bureaucratic in nature. For instance, the method adopted for granting loans and assistance to the industries have been so cumbersome such that beneficiaries often got them late. In many of these financial institutions, it took between six months or more to grant loans. But in Nigeria, because of inflation, business plans need adjustment after such period (of six months). This situation renders financial assistance to the SMEs ineffective. Inadequate capitalization of government agencies or institutions meant to assist the SMEs is another factor militating against government interventions in the sector. The establishment of most of the institutions was politically motivated rather than real economic motives. This situation therefore makes the institutions unfocused and incapable of achieving their designed objectives.

Thirdly, poor management has not helped the matter as most of the intervention institutions were established with political connotation and therefore lacked skilled personnel. Hence, the real problems of the SMEs and ways of solving them were hardly identified. Most of the agencies or institutions responsible for assisting the industry were not properly managed in the first place. In addition, another managerial problem was the lack of continuity in management especially the top management. Most a times, a change of government was followed by a change of management team of such institutions. This normally resulted to the reversal of policies or the focus of the previous management.

Misdirection of assistance: in most instances, the financial assistance meant for industrial growth are sometimes given to other areas of less importance in the economy. The former Central Bank Governor, Chiief Joseph Sanusi made this known at the launching of ₦3 billion SME partnership scheme in March 2002. He hinted that findings showed that disbursements made to the sector were mostly intangible (The News magazine, 2003).

From all the above, one can rightly conclude that government intervention to promote the SMEs has not achieved significant results due to the inherent problems of the sector, those in the intervention institutions and the unfavorable environment. These problems corroborate with those highlighted at an international conference organized by the Association of Nigerian SMEs in collaboration with African Development Facility (IBID).

Recommendations

The bureaucratic nature of the intervention institutions should be reduced by the government and once viable industries are identified, the credit meant for them should be given early enough.

Government should intensify effort in improving basic facilities especially power supply, portable water, and road network.

There should be Proper funding of SMEs intervention institutions to enable them discharge their functions appropriately. CBN special directive on preferential sectoral allocation to the SMEs by banks should be intensified.

The right caliber of personnel should be employed to fill the management positions of the SMEs intervention institutions, just as members of the supervisory bodies or committees with the desired integrity should also be the ones to be appointed.

Granting of loans to the industries should be based on business considerations, in which only target sectors should be the ones to benefit.

The SMEs should improve their financial management by employing the right skilled personnel. This will go a long way to improve their financial records.

There is the need for the SMEs to be corporate in their operations, like separating business accounts from those of owners.

The SMEs should have business plans and feasibility studies. This will put them in better perspective to be considered for former credit.

The formation of SMEs cooperative societies on the basis of industries can give the individual business opportunities to partake in joint loans from financial institutions.

Finally, there must be commitment on the part of the entrepreneurs and for the economy to grow. Generally, there must also be commitment on the part of the government, and it's economic committees or planners for the SMEs.

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SELLING STRATEGIES FOR ENTREPRENEURS IN AN EMERGING SOCIETY: AN EXPLORATORY PERSPECTIVE

Timothy T. Alabar

PP. 174-198

Abstract

In this turbulent world in which the speed of things changes as a result of technological advancements makes customers to be knowledgeable and have more choices than ever. It is therefore incumbent on entrepreneurs to cultivate a culture that cares more about customers needs, provide instant solutions to problems and handles selling deficiencies in sales encounter in order to make customers/prospects stage a comeback. As entrepreneurs reduce the risk in their products offering and increase the benefits associated with their value proposition, makes prospects not only purchase from them but add up the referral profile. It is in the light of this that, the paper adopts a conceptual framework in exploring the selling strategies an entrepreneur may adopt in an emerging economy. The study highlights conceptual clarifications of the subject matter, brought to light winning selling strategies, and portrayed the rightful groups to target in the selling process. It finally explored the prospects of value-selling in an emerging economy.

Keywords: Selling, Strategies, Entrepreneurs, Emerging Economy and Nigeria.

Introduction

Today's customers are more skeptical and suspicious of their buying experiences as they have fewer resources and unwilling to spend it on product/service that are not solution-driven. No matter how attractive a company's product/service may be, customers would want to compare it with those of competitors

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so as to enable them get the best for their money devoid of mistakes. Evidences abound that, the market pays excellent rewards for excellent performance, and average rewards for average performance and below average rewards for under-achievement, failure and absolute rejection for poor results (Alabar, 2015).

The ability of an entrepreneur to achieve success and victory and be positively rewarded in a fiercely competitive market against all selling odds and overcome customers' rejection is essential in the success story of every organisation, (Alabi & Idowu, 2000). It is also emphasized that when entrepreneurs spend quality and reasonable time in planning for their sales encounter with customers, it saves them the stress and difficulty of putting their offer in the most appropriate shape for customers' acceptance.

It should be realised that, in any selling interaction between an entrepreneur and a customer, the interaction should be able to provide solution to clients' needs and provide a good sense of feeling to him, which could translate to more deposits on his/her emotional bank account, (Giese & Cote, 2002). Contrary, the customer will definitely vote with his cold feet of outright disengagement, which in turn will create some forms of withdrawals on his emotional bank account that may spell doom for the business. It is worthy of note that success in business is characterised by the proactive steps in terms of value addition demonstrated by its leader in spite of all the associated risks.

Tracy (2014) therefore observed that, the health status of entrepreneurial community in any city, state, or nation is the key determinant of the quality of life and standard of living of the people in that geographical area. In a similar vein, PricewaterhouseCoopers (1999) revealed that a successful entrepreneur not only achieve success for himself alone, but reward three distinct parties in the society. He rewards customers with superior products/services; employees are rewarded with adequate pay, opportunities for growth, and other stakeholders with meaningful profits that also keep the business going. Without sales, our entire society would come to a grinding halt.

It is against this backdrop that the paper seeks to explore *selling strategies for entrepreneur in an emerging society.* The paper is therefore structured in the following sub-headings:

i. Conceptual clarifications
ii. Winning selling strategies for entrepreneurs
iii. Identifying the rightful target groups in the selling process
iv. Prospects of selling for entrepreneurs in an emerging economy

Conceptual Clarifications

The Concept of Selling

The only real creators of wealth in our societies are businesses. These businesses produce all products and services, create all profits and wealth, and pay all salaries and benefits (Tracy, 2004). Sampson however observed that, profit for profit's sake is too small a dream to drive businesses in this new era with the possibility of adding unique value to the society for the better well being of mankind. Without sales, our entire society would come to a grinding halt.

Hogan (1996) sees selling as a process of persuasion leading to a continuing trading arrangement, initiated and perpetuated at either a person or impersonal level but commonly confined to oral presentation supported by visual aids.

The Nigerian Institute of Management (2005) defines selling as the process involved in the exchange of goods/services between the seller and consumer for mutual benefits.

The term selling encompasses a variety of sales situations and activities that must be considered by an entrepreneur. For example, sale of consumer and industrial goods present different positions and posture, which must be acknowledged by entrepreneur operating in these settings.

In this regard, today's entrepreneurs must have a wide range of attributes to compete successful most especially in an emerging society.

Characteristics of Modern Selling

To be successful in today's market that is competitive and over-communicated, an entrepreneur requires certain skills that will make him compete favourably. Moncrieff & Marshall (2005), Le Meunier and Piercy (2007), Aliogo and Isitor (2007) and Leigh & Marshall (2001) put forward certain skills that entrepreneurs require in selling as follows:

1. **Customer Retention and Deletion**: In most organisations, the 80/20 Rule of *Pareto principle* applies in selling situations (i.e. 80 percent of their sales come from 20 percent of their customers). It then means it will be more profitable to retain the small but highly potential customers that keep the wheels of business moving than keeping larger number of customers that are actively unprofitable and add more costs to the company. Therefore, it is more reasonable to retain high profitable customers and delete those that add nothing but incremental cost to sales budget.
2. **Database and Knowledge Management**: An entrepreneur should be acquainted on the use and creation of customer database and maintain a high proficiency level on the use of technological devices such as internet to facilitate his selling potentials in the market. Gone are the days when information cards were used and sent in orders through post offices to headquarters. Nowadays, emails, mobile phones, videos conferencing are providing better landscape that are effectively transforming the way knowledge is generated, used and transferred. Technological appliances like laptops, iPods etc can be used to store customers'/competitors' information; make presentations and communicate with concerned parties. Also, catalogues/price lists can be supplied electronically thereby easing out the stress that goes with the old ways of selling.
3. **Customer Relationship Management**: Modern sales arrangement by entrepreneur should emphasise a win-win situation in at least 70 percent sales activity so as to make parties to the deal have a sense of concern and belonging that make them continue with the relationship. It is believed that

when you know more about your customers than your competitors do, and meet their needs better than your competition do, you tend to compete with less market forces. Evidences therefore abound that the best and only surest way to make customers fall in love with your business, stage a comeback for more, and tell others how wonderful you are is by providing the desired solutions that keep them out of their problems better than competitors offerings through customer relationship management.

4. **Marketing the Product**: Entrepreneurs in our current situation should get involved in much broader range of activities than simply planning and making sales presentations. There is an expansive shift in the role of sales covering areas such as product/market development, market segmentation and above all, an image projector in the minds of the market.
5. **Satisfying Needs and Adding Value**: Entrepreneurs should have the ability to identify and provide solutions to existing and emerging needs of customers. A proficient entrepreneur take a bold step of even anticipating and creating solutions for problems their customers' may not have been aware of, but may likely pose a threat in their future lives or the community in general. They should also stimulate need recognition with an attending solution. In so doing, an entrepreneur might have added value to the customer's business by reducing costs and creating a win-win situation for his business and the customer.

These attributes if properly coordinated, will enable entrepreneurs in overcoming major challenges of sales in a society.

Major Obstacles in Selling

According to LeBoeuf (1987) and Boles (2002), it is generally agreed by practitioners and students of selling that, four major obstacles are likely to hinder an entrepreneur in making a successful sale. The obstacles are popularly known as the four **no's** of selling:

1. **No Trust:** The customer may not trust or believe what you are selling or telling him. He/she may simply want to buy only from those whom she/he like and trust. He may not call you a liar, but most probably ask you questions like "How can I be sure that this will do everything you say it will"?

   When such situation poses itself, entrepreneurs must take the steps of overcoming the *no trust.* Your basic purpose as an entrepreneur is to help people solve their problems at the most time with easy and affordable rate.

   Let other satisfied customers speak for you. Furnish your prospective buyers with letters, names, addresses, and telephone numbers of satisfied customers who have buying from you. Testimonies of others that had positive interactions with you are the best value builders for your business.
2. **No Need:** The second reason people don't buy is that they don't want or need your goods or services. Therefore pushing your expertise or product to people who have no use for them is a waste of time and will likely come back to hurt you. These are the steps to overcome the *no need obstacle:* Ask probing questions to find out what the situation is now, and what they would like it to be. If what they want is different from what you have, and you cannot help them, show them how and where it will be solved. When you demonstrate how your expertise will get them what they want, you create more deposits on their emotional banks accounts. If you cannot help, refer them to someone who can, and thank them for their time and patience.
3. **No Help:** The third obstacle to buying is that the customer is already patronising another person and doesn't believe that you can help him with your offering.

   You may take the following steps in overcoming the *no help obstacle:* This is where an intimate working knowledge of your competitor's strengths and weaknesses can make a sale. After assessing your competitor's offerings in terms of strengths and weaknesses, build the client's value by pointing out the special benefits of using your value proposition. Also, in such circumstance, never knock a competitor in the face of the client.

4. **No Hurry:** This scenario occurs when a customer likes what you have to offer but do not have enough to buy today. And in many cases he is really not going to think it over. He is likely to forget about you and what you are selling unless you take appropriate action to remove the no hurry obstacle.

   Step in overcoming this obstacle: Offer a guarantee, offer a free trial period, and give a special concession or throw in something extra for patronising you. As you reduce the risks of patronising and increase the rewards for acting now, the no hurry obstacle disappears.

   Although, these obstacles may be eliminated, an entrepreneur may imbibe some selling skills to serve customers better.

Key Success Factors in Selling

A study by Marshall, Goebel and Moncrief (2003) and Schwepker (2003) suggested 10 key success factors in selling. These include (i) Listening skills (ii) Follow-up Skills, (iii) Ability to adopt sales styles from situation to situation (iv) Tenacity-Sticking to the task (v) Organisational skills (vi) Verbal communication skills, (vii) Proficiency in interacting with people at all levels within an organisation (viii) Demonstrated ability to overcome objectives (ix) Closing skills (x) Personnel planning and time management skills.

They further emphasised that, when these factors are put in place in sales situation, they have the potential to improve the overall efficiency and effectiveness of the entrepreneur- customer interaction.

Jobber and Lancaster (2009) observed that, there are different types of buying situations thereby making selling to vary according to the nature of the selling task. They therefore identified three fundamental selling tasks as Order-takers, which creates respond to already committed customers, Order-Creators, which don't directly receive orders since they talk to specifiers rather than buyers, and Order-getters, who attempt to persuade customers to place and order directly.

Tracy (2002) aptly asserts that in all selling tasks, selling has been as transfer of enthusiasm. He further said that, the more enthusiastic and convinced you are about what you sell, the more contagious this enthusiasm will be, and the more customers will sense it and act on it. By implication, entrepreneurs could be more enthusiastic and convinced about what they are offering, the more the customers would sense it and quickly act on it. By implication, if entrepreneurs could be more enthusiastic and convinced about what they are offering, the more the customers would be willing and quick to act on what they present. Entrepreneurs should therefore understand that selling is a transfer of enthusiasm, which must be originated and presented in a caring manner in order to lure customers, accept their products.

The better entrepreneurs become at their selling approaches, the more opportunities that will be created for them to achieve their goals.

It should be noted that, experiences (both good and bad) lead to success in life, which most successful entrepreneurs should learn from, but should not live in it.

Who is an Entrepreneur?

The question look simple, but answering/ defining it is not easy, because the concept entrepreneur means different thing to different people. It may be seen as having many dimensions depending on the individual's orientation or background. But for the purpose of this paper, we shall be looking at some few definitions given by scholars in this field.

For instance, Schumpeter (1934) defines an entrepreneur as individual who develops something new, while Khanka (2002) sees an entrepreneur as "a person that utilises the opportunity of instability, turbulence, lack, to produce something new or modifies an existing one for profit motive''

Stevenson and Gumpert (1985) defined an entrepreneur as "someone who owns and operates his/her own business". Ovia (2007) views entrepreneurs as individuals who pursue opportunities without regard to the resources they currently control. Emmanual (2013) sees an entrepreneur as someone who sees gap or need in his immediate environment and put resources together to meet such need for a reward.

The differences in the definitions of the word entrepreneur are as a result of the different spheres of life it covers. It is in this regard that, a definite or precise definition could not be associated with the term (entrepreneur).

What Does it Take to be an Entrepreneur

Being an entrepreneur is more than getting a job or pursuing a career; it is a life time commitment of having a possibility of something better tomorrow. As fallout of this, Nwafor (2007) and Singh (1986) suggested a holistic approach that look at an entrepreneur from different disciplinary dimensions like but not limited to sociological, psychological and economic perspectives as shown below:

a. **High Internal Locus of Control**: This implies that entrepreneurs tend to feel that they control their fate largely through their own efforts without encumbrances from outside force.
b. **Originality**: One only becomes an entrepreneur when he stands out as an initiator of an idea and unique in his thought. He must be seen standing out in anything he does or says.
c. **Result-Oriented**: He must be disposed seeing set out goals achieved, which must be clear and measurable. In this regard, persistence, determination and perseverance become the watch words.
d. **Leadership**: Quality leadership is needed for an entrepreneur to be successful in the discharge of his duties. In some instances, a blend of democratic and autocratic styles of leadership may be coordinated to achieve arising situation(s).
e. **Visionary**: An entrepreneur should have a vision to see the future as he is not looking for today alone, but mostly, for tomorrow.
f. **Creativity**: To be successful, an entrepreneur need to be flexible enough to affect changes in his products to suit the prevailing needs of customers.
g. **Taking Personal Responsibility**: When entrepreneurs take responsibility for their actions/inactions, it decreases their

dependence on others for solutions to our problems, and it makes them have total control over themselves and what they do.

h. Risk Taking Ability: Entrepreneurs should be aware that the higher the risk, the higher the profit most times. They should therefore be propelled by this saying not minding the obstacles that may arise in the course of time.

i. Need for Achievement: The entrepreneur is his own boss and he take all initiatives and does all the considerations in his business when the need arises.

These entrepreneurial attributes mentioned above are interrelated, and one dovetails to the other. An entrepreneur does not need to possess all of them to perform.

As an entrepreneur is posed with these character attributes, his main aim will be to develop a product, get it down to consumers at a good price. Getting a product to customers to buy has to do with the product itself, the selling skills and other factors which you may not have the control. Be that as it may, the concern of this paper is to look at the selling strategies to be applied in order to make prospects purchase what the entrepreneur offers.

Some Winning Selling Strategies for Entrepreneurs

People may not care to know how much you know about them until they know how much you care about them and the products/ services that you offer to help them feel good about themselves that they may patronise you.

Therefore caring about your prospects/customers means being a friend, an adviser, and a teacher, which you as an entrepreneur must reflect in your selling engagements.

The selling strategies that entrepreneurs could employ in winning sales encounter according to Delveccchio, Zamanek Mclntyre and Claxton (2004), Pardo, Henneberg, Mouza and Naude (2006) and Jobber and Lancaster (2009) include but not limited to the followings:

- **Relationship Selling**: In relationship selling, you the entrepreneur presents yourself as a friend. That is, you take a little time and effort to respectfully learn about the lives, needs and desires of your potential clients and customers as these are important than whatever you are selling. As you understand the needs/heart desires of your customers and provide the needed solutions, also always ask if there is anything they need that you have not provided, it makes them trust and believe in you not only as a seller but as a friend indeed.

  Always observe your customers/clients and look for sign of confusion, resentment or annoyance and improve on it, as it presents a sign of modification. When you provide more than expected the real needs of people you serve, you turn such people into raving fans which is the best advertisement you can ever have in business. By establishing a relationship of familiarity and trust makes your customers/clients keep buying from you.

  It is on the core value of relationship selling that Sampson (2013) emphasised that, having a perpetual relationship with your customers open more doors of opportunities in business.

  But there exist a misgiving in relationship selling that must be avoided. When you become so much concerned about the quality of your relationship, you become hypertensive to your customers' thoughts and feelings. You sometimes bend backward or forward to meet the needs of the customers even if they are unreasonable. Entrepreneurs should therefore be guided by the fact that relationship is important but is not everything (Piercy and Lane, 2003).
- **Consultative Selling**: In this selling concern, the entrepreneur presents himself as a consultant, expert and trusted adviser to the customer/clients. In this wise, the entrepreneur should be seeing focusing on helping customers solve their problems. When you focus on knowing what the needs and wants of customers are, helping them to buy what is best for them that make them feel good, you will never worry about profits. It is evident in the history of sales that , helping people to

buy takes an approach of ''Let us find out what the customer wants or needs and see if we can match it with what we have. If not, let us send him to someone who can help, and ask to serve him better in the future.'' LeBoeuf (1987) observed that, entrepreneurs should be seeing in their selling approach as caring and directing to make the clients feel good and happy in a sales engagement. He further empathised that, ''just knowing that you cared enough to listen and tried to help will leave the customer with a much better impression than you had taken that is not-my-problem attitude.

In today's world where customers are busy and have little time buying exactly what provides solutions to their needs will value businesses that care to advise and be consultant for the provision of necessary solutions.

When an entrepreneur position himself as a consultant in a selling engagement, he is likely to ask customers probing questions that make them think better and more clearly about their situations, their futures, their needs and requirements. By asking customers intelligent and thought probing questions, make you endeared to them and always eager seeing you again and again.

Tracy (2014) sees the role of entrepreneur as an adviser when he observed that, the more you ask good questions designed to uncover the customers' problems or needs and give good advice to solve those problems and achieve the customer goals, the more the customer sees you as a valuable resource.

As long as an entrepreneur continues acting as an expert in what he offers, more opportunities will be created that he comes in to fill for the benefit of the users.

- **Educational Selling:** This selling strategy requires the entrepreneur position himself as a teacher, showing customers/clients how they can best benefit from using their products or services. The teaching aspect here shows that the more you demonstrate or explain the importance of your products and the references of successful users increase the customers' buying desires and loyalty.

Education to an entrepreneur, advocates for innovation that brings about changes and discovery of strategies that solve the problems of humanity (Dundon, 2002). It will therefore be right to say that, generation of idea that solve human needs fall within the concept of innovation, which is an integral part of education. So the role of education in selling cannot be underestimated for ensuring success for an entrepreneur in the course of delivering value to prospects (Okpara, 2000). As an entrepreneur, what you need at every stage of your life to be successful is not all about ability; it is about mentality in bringing about solutions and communicating same to the problem areas (Munroe, 2005).

Sampson (2013) observed that, the new era of business must be one of openness, and educative in nature that identifies problems and recommends correspondent solutions. He further opined that, for a selling engagement to be successful, emerging entrepreneurs must learn to plainly and honestly discuss the benefits/disadvantages of their value proposition to help customers take a decision that affect their lives. When you teach and focus on building customers' image, you are well on your way to selling in a related discourse. Maxwell (2007) and Wengler, Ehret and Saab (2006) opined that, when an entrepreneur takes the time to teach, he can be less assured that he can turn his customers into advocates who will end up selling his products to other people by talking aloud about the benefits that they derived from the products.

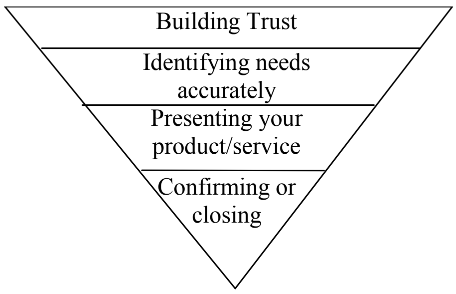
Entrepreneurs' role as value builders must ensure that they understand their customers' needs well enough to underscore what benefits are important to them.

In view of the emerging need of entrepreneurs to adopt the position of a friend, an adviser and teacher in their selling functions, Tracy (2014) suggests a new model of selling.

A New Model of Selling

In one of his arguments about selling, Tracy (2014) was inclined to the fact that the more confidence customers have in the sales person, and the more they trust the salesperson, then the more relaxed they will be about entering into sales agreement with the salesperson. He therefore suggested a new model of selling that stand the test of time in our current realities as represented in an upside-down triangle with the base at the top and the apex at the bottom divided into four parts as shown below:

A New Model of Selling



a. Building trust which is the topmost of the upside down triangle and represents a large portion, is a glue that holds relationships. It is the cement that holds the bricks of any relationship. When customers believe that you can remove their worries and provide enduring solutions to their problems, they get inspired and rely absolutely on you. It would be realised that, most important people in your life are people you so much trust. Therefore, it will be deduced that without trust, no sales relationship will be possible and long lasting

b. Indentifying needs accurately accounts for a large point of success in sales relationship for entrepreneurs. The more you show interest in unraveling the needs and aspirations of your customers, the more the customers trust and believe you. The more you ask customers questions and listen to them, the more they open up to you and even give you more information to help you as entrepreneurs to develop and implement better programmes/services that helps you do the right thing at the right time.

Accurate needs identification is key in your success as entrepreneurs and is based on your ability to perform an accurate ''gap analysis''. For a customer to purchase your offering there must be a widening gap between where the customer is today and where he/she would want to be with your service. The simple fact is that, where the gap is wide, the customer would want to fill the gap by buying the product, but where there is no gap, there wouldn't be any sale.

It should also be noted that, the motivation should be enough to spur prospects undergo the time, trouble and expenses of getting and using the solutions. When people recognise they have a problem and you can provide satisfactory solution to close the gap, they get connected to you.

c. Presenting your product or service. When needs are carefully identified, the next line of action is to match such needs with appropriate solutions, which could be product/ service or ideas. Your focus at this point will be on only things your prospects talked about and are of concern to them. Once needs are clearly identified, you let people with such needs know that you have solutions that satisfy such needs. People will only object your proposal when they know what you are offering don't provide an enduring answer to their problems. Customers love to hear their thoughts and concerns reflected back by an intelligent, cost-effective and enduring value-proposition that keep them with good feelings.

d. Confirming or closing, which is the last of the upside down triangle, shows how sale is consummanated. If an entrepreneur has built high levels of trust by identifying appropriate needs of prospects and providing value propositions that can help them improve their lives at home and at work, it then becomes easy to trigger a buying action from them.

It is a known fact, when there is a trust between a producer and a consumer, such consumers most times agree to buy your product without even caring to know how much it costs. The reason being that the customer knows for sure that whatever price you charge will be fair and honest. He holds such producers in confidence and is completely sure to act in his best interest.

Identifying the Rightful Target Groups in the Selling Process

A business that tries to be all things to all people runs the high risk of becoming nobody to everyone. Therefore, being a successful entrepreneur means targeting your efforts for a particular segment of the market that benefits you most.

As it is often said, successful people think about solutions most times, while unsuccessful people think about problems and challenges in most cases. To be successful in your value creation process, Tracey (2014), Maddill, Haines and Riding (2007) and Homberg, Workman and Jensen (2002) suggested the kinds of prospects entrepreneurs should target and the corresponding attributes they should possess in order to make the deal right.

1. They must have a need that your products/service can satisfy. Emotion causes customers to buy but logic keeps them sold and coming back to buy again. Your target audience should be a group with problems that your solutions could take care of it. When you base your entrepreneurial behaviors on identifying appropriate needs of the group for a possible solution that eventually may serve your business much better than aggressive sales techniques. Proper identification of target group needs would compel you to ask some probing questions such as: (i). what need would your clients have that would make them the ideal customers to purchase your products/services as soon as possible? (ii). How have their expectations grown over the years? (iii) What are the extra things do we need to provide to make our business special in the minds of our customers?

   It would be realised that, each and every product is designed to solve a problem or satisfy a need, but it should be taken as an open cheque to be used anywhere. For your product to be useful and effective, it must target those prospects with the needs to be solved.

2. They must have a goal that your product or service can help to achieve. People buy basically to improve on their current state of being. When someone has a specific desire to improve on his life or work life, and your product can help in achieving that in the most effective way, such a person becomes a good prospect for the organisation.

   Realise that people buy for their reasons as we human have different emotional makeup and different problems that need to be solved differently. You therefore satisfy an individual or group by giving them what they want at an appropriate time and not what you think they should want. You may be right to politely tell a customer you feel is making a buying decision that he may later regret reasons why he should not do what he is doing.

3. The must have the power and authority to take a buying decision. If your clients know that they have a need, goal or even pain, but do not have the authority to make a buying decision and if you can't get across the person with authority to purchase, leave such a group. People without the authority to make a decision usually won't tell you, unless you ask.

   But it should be noted that, all the reasons and recommendations in the world are useless until they are put in front of the decision maker. Therefore, entrepreneurs should know that there is a big difference between those who are unwilling to take a decision and those who cannot even attempt taking a buying decision in some sales situations.

4. They must be people who like you, your business and product. People are primarily emotional in their decision making, and almost all emotions revolve around how one person feels about another. Once a customer needs a product, he wants to buy from people he likes, and even if he likes you, he needs reasons justifying the safety of the purchase he is making. You should insist on making a positive and lasting impression that may boost the customer self image. Once a lasting impression that boost customer self image is established, such customers tend to like you, your business and product.

LeBoeuf (1987) affirmed that if a business makes a good impression, customer buys, multiplies and come back. He further asserts that if you help people to like themselves better, they will also love you and everything about you.

5. They must be a multiple purchasers, if satisfied. Is not worth wasting much of your time and energy trying to sell to people that will buy small and less frequent. The kind of customers you would want to seek out and work hard having them are those who have the capacity to buy large quantities of your product if they are happy with the first or past experiences.

   The use of 80/20 rule should be applied in businesses that are emerging in economies like ours. The rule stipulates that, business should pursue 20% of the viable customers that generate 80% of the profit. In other words, 80% of organisational profits come from 20% or less of viable customers that patronise the business. Therefore keeping profitable customers and winning new ones who fit the profile would guarantee the success of the company.
6. They must act as Centers of Influence. Well researched entrepreneurs will bend over backward to acquire a respectful individual or group as a customer by tailoring their product/service to his or their needs. Sometimes, a single sale to such a respectful customer(s) can open up more doors of attracting many new prospects because of the respect they have on other people. One satisfied customer who is well known and respected can create opportunities for you to sell more of your product/service at full price.
7. They should be easy to sell and service. The very best people to sell to are the ones you can easily locate and service. The worst are those that are located at a great distance away from you and are difficult to sell to and service. In real life situation, unserviceable customers can be seen as character-building lessons that point the way to future success.

Prospects of Selling for Entrepreneurs in an Emerging Economy

People are highly paid because they spend more of their time doing things of higher value, while others are doing things of lower value. Entrepreneurs in an emerging economy should make it as a matter of policy to be engaged on high-value activities that eventually increase sales and income.

The prospects of entrepreneurs increasing sale in an emerging economy would include but not limited to the following as enumerated by Schwepker (2003), Tracy (2014) and Alabar (2012a):

i. Practice of the minute's principle: The adoption of the minute's principle in the selling process denotes that, it is the only face-to-face minute with prospect and customers that count in selling minutes. The more minutes you have face-to-face with your prospects/customers, the more likely you increase sales/income. If entrepreneurs work greatly in increasing the number of minutes spent face-to-face with customers each day, and increase the value addition of their offerings, they will definitely turbo-charge their sales results that transcend to more income.
ii. Focusing on high-value customers: The application of the Pareto principles also known as the 80/20 rule in the field of selling is likely to boost the sales potentials of entrepreneurs. The 80/20 rule says, 80% of the value of what you do will come from 20% of the selling activities of the entrepreneur.

    It further depicts that, 20% of your prospects will turn into 80% of your customers, while 20% of your customers will buy 80% of your products/services. Twenty percent will be responsible for 80 percent of the customers staging a comeback. Rather than running after every prospect as a dog chasing all passing-by cars and wondering why it could not make a catch, entrepreneurs should target the most valued customers in order to make reasonable sales. In this regard, Tracy (2014) classified prospects/customers by their potential value as:

a. High-Value "A" Prospects/Customers: This group is very important with ability to buy a lot, re-buy and make referrals to the business.

b. Medium-Value "B" Prospects/Customers: This group is also important, but is sought after ''A'' group is exhausted.

c. Low-Value ''C'' Prospects/Customers: This group buys in small quantities and hardly comes back. They also have little ability to give the business referrals.

The classification according to Tracy should be used by entrepreneurs as a prospecting mechanism in identifying and targeting the most valuable customers that may keep the business going.

iii. The Use of Creative Procrastination: In fact, the greatest stealer of success in life is procrastination.

The fact however, is that, everybody procrastinates; both high performers and low performers. But it still remains that, high performers procrastinate on low-value activities, while low performers procrastinates on high-value activities. However, for you as entrepreneurs selling in an emerging economy to survive, you deliberately need to plan your daily activities that you may need to procrastinate on. You may decide to develop "not-to-do-list". This list entails the things/activities you may not do until you complete most important and high-value tasks.

By adopting this approach, the entrepreneur may procrastinate on low-value tasks thereby focusing more on higher-value ones that may earn more sales and income to the business.

iv. Explore the gap analysis technique: Entrepreneurs in the course of selling their products should bear it in mind that success in sales hinges on ability to perform an accurate gap analysis in their product offerings. The question here is, what is the gap that your product or service fills? With the ''before and after'' scenario, you might have been able to define accurately where the customer is today and show where he/she will be in the future if he acquires your product/service.

In defining where a customer is and where he is supposed to be, the gap so created must be wide enough, benefits reasonable enough to motivate the customer in undergoing the troubles and other costs of acquiring and using such solutions.

The "gap analysis" concept portrays a key factor in selling, and if well applied would help emerging entrepreneurs in their areas of engagement. When you reasonably expand the gap, the customer's desire to fill in the gap with your product becomes irresistible.

v. The ability to identify needs accurately: Your ability to identify needs accurately to uncover the problems of your target audience in this era of fast changing consumer requirements and globalisation provide substantial selling opportunities and more open referrals. For without proper needs identification, coming up with a new solution would be extremely risky as customers buy for their reasons and not yours.

For proper identification of needs, Alabar (2012b) recommends a three step process, namely; examination, diagnosis and treatment:

a. Examination: Is the first step for you to do a thorough examination of the customer akin to problem identification. The stage takes a look at the customer with a view of bringing out the exact problem he faces that needs to be addressed. Without proper process of unraveling/identifying the need point (examination) of the customer, talking much about the product features and benefits will amount to sales malpractice.
b. Diagnosis: Once appropriate examination is done, including asking appropriate questions, places you in a position to identify the exact problem the customers are facing, which may now require providing solutions. It is only when you gather your facts and results about the customer and explains what you have found, if your findings are in line with his experience, he now agrees that what you have discovered seems to be the real problem that needs to be solved that you proceed to the next stage.
c. Treatment: This is the stage where you start talking about your product and how it solves the identified problem. At this stage, the administration of your solution(s) to the problem really creates value in the minds of the customers.

With the examination, diagnosis and treatment approach, needs identification would have been done to create an avenue for effective sale engagement.

Conclusion

Customers today are tougher and more inquisitive to buy than ever before. In booming economy, people buy much faster and with less thinking as life is on the fast track of the lane. However, when the economy declines, people's interest for new /expensive things decline drastically, and people become more conscious about tomorrow and what they buy today. Entrepreneurs are therefore advised to adopt a fundamentally creative and mentality of service in selling approaches in order to deliver value to the larger audience. Because many start-up entrepreneurs in developing societies lack the skills and qualities of rewarding customers with solutions to problems and good feelings, most of them end up rewarding prospects with sad emotions. Since customers are careful, cautious and skeptical about buying, they need a lot of reassurances from entrepreneurs in terms of value addition before they take a buying decision.

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KEY SUCCESS FACTORS (KSF's) AS DETERMINANTS OF FIRMS COMPETITIVE SUCCESS IN BREWING INDUSTRY IN NIGERIA

Joseph Teryima Sev

PP. 199-220

Abstract

The objective of this research is to verify empirically that Key Success Factors (KSFs) also known as Critical Success Factors (CSFs) are determinants of firms' competitive success with a specific study on two (2) Breweries in Nigeria namely Nigerian Breweries Plc, Iganmu-Lagos and Guiness Breweries Nigeria Plc Ikeja-Lagos. Data for this study are obtained from both primary and secondary sources. The sample size for the study is **237** from the two (2) Breweries firms. Bowley's population allocation formula was applied to obtain individual company's sample size. Pearson Product Moment Correlation coefficient was used in the testing of one (1) formulated hypothesis in the Null form. The findings of the study revealed that there is a strong relationship between the application of the Key Success Factors (KSFs) and the competitive success of the Brewing manufacturing companies in Nigeria, hence (**r= 0.861.p<** 0.05). The study recommends that hence the Key Success Factors (KSFs) varies from industry to industry and from time to time within the same industry as driving forces for success and as competitive conditions keeps changing, the Executive Management of two companies should consistently monitor trends of events in the business cycles to identify the triggers for change and identify the suitable KSFs for application for a particular industry in order to attain sustainable competitive advantage for more gainful success to be attained.

Keywords: Key Success Factors, Firms Competitive Success, Brewing Industry, Nigeria

Introduction

Striving to attain profitability by organizations and their ability to sustain competitiveness with their rivals requires that firms should possess necessary key success factors (KSFs) alternative called critical success factors (CSFs) (Thompson & Strickland, 1998). David (2003) observes that, managers of organizations who fails to study competitors closely risk being blindsided by "surprise" actions on the part of rivals. Having a good knowledge of the key factors for competitive success in a given industry is pertinent. Thompson and Strickland, (1998) stressed that, key success factors concerns what every industry members must be competent at doing or concentrate on achieving in order to be competitively and financially successful.

Kazmi (2006) referred to CSFs as strategic factors or key factors for success which are critical for organizational success. When strategists consciously look for such factors and take them into consideration for strategic management, they are likely to be more successful, while putting in relatively lesser efforts. In a Brewing industry also, the KSFs are fully utilized in the areas of brewing capacity, a strong network of wholesale distributors, and creative promotional appeal. Thompson and Strickland (1998) further emphasized that, determining the industry's key success factors is a top priority that every organization must imbibed.

Managers need to understand the industry situation well enough to be competitively successful. On the other hand, a company with understanding of industry CSFs can gain sustainable competitive advantage than rivals in the industry (David, 2003). Managers therefore, have to resist the temptation to include factors that have minor importance on their list of CSFs - identifying CSFs is imperative in making judgments about what is more important and what is less important (Ghemawat, 1991).

The inability of the organization's management to identify and effectively apply the key success factors (KSFs) for competitive advantage have called for a necessary concerns hence sustainability and competitive success of industries is largely affected. This paper therefore seeks to know whether CSFs are determinant factor of competitive success in the brewery industry in Nigeria.

The Key Success Factors (KSFs)

KSFs or CSFs relates to the specific strategy elements, products/service attributes, resources, capabilities, competencies, and/or business outcomes that influence a firm's profitability and/or survival in a particular industry. The CSFs are important for all firms in a particular industry to possess and pay attention to (Gupta, Gollakota & R.Srinivasan, 2014). CSFs could be industry wide or firm specific. Rockart (1979) identified five (5) major sources of CSFs as:

a. **Structure of the Industry:** These are CSFs that are specific to a particular industry like the extent of service support expected by the customers.
b. **Competitive Strategy, Industry Position, and Geographic Location:** CSFs that arise out of the competitive strategy, and the competitive position of the firms within that industry.
c. **Environmental Factors:** CSFs that arise out of the general business/economic environment like the deregulation of Nigerian economy. With the deregulation of Nigerian economy, many industries like telecommunications have been opened to private sector competition.
d. **Temporal Factors:** CSFs that arise out of certain short term organizational developments like sudden loss of critical manpower and breakup of the family owned business. Such CSFs like rebuilding the image of the firms are typically temporary and would remain CSFs till the time they are achieved.
e. **Managerial Position:** That is the various functional managerial positions in a business have each their generic set of associated critical success factors.

Chief Executive of a Major Oil Company	**President of a Store Furnishings Manufacturer**	**Director of a Government Hospital**	**Division Chief Executive of an Electronic Company**
1. Decentralize organization. 2. Improve liquidity position 3. Improve government/ business relationships. 4. Create better societal image. 5. Develop new ventures.	1. Expand foreign sales for product lines B and C. 2. Improve market understanding of product line A. 3. Redesign sales compensation structure in three product lines. 4. Improve production scheduling. 5. Mechanize production facilities. 6. Strengthen management team.	1. Devise method for obtaining valid data on current status of hospital operations. 2. Devise method for resource allocation. 3. Manage external relationship. 4. Get acceptance of concept of regionalization by all hospital directors. 5. Strengthen management support, capability, and capacity. 6. Improve relationship with government department central office. 7. Meet budgetary constraints.	1. Support field sales force. 2. Strengthen customer relations. 3. Improve productivity. 4. Obtain government R & D support. 5. Develop new products. 6. Acquire new technological capability. 7. Improve facilities.

Almost all these KSFs are relevant to the Breweries in Nigeria for sustainable competitive advantage enhancement. According to Wheelen and Hunger (2010), CSFs are determined by the economic and technological characteristics of the industry and are the competitive weapons on which the firms in the industry have built their strategies. For example, in the major home appliance industry, a firm can achieve low costs, typically by building large manufacturing facilities dedicated to making multiple version of one type of appliance such as washing machines. As consumers expect reliability and durability in an appliance, a firm must have excellent process R & D to be in tune with the needs of the market. Any appliance manufacture that is unable to deal successfully with these key success factors will not survive long in the market.

Ohmae (1982) treats CSFs as a basic business strategy for competing wisely in any industry. He suggests identifying the CSFs in an industry or business and then to injecting a concentration of resources into a particular area where the company sees an opportunity to gain significant strategic advantages over its competitors. A strategy based on CSFs would therefore require setting objectives for those CSFs also.

On the basis of a study related to identifying strategic factors which are important in different businesses, Steiner (1969), confirms that, “there are indeed strategic factors needed for the success of a business and they can be identified.” Seen from this light, the eight attribute of excellence found by Peters and

Waterman (1982) could be considered as generalized CSFs across several different industries especially in the US.

In a study by Peters and Waterman (1982), they studied 62 American companies with outstandingly successful performance, which identified eight basic attributes of excellence which appears to account for success as:

1. **A bias for Action:** This is, being action oriented and with a bias for getting things done.
2. **Close to the Direction:** That is, listening and learning from the people they serve, and proving quality service and reliability.
3. **Autonomy and Entrepreneurship:** That is, innovation and risk taking as an expected way of doing things.
4. **Production through People:** That is, treating members of staff as the source of quality and productivity.
5. **Hands-on, Value Driven:** That is, having well defined basic philosophies and top management keeping in touch with the "front line."
6. **Stick to the Knitting: - T**hat is, in most cases, staying close to what you know and can do well.
7. **Simple Form, Lean Staff:** That is, simple structural forms and systems, and few top-level staff.
8. **Simultaneous Loose-Tight Properties:** That is, operational decentralization but strong centralized control over the few, important core values.

From the research of the Mckinsey7-S framework, Peters and Waterman (1982) also reports that; "any intelligent approach to organizing had to encompass, and treat as interdependent, at least seven variables: structure, strategy, people, management style, systems and procedures, guiding concepts and share values (i.e. culture), and the present and loped for corporate strengths or skills. We defined this idea more precisely and elaborated what came to be known as the Mckinsey 7-S framework. With a bit of stretching, cutting and fitting, the seven variables are made to start with letter 's' and invented a logo to go with it".

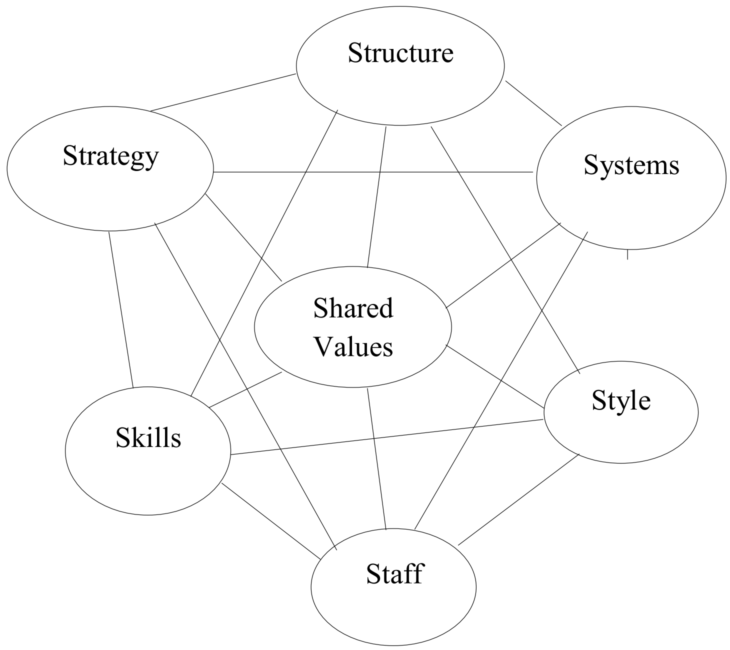


Fig 1: Mckinsey 7-S framework. *Forming Search for Excellence* by Thomas. J. Peters and Robert. H. Waterman Jr. 1982 by Thomas. J. Peters and Robert. H. Waterman Jr. reprinted by permission of Harper Collins publishers.

Rockart (1979) has applied the CSFs approach to several organizations through a three (3) steps procedure for determining CSFs. These steps are; to generate the success factors (asking, "what does it take to be successful in business?"), refining CSFs into objectives (asking, "What should the organizational goals and objectives be with respect to CSFs?"), and identifying measures of performance (asking, "How would we know whether the organization has been successful in this factor?"). These CSF are summarized in Appendix 1.

Methodological Framework

The study survey was conducted using Nigerian Breweries Plc and Guinness Breweries Nigeria plc Lagos as the case studies. The population of the study comprises of management staff of the two (2) Breweries manufacturing companies totaled at 580. The management staff population of Nigerian Breweries plc 144 while that of Guinness Breweries Nigeria Plc is 436 as at December, 2016.

To determine the sample size, Yamane's (1964) formula was used. The rationale was to attract the highest objectivity so as to guarantee validity and reliability in the research endeavor. In this research, the level of confidence is 95%, hence the significance level is 0.05. The Yamane's formula is stated below:

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

Where = Sample size

= Constant value

= Population size

= Coefficient of confidence or margin of error or allowable error or level of significance.

N = 237

From the total sample size, the individual company sample size was determined. The formula applied was Bowley's population allocation formula (1964) in Nzelibe (1999:201) as shown below:

$$nh = \frac{nNh}{N}$$

Where = the number of units allocated to each company.

= The total sample size.

= The number of employees in each company.

= The population size

Following the Bowley's population allocation formula, the respective individual company's sample size is derived as follows:

Table 1: Population/Sample sizes of the Companies

S/NO	Name of Company	Company's Management Staff Population	Total Sample Size
1.	Guinness Breweries Nigeria plc Lagos	436	178
2.	Nigerian Breweries plc Lagos	144	59
	Total	580	237

Source: Company's Records and Field Survey, 2016

Both primary and secondary sources of data collection are employed in the research. To ascertain the validity of the measuring instrument for the research, content validity is applied and it consists of face and sampling validity. For face validity, the expert opinion on the subject matter of key success factors (KSFs) was sought to confirm the extent to which the questionnaire has face validity. The experts consulted were the Managing Directors/Chief Executive Officers, Executive Directors Human Resources Management, Executive Directors Marketing, Executive Directors Production, Executive Directors Administration & Finance, and Executive Directors Risk Management in two Brewery companies. All together were twelve (12) in number confirmed the questionnaires used for the study are adequate for face validity.

To determine the reliability of the instrument, pilot testing was carried out and the questionnaires were administered to the studied organizations. Twenty (20) questionnaires each was issued making a total of forty (40) questionnaires for pilot testing. Consequently, Cronbach Alpha was used in determining the reliability of the instrument. The factors considered for the Factor analysis were:

Table 2: Factor Analysis

	Key Success Factors (KSFs) Variables	Factor Loading	Cronbach's Alpha	No of Items
a.	Technology Related KSFs	0.907	0.886	**7**
b.	Manufacturing Related KSFs	0.795		
c.	Distribution Related KSFs	0.858		
d.	Marketing Related KSFs	0.875		
e.	Skills Related KSFs	0.772		
f.	Organizational capability	0.898		
g.	Other KSFs (convenient location favorable image, access to financial capital, patent protection, overall lower cost).	0.914		

Table 2.0 KMO and Bartlett's Test

Table 2.0 KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**0.825**
Bartlett's Test of Sphericity	Approx. Chi-Square	1256.25
	Df	21
	Sig.	0.000
Overall Reliability Statistics : Cronbach's Alpha		**0.886**

The SPSS analysis gives us an overall Cronbach's Alpha values of **0.8**

The SPSS analysis gives us an overall Cronbach's Alpha values of **0.886** Kaiser-Meyer Olkin (KMO) & Bartlett's test of Sphericity is a measure of sampling adequacy that is recommended to check the case to variable ratio for the analysis being conducted. Also, the Bartlett's Test of Sphericity relates to the significance of the study and thereby shows the validity and suitability of the responses collected to the problem being investigated through the study. We can see that we have good values for all variables for the Measure of Sampling Adequacy (MSA) but the overall value is a bit high at **0.825**.However, Bartlett's Test of Sphericity has an associated P value (Sig. in the table) of < 0.05 as by default, SPSS reports p values of less than 0.05 as 0.000. So from the above results we know that we can now continue and perform a valid factor analysis. It can be seen that Key Success Factors (KSFs) and Critical Success Factors (CSFs) were subjected to reliability test using Cronbach's Alpha but in all cases it was high. These KSF's/CSF's are Technological related, Manufacturing Related, Distribution Related, Marketing Related, Skills Related, Organizational capability and Other types of Key Success Factors (KSF's/CSF's) such as favorable image/reputation, overall lower cost, convenient location, access to financial capital, patent protection amongst others.

The SPSS analysis gives us Cronbach's Alpha values for Seven (7) categories of Key Success Factors (KSFs)/Critical Success Factors (CSFs) as shown in the above table. This is an indication that our instruments are reliable. According to Everitte (2006), an alpha value of less than 0.60 is unacceptable; 0.60-0.65 is undesirable, 0.65-0.70 is minimally acceptable; 0.70-0.80 is respectable; 0.80-0.90 is very good and more than 0.90 means consider shortening the scale by reducing the number of items. As it is for all the brewery firms under survey, it shows that, the instrument is very reliable, hence our overall reliability statistics: Cronbach Alpha is **0.886**. The Pearson Product Moment Correlation Coefficient test is adopted for the study to establish the relationship between Key Success Factors (KSFs)/Critical Success Factors (CSFs) and the competitive success of the Breweries firms which is determined in this case using market share growth, sales volume growth, (turnover), profitability growth, share capital size and growth, effective strategy application (e.g quality production, innovation, cost strategy etc).

Analysis and Results

Table 3. Types of Key Success Factors (KSFs)/Critical Success Factors (CSFs) Common in Guinness Breweries Nigeria Plc and Nigerian Breweries Plc to Enhance Competitive Success

Statement	Name of Brewery Company	Degree of Response					
		SA	A	U	D	SD	Total
These are several types of Key Success Factors (KSFs)/Critical Success Factors (CSFs) common in Guinness Breweries Nigeria Plc Lagos and Nigerian Breweries Plc Lagos applied to enhance competitive success of the business. They are Technological, Manufacturing, Distribution, Marketing, Skills, Organizational related and other related Key Success Factors.	Guinness Breweries Nigeria Plc Lagos	65 (36.51%)	85 (47.75%)	7 (3.93%)	16 (8.98%)	5 (2.80%)	**178**
	Nigerian Breweries Plc Lagos	30 (50.84%)	20 (33.89%)	2 (3.38%)	5 (8.47%)	2 (3.38%)	**59**
	Total	**95**	**105**	**9**	**21**	**7**	**237**

Survey: Field Survey, 2017

In this question that sought to find out whether several types of Key Success Factors (KSFs)/Critical Success Factors (CSFs) are common in Guinness Breweries Nigeria plc Lagos and Nigerian Breweries plc Lagos are adopted to enhance competitive success of the business such as Technological related Key Success Factors (i.e. scientific research expertise, expertise in given technology etc), Manufacturing related KSFs, Distribution related KSFs, Marketing related KSFs, Skills related KSFs, Organizational capability KSFs and Other types of KSFs such as favorable image/reputation, overall lower cost, convenient locations, courteous employees, access to financial capital, patent protection amongst others. For the Guinness Nigeria plc Lagos, 65 respondents representing 36.51% strongly agree to the assertion, 85 respondents standing for 47.75% agree, and 7 respondents representing 3.93% were undecided. 16 respondents (8.98%)

disagreed while 5 respondents (2.80%) strongly disagree. For the Nigerian Breweries plc Lagos, 30 standing for 50.84% strongly agree while 20 respondents (33.89%) agreed on the subject matter. 3.38% standing for 2 respondents were undecided. 5 respondents representing 8.47% disagreed while 2 respondents (3.38%) strongly disagree on the position.

Table 4: Key Success Factors (KSFs)/Critical Success Factors (CSFs) as Basic Business Strategy for Competitive Success in Brewery Industry

Statement	Name of Brewery Company	Degree of Response					
		SA	A	U	D	SD	Total
Key Success Factors (KSFs)/ Critical Success Factors (CSFs) as basic business strategy, variables and competitive weapons that can significantly affect the overall competitive position/success of Breweries companies and for competing wisely in any industry and having edge above rivals/competitors.	Guinness Breweries Nigeria Plc Lagos	95 (53.37%)	70 (39.32%)	2 (1.12%)	7 (3.93%)	4 (2.24%)	**178**
	Nigerian Breweries Plc Lagos	20 (33.89%)	30 (50.84%)	3 (5.08%)	4 (6.77%)	2 (3.38%)	**59**
	Total	**115**	**100**	**5**	**11**	**6**	**237**

Survey: Field Survey, 2017

On the issue of Key Success Factors (KSFs)/Critical Success Factors (CSFs) as basic business strategy, variables and competitive weapons that can significantly affect the overall competitive position and success of Breweries companies and for competing wisely in any given industry and having edge above rivals and competitors with regards to table 2.0, For the Guinness Nigeria plc Lagos, 95 respondents representing 53.37% strongly agree while 70 respondents standing for 39.32% agree on this subject matter. 2 respondents (1.12%) were undecided on the matter. 7 respondents (3.93%) disagreed and 4 respondents (2.24%) strongly disagreed on the position respectively. For the Nigerian Breweries plc Lagos;20 respondents opted for strongly agree option standing for 33.89% while in the "Agree" response option 50.84% representing 30respondents revealed that KSFs are competitive weapons that affect the overall competitive position, success of business firms and is a basic business strategy, variable for competing wisely. 3 respondents (5.08%) were undecided. 4 respondents (6.77%) and 2 respondents (3.38%) "Disagree" and "strongly disagree" respectively on the subject matter under consideration.

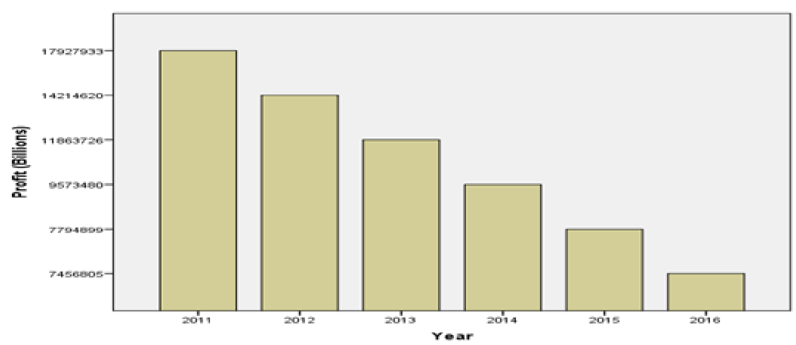
Table 5: Competitive Success Factors of Guiness Breweries Nigeria Plc Lagos and Nigerian Breweries Plc

Statement	Name of Brewery Company	Degree of Response					
		SA	A	U	D	SD	Total
The competitive success of your Brewery firm (i.e. Guiness Breweries Nigeria Plc & Nigerian Breweries Plc Lagos)Outcome is measured by market share growth, sales volume growth (turnover), profitability growth, share capital size and growth, and effective strategy application (e.g. quality production, innovation, cost strategy) as a result of KSFs application/adoption which have improved greatly.	Guiness Breweries Nigeria Plc Lagos	101 (56.74%)	72 (40.44%)	-	5 (2.80%)	-	**178**
	Nigerian Breweries Plc Lagos	22 (37.28%)	28 (47.45%)	2 (3.38%)	5 (8.47%)	2 (3.38%)	**59**
	Total	**115**	**100**	**5**	**11**	**6**	**237**

Survey: Field Survey, 2017

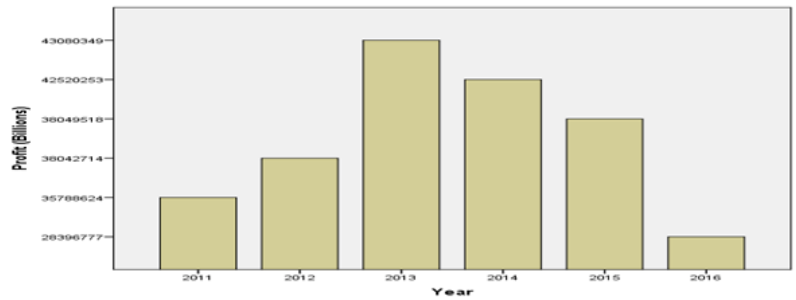
With regard to competitive success of Guiness Breweries Nigeria Plc Lagos and Nigerian Breweries plc Lagos, Outcome has been determined and measured by market share growth, sales volume growth (turnover), profitability growth, share capital size and growth, and effective strategy application (e.g. quality production, innovation, cost strategy), the overwhelming majority of 101 respondents in Guinness Breweries Nigeria Plc Lagos strongly agree standing for 56.74%. 72 respondents representing 40.44% agree on the position. 5 representing (2.80%) disagree on the notion. There was no respondents option for undecided and strongly disagree in Guiness Breweries Nigeria plc Lagos. In the Nigerian Breweries Plc Lagos, at the strongly agree response option, 22respondents standing for 37.28% said market share growth, sales volume growth (turnover), profitability growth, share capital size and growth, and effective strategy application are determinants and measure of competitive success outcome of the company. For “Agree” response option, 47.45% standing for 28 respondents upheld the position and stance. 2 respondents representing 3.38% were undecided on the subject matter. 5 respondents (8.47%) and 2 respondents (3.38%) disagreed and strongly disagreed respectively on the position.

Bar Chart for Guiness Breweries Plc Lagos Showing Profit Status for 2011-2016



For the Guinness Breweries, It is revealing from the graph that the highest point of total profit attainment was in the years 2011 which record profit after taxation of N17, 927,933,000 followed by 2012 with profit after taxation of N14, 214,620,000. In 2013, profit after taxation N11, 863,726,000 while 2016 has low profit of ¦ 7,456,805,000. It is possible to state that monitoring of Key Success Factors (KSFs) that will warrant profit attainment, market share growth, and turnover were more seriously employed and advanced in 2011, 2012, and 2013. But for 2014, 2015, 2016 the company did not give it a serious thought as required, (See appendix II).

Bar Chart for Nigerian Breweries Plc Lagos Showing Profit Status for 2011-2016



For the Nigerian Breweries, It is revealing from the graph that the highest point of total profit attainment was in the years 2013 which record profit after taxation of N43,080,349,000 followed by 2014 with profit after taxation of N42,252,253,000. In 2015, profit after taxation N38,042,714,000 while 2016 has low profit of 28,396,777.000. It is revealing that Nigerian Breweries employed better Key Success Factors (KSFs) to aid profit attainment in 2013, followed by 2014 and 2015. For 2012, 2011, and 2016 monitoring of KSFs to enhanced profit actualization and with factors like economic recession affected the company's profit attainment (See appendix II).

Table 6: Correlations

		Key Success Factor	Competitive Success
Key Success Factor	Pearson Correlation	1	.861**
	Sig. (2-tailed)		.000
	N	237	237
Competitive Success	Pearson Correlation	.861**	1
	Sig. (2-tailed)	.000	
	N	237	237

**. Correlation is significant at the 0.05 level (2-tailed).

Pearson Correlation value **r** is **0.861.** This number is very close to **1.** For this reason, we can conclude that there is a strong relationship between the application of the Key Success Factors (KSFs) and the Competitive Success of the Brewery manufacturing companies in Nigeria. Since the Sig value is **.000** (which is less than .05), it mean the value is significant, we therefore reject the null hypothesis which stated that there have not significant relationship between the two variable. While **N** is the sample size of **237** used for the analysis which represents both Brewery companies.

This is implying that Key Success Factors (KSFs) which are technologically related, manufacturing related, distribution related, marketing related, skill related, organizational capabilities related and other Key Success Factors (KSFs) such as favorable image/reputation with buyers, overall low cost, convenient locations, pleasant, courteous employees in all customer contact positions, access to financial capital, patent protection amongst others identified and adopted by the Guiness Breweries Nigeria plc Lagos and the Nigerian Breweries plc Lagos have enhanced their competitive successes of the firms in form of high profit attainment increase and improvement in market share growth, improvement in turnover or return of investment, share capital, expansion and diversification in product branding. These have enhanced their competitive advantage and sustainability.

The above position confirms the views of Christenseb et al. (1987), who maintains that every business is unique in all aspects, and every business therefore also has to find its own unique match with his environment by identifying the relevant Key Success Factors (KSFs) that will guarantee competitive success. On that note Sadeghi (2016) identifies the following Key Success Factors (KSFs) for the implementation of information security system on service businesses. In the view of other scholars like Al-Sabdaawi (2015) Key Success Factors (KSFs) for enterprise resource planning implementation can be commitment and support of top management, effective project management, user training and education, business plan and vision, technological infrastructure, department (stakeholders) participation, change management, effective communication.

Ferguson and Dickson (1982), Hofer and Schendel (1978), Ohmae (1982), Wheelen and Hunger (2010) also confirms that Key Success Factors (KSFs) can aid organization (i.e business companies) as developing planning instrument which can help businesses in finding the right strategy in order to attain competitive advantage over their rivals. It provides inputs which helps decision makers in structuring their thoughts, the quality of decision-making that will guarantee improvement of the organization. Bradley, Joseph (2008) also confirms that Key Success Factors (KSFs) are few key areas of activity in which favorable results are absolutely necessary for a particular manager to reach his goals; successful managers must focus their scarce resources, their time, on those things that make a difference between success and failure in any enterprise resource planning.

Greene and Loughridge (1996) also maintained that, the identification of the Key Success Factors (KSFs) can help to clarify the nature and amount of resources that must be gathered to permit the project team to concentrate their efforts on meeting priority issues rather than what the available technologies will allow. Evidently, these key areas of activity would need consistent and careful attention from top management if the business system implementation and the organizational goals are to be attained. In other words the KSFs are high-level management considerations, as distinct from detailed set of project deliverable specifications.

Conclusion and Recommendations:

Determining the industry's Key Success Factors (KSFs) should be a top priority of the Executive Management. At the very least, manager's need to understand the industry's situation well enough to know what is more important to competitive success and what is least important. Managers need to know what kinds of resources that is valuable. Misdiagnosing the industry factors critical to long term competitive success greatly raises the risk of a misdirected strategy-one that over emphasizes less important competitive targets and under-emphasizes more important competitive capabilities.

Companies with perceptive understanding of industry's KSFs can gain sustainable competitive advantage by training its strategy on industry's KSFs and devoting its energies to being better than their rivals on one or more of these factors. Indeed, Key Success Factors represents golden opportunities for competitive advantage; companies that stand out on particular KSFs enjoy a stronger market position for their efforts. Hence using one or more of the industry's KSFs as cornerstones for the company's strategy and trying to gain sustainable competitive advantage by excelling at one particular KSFs is a fruitful approach.

It is rewarding to know that, Key Success Factors (KSFs) vary from industry to industry and even from time to time within the same industry as driving forces and as competitive condition changes. Identifying KSFs by Executive Management of Business Organization will lead to competitive success which will attract profitability, high market share for them.

The implication of the findings in this regard is that Brewery manufacturing organizations should acquire skillful, expert managers that are highly knowledgeable, professionally oriented to address the issues relating to Key Success Factors (KSFs) on areas of technology, manufacturing, distribution, marketing, skills, organizational capabilities, branding, location amongst others who can update strategies to address these demanding Key Success Factors (KSFs) to position their firms to be highly competitive in attainment of her goals of profit, market share, turnover, growth, expansion, diversification amongst others.

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APPENDIX I

Department of Business Management
Faculty of Management Sciences
Benue State University, Makurdi
Nigeria, West Africa.
15 May, 2017.

Dear Sir/Madam,
You have been chosen as one of the respondent in this study on the subject matter titled; Key Success Factors (KSFs) as Determinants of firms Competitive Success: A study of Guinness Breweries Nigeria plc and Nigerian Breweries plc Lagos. You are therefore humbly requested to supply honest and sincere answers/responses to the questions by ticks (").There are no right or wrong answers.

Questionnaire

1. There are several Key Success Factors (KSFs)/Critical Success Factors (CSFs) such as Technological, Manufacturing, Distribution, Marketing, Skills, Organizational related and other relevant ones common to your Breweries company.

a. Strongly Agree (SA) [ ]
b. Agree (A) [ ]
c. Undecided (U) [ ]
d. Disagree (D) [ ]
e. Strongly Disagree (SD) [ ]

2. Key Success Factors (KSFs)/Critical Success Factors (CSFs) are basic business strategy for Competitive Success in your Brewery industry.

a. Strongly Agree (SA) [ ]
b. Agree (A) [ ]
c. Undecided (U) [ ]
d. Disagree (D) [ ]
e. Strongly Disagree (SD) [ ]

3. The competitive success of your Business Organization (i.e., Guinness Breweries Nigeria Plc & Nigerian Breweries plc Lagos)Outcome is determined and measured by market share growth, sales volume growth (turnover), profitability growth, share capital size and growth, and effective strategy application (e.g. quality production, innovation, cost strategy) due to KSFs application and adoption.

a. Strongly Agree (SA) [ ]
b. Agree (A) [ ]
c. Undecided (U) [ ]
d. Disagree (D) [ ]
e. Strongly Disagree (SD) [ ]

EFFECT OF AUDIT QUALITY ON THE FIRM VALUE OF LISTED COMPANIES IN NIGERIA: A REVIEW OF LITERATURE

Paul Aondona Angahar and *Patience Ote Ola*

PP. 221-245

Abstract

This study was aimed at investigating the effect of Audit Quality (AQ) on the market value of listed companies in Nigeria. The study has reviewed literature and found that while some studies found a significant positive impact and influence of AQ on firm market value; others reveals significant negative effect of AQ on firm market value. Furthermore, there are also some that finds no effect of AQ on firm market value at all. We therefore concluded that there is no consensus on the results of studies reviewed hence, recommend that further study be carried out precisely in Nigeria where there seems to be dearth of literature in AQ and Firm value which will provide further evidences as to the effect of AQ on market valuation of companies in Nigeria.

Keywords: Audit Quality, Market Value, Firm Size, Share-Price**.**

Introduction

Companies' financial statements provide information about their financial position and performance (Yuniarti & Zumara, 2013).

Dr P.A. Angahar holds a PhD (Accounting and Finance) degree from Benue State University Makurdi and a M.Sc. (Accounting and Finance) degree from Ahmadu Bello University Zaria, he is a fellow of the Association of National Accountants of Nigeria, a member of The Academy of Management Nigeria. Currently, he is an Associate Professor and Dean, Faculty of Management Sciences, Benue State University, Makurdi. His research interests are in financial reporting and financial management.

Mrs Patience Ote Ola holds a M.Sc. (Accounting and Finance) degree from Benue State University Makurdi, She is a lecturer at the Department of Accounting in the same University, and her research interests are in financial reporting and financial management.

This information is used by wide range of stakeholders therefore, the accuracy of these financial statements are crucial for present and potential investors and other stakeholders (Schelker, 2007) as this information creates a basis for logical economic decisions. It is thus pertinent that these financial statements be prepared in manner that should be useful, related and possessing the ability of influencing user's economic decision (Sadegh, Reza & Farzard, 2013; Arnold, 2013; Marjolein, 2011; Beest, Braam & Boelens, 2009; Lin, Liu & Wang, 2007; Schelker, 2007). This makes independent external audit so important since it enhances the credibility of financial reporting needed; increase the confidence of users of the financial statement and increase the firm value (Jusoh & Ahmed, 2014; Yuniarti & Zumara, 2013).

Audit is an independent function by means of an ordered and structured series of steps, critically examining the assertions made by an individual or an organisation about the economic activities in which they are engaged and communicating the results in the form of a report to the users (Salehi & Mansoury, 2008; Salehi, 2010). It can also be viewed as an examination of an entity's financial statement which has been prepared by the accountants. Consequently, audit reports supplement the accounting information drawn from the financial statement. In order to achieve increased credibility of financial statements, there is need for quality audit. The auditor evaluating the company's financial statement should be independent from the company's management providing this same information and should have the ability and willingness to put confidence on the audit quality (AQ) because, in spite of the incessant annual financial statement's audit, there is an increasing concern of investors about the integrity of firm's financial reporting due to scandals involving once well-respected companies like Enron corporation, WorldCom, Cadbury Nigeria Plc., Oceanic Bank Plc., Savannah Bank and African Petroleum, African International Bank, Wema Bank, Nampak, Finbank, Spring bank, Intercontinental Bank plc, Bank PHB, Oceanic bank Plc and Afribank Plc (Odia, 2007; Okolie & Agboma, 2008; Adeyemi &

Fagbemi, 2010; Okolie & Izedonmi, 2014 This calls for increasing demand for audit quality as this will restore the confidence of financial statement users on the credibility of work done by the auditors.

Quality audit (AQ) is the production of financial information without misstatements, omissions or biases. It also explains the ability of audit to effectively constrain earnings misrepresentation and financial statement manipulations. De Angelo (1981) sees AQ as the ability of the auditor to detect misrepresentations and manipulations and the willingness to report such. A measure of

AQ is in its ability to reduce noise bias and improve the fineness in accounting information. A high AQ improves reporting entities' implementation of appropriate accounting standards thereby, increasing the assurance that the financial statements are reliable, transparent and useful to the market. AQ underpins confidence in the credibility and integrity of financial statements that is made available to investors, owners, creditors and other users (Salehi, 2010; Arezo, 2011; Arber, Hysen, Skender & Arben, 2012; Okolie & Izedonmi, 2014; Ziaee, 2014). It suffices to state that AQ provides a basis of assurance to users of the financial statement (Arens, Elder & Beasley, 2006); it attracts investors more cheaply through improved assurance as to the clients' true financial position hence, affecting the market value of such firm (Okolie & Izedonmi, 2014; Jusoh & Ahmed, 2014). According to Ziaee (2014) and Seyed-Hossein, Saudah and Maisarah (2013), AQ plays an essential role in maintaining an efficient market environment. That is to say,

AQ is necessary for the well-functioning of markets. Chang, Dasgupta and Hillary (2007) reveals that high AQ aids the reduction of cost of capital and increases access to equity financing as well as having economic consequences on the capital market. To Titman and Trueman (1986), the better the audit quality; the more the investors rely on the companies' accounting information which could eventually send good signals to the market for higher valuation of such companies' shares. This triggers a question that 'can AQ influence or affect the valuation of a firm?' This question needs to be investigated and answered. It is on this backdrop that this study therefore seeks to investigate the effect of AQ on the firm market value of listed companies in Nigeria.

Objective of the Study

The purpose of this study is an attempt to ascertain through literature review the effect that AQ has on the firm value of listed companies in Nigeria.

Review of Related Literature

Conceptual Framework

The fundamental concepts in this paper are Audit Quality and Firm value, these concepts are reviewed below:

- ***Audit Quality***: AQ is in essence a complex and multi-faceted concept. This perhaps is a reason why the International Auditing and Assurance Standards Board (2011) states that there have been a number of attempts to conceptualise ''AQ" in the past but none has resulted in a definition that has achieved universal recognition and acceptance (Beattie, Fearnley and Hines, 2010; Okolie, 2014). Again, AQ perception may depend on whose eye one is looking through because the various stakeholders (Shareholders, creditors, and other users) in the financial statement may have different views as to what constitute AQ. However, the classic definition of AQ that is cited by most audit researchers is that of De Angelo (1981) which defines AQ as the market –assessed joint probability that a given auditor will both detect material misstatements in the client's financial statements and report the material misstatements. According to this definition

  AQ is a function of the auditor's ability to detect material misstatements and reporting the errors. It means De Angelo's view on AQ is in two dimensions. First, dictating financial misstatement and errors in financial statement; this measures the technical capability of auditors and secondly, reporting a discovered breach measures auditor's independence. The external auditor must be independent as this is very important in lowering the existence of information asymmetry. In line with this view, Ali, Reza and Mahdi (2009) states that the auditor's professional opinion will be of little value to statement users if they believed the auditor is not wholly independent of management. Francis (2004) defines AQ as the ability of audit function in meeting minimum legal and professional requirements. Davidson, Stening and Wai (1984) views AQ as the accuracy of auditor's information reporting. Following this, is the definition of Arezoo (2011) that sees AQ as the ability to produce financial information without misstatements, omissions and/or biases. Closely related to this view is the perception of Wallace (1987) which states that AQ is a measure of the auditor's ability to reduce noise and bias and meticulously improve accounting data while Davidson and Neu (1993) further viewed AQ as the ability of auditors to detect and eliminate material misstatements and manipulations in reported net income.

Palmrose (1988)'s definition of AQ does not stop at these two characteristics of competence and independence but defines audit quality in terms of level of assurance on financial statements. He states that AQ is the probability that financial statement contains no material misstatement.

However, for the purpose of this paper, AQ is viewed as the ability of audit to detect material misstatements and reporting the errors in such a manner that can influence the level of stakeholders' assurance and confidence in the credibility and reliability of clients' financial statement which can serve as basis for economic decisions.

- ***Firm Value*:** Lawani, Umanhonlen and Okolie (2015) state that firm value is the total value of the company's stock. According to Muhibudeen (2015) Business can be valued differently depending on the context which may include: Economic value, Accounting value and Market value. This study is concern with market value that refers to the value of a firm on the stock market. This firm value is based on trade and the beliefs of investors on the quality of audit on the financial statement which then portrays the accounting figures contained in them as relevant and credible. Consistent with the above is the assertions of Mukhtaruddin, Relasani, Bambang, Irham and Abukosim (2014) that, High stock price makes the value of the firm high and it indicates prosperity.

Theoretical Framework

This paper builds its foundation on Agency Theory, Lending Credibility Theory; Theory of Inspired Confidence and Signaling Theory.

- ***Agency Theory*:** The most prominent and widely used audit theory is the agency theory. This theory is based on the idea that when a business is first established, its owners usually manages it and as the business grows, the owners appoints agents to oversee the management of the business in the best interest of the owners. This separation of the ownership from management gave rise to the agency problems. The theory analyses the relationship between two parties i.e. the investors and managers. The manager undertakes to perform certain duties for the investors and the investor undertakes to reward the managers.

  This theory is adopted on the premises that agents have more and better information than the principals. This information asymmetry makes it difficult for owners to monitor the affairs of the company; this gave rise to the demand of auditors (Watts & Zimmerman, 1978; Salehi, 2010; Farouk & Hassan, 2014; Okolie, 2014 & Kipchoge, 2015). According to this theory, the role of the auditor is to supervise the relationship between the managers and the owners more as a control mechanism that diminishes information asymmetry and protects the interest of the owners (Salehi, 2010; Eilifsen & Messier, 2000; Schipper, 1989; Warfield, Wild & Wild, 1995). Wallace et al. (1978) states that agency theory believes that AQ helps to decrease the disagreement between directors and investors.

Another basis for agency theory is the possibility of agents pursuing self-interest rather than complying with the requirements of the contract for this reason, the principals (owners) will always be interested in the outcome of the business generated by their agents (managers/directors) (Kim, Chung & Firth, 2003).

The agency theory is of the view that audit has an important role in providing information that can reduce information asymmetry (Salehi, 2010; Sadegh, Reza & Farzad, 2013). It is also believed that the auditor's work can be used as a guide for valuation of companies (Salehi, 2010; Muhibudeen, 2015). Therefore, agency theory is a useful theory of accountability which helps in explaining the development of AQ.

- ***Lending Credibility Theory*: ** This theory is of the view that the primary function of the audit is to add credibility to the financial statements. In this view the service that the auditors are selling to the clients is credibility. Audited financial statements are seen to have elements that increase the financial statement users' confidence in the figures presented by the management in the financial statement. The users are perceived to gain benefits from the increased credibility, these benefits are typically considered to be the improved quality of investment decisions made based on reliable information. Healy and Palepu (2001) are of the view that, since directors are aware of the quality of audit, they will tend to disclose more information thereby adding to the credibility of the financial statements. The ability of audit to lend credibility to financial statements is one of the driving forces for the development of AQ.
- ***Theory of Inspired Confidence*: ** This is a theory of rational expectation. Limperg (1932) addresses both demand and supply for audit services. The demand for audit services is the direct consequence of participation of third parties in the company (that is. interested parties of the company). These parties demand accountability from the management, in return for their investments in the company. However, since this information provided by the management may be biased

with the outside parties having no direct means of monitoring, an audit is required to assure the reliability of this information. This theory links the users' requirement for credible financial reports and the capability of the auditor to meet such demand. According to Okolie (2014), the theory bestows on the auditor high level of confidence as the only messiah who can bring to the principal all relevant information necessary and capable of reducing information asymmetry thus, the auditor is under an obligation to conduct his work in a manner that does not betray the confidence which he commands. This theory also explains the need for AQ necessity and development.

- ***Signaling Theory*:** Signaling theory stands on the agency theory (Okolie & Izedonmi, 2014). This explains the manner by which managers may impart to the market additional information about their company and their own behaviour. Signaling theory suggests that companies with good performance use financial information disclosure through the help of quality audit to send signals to the market. A high quality audit sends a signal to the market that the financial statements are credible. The signal of transparency and credibility sends assurance about the quality of firm's financial disclosure in statements to the stakeholders and this positively suggests the quality of audit.

  This theory also believes that the market perception of the quality of the company's auditor influences the company's share price. According to Xin, Andre, Elaine and Hong (2008), AQ serves as a signal of company's value in the market. Okolie (2014) is also of the opinion that even voluntary disclosure that may be used as signals, can achieve enhanced credibility only in the presence of a quality audit. This also explains the necessity for the development of AQ.

Review of Empirical Studies

- ***Measures of Audit Quality*:** The measures of AQ that is adopted in this paper are majorly the indirect factors affecting AQ (Arezoo, 2011). These include: Audit fee, audit firm size, audit independence, audit experience and audit tenure.

- ***Audit Quality and Audit Fees*:** Francis (1984) argues that a large audit firm will charge higher fees to deliver high-quality services. De Angelo (1981) opines that demand for services created by reputation for quality creates economic 'quasi rents' which manifest in fee premiums. Amba and Al-Hajeri (2013) defines audit fees as a fee that company is expected to pay to an external auditor for performing audit and assurance services. Several studies have also demonstrated that the large audit firms earn a significant fee premium over small firms (Palmrose, 1986; Wooten, 2003). In line with the above studies Moizer (1997) and Rodrigo and Andre (2012) asserts that audit fee is associated with higher audit quality resulting in higher reputation of the auditors. This view is also supported by Francis (2004) that higher audit fee means higher audit quality. Where billing rates are higher it implies greater expertise, or more hours are used which also implies more audit effort. McLennan and Pack (2004) also asserts that reputable audit firms charge higher fees for their perceived reputation. Xin, Andre, Elaine and Hong (2008) are not indifferent to the views of audit fees as they state that in a competitive audit market, a fee differential between audit firms reflects a return to higher quality. Yuniarti (2011) is of the view that audit fee is a factor that significantly affects the quality of audit. According to him, higher fees connote audit quality. According to Okolie (2014) higher audit fees are reflected in higher cost resulting from greater audit quality. The hallmark of these arguments is that an individual has an economic incentive to incur above average costs in order to produce a service of above average quality. Eventually, consumers recognise this improved quality and are prepared to pay a higher fee in order to receive the service.

  On the contrary, Li and Lin (2005) and Zunaida, John, Amariah and Zuraidah (2013) are of the view that higher fees paid to auditors can impair auditor's independence as these higher fees are capable of increasing the bond between the auditor and client hence, reducing auditor's independence.

- ***Audit Quality and Audit Tenure*:** Adeyemi, Okpala and Dabor (2012) define Audit firm tenure as the length of the audit firm client relationship as of the fiscal year end covered by the audited financial statements. Audit tenure for short can be explained as when the same auditor audited the financial statements of a company for two to three years or more years. Therefore, audit tenure for a medium term can be within four to eight years (Adeyemi, Okpala and Dabor, 2012). Watts and Zimmerman (1983) are of the view that the longer the audit tenure the more the auditor becomes dependent on his client. This means auditor's objectivity and independence will be destroyed and hence jeopardise AQ. Knapp (1991) also establish a decrease in auditors' ability to detect anomalies as the tenure increases or gets longer. This might be attributable to a loss of auditors' independence due to long term relationship with client. It can also be traced to clients' knowledge of the ways and methods of audit therefore changing its method of fraudulent acts. Also, where there is auditor rotation rule, the auditor might not be so thorough in his effort to identify weaknesses since he is aware that he has a limited audit time with a particular client therefore do not deem it fit to impress a client. In the same vain, Copley and Doncent (1993) assert that the longer the period of engagement, the higher the risk of lower AQ. This also replicates the view of Donald and Giray (1992) that AQ decreases as audit tenure increases. To Francis (2004), Audit tenure can decrease audit quality. When a client has the same audit firm for a long period of time, it is capable of impairing the independence of the audit firm, who become captive to the client. However, knowledge of the client is good and this might be gone when the client switches to another audit firm too frequently (Carcello & Nagy, 2004; Marjolein, 2011). Following this is Bazrafshan (2011) and Adeniyi and Mieseigha (2013) that found out that long term relationship between client and auditor leads to increase in management flexibility in the use of creative accounting. Haboya and Ohiokha (2014) are also of the view that longer audit tenure has negative effect on AQ.

However, some studies like Barbadillo and Aguilar (2008); Johnson, Khurana and Reynolds (2002); Carcello & Nagy, 2004); Nashwa (2004); Wang (2009); Marjolein (2011); Adeyemi, Okpala and Dabor(2012); Mahmond, Forough and Hamid (2013) are of the opinion that longer audit tenure allow the auditors to know their client's internal control and accounting system better; increase expertise in specific industry and this makes easier for the auditors to fight earnings management and other irregularities in clients financial reporting process but this will not be available where there is frequent client switch or rotation.

The dilemma in research debates as to whether to change auditors from time to time or to build a long term relationship with the audit firm seems to be unending. This conflict in prior studies forms the basis for the choice of audit tenure as proxy for AQ.

- ***Audit Quality and Audit Firm Size*:** Size of audit firm has been one of the most commonly used AQ variables in prior research and it has consistently provided positive effect on AQ. Wibowo and Rossieta (2010) assert that the probability for delivering high AQ increases as the audit firm size gets bigger.

Audit firm size explains whether a client financial statement is audited by a large company or by a small company (De Angelo, 1981). De Angelo (1981) is of the view that when the audit firm is large and has many clients, it has less incentive to behave opportunistically. This suggests that larger or more prestigious accounting firms have greater incentives not to perform a low-quality service at a high-quality price because they have more wealth and more valuable reputation (Dye, 1993; De Angelo, 1981). In support of this, studies like Watts and Zimmerman (1983); Ashbaugh and Warfield (2003) suggest that large audit firm size give higher AQ because of greater monitoring ability gained by size.

Moizer (1997) opines that large audit firms have an incentive to investigate and report irregularities because of the fear of losing reputation hence, ensuring AQ. Lennox (1999) add to this by stating that, large audit firms have greater stake to avoid issuing inaccurate reports. His view is consistent with that of De Angelo (1981) and Dye (1993) that big auditors have more to lose by failing to report a discovered breach as a result, increasing the AQ supplied by such large audit firm. It is worth noting that these big audit firms may offer better services than smaller ones because they may possess more resources and may utilize staff with superior skill and experience (Palmrose, 1986; Dezoot, Hermanson, Archambeatt & Reed, 2002; Louise, 2005). To Francis (2004), big audit firms have established brand name reputation and therefore have to protect this reputation by providing high AQ. Various studies also find that larger audit firms are associated with a variety of phenomena consistent with high quality, including lower litigation activity, fewer accounting errors, higher earnings response coefficients, lower probability of informed trading (DeFond, 1992; Davidson and Neu, 1993; Teoh and Wong, 1993; Becker et al., 1998; Francis and Wilson, 1998; Francis et al; 1999; Lennox, 1999; Nelson et al., 2002; Chang et al., 2007; Seyed-hossein, Saudah and Maisarah, 2013).

Others theorised that there is no real audit quality difference but that the perception exists because large firms are well known and have gained a reputation for high quality (Imhoff, 1988; Boone et al., 2000; Lawrence, Minutti-Meza and Zhang, 2011; Okolie, 2014). On the whole, there seem to be mixed evidences on AQ and audit firm size, but it appears that there is some relationship between them since most empirical studies find large audit firms to have more incentive to be accurate because they have a reputation at stake and therefore have more to lose in case of any litigation.

- ***Audit Quality and Audit Independence*:** The independence of the auditor is very important because his/her independence is capable of reducing information asymmetry hence reducing agency problems between owners and management. De Angelo (1981) relates the probability of detecting errors to auditor competence and associated the probability of revealing the anomalies with auditor independence. Therefore audit independence is defined as the probability that the auditor will disclose any misstatement in financial statements given that these misstatements are already discovered (De Angelo, 1981). Okolie (2014) also sees audit independence as an unbiased mental attitude in making decisions throughout the audit and financial reporting process. He also states that audit independence is the quality of being free from influence, persuasion or bias. The absence of audit independence will likely impair the value or quality of the audit.

Several studies like Windsor and Warning-Rasmussen (2009) has shown that audit independence is one of the key factors that affect AQ positively. Haboya and Ohiokha (2014) are of the view that audit independence is directly proportional to AQ. This is in accordance with Francis (2004) view that the higher the audit independence; the higher the AQ. Sequel to this, it is pertinent to include audit quality as a proxy for AQ measured as a ratio of audit fees to company's revenue (Haboya & Ohiokha, 2014).

- ***Audit Quality and Audit Experience*:** Audit experience is related to how long the auditor works. AQ can be achieved when the auditor gains more general experience in the audit profession. The competency acquired from the experience will generally improve AQ. Besides the general audit experience, an auditor simultaneously accumulates client–specific experience which grant him/her the opportunity to have more in-depth knowledge about a specific client's business operations , accounting system and possible risk hence, resulting to higher AQ (Johnson, Khurana & Reynolds, 2002; Marjolein, 2011; Mahmond, Forough & Hamid, 2013).
- ***Audit Quality and Firm Valuation*:** Looking at the value of firm's share prices from the perspective of AQ, Hogan (1997) argues that audit quality is capable of affecting IPOs (initial public offers) pricing. This is in consensus with the view of Ghosh (2007) that external audit quality affect firm value. Wibowo and Rossieta (2010) assert that high quality audit is

perceived to be a vital factor that contributes to market efficiency of any economy. Taqi (2013) also argues that while audit failures causes decline in firm value, a high AQ rather impact on the firm value positively. Jusoh and Ahmad (2014) are also in support of the assertion that the quality of the audit is capable of positively impacting on or impairing on the value of firms.

Hence, where the quality of an audit firm becomes questionable and threatened, the value of firms audited by such firm decrease as a result, such companies withdraws the services of the audit firm. This was the case with once a time famous accounting firm "Arthur Andersen" (Ziaee, 2014; Ali, Reza and Mahdi, 2009).

Research has shown that firm market value is heavily dependent on AQ. it is pertinent that the quality of audit be improved as this will lead to a rise in the credibility of financial information incorporated in the financial statements. Consequently, sending signals to the market as to what is necessarily the value of a specific firm.

Nigerian Empirical Studies

Uwuigbe (2013) sought to know the resultant impact of corporate governance practices on share prices on a 3 year period; the study sampled 30 companies listed on the Nigerian Stock Exchange and used regression and correlation analysis to test the hypothesis. It revealed that audit committee is positively related to share price.

Okolie and Izedonmi (2014) studied the impact of audit quality on the share prices of quoted companies in Nigeria. The study adopted multiple regression method on the data extracted from annual reports of 57 companies quoted on the Nigerian Stock Exchange for a period of six (6) years. The findings showed that AQ exerts significant influence on the market price per share of quoted companies in Nigeria.

Onulaka (2014) in the search for the effect of audit expectation gap on the Nigerian capital market administered questionnaires and analysed them using chi-square. The audit expectation gap is what the public perceives the role of auditor to be which is usually different from the terms of the audit work. It is inferred from prior studies that for audit to be able to prevent or detect fraud as expected by the public it must be of quality. Their findings reveals that the expectation gap has a negative impact on the volume of transactions in Nigerian Stock Exchange meaning that where the expectation of the public on the quality of audit seems not to be met it can affect the market drastically.

Okolie (2014) investigated the influence that audit firm size exerts on the market value of companies in Nigeria. The study also made use of a 6 year period and 57 companies giving a total of 342 observations. The study revealed that AFs exerts significant influence on the market price share of companies sampled in Nigeria. The study findings are not far-fetched from the finding in Okolie and Izedonmi (2014).

Farouk and Hassan (2014) also examine AQ impact on financial performance of quoted cement firms in Nigeria. They sample 4 firms and analysed data using multiple regression analysis. The results of the findings indicated that auditor size and auditor independence have significant impacts on the financial performance of quoted cement companies in Nigeria. This study covered one industry in the manufacturing sector of listed firms in Nigeria. It is necessary to improve on the sample size by incorporating other sectors even if it is to take one firm from each sector so as to give a fair representation of quoted companies in Nigeria.

Research Methodology

The study is a review of literature thus it reviews previous studies on AQ to see what has been done, how well it has been done and detects what area is left to be tilled or not seriously studied with emphasis on a developing economy like Nigeria.

Conclusion

It is evidential that AQ has been seriously investigated over the years. Several authors tried to study AQ in different perspective ranging from what AQ entails, determinants of AQ, impact of

AQ on firm financial performance and most recently, the impact of AQ on the market behavior of audited firm's share prices. It is observed that most studies in the past decade in various economies are on how to ascertain the various determinants of AQ so as to reveal what is actually responsible for the high/low quality of audit giving a guide to auditors intending to work towards high quality.

It is also observed that in spite of the work towards audit quality, the audit firm's scandals and failure of firms whose financial statement were audited by the 'quality auditors' seems to be on the increase as such, there seems to be a switch of investigation towards finding the effect of audit quality on the value of the firm. This switch in AQ research phase over the years seems to be operational in other economies. It is also noticed that not until recently (2013 and 2014), there had been few studies investigating the relationship between AQ and either firm performance and/or firm value in Nigeria. Studies in Nigeria had their focus towards finding out the determinants of AQ (that is: factors that can affect the quality of audit).Most studies reviewed made use of regression analysis technique to arrive at various findings. Some are of the opinion that for any audit to earn the financial statement credibility and reliability as well as meeting the expectation of the stakeholders of the financial statement, it must be carried out on the basis of quality bearing in mind that the quality of audit work is in its ability to detect and report errors, omissions, biases and any other abnormalities found in the financial statements with such studies concluding that, AQ affects the view of the public on financial reports and resultantly, affecting the value of firms. On the contrary, other scholars opine that the quality of audit does not matter in the valuation of firms. These mixed findings are more with regards to Audit Tenure, Audit Fees (AF) and Audit Firm Size (AFS), but found consensus on findings with respect to Audit Independence (AI) and Audit Experience (AE).

Precisely in Nigeria, the various studies tend to agree that AQ affects the performance and valuation of firms. It is also observed that the studies use only market price per share for studies on AQ and valuation of firms and used Audit Fees (AF), Audit Firm Size (AFS), Audit Tenure (AT) and Audit Committee (AUDCOMM) as surrogates for AQ (Most of the studies used Audit Firm Size (AFS) only). Again, due to the mixed findings in the reviewed studies (even though using similar analysis technique and models) one can hardly ascertain the effect of AQ via Audit Fees (AF), Audit Firm Size (AFS), Audit Tenure (AT), Audit Independence (AI) and Audit Experience (AE) on the valuation of companies in Nigeria more so that no known study in Nigeria to the researchers has included AI and AE as surrogates for AQ and findings from other economies cannot be inferred as fully representing the position in Nigeria.

Consequently, such study will be a study that will expand on the AQ research area in Nigeria and examining the effect of AQ on market value of firms in Nigeria will reduce the dearth of extant literature on AQ and firm value in Nigeria.

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ENTREPRENEURIAL MARKETING PRACTICES AND PERFORMANCE OF PUBLIC ENTERPRISES IN NIGERIA: A STUDY OF BENUE STATE

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PP. 246-271

Abstract

This study investigates the effect of Entrepreneurial Marketing (EM) practices on public Enterprises in Nigeria. A cross-sectional survey design was adopted in the study. The unit of analysis was public enterprises while the managers of the sampled public enterprises or their representatives were the respondents. Simple random sampling was used to sample 225 respondents from a total population of 531. The outcome of the statistical analysis conducted via the Product Moment Correlation Coefficient (r) statistic at 5% level of significance revealed that entrepreneurial marketing practices have a significant positive effect on the performance of public enterprises in Benue state (t_{cal} (5.16) > t_{tab} (3.18); $p<0.05$). Based on the findings of the analysis, the study concludes that EM practices have positive effect on the performance of public enterprises in the study area. The study therefore recommends among others that Business managers and operators should always develop and put in place appropriate entrepreneurial marketing practices in their enterprises at the right time and in the right proportion to ensure the performance of their enterprises.

Key Words: Entrepreneurial Marketing Practices, Public Enterprises, Performance

Introduction

Today's business world has undeniably assumed an increasingly dynamic, challenging and competitive development, compelling firms to employ diverse kinds of practices and strategies to remain relevant and competitive in the market, create customer value, and accelerate business growth performance. For public enterprises, the development has informed the need to plan a competitive strategy through the development of appropriate entrepreneurial marketing practices to, among other things anticipate market trends, customer needs, and competitor actions, which is considered as part of a firm's roadmap and a crucial component of its approach to success and growth (Parrilli & Elola 2011).

Marketing, a matrix of business activities organised to plan, produce, price, promote, distribute goods, services and ideas for the satisfaction of relevant need is important for the success of any organisation whether private or public, service or product oriented and. It is also an activity, set of institutions, and processes—always interconnected and interdependent meant to identify, anticipate, create, communicate, deliver, and exchange valuable offerings that satisfy clients, audiences, partners, and society at large. Marketing is therefore the pivotal part of any business that provides essential inputs to the firm's overall strategies and it is central to the success of any business in today's fast moving competitive markets just as measuring marketing's performance is critical to managing it effectively. It can also be seen as a bridge that all businesses need cross by practicing it appropriately if they must improve their performance, remain relevant and effectively take care of competitions (Masato & Troilo, 2015). In an era when public sector organisations need to perform better and respond well to the public interest, irrespective of whether they govern the character of public provision as opposed to producing goods and services themselves, marketing can help.

Competition in today's business world has however transcended beyond putting in place general marketing practices. Though the basic principles of marketing are basic, same and relevant to all kinds of enterprises, it is has become very clear that marketing practices appropriate for the present time in public enterprises must in addition to the general marketing principles, have the right mix of entrepreneurial mindset, creativity, innovativeness, dynamic characteristics and approaches which are attributes of Entrepreneurial Marketing (here after refers to as EM) since the kind of marketing behavior and practices relevant in the present challenging business world must deviate from what is stereotyped in mainstream marketing (Nabamita & Deepraj, 2015).

EM practices have created many opportunities for firms to not only improve their current business operations and competitive advantages but to also engage in new ones and gain higher business growth performance (Forsman & Temel 2011). Although a firm with a higher business growth performance is considered to have a competitive advantage due to its valuable, unique, and difficult to imitate resources and capabilities, the sustainability of its competitive advantage might depend on its capacity to develop and put in place appropriate marketing practices at the right time and in the right proportion (Hanmaikyur, 2016).

The need to employ appropriate EM practices in any enterprise is to enhance Performance, a term that is considered to be a subset of the broader concept of organisational success. Performance is a fundamental feature for survival and sustainability as performance factors like appropriate entrepreneurial marketing practices have been found to spur business expansion, sales growth, customer satisfaction and return on investment in all classes of public enterprises (Itodo, 2017). Prior research efforts (Eniola & Entebang, 2015) suggest that sound marketing practices are an important contributor to performance in business. To this end, Taiwo (2010) conclude that marketing practices have a significant impact on performance variables as they interact with different components to facilitate performance. It is therefore clear that there is a strong correlation between appropriate marketing practices and the performance of enterprises.

Public sector organisations which can also be rightly referred to as government-owned and government funded organisations (Rainey, 2009), form an important part of human society. This is evident from the facts that government provides employment, security, and a good number of amenities to all members of the public. These enterprises were created in most countries to accelerate economic and social development. It is viewed as a method of state intervention, regulation, control, and management of the economy is now a popular phenomenon to be found in all types of economies be it mixed type (capitalist) or socialist economies. Apart from political ideology, purely economic needs or reasons have influenced the decision by many countries to establish and use public enterprises. Organisations in this sector, like many other organisations, face the challenge to act in changing environments with increasingly high expectations (Mayasari, Maharani & Wiadi, 2014) a development that demands the application of entrepreneurship in order to address these challenges. Similar requests have been voiced in different contexts and cultures in the past decades (Nigussie, 2014). Increasing evidence indicates that most public enterprises either do not contribute strongly to development or perform their public service functions ineffectively or inefficiently.

-----Poor performance of the public sector is reported in most developing countries and Nigeria is no exception. Public establishments in Nigeria operate as inefficient institutions, grappling with lack of clear policy direction, counterproductive bureaucratic red tape and a myriad of other problems. These problems have led to suboptimal performance in all spheres of its operations, from inadequate infrastructure to very low quality customer service. To this end, a good number of writers on entrepreneurship have emphasised that the public sector should be run more like business, so as to innovatively provide the goods and services needed to improve the standard of living of the people.

It is generally believed that the establishment of public enterprises by the government is informed by need to attain some public policy goals with the belief that the enterprises are better instruments for promoting developmental goals. Unfortunately, the situation is all too common when public enterprises explain away their commercial failures by pointing to their so-called social responsibilities. One gets the uncomfortable feeling that managers of public enterprises use social objectives as a post-facto alibi for poor performance. There is need to pursue efficiency and effectiveness of public service to effectively enhance accountability to its citizens. At present, there is a general public outcry of poor performance of almost all the public sector establishments in most developing countries including Nigeria. This study believes that if public managers are entrepreneurial and their establishments are entrepreneurial oriented, their ability to deliver on their mandate will be ensured.

Achieving accelerated performance in public sector enterprises demands their marketing practices to be entrepreneurially and properly carried out and correctly implemented at the right time and in the right proportion (Kinyua, 2014). Besides, the modern day competitive environment demands the successful implementation of marketing practices if a firm is to achieve an appreciable performance in its chosen market segment. Firm performance has been established to directly depend on efficient marketing practices (Naelati, and SobrotulImti, 2014). It is against the above background that this study was conceived to ascertain the effect of entrepreneurship marketing practices on the performance of public enterprises in Nigeria.

Conceptual Clarification and Review of Related Literature

Public Enterprise Defined

The term public enterprise is used to cover a wide spectrum of public institutions ranging from purely regulatory organisations at one end to purely commercial at the other. A number of terminologies are used to describe these institutions: public corporations, public undertakings, state-owned enterprises, national enterprises, public enterprises and so forth. The core of the concept of public enterprise lies embedded in the term itself. It suggests an organisation which has two faces or two dimensions i) an enterprise dimension and ii) a public dimension. It follows that each of the two dimensions (Public and enterprises) must be present at all times and in all places without which these classes of organisations may not be referred to as public enterprise.

The term public enterprise is therefore used to cover a wide spectrum of public institutions ranging from purely regulatory organisations at one end to purely commercial at the other. In between one finds a variety of promotional, developmental and catalytic bodies. The ambiguity has arisen because of a trend to create autonomous bodies often set up by public corporations to discharge; it is believed more effectively, tasks which would ordinarily have been undertaken by regular government departments. All these organisations fall under the generic category of parastatals. The confusion has been compounded by the use of a number of terminologies to describe these institutions - public corporations, public undertakings, state-owned enterprises, national enterprises, public enterprises and so forth.

Entrepreneurial Marketing (EM) Practices

An understanding of Entrepreneurial Marketing (EM) practices is clearer when marketing and marketing practices are properly conceptualised since the two concepts come together to form one (Gyong, 2015).

Kotler and Armstrong, (2016) defines marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. The process of marketing is therefore finding ways to provide people with products and services that they either need to function normally or desire to improve their wellbeing.

Marketing practices refer to the adoption and utilisation of philosophies, strategies and activities associated with the marketing concept. Such practices are generally broad based and are usually defined as constructs which are based on marketing principles. Onu (2010) described marketing practices as a consistent, appropriate and feasible set of principles through which a particular company hopes to achieve its long run customer and profit objectives in a particular competitive environment. The above definitions clearly position marketing practices within the firm where innovation and creativity interact in the midst of available resources to achieve earlier stated tasks.

Evidences abound that show that the application of the entrepreneurial concepts and tools make marketing to achieve high level of success in the marketplace. Entrepreneurs, in their character of innovativeness have found the use of marketing principles and strategies very effective in engendering success in entrepreneurial practices. Subsequently, there is a high rate of adoption of marketing principles in the entrepreneurial practices all over the world and the eventual development of Entrepreneurial Marketing (EM).

Entrepreneurial marketing (EM) seems to thrive in a highly fluctuating environment as experienced in Nigeria. Most often, before any formal marketing planning is concluded, new condition would have arisen to render the plan ineffective. Morgeson and Petrescu, (2011), remark that EM is effective within fluctuating and changing environments which restrict opportunities for formal planning. Good marketing is inherently entrepreneurial. It is coping with uncertainty, assuming calculated risks, being proactive and offering attractive innovations relative to competitors. And good entrepreneurship is inherently marketing oriented.

EM fosters values of innovativeness, risk-taking and proactiveness throughout the firm, and ties these values to a customer-driven orientation. It reinforces entrepreneurial values by developing rules of conduct, vocabulary, methodologies, rituals, and myths/stories that encourage customer-centric innovation. Importantly, EM represents a different approach to envisioning the business itself, its relationship with the marketplace, and the role of the marketing function within the firm. Thus, the business is viewed as an "innovation factory", where all departments and functions are defined in terms of an internal value chain and have an ongoing responsibility for

identifying new sources of customer value. With regard to the marketplace, the firm seeks to lead customers as opposed to reacting to or following them, and attention is devoted to the creation of new markets rather than better serving existing markets. A review of literature suggests that most successful firms are the ones that engage in more EM activities including marketing.

Njau and Karugu, (2014) opine that EM practices are an important marketing paradigm that helps firms rethink their ways of doing marketing and formulate marketing practices based on innovative and creativity and in line with the realities of the business, the environment and the prevailing competition. Several scholars (including Moorman et al 2014*)* support the idea that entrepreneurial marketing practices are important for a company's performance, affecting it directly and positively. Their rationale is that entrepreneurial marketing practices develop vital innovative skills that allow firms to connect customers to their products. From the above submission, it can be concluded that marketing practices are the tonic that businesses need to improve their performance and stay on top of competitions.

Marketing in the Public Sector

The basic principles of marketing are relevant to all kinds of enterprises. However, marketing in the public sector must be astutely informed by what its organisations do and the way in which they operate, that necessarily being the outcome of political decisions on the purpose and content of the public realm (which are almost always about balancing conflict over values).

Once marketing as a language of discourse in the public sector has been agreed to and its distinctive purposes, conditions, and tasks are appreciated (since the public domain has different values), then marketing as an integrated set of ideas can be used. (This need not mean that the civil service's traditional strengths of equity, accountability, impartiality, and a wide review of the public interest will thereby be forsaken). Of course, the public sector has long had elements of marketing but they have usually been marginal to the provision of core public goods and services. Detractors have argued that marketing approaches entailed little other than the use of specific tools, not the development and adoption of a marketing orientation.

Marketing must surely now be seen to be an essential part of public sector management. Private sector tools, methods, and approaches have already been adopted in the public sector. (Monitoring and evaluation figures prominently.) But many public sector organisations—especially not-for-profit—are realising that strategic marketing can help address two challenges: the challenge of meeting mandates and satisfying stakeholder needs in the face of diminishing resources, and the challenge of meeting specified revenue or cost-recovery targets. With the shift of the public sector to more managerial, business-like approaches, the adoption of marketing and related managerial practices can also strengthen accountability in operations.

One of the greatest obstacles to using marketing in the public sector is lack of understanding of the different types of marketing in which it might engage and how each might help build relational capital. Madill (1998) identified these four different types to include the following:

- **Marketing of Products and Services:** Many public sector organisations offer products and services free of charge or for a fee (either on a cost-recovery or for-profit basis to support core public good programs). Marketing in this context is not so dissimilar to that conducted in the private sector. However, many public sector organisations are much more familiar with promotion than with the other Ps of the marketing mix— such as product (or service), place, and price because many have developed communications plans outside of a marketing framework. The negative image of marketing in the public domain may well owe to the fact that many managers there equate marketing with advertising. The understanding that all four elements of the marketing mix are aspects of a complete marketing strategy can be developed though marketing training.
- **Social Marketing**: In the views of Kotler and Zaltman, (2011) social marketing is the design, implementation, and control of programs calculated to influence the acceptability of social ideas and involving considerations of product, planning, pricing, communication, distribution, and marketing research.

It may involve campaigns to change attitudes and the behaviour of target audiences.

- **Policy Marketing:** This type of marketing entails campaigns to convince specific sectors of society to accept policies or new legislation.
- **Demarketing:** Marketing calls for campaigns that are launched by public sector organisations to advise or persuade targeted groups not to use programs that have been available to them in the past. Well-designed marketing that takes into account the characteristics of the public sector can greatly assist public sector organisations in serving their stakeholders. Failure to take account of the differences in purposes, conditions, and tasks that distinguish them from the private sector will likely lead to inappropriate and ill-conceived marketing programs.

Performance

Performance is a concept that is subject to open and wide variability of meanings as it is somewhat an imprecise word when it functions as a place holder in research (Folan, Braume & Jegede, 2007). The lack of consensus on the definition of the concept creates confusion and clearly limits the potential for a clear generalisability and comparability of research in this area (Franco-Santos, et.al 2007). To accurately assess how well a business is performing, Moulin, (2003) opines that one needs to develop some quantifiable measures by identifying those aspects of the business processes that need improvement and those that are working well. This can then be used to evaluate the company's productivity over a set period of time.

Porter (2008), defines performance as the above-average rate of return sustained over a period of years. Firm performance could mean the success level of the firm in the market within which it operates. It could also be described as the ability of the firm in creating commendable profit. Wilson, Perepkin, Zhang & Vachon, (2014) sums it as a measure of how well a mechanism/process achieves its purpose. He adds that a firm's performance is an important dependent variable in business research. Naelati, Tubastuvi and SobrotulImti, (2014) view the concept as the ability of an object to produce results on a dimension that has been determined beforehand in relation to a set standard or target and often relates to action and processes that lead to some outcome and the result of the action is also generally included in the examination. It is clear from the foregoing that Performance can be conceptualised as a process or the manner by which the business owner or manager of SMEs executes their functions and crucial elements to improve the standard of their businesses. In enterprise management, Moullin (2003) defines an organisation's performance as "how well the organisation is managed" and "the value the organisation delivers for customers and other stakeholders. Performance also refers to the firm's success in the market, which may have different outcomes. We can conclude that performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed.

Firm performance is a focal phenomenon in business studies. It is also a complex and multidimensional phenomenon which can be characterised as the firm's ability to create acceptable outcomes and actions and which has been established to directly depend on efficient marketing practices (Naelati, and SobrotulImti, 2014). Every serious business must ensure that its practices evolve to continue enhancing its performance. The performance of a firm can be viewed from several different perspectives, and various aspects can jointly be considered to define firm performance. Studies relating to both large and small firms in the public and private sectors constantly emphasise a positive relationship between businesses practices, management activities and performance, as it is often articulated that best business practices produce superlative business performance (Arsalan, Naveed and Muhammad 2011). This entails re-examining the operations of a number of practices and determining which of them are most successful. This will help to set standards against which similar businesses are measured to ensure that the plans for progress are directed towards achieving similar and even superior goals (Kolsum, 2014).

Whatever the definition adopted and regardless of the size of the firm, firm performance evaluation is very crucial to ascertaining the success or failure of the firm so as to take proper actions to ensure that it clearly achieve its objectives.

Theoretical Framework of the Study

Although EM fits with a number of theoretical foundations, it is especially consistent with the Resource-Based View (RBV) theory of the firm. The RBV of the firm which was first coined by Birger Wernerfelt in 1984 (Yahya, 2014) attempts an explanation of the relationship between the firm resources and sustenance of modest advantage of superior firm performance (Ringim, 2012) and provides a theoretical ground for the assessment of the firm's specific factors that affect their performance and if any of these factors is lacking the performance of the firm will be affected (Aliyu, 2014). It describes a firm as a unique bundle of tangible and intangible resources (assets, capabilities, competencies, organisational processes, firm attributes, information and knowledge and so forth) that are controlled by the firm (Barney 2002). These resources enable a firm to implement strategies designed to improve its efficiency and effectiveness (Barney 2002). The resource-based view suggests that valuable firm resources are usually scarce, imperfectly imitable and lacking in direct substitutes. A firm's resource must have four attributes: 1) it must be valuable; 2) it must be rare among a firm's current and prospective competition; 3) it must be imperfectly imitable; and 4) it cannot be substituted for strategically equivalent resource (Barney 1991).

According to the Resource- Based View theory, organisations can have competitive advantage through the development of resources that are peculiar and diversely distributed (Aliyu & Mahmoud, 2014). The RBV does not have a single accepted definition, hence, the term resources and capabilities are used interchangeably (Aliyu, 2014). It holds much promise as a framework for understanding strategic marketing issues. Similarly, understanding a firm's resource-base is central to effective positioning.

Research Design

This study used cross-sectional survey design. This is a process where data are collected from the population through questionnaires. The design if found to be most appropriate here because data relating to the variables are collected at about the same time to basically describe the relationship between the variables under study.

Population of the Study

The survey population of this study included experienced staff of the public enterprises studied in Benue state. Specifically, the population size of this study is 548 of the aforementioned staff and customers.

S/N	Name of public Enterprise	Zone	Number of Staff
1	General Hospital, Vandeikya	A	138
2	Benue Links Nigeria Ltd Makurdi	B	303
3	Benue Burnt Bricks, Otukpo	C	107
	Total		**538**

Sample and Sampling Technique

The probability sampling technique has been used for this study to ensure that every subject of the population has an equal chance or probability of being included in the sample. Thus, the sampling of any staff did not affect the chances of others from the same study. The study employed the sampling formula by Yaro Yamene (1964) to scientifically and statistically determine the sample needed for investigation. That is:

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

Where n = sample size

N = population size

e = error size

1 = constant

The confidence level is set at 95% while the level of significance is set at 5%. Thus using the formula stated above, the researcher calculates the sample size for this study as follows:

N = ?
N = 517, e=5% (0.05).

Therefore: n = 517

1+517 $(0.05)^2$

n = 517
2.3

n = 225

The total sample size for this study is 225 respondents.

Method of Data Collection

The data for this study were obtained from both primary and secondary sources. The main research instrument that was used to collect data from the primary source was the questionnaire. The secondary data used for the study were collected from many sources including: textbooks, lecture notes, business journals, newspapers, websites and other publication that have relevance to the problem under investigation.

Data Analysis Techniques

Data for the study were presented and analysed using percentages while the study hypotheses was tested with the aid of Product Moment Correlation Coefficient (r) statistic at 5% level of significance under the following formula:

$$r = \frac{n\Sigma xy - \Sigma x \, \Sigma y}{\sqrt{n\Sigma x^2 - (\Sigma x)^2} \times \sqrt{n\Sigma x^2 - (\Sigma x)^2}}$$

Decision Rule

The decision rule is to accept the null hypothesis (Ho), if the calculated value is less than the critical value and reject the alternative hypothesis (Ha), if otherwise, reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha).

Test of Hypothesis

Ho: Entrepreneurial marketing practices have no effect on the performance of public sector enterprises in Benue State of Nigeria.

The product moment correlation coefficient (r) was used to test the hypotheses. An extract of respondent's views as presented in the table below was used to test the hypothesis.

Table 1: Respondents views on the effect of Entrepreneurial marketing practices on the performance of public sector enterprises in Benue state of Nigeria.

RESPONSE	**FREQUENCY**	**PERCENTAGE**
Strongly agree	49	22.3%
Agree	68	30.9%
Undecided	10	4.5%
Disagree	55	25%
Strongly disagree	38	17.3%
Total	220	100%

Source: Field Survey, (2017)

As can be confirmed from table 1 above, 49 of the respondents representing 22.3% strongly agreed that Entrepreneurial marketing practices have positive effect on the performance of public sector enterprises in Benue state of Nigeria. 68 other respondents or 30.9% of the respondents agreed with the statement, 10 or 4.5% of the respondents were undecided. Similarly, 55 or 25% of the respondents disagreed with the submission while 38 or 17.3% of the respondents strongly disagreed with the statement. The views of the majority of the respondents are therefore upheld in this study that Entrepreneurial marketing practices have no effect on the performance of public sector enterprises in Benue state of Nigeria.

Table 2: Computation of Correlation Coefficient (r) for Hypothesis

X	Y	X^2	Y^2	X
59	56	3481	3136	3304
68	89	4624	7921	6052
18	09	324	81	162
39	27	1521	729	1053
36	39	1296	1521	1404
$\Sigma x=220$	$\Sigma y=220$	$\Sigma x^2=11246$	$\Sigma y^2=13380$	$\Sigma xy=12301$

Source: Field Survey, (2017)

Using the formula: $$r = \frac{n\Sigma xy - \Sigma x\,\Sigma y}{\sqrt{n\Sigma x^2 - (\Sigma x)^2} \times \sqrt{n\Sigma x^2 - (\Sigma x)^2}}$$

$$r = \frac{5 \times 11813 - (220)(220)}{\sqrt{5 \times 11246 - (220)^2} \times \sqrt{5 \times 13380 - (220)^2}}$$

$$r = \frac{10665}{12036}$$

$$r = 0.89$$

The result of the correlation coefficient 0.95 as shown from the table above is an indication that entrepreneurial marketing practices has a strong positive effect on the performance of public sector enterprises in Benue state of Nigeria.

The strength of this effect was further examined by converting the correlation statistic to t-test statistic using the formula:

$$t = \frac{r\sqrt{n-2}}{1-r^2}$$

Where:
r = the value of the correlation coefficient
n = total number of cases
2 = degrees of freedom, this is constant since there are two cases (x and y).

Thus, t = 0.89
(r^2 = 0.79) = 3.36
Degree of freedom (df) n = n – 2 = 5 – 2 = 3.
Level of significance = 5 % (0.05)

Since = 0.05, then at 3 degrees of freedom is 3.18. Thus, t_{cal} (3.36) t_{tab} (3.18) at 3 degree of freedom.

Decision: Since the calculated value of t (3.36) is greater than the critical tabulated value of t(3.18), the null hypothesis is rejected and the alternate hypothesis is accepted. It is clear that Entrepreneurial Marketing Practices have a positive effect on the performance of public enterprises in Nigeria.

Table 2: Computation of Correlation Coefficient (r) for Hypothesis

X	Y	X^2	Y^2	XY
59	72	3481	5184	4248
68	98	4624	9604	6664
18	10	324	100	180
39	23	1521	529	897
36	17	1296	289	612
Σx=220	Σy=220	Σx^2=11246	Σy^2=15706	
Σxy=12601				

Source: Field Survey, (2017)

Using the formula:

$$r = \frac{n\Sigma xy - \Sigma x\ \Sigma y}{\sqrt{n\Sigma x^2 - (\Sigma x)^2} \times \sqrt{n\Sigma x^2 - (\Sigma x)^2}}$$

$$= \frac{5 \times 12601 - (220)\ (220)}{\sqrt{5 \times 1124 - (220)^2} \times \sqrt{5 \times 15706 - (220)^2}}$$

$$= \frac{14605}{15364}$$

$$= \frac{14605}{15364}$$

$$r = 0.95$$

The correlation coefficient 0.95 indicates a strong positive effect on Entrepreneurial marketing practices and the performance of public enterprises in Benue state of Nigeria. Based on the forgoing, the strength of the effect is statistically examined by converting the correlation statistic to t-test statistic using the formula:

$$t = \frac{r\sqrt{n-2}}{1-r^2}$$

Where: r = the value of the correlation coefficient
n = total number of cases
2 = degrees of freedom, this is constant since there are two cases (x and y).

Thus, t = 0.95 $(r^2 = 0.90)$ = 5.16

Degree of freedom = n – 2 = 5 – 2 = 3.
Level of significance = 5 % (0.05)

Since a = 0.05, then at 3 degrees of freedom is 3.18. Thus t_{cal} (5.16) t_{tab} (3.18) at 3 degree of freedom.

Decision Rule: Since the calculated value of t (5.16) is greater than the critical tabulated value of t (3.18), the null hypothesis is rejected and the alternate hypothesis is accepted that entrepreneurial marketing practices have no effect on the performance of public sector enterprises in Benue state of Nigeria.

Discussion of Findings

The purpose of this study was to examine effect entrepreneurial marketing practices on the performance of public enterprises in Benue state. The statistical analysis conducted revealed that entrepreneurial marketing practices have significant positive effect on the performance of public enterprises in Benue state. Thus the null hypothesis (H_o) was rejected since the t-test result shows that t_{cal} (5.16) > t_{tab} (3.18) at 5 % level of significance for 3 degrees of freedom. The correlation coefficient (r = 0.95) indicates that there is a strong positive effect between explanatory variable (entrepreneurial marketing practices) and the response variable (performance of public enterprises in Benue state). The coefficient determination (r^2 = 0.90) implies that the independent variable (entrepreneurial marketing practices) accounts for 90% of the changes in the dependent variable (performance of public enterprises in Benue State).

Summary and Conclusions

This study investigated the effect of EM practices on the performance of public enterprises in Benue State of Nigeria. The effect of EM practices (Dependent variables) was used against the performance of public enterprises studied. The objective of the study has been achieved since, reliable, explicit, rigorous and unambiguous answers have been reasonably provided in the study. Conclusion has therefore been drawn from the study based purely on the research findings.

The study hypothesis was that Entrepreneurial marketing practices have no effect on the performance of public sector enterprises in Benue State of Nigeria. To effectively test this hypothesis, all the relevant variables were put together and subjected to analysis through the Product Moment Correlation Coefficient (r) statistic at 5% level of significance to ascertain the nature and level of the effect. The outcome of the analysis shows that EM practices have a positive effect on the performance of public enterprises in the study area. The statistical analysis conducted via the Product Moment Correlation Coefficient (r) statistic at 5% level of significance revealed that entrepreneurial marketing practices has a significant positive effect on the performance of public enterprises in Benue State. Thus the null hypothesis (H_o) was rejected because the t-test result shows that t_{cal} (5.16) > t_{tab} (3.18) at 5 % level of significance for 3 degrees of freedom. The correlation coefficient ($r = 0.95$) indicates that there is a strong positive effect between explanatory variable (entrepreneurial marketing practices) and the response variable (performance of public enterprises in Benue State). The coefficient determination ($r^2 = 0.90$) implies that the independent variable (entrepreneurial marketing practices) accounts for 90% of the changes in the dependent variable (performance of public enterprises in Benue State).

Similarly, the theoretical framework of this study was designed in line with the literature reviewed and based on the findings of this study, a conclusion can be made that the research was successfully carried out. The theoretical framework for the study is also in line with the underpinning theories which were used to explain the framework of the study.

The study serve a variety of purposes for theory, policy, and Practice just as the findings of the study have empirically and statistically proved that the EM practices generally have significant positive effect on the performance of public enterprises in the study area. The finding of this study will be of importance to policy makers in designing more realistic policies, programs and operating strategies for SMEs in the country.

The findings of the study will equally be of importance to all tiers of government in the country (federal, state and local) as well as their relevant agencies in acquiring relevant and timely information regarding the performance of public enterprises so that they can develop different appropriate policy initiatives that can improve SME and entrepreneurship performance in their respective domains.

The findings will also help managers of public enterprises it will give them an empirically tested outcome on EM - public enterprises performance so that they can understand the effects of variables under study to improve the performance of public enterprises better. This will also help them to develop good EM practices regarding the development of their respective public enterprises so as to be relevant and gain competitive advantage in the market. The findings would also serve as a frame of future reference to owners, managers and operators, academia, students and other stakeholders; it would equally help in making relevant recommendations.

Recommendations

Arising from the findings of this study and Consequent upon these and other issues examined in the study, the following recommendations are made:

i. All levels of governance especially regulators of public enterprises in the study area should always put in place policies and stable regulations that will help public enterprises managers and operators to operate easily and freely. They should also create a good conducive environment and needed infrastructures for these classes of enterprises to perform their marketing practices better. Creating a better business climate and environment for public enterprises will make the enterprises healthy, competitive and will perform better. Ensuring and maintaining a stable economic environment for public enterprises to put in place appropriate entrepreneurial marketing practices is fundamental to the healthy growth and high performance of the enterprises in the country. Nigeria's underdeveloped in her physical and social infrastructure creates a binding constraint to the use of appropriate EM practices by public enterprises and by extension their growth and performance since they heavily rely on the inefficient available ones to operate. Beside, many of the public enterprises are not permitted by laws establishing them to developing alternatives marketing strategies.

ii. Managers of public enterprises should always carry out proper planning in their operations. Sound planning is a necessary input to sound decision-making which informs putting in place appropriate marketing practices at appropriate times and hence, improved performance. They should also always consider challenging situations and be prepared to meet them with preplanned practices. Realistic and sustained public enterprises performance is only possible through a systematic analysis of the problems they are facing and mapping out appropriate strategies of overcoming them through a proper understanding of the business environment. The enterprises should always adopt EM practices that will assist the utilisation of their strengths to exploit opportunities while avoiding its weaknesses.

iii. The successful working of any organisation immaterial of its sector, size of operation depends on the people working there. Public enterprises Managers should make the training of their staff regular so that they will know and ascertain the cost benefit analysis of every marketing practice they employ at any point in time. They should also put in place regular inspection and rectifying measure to correct marketing problems, matching their marketing practices with the target markets need and correct discrepancies (if any) if they must ensure sustainable and high performance.

iv. Governments at all levels should ensure effective funding of their enterprises to help them operate effectively and employ appropriate and timely EM practices that will enhance the performance of their business establishments. Similarly, Public enterprises operators should always formulate their goals clearly and then evaluate the various marketing practices on the basis of their capabilities and resources. Public enterprises' marketing practices can work, if they are based on clearly formulated marketing programmes and strategies to reach the potential and existing customers.

vi. Managers of public enterprises should employed several combinations of appropriate marketing practices to survive in the external marketing environment that is most often unfriendly. The practices should be made to cover all four key components of the marketing mix elements namely product, price, place and promotion. These marketing mix planning is important for enterprise survival, success and performance. In the same vein, Scholars and other stakeholders on public enterprises in Nigeria should shift the focus of their research works on marketing to research based findings than theoretical considerations to help public enterprises and other business operators know and adapt to modern trends in marketing better and faster.

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EFFECT OF HUMAN RESOURCE ACCOUNTING ON FIRMS' VALUE IN NIGERIA

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PP. 272-285

Abstract

This study examined the impact of Human resources accounting on firm's value in Nigeria. The study used ex post factor research design and the secondary data gathered were analyzed using regression analysis. In line with the stated objectives, the findings reviewed that both Times rate of return and Current cost has a significant effect on the earnings per share of listed firms while Human capital has no significant effect on the earnings per share of listed firms. it was therefore recommended that Accounting standard board should incorporate their accounting standard for the valuation and disclosure of human resource accounting. Through this, the firms value will be enhanced during reporting.

Keywords: Human capital cost, Times rate of return, Current cost and Earnings per share

Introduction

Human capital has long been recognized as a vital asset and value creator to companies. More recently, Swart (2006) refers to "core competence, knowledge creation and innovation creating value over and above physical and financial resources". To develop a competitive advantage, it is important that firms truly

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leverage on the workforce as a competitive weapon. A strategy for improving workforce productivity to drive higher value for the firms has become an important focus. Firms seek to optimize their workforce through comprehensive human capital development programmes not only to achieve business goals but most important is for a long term survival and sustainability. To accomplish this undertaking, firms will need to invest resources to ensure that employees have the knowledge, skills, and competencies they need to work effectively in a rapidly changing and complex environment.

The effective and efficient use of the physical assets largely depends on the skills, ability, quality, perception and character of the employees (Ahangar 2011). Swart (2006) defined Human Resource Accounting (HRA) as the process of identifying and measuring data concerning human resource and communicating this information to interest parties. Historically, human resource accounting was first proposed in the 1960's in the attempt of including employees on the balance sheet and it became a known topic of research in the 1970s.

Today, it is argued that these expenditures are incurred by an enterprise in order to get the benefit of the services of its manpower but are treated as intangible asset to be capitalized. This is against the accounting principle of treating them completely of expenditure nature by writing them off against profit in the profit and loss account. The failure of professional accountants to treat human resources as assets just like physical and financial assets led to the emergence of Human Resources Accounting, (Sharma 2012).

The most vital assets of any firm is its employees because all activities of organization that determine the value depends on the effort of the employees (Akintoye 2003). Hence, it is difficult for firms to measure data relating to human resource. One of the problems is determining the impact of human resource accounting on employee level outcome such as absenteeism and task performance. These negate the emphasis of macro-level value that is measured by its market value or share price. This gap is what we intend to bridge with the present study and the study takes into consideration the financial sector specifically the listed banks in Nigeria because they are the ones within the financial sector that are highly regulated.

The main objective of this study therefore is to examine the effect of human resource accounting on firms value in Nigeria but its specific objectives includes to:

- Examine the effect of Human capital cost on earnings per share of firms in Nigeria.
- Ascertain the effect of Times rate of return on earnings per share of firms in Nigeria.
- Determine the effect of current cost on the earnings per share of firms in Nigeria.

Review of Related Literature

Concept of Human Resource Accounting

Intellectual capital resources (including human capital) are increasingly important factors on the successful achievement of organizational objectives (Delgado-Gómez and Ramirez-Aleson 2004). For stakeholders to fully understand an organization and the effectiveness of its managers, it is therefore important that corporate reports adequately reflect all resources used and developed to further the organization's achievement. According to Divenney, Richard,Yip and Johnson (2008) firm performance and market value encompasses these specific areas of firms outcomes: (a)financial (profits, return on assets, return on investments); (b) market value (sales, market share);and (c) shareholder return (total shareholder return, economic value added) Academically, firm performance is the ultimate dependent variable of interest for those concerned with just about any area of management: accounting is concerned with measuring performance; marketing with customer satisfaction and market share; operations management with productivity and cost of operations, organizational behaviour with employee satisfaction and structural efficiency; and finance with capital market response to all the above.

Training is one of the main function that directly contribute to the development of employees (Batool and Batool, 2012). Research also suggests that the organizations investing considerably in training justify their investment by the contribution training makes to improve individual and firm performance which in turn enhances the value of the firm. Training and development cost being employed by organizations helps them to enhance employee skills and firm performance (Kajola and Adedeji 2011). Ratti (2012) assert that training and development is also attracting, developing, and retaining a diverse workforce that helps in providing the different skills required to maintain and improve the firm performance and Rao (2005) opined that training and development are the component of High Personnel Work Systems.

Mayo (2001) Asserts that the components of training and development activities including formal training develop employee skills and impart knowledge beyond the current position off the job training, Induction training program for new comers and training programs for present employees.

Theoretical Framework

This study is anchored on the human capital theory but other theories and models are also discussed.

Human Capital Theory

This study was based on the Human Capital theory proposed by Schultz (1961) and extensively developed by Becker (1964). The theory has its root from labour economics which is a branch of economics that focuses on general work force in quantitative term. According to the theory, Human capital theory contends that education or training raises the productivity of workers by imparting useful knowledge and skills, thus raising workers' future income through increase in their lifetime earnings. The theory postulates that expenditure on education or training and development is costly, and should be considered as investment since it is undertaken with a view to increasing personal incomes.

Learning Curve Theory

Learning Curve Theory is concerned with the idea that when a new job, process or activity commences for the first time it is likely that the workforce involved will not achieve maximum efficiency immediately. Repetition of the task is likely to make the people more confident and knowledgeable and will eventually result in a more efficient and rapid operation. Eventually the learning process will stop after continually repeating the job. As a consequence the time to complete a task will initially decline and then stabilise once efficient working is achieved.

Empirical Review

A study by Chan, Lakonishok and Sougiannis (2001) find that the research and development expenditures (i.e., a measure of intangible assets for industrial firms) positively predict future stock performance. Boedker, Mouriten and Cuthrie (2008) analysed on the relationship between human capital and organizational performance of software companies. They found that the human capital indicators had a positive association on organizational performances. These indicators such as training attended and team-work practices, tended to result in superstar performers where more productivity could be translated to organizational performances. This was also supported by Holland (2006) who found a significant positive correlation between the quality of developers and volume of market shares. Based on the above arguments we can conclude that human capital indicators enhanced the firm performance directly or indirectly.

The study of Micha, Ofurun and Ihendinihu (2012) suggested that an inverse relationship exists between the performance metrics (ROA) of a firm and its level of human resource accounting disclosure. Thus, this findings further buttress the need to regard certain human resource's cost as investment to be capitalised and reported in the statement of financial position rather than expenditure to be reported as expense in statement of comprehensive income.

Methodology

Research Design

This study adopts ex-post facto research design. Ex-post facto research design involves the ascertaining of the impact of past factors on the present happening or event. The descriptive statistics is used to summarize the collected data in a clear and understandable way using numerical approach. The multiple regression technique using ordinary least square regression (OLS) method is adopted in investigating the relationship between the dependent and independent variables. The study adopts the preliminary test for incidences of co linearity in the model are also necessary. To do this, the variance inflation factor (VIF) statistics and the tolerance level statistics were deployed to be used. The main advantage of these two statistics is that it filters out variables that might distort the result of regression analysis.

Model Specification

This study formulates the following model to be used by the researcher in the investigation.

$$EPS_{ft} = \acute{a} + \hat{a}_1 HC_{ft} + \hat{a}_2 TRR_{ft} + \hat{a}_3 CC_{ft} + U_{ft}$$

Where;

á = Constant

HC= Human capital (The total number of employees of the firm at that time)

TRR= Times rate of return (by dividing the net operating income by the net investment in human resources of the firm at that time)

CC = Current cost (The amount expensed on maintaining the human resources of the firm at that time)

EPS= Earnings per share (the ratio of net profit to the total number of shares outstanding of the firm at that time)

FT= Firm ($_F$) at time ($_T$)

U = Error term used in the model.

$\hat{a}_1$ - $\hat{a}_4$ = Beta coefficient of the independent variables.

Decision Rule: Accept the null hypothesis if the calculated value is greater than the significant level of 0.05.

Data Presentation and Analysis

Data Validity Test

In order to ensure that the results are robust, several diagnostic tests such as Durbin Watson, variance inflation factor (VIF) and Tolerance statistics were computed .

The Durbin Watson is estimated 1.263 for the model specified which is close to the standard of 2 indicating the absence of auto-correlation (see table 3). The Durbin Watson statistics ensures that the residuals of the proceeding and succeeding sets of data do not affect each other to cause the problem of auto-correlation.

The Variance Inflation Factor (VIF) statistics for all the independent variables stood between 1.272 and 1.657. This indicates the absence of multicollinearity problems among the variables under investigation (Berenson and Levine, 1999). This statistics ensures that the independent variables are not so correlated to the point of distorting the results and assists in filtering out those ones which are likely to impede the robustness of the model. There is no formal VIF value for determining presence of multi-collinearity. Values of VIF that exceed 10 are often regarded as indicating multicollinearity, but in weaker models values above 2.5 may be a cause for concern (Kouisoyiannis, 1977: Gujarati and Sangeetha, 2007). Thus, this model exhibit low risk of potential multicollinearity problems as all the independent variables have a variance inflation factor (VIF) below 5 (Myers, 1990). This shows the appropriateness of fitting of the model of the study with the three independent variables.

In addition the tolerance values consistently lies between 0.603 and 0.786 (see table 4). Menard (1995) suggests that a tolerance value of less than 0.1 almost certainly indicates a serious collinearity problem. In this study, the tolerance values are more than 0.1; this further substantiates the absence of multicollinearity problems among the explanatory variables.

Descriptive Statistics

The descriptive statistics for both the dependent and independent variables are presented in table 1 below:

Descriptive Statistics

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
EPS	30	.15	3.22	1.6267	.15902	.87099
HC	30	3.38	4.17	3.7673	.04781	.26185
TRR	30	2.27	118.97	25.8257	6.97137	38.18377
CC	30	3.30	7.40	4.6559	.25688	1.40700
Valid N (listwise)	30					

Table 1 presents the descriptive statistics of all the variables. N represents the number of paired observations and therefore the number of paired observation for the study is 30.

Earnings per share (EPS) reflects a mean of 1.6267 and a standard deviation of 0.87099, it has a minimum value of 0.15 and a maximum value of 3.22. Human capital (HC) has a mean of 3.7673 with a deviation of 0.26185 also, with a minimum and maximum value of 3.38 and 4.17 respectively. The result also reveals that, Times rate of return (TRR) has a minimum and maximum value of 2.27 and 118.97 respectively and reflects a mean of 25.8257 with a deviation of 38.18377. While Current Cost (CC) has a mean of 4.6559 with a deviation of 0.1.40700 also, with a minimum and maximum value of 3.30 and 7.40 respectively.

The result of the descriptive statistics in respect to the study's independent variables indicates that listed agro firms consider the Times rate of return on each human capital employed as a major variable of Human resource accounting that influences the value of firms as a result of its high mean, the reason for this could be due to the fact that firms with specialized skilled workers then to have more productive capacity and efficiency in production which in turn burst their performance and the value of the firm.

Regression of the Estimated Model Summary

This section of the chapter presents the results produced by the model summaries for further analysis.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.757[a]	.573	.523	.60140	.573	11.609	3	26	.000	1.263

a. Predictors: (Constant), CC, TRR, HC

b. Dependent Variable: EPS

Table 2, presents the regression result between HC, TRR, CC and EPS. From the model summary table above, the following information can be distilled.

The R value of 0.757 shows that, there is a very strong and positive relationship between (HC, TRR, CC) and EPS at 75.7%. Also the R^2 stood at 0.573.The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (EPS) that can be explained by the independent or explanatory variables (HC, TRR and CC). Thus the R^2 value of 0.573 indicates that 57.3% of the variation in the EPS of listed financial firms can be explained by a variation in the independent variables: (HC, TRR and CC) while the remaining 42.7% (i.e. 100-R^2) could be accounted by other variables not included in this model.

The adjusted R^2 of 0.523 indicates that if the entire population is considered for this study, this result will deviate from it by only 0.050 (i.e. 0.573 – 0.523). This result shows that there is a deviation of the sample examined and the total population by 5%.

The table further shows the significant change of 0.00 with a variation of change at 57.3% indicate that the set of independent variables were as a whole contributing to the variance in the dependent.

The results of the model summary revealed that, other factors other than HC, TRR and CC can affect the EPS of listed firms. According to Hamid, Pak, Reza (2014) This factors include, quality of work, quantity of work, cooperation, trust, accountability, job knowledge, responsibility and innovation.

Regression Results

Regression analysis is the main tool used for data analysis in this study. Regression analysis shows how one variable relates with another. The result of the regression is here by presented in this section.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-4.172	2.221		-1.879	.072		
	HC	.758	.516	.228	1.467	.154	.682	1.466
	TRR	.012	.003	.537	3.710	.001	.786	1.272
	CC	.565	.102	.912	5.525	.000	.603	1.657

a. Dependent Variable: EPS

The regression result as presented in table 3 above to determine the relationship between HC, TRR, CC and EPS shows that when the independent variables are held stationary; the EPS variable is estimated at 4.172. This simply implies that when all variables are held constant, there will be a significant decrease in the *EPS* of listed firms up to the tune of 4.172 units occasioned by factors not incorporated in this study. Thus, a unit increase in HC will lead to a significant increase in the EPS by 0.228. Similarly a unit increase in TRR will lead to a significant increase in EPS by 0.537 and a unit increase in CC will lead to a significant increase in EPS by 0.912.

Test of Research Hypotheses

The hypothesis formulated in chapter one will be tested in this section in line with the decision rule.

Accept the Null hypothesis if the calculated value is greather than the significant level of 0.05.

Ho_1: *Human capital does not have significant effect on earnings per share of listed firms.*

Given that the significant level is 0.05 and the calculated value for HC (0.154) is greater than the significant level, we therefore accept the Null hypothesis.

Ho_2*: *Times Rate of Return has no significant effect on the Earnings per share of listed firms

Given that the calculated significance level for TRR is 0.001 which is less than the accepted significance level of 0.05, therefore the null hypothesis rejected and the alternative accepted.

Ho_3*: *Current cost has no significant effect on the Earnings per share of listed firms

Given that the calculated significance level for CC is 0.000 which is less than the accepted significance level of 0.05, therefore the null hypothesisis rejected and the alternative accepted.

Conclusions

Based on the findings of this study from the test of the three research hypotheses earlier formulated in the study, the researcher has therefore come to the following conclusions outlined in respect to each hypothesis:

- Human capital has no significant effect on the earnings per share of listed firms.
- Times rate of return has a significant effect on the earnings per share of listed firms.
- Current cost has a significant effect on the earnings per share of listed firms.

Recommendations

In consonance with this study's findings, it is recommended that:

1. Firms do not exist in a vacuum, there are people (employees) who work together towards achieving its goal. The number of employees might not matter but their welfare and training enhances their performance which in turn adds value to the firms.
2. Firms should enhance the retention of education and training on staff so as to avert wastage of knowledgeable investment.

3. Accounting standard board should incorporate their accounting standard for the valuation and disclosure of human resource accounting through this the firms value will be enhanced during reporting.

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EFFECT OF TAX SHIELD ON THE PROFITABILITY OF FIRMS IN NIGERIA

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PP. 286-301

Abstract

This study analyzed the effect of Tax shield on the profitability of firms in Nigeria. The study used ex post factor research design and the secondary data gathered were analyzed using regression analysis. In line with the stated objectives, the findings reviewed that both Long term debt and D&A cost has no significant effect on the profitability of listed firms while Short term debt has a significant effect on the profitability of listed firms. It was therefore recommended that Listed firms in Nigeria should incorporate a corporate tax policy that uses debt financing because these will enhance their profitability.

Keywords: Tax shield, Long-term debt and Profitability

Introduction

One of the most pressing responsibilities for corporate tax manager is to find ways of minimizing a company's overall tax liability. Judging by theories, firm's tax liability is proportionally related to its profitability; attaining firm's wealth maximization objective through diverse means of increasing profitability poses more problem on firm's ability to reduce its tax liability. Ogbulu and Emeni (2012) Defined Effective tax planning as strategies that maximize the firm's expected discounted after-tax cash flows.

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Aside from being well knowledgeable in the tax laws, the tax consultants of any organisation should have extensive knowledge of the company, its history and how the organisation operates (Surong and Xinmin 2006). Majority of Nigerian firms are highly financed through equity, thus unable to enjoy the benefits of tax shield as related to thin capitalization. Tax planning in essence involves the application of relevant incentive provisions for corporate tax payers based on enabling laws such as the Company Income Tax Act, Personal Income Tax Act, Value Added Tax and other enactments. An in-depth understanding of the tax policies and other regulations as clearly stated in the nation's government fiscal policies is required for effective tax planning. The Corporate tax planning incentives as contained in the Company Income Tax Act, Petroleum Profit Tax Act and other laws include: pioneer status incentive, commencement rule, cessation rule, investment allowance, roll-over loss relief. Others include business location or area of operation (free trade zone, rural area investment allowances), tax exemption benefits on interest on a loan granted by a foreign company to any business in Nigeria, asset acquisition timing for claims of capital allowances. Indeed, Companies Income Tax Act, LFN 2004 contain varying provisions that give the corporate tax manager the opportunity to mitigate the company's tax liability. Consequently, the tax planning strategy tends to give a positive impact on a firm's cash flow and its after tax rate of returns; however, tax planning strategies have a negative impact on the government's revenue and further, increase the compliance cost of collecting taxes (Ezejelue and Ihendinihu 2006). This concept is therefore significant for firms listed on the Nigerian Stock Exchange who may seek to improve on all their tax savings given the importance of this concept of tax shield planning for corporate organizations in Nigeria. Tax shield planning is an integral part of financial planning and the area of financial structure decisions offers a tax manager and the company an opportunity to mitigate the company's tax liability and improve on the financial performance of the firm (Ezejelue, 2006).

This study will examine the effect of Tax shield (Debt financing) on the profitability of listed manufacturing companies in Nigeria. This study specifically restricts itself to the listed brewery companies from 2010-2015 (i.e. a period of six years) in line with the various theories and concept of tax shield with which findings from the study will be drawn which will help bridge the gap in the difference in findings made by previous authors on the effect of Tax shield on the profitability of firms in Nigeria. Against this backdrop therefore, the main objective of this study was to examine the effect of Tax shield on the profitability of firms in Nigeria. The specific objectives of the study were to:

1. Examine the effect of Long term debt on the profitability of quoted firms in Nigeria.
2. Ascertain the effect of Short term debt on the profitability of quoted firms in Nigeria.
3. Determine the effect of Depreciation & Amortization Cost on the profitability of quoted firms in Nigeria.

Review of Related Literature

The Concept of Tax Shield

Interestingly, among the determinants of capital structure, taxation is probably the most debated. According to the influential trade-off theory of debt, the optimal level of debt in a firm's capital structure is determined by the balance of the tax shield provided by debt and the present value of financial distress costs (Myers, 1997). More specifically, there is positive relationship between the corporate tax shield and firm value given that each increase in the debt portion of a firm's capital structure decreases the after-tax cash flow. On the other hand, when excessive amount of debt has been accumulated by the firm, it risks a default resulting in the transfer of control to the creditors and the incurrence of deadweight costs which further reduce firm value (Christopher, Schafer and Talavera 2006). Thus, the lower the tax advantages of debt, the lower the optimal debt-equity ratio.

Despite trade-off theory's straightforward appeal, empirical tests have produced mixed results. More specifically, the empirical evidence for a tax effect on capital structure has been less than definitive due to:

a. The difficulty of calculating accurately the marginal tax benefits, which are influenced by non-debt tax shields and various tax rules.
b. The limited availability of non-US firm data on statutory corporate tax reforms.

Non-Debt Tax Shield

De Angelo and Masulis (1980) find that depreciation, investment tax credits and deferred tax losses can be against taxes like debt interest. Moreover, it can reduce the cash outflows and decrease the financing needs of enterprises, so as to cut down the costs of capital. Ruibing Gao (2016) took a look at the non – debt tax shield in the Chinese case and asserted thus that The non-debt tax shield has a certain alternative effect on the debt. It can make up for the problem of debt tax shield is too low so it is used by most governments as tax incentives.

Theoretical Framework

The Modigliani and Miller (MM) Irrelevancy Theory

The Modigliani and miller (MM) irrelevancy theory first came in to existence in 1958, resulting from their seminal work. In this study they stated that "under a certain market price process (the classical random walk), in the absence of taxes, bankruptcy costs, agency costs and asymmetric information and in an efficient market, the value of a firm is unaffected by how that firm is financed". They went further to state that it does not matter if the firm's capital is raised by issuing stock or selling debts and it does not matter what the firm's dividend policy is. This hypothesis support the net operating income (NOI) approach of valuing the firm and it also state that the overall cost of capital are independent of the firm's capital structure.

In 1963 with consideration to corporate taxes, Modigliani and Miller modify the theory to recognize tax shield. They stated that because debt can reduce the amount of tax to be paid, the best capital structure of enterprise should be 100% debt. The MM model is probably true in the theory, but in practice, bankruptcy cost and taxes increase when equity is traded off for debt. Brigham and Gapensuio, (1984), Leland (1994) are of the opinion that at the optimal capital structure, marginal bankruptcy cost associated with firm's debts is equated with marginal tax benefits. Since income of firms are taxable and interest charges are also tax deductible, the cost of borrowing funds to the firm will be less the rate of return. This also creates a weakness in the Modigliani and Miller irrelevancy theory.

Review of Empirical Studies

Since the issue of modern capital structure was raised by Modigliani and Miller in 1958, several studies have been conducted on the topic using data from both developed and developing economies. Some of these studies are reviewed below:

Ogundajo, and Onakoya (2016) Examined the influence of corporate tax planning on the financial performance of manufacturing firms quoted on Nigerian Stock Exchange using annual reports and accounts of 10 selected firms out of 28 firms listed under consumer goods sector. The study employed Generalized Least Square (GLS) method of regression based on the outcome of Hausman's model estimation test. The study established that aggressive tax planning such as thin capitalization, tax law incentives and other benefits of loopholes in Nigerian tax laws have not been fully utilized by the Nigerian firms. The study recommended that manufacturing firms in Nigeria should make tax planning as part of the firm's strategic financial planning, employ the service of expertise in tax practices due the complexity and dynamitic of Nigeria tax laws and also to effectively utilize all-inclusive tax planning strategies available in order to further influence financial performance positively.

In an effort of mitigate this agency conflict, Pratheepkanth (2009) argue that capital structure can be used through increasing debt level and without causing any radical increase in agency cost. This will force the managers to invest in profitable ventures that will be of benefit to the share holders. If they decide to invest in non profitable projects and they are unable to pay the interest due to debt holders, the debt holders can force the firm to liquidation and managers will lose their decision right or possibly their employment.

Roger and Young (2001) In their study used U.S. Statistics of Income (SOI) Corporate Income Tax Returns balance sheet data on *all* corporations, to estimate the effects of changes in corporate tax rates on the debt policies of firms of different sizes. Small firms face very different tax rates than larger firms, and relative tax rates have also changed frequently over time, providing substantial information to identify tax effects. The results suggest that taxes have had a strong and statistically significant effect on debt levels. For example, cutting the corporate tax rate by ten percentage points (e.g. from 46% to 36%), holding personal tax rates fixed, is forecast to reduce the fraction of assets financed with debt by around 3.5%. Since small firms normally rely much more heavily on debt finance yet face much lower tax incentives to use debt, the estimated effect of taxes would be strongly biased downwards without controls for firm size.

Methodology

Research Hypotheses

The following research null hypotheses are set to be tested:

Ho_1: Long-term debt has no significant effect on the Profitability of quoted firms in Nigeria.

Ho_2: Short-term debt has no significant effect on the Profitability of quoted firms in Nigeria.

Ho_3: Depreciation and Amortization has no significant effect on the Profitability of quoted firms in Nigeria.

Research Design

This study adopts ex-post facto research design. Ex-post facto research design involves the ascertaining of the impact of past factors on the present happening or event. The descriptive statistics is used to summarize the collected data in a clear and understandable way using numerical approach. The ordinary least square regression (OLS) method is adopted in investigating the relationship between the dependent and independent variables. The study adopts the preliminary test for incidences of co linearity in the model are also necessary. To do this, the variance inflation factor (VIF) statistics and the tolerance level statistics were deployed to be used. The main advantage of these two statistics is that it filters out variables that might distort the result of regression analysis.

Model Specification

$$PROF_{ft} = \alpha + \beta_1 LTD_{ft} + \beta_2 STD_{ft} + \beta_3 DAC_{ft} + U_{ft}$$

Where;

= Constant

PROF = Profitability (Return on assets)

LTD = Long Term Debt

STD = Short Term Debt

DAC = Depreciation and Amortization cost

FT= Firm ($_F$) at time ($_T$)

U = Error term used in the model.

= Beta coefficient of the independent variables.

Decision Rule: Accept the null hypothesis if the calculated value is greater than the significant level of 0.05.

Data Presentation and Analysis

Data Validity Test

In order to ensure that the results are robust, several diagnostic tests such as Durbin Watson test, variance inflation factor (VIF) and Tolerance statistics were computed.

The Durbin Watson is estimated 0.676 for the model specified which is below the standard of 2 indicating the absence of auto-correlation (see table 4.3). The Durbin Watson statistics ensures that the residuals of the proceeding and succeeding sets of data do not affect each other to cause the problem of auto-correlation.

The Variance Inflation Factor (VIF) statistics for all the independent variables consistently fall below 4.081. This indicates the absence of multicollinearity problems among the variables under investigation (Berenson and Levine, 1999). This statistics ensures that the independent variables are not so correlated to the point of distorting the results and assists in filtering out those ones which are likely to impede the robustness of the model. There is no formal VIF value for determining presence of multicollinearity. Values of VIF that exceed 10 are often regarded as indicating multicollinearity, but in weaker models values above 2.5 may be a cause for concern (Kouisoyiannis, 1977: Gujarati and Sangeetha, 2007). Thus, this model exhibit low risk of potential multicollinearity problems as all the independent variables have a variance inflation factor (VIF) below 5 (Myers, 1990). This shows the appropriateness of fitting of the model of the study with the three independent variables.

In addition the tolerance values consistently lie between 0.965 and 0.245 (see table 4.4). Menard (1995) suggests that a tolerance value of less than 0.1 almost certainly indicates a serious collinearity problem. In this study, the tolerance values are more than 0.1; this further substantiates the absence of multicollinearity problems among the explanatory variables.

Descriptive Statistics

The descriptive statistics for both the dependent and independent variables are presented in table 1:

Descriptive Statistics

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
PROF	24	5.46	7.63	6.8077	.12537	.61419
LTD	24	6.41	7.99	7.2428	.08621	.42235
STD	24	6.37	8.15	7.4304	.09318	.45651
DAC	24	6.60	7.57	7.0666	.06079	.29780
Valid N (listwise)	24					

Table 1 presents the descriptive statistics of all the variables. N represents the number of paired observations and therefore the number of paired observation for the study is 24.

Profitability reflects a mean of 6.8077 and a standard deviation of 0.61419. The long term debt (LTD) has a mean of 7.2428 with a deviation of 0.42235. The result also reveals that, the short term debt (STD) reflects a mean of 7.4304 with a deviation of 0. 45651 and Depreciation and Amortization Cost (DAC) with a mean of 7.0666 with a deviation of 0.29780.

The result of the descriptive statistics in respect to the study's independent variables indicates that Nigerian brewery firms take Short term debt more as a means of tax shield a result of its high mean, the reason for this could be due to the fact that short term credit facilities are easily and readily accessible.

Regression of the Estimated Model Summary

This section of the chapter presents the results produced by the model summaries for further analysis.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.880[a]	.774	.740	.31304	.774	22.846	3	20	.000	.676

a. Predictors: (Constant), DAC, LTD, STD
b. Dependent Variable: PROF

Table 2, presents the regression result between LTD, STD, DAC and PROF. From the model summary table above, the following information can be distilled.

The R value of 0.880 shows that, there is a strong relationship between (LTD,STD,DAC) and PROF. Also the R^2 stood at 0.774.The R^2 otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (PROF) that can be explained by the independent or explanatory variables (LTD,STD and DAC). Thus the R^2 value of 0.774 indicates that 77.4% of the variation in the PROF of listed brewery firms can be explained by a variation in the independent variables: (LTD, STD and DAC) while the remaining 22.6% (i.e. 100-R^2) could be accounted by other variables not included in this model.

The adjusted R^2 of 0.740 indicates that if the entire population is considered for this study, this result will deviate from it by only 0.034 (i.e. 0.774 – 0.740). This result shows that there is a deviation of the sample examined and the total population by 3.4%.

The table further shows the significant change of 0.00 with a variation of change at 77.4% indicate that the set of independent variables were as a whole contributing to the variance in the dependent.

The results of the model summary revealed that, other factors other than LTD, STD and DAC can affect the profitability of listed firms. According to Babalola, (2014), these factors include Age of firms, Firm growth, Volatility of earnings, Taxation and Managerial ownership which in one way or the other affect their profitability.

Regression Results

Regression analysis is the main tool used for data analysis in this study. Regression analysis shows how one variable relates with another. The result of the regression is here by presented in this section.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	-1.788	2.076		-.861	.399					
	LTD	.026	.310	.018	.086	.933	.766	.019	.009	.249	4.013
	STD	1.159	.289	.861	4.012	.001	.880	.668	.426	.245	4.081
	DAC	-.029	.223	-.014	-.132	.896	-.166	-.030	-.014	.965	1.036

a. Dependent Variable: PROF

The regression result as presented in table 3 above to determine the relationship between LTD, STD, DAC and PROF shows that when the independent variables are held stationary; the PROF variable is estimated at 1.788. This simply implies that when all variables are held constant, there will be a significant decrease in the *PROF* of listed firms up to the tune of 1.788 units occasioned by factors not incorporated in this study. Thus, a unit increase in LTD will lead to an insignificant increase in the PROF by 0.018. Similarly a unit increase in STD will lead to a significant increase in PROF by 0.861 units. Also a unit increase in DAC will lead to an insignificant decrease in PROF by 0.014 units.

Test of Research Hypotheses

The hypothesis formulated was tested thus:

Accept the Null hypothesis if the calculated value is greater than the significant level of 0.05.

Ho_1: *Long term debt has no significant effect on the Profitability of listed firms.*

Given that the significant level is 0.05 and the calculated value for long term debt (0.933) is greater than the significant level, we therefore accept the Null hypothesis.

Ho$_2$**:** *Short term debt has no significant effect on the Profitability of listed firms*

Given that the calculated significance level for Short term debt is 0.001which is less than the accepted significance level of 0.05, therefore the null hypothesis is rejected and the alternative accepted.

Ho$_3$**:** *Depreciation and Amortization cost has no significant effect on the Profitability of listed firms.*

Given that the significant level is 0.05 and the calculated value for Depreciation and Amortization cost (0.896) is greater than the significant level, we therefore accept the Null hypothesis.

Conclusions

Based on the findings of this study from the test of the three research hypotheses earlier formulated in the study, the researcher has therefore come to the following conclusions outlined in respect to each hypothesis:

- Long-term debt has no significant effect on the profitability of firms.
- Short term debt has a significant effect on the profitability of listed firms.
- D&A cost have no significant effect on the profitability of listed firms.

Recommendations

In consonance with this study's findings, it is recommended that Listed firms in Nigeria should incorporate a corporate tax policy that uses debt financing because these will enhance the profitability of the firms this assertion is supported by the findings of Christopher, Schafer and Talavera (2006) in their study find that there exists strong effect of short-term and long-term debts on profitability. According to them, the organization which prefers financing through long-term debts has low profitability and on the alternative, if a firm uses short-term financing, it earns more profits. In this particular study in which their data covered 1988 to 2000 period, they were able to prove a hypothesis that firms using short-term debt financing are relatively more profitable than the firms using long-term debts.

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IMPACT OF INTELLECTUAL CAPITAL ON SMALL SCALE BUSINESS PERFORMANCE IN MAKURDI METROPOLIS, BENUE STATE

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PP. 302-319

Abstract

The research examines the impact of intellectual capital on small scale business performance in Makurdi metropolis, Benue State. The objective of the study was to investigate whether there is relationship between intellectual capital and small scale business performance in Benue State. An exploratory survey design was adopted for the study. The population of the study consists of 81 small firms obtained from Association of Table Water Producers (ATWAP) in Makurdi metropolis. Primary data was obtained from questionnaires administered to a sample of 162 managers of the selected firms. Two managers were chosen from each firm for the study. Interview was also used to compliments the questionnaire. Regression was used for testing of the hypotheses. Findings reveal that, there is positive significant relationship between intellectual capital and business performance in the small scale businesses, therefore investment in intellectual capital would improve the performance of the organization in terms of increase productivity, improve profitability and increase market value. Recommendations among others include, small scale business should have a culture of

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investing in their employees through education to increase their productivity, also should pay serious attention towards retaining their business relationship as their survival is mostly tied to the customer loyalty.

Key words: Intellectual capital, business performance, small scale business, Benue State.

Introduction

The field of entrepreneurship as a research area has received the ultimate attention over time. One of the main reason for that growth is attributed to the recognition of new ventures as one of the principal mechanisms generating employment and as a vehicle for economic growth of nations by conveying dynamism and prosperity to a territory and enabling it to familiarise with the structural changes that it is experiencing internally (Amit, Glosten, and Muller, 1993).Although there seems to be general agreement on the importance of new ventures to the growth of countries' economy, however, there is little agreement when determining the factors that distinguish successful businesses from unsuccessful ones (Hormiga, Batista-Canino, and Sanchez-Medina 2010). They further posit that high 'death rate' of newly created companies indicates that research of those factors is an important issue and the greater the amount of information obtained, the more it will favour the development of firms in the first years of life. Therefore, researchers stress that the starting-up of a new business is a complex process involving the combination of various assets to start the business' activities and initiate the different tasks. The fact that the new venture has limited resources, whether physical, financial or intangible, places it in a position of high vulnerability (Van de Ven, Hudson and Schoroeder 1984).

The identification and acquisition of resources will be of vital importance to achieving good performance of the firm in the long term when considering the first stages of a new firm's development, (Lichtenstein and Brush 2001). Thus, in the last decades the strategic management literature has emphasized the critical role of intangible assets or the intellectual capital (IC) as determining factor of business competitiveness (Teece 2000). On that note, Lichtenstein and Brush (2001) argue that intangible assets are more important and critical than tangible assets in such a decisive period of the life of a business. Thornhill and Gellatly (2005) add that the investment in intangible assets is related with a track record of growth.

However, as some researchers rightly argue that, delve into this topic may have one main problem, is the fact that several firms may not clearly be aware of their intangible assets and so do not manage them correctly (Andriessen, 2004). He further posits that, assuming from the beginning of the organisation's constitution, the managers and owners were aware of the significance of these assets to the performance of the firm, especially for competitive advantage, the management of these assets would improve, as would the profits they generate. It is ironic that firms regularly become anxious about these assets when they are older rather than when they are in their infancy stage. Although intellectual capital may be a source of competitive advantage, generally speaking, most organizations do not understand its nature and value (Collis, 1996). The multidisciplinary nature of intellectual capital lends itself to both a richness of perspective as well as a difficulty for valuation (Bontis, Dragonetty, Jacobsen and Roos, 1999) and relevance (Booker, Bontis and Serenko 2008). Facing intense globalized competition, there is a widespread recognition that intellectual capital is a critical force that drives economic growth (Huang and Liu, 2005).

Business performance is an important concept that relates to the way and manner in which financial resources available to an organization are judiciously used to achieve the overall corporate objective of an organization. It is therefore important that organization's performance be measured on a regular basis in order to ensure sustainability (Olayinka and Uwalomwa 2011).

The research setting for this particular study is unique because the concept of intellectual capital is not well known to most managers in the small businesses in Nigeria. Therefore, the expected contributions of this research are as follows: whereas intellectual capital measurement studies often focus on accounting measures and financial calculations (e.g. VAIC), these require publicly traded companies whose results are fully disclosed and available. This particular study encompasses private companies without published accounts.

Statement of the Problem

Entrepreneurs are physical agents of greater production to sustain economic growth. The most fundamental determinant of the commercial application of new technology knowledge is the character of the entrepreneurs to have insight, foresight, vision, courage, adventure, the desire to make goods. Globalization has great implications and challenges on many countries and to Huang and Liu, (2005) intellectual capital is recognised now as a critical force that drives economic growth. Most businesses may not clearly be aware of value created by intangible assets and so do not manage them correctly (Andriessen 2004).

Intellectual capital research has been conducted in many developed countries among others including, U.S. (Bassi and Van Buren, 1999), Canada (Bontis, 1999), United Kingdom (Roos and Roos, 1997) Malaysia (Bontis Chua, and Richardson, 2000), South Africa (Firer and Stainbank, 2003). However, there appears to be little of literature on intellectual capital research in Nigeria particularly in Benue state. Managing intellectual capital create new source of competitive advantage. Therefore, this study attempts to fill this gap by providing evidence on literature on intellectual and small business performance in Benue state. The research seeks to answer the following questions: how does innovation impact on growth of small scale businesses in Makurdi metropolis, Benue state? How does policy and program relates to the sustainable growth of small scale businesses in Makurdi metropolis, Benue state? What is the relationship between customer loyalty and survival of small businessesin Makurdi metropolis, Benue state? The main objective was to ascertain the relationship between literature on intellectual and small business performance in Makurdi metropolis, Benue State. Specific objectives include: to ascertain whether there is a significant relationship between innovation and growth of small scale businesses in Makurdi metropolis, Benue state; to determine if there is a significant relationship between policy and program, and sustainable growth of small scale businesses in Makurdi metropolis, Benue state; and to ascertain whether there is a significant relationship between customer loyalty and survival of small scale businesses in Makurdi metropolis, Benue state. Since innovation is representing human capital, policy and program is representing structural capital and customer loyalty is for relational capital, because not every aspect of intellectual capital is applicable to small scale business, the hypothesis was as follows:

Ho_1: There is no significant relationship between intellectual capital and small scale business performance in Makurdi metropolis, Benue state.

Review of Related Literature

Concept of Intellectual Capital

Intellectual Capitalis defined as the non-financial and non-physical resources used by and within a company, it is knowledge which can be converted into profits (Sullivan, 1999). Intellectual capital encompasses much more than patents, copyrights and other forms of intellectual property. It is the sum and synergy of a company's knowledge, experience, relationships, processes, discoveries, innovations, market presence and community influence. (Miller, 1999). Edvinsson and Malone (1997) posit that, it is the sum of human capital and structural capital. It involves applied experience, organizational technology, customerrelationships and professional skills that provide an organisation with a competitive advantage.

Bontis et al. (1999) add that, the concept classifies all intangible resources as well as their interconnections. Lev (2001) regards it as a source of future benefits (value), which aregenerated by innovation, unique organizational designs, or human resource practices.The assessment of knowledge in organisations is a difficult matter. However, since knowledgeis of significant importance for a company's competitiveness, its evaluation is a fundamentalissue. Stewart (1994) argues that, a company grows, because it has hidden values, and to keep growing you must surfacethem, care for them, and transfer them through the business activities, if managers can measureit, they will value it

To imbed intellectual capital in an organization entails, members of organization to evaluate their core competencies; those areas where they can achieve or have achieved best status in the world. The intellectual capital of a firm symbolises the wealth of ideas and ability to innovate which will define the future of the organization. This implies if firm's accounting book value is less than its market value based on share price, this excess obviously is the market valuation of the intellectual capital stocks and organizational learning flows of the company.

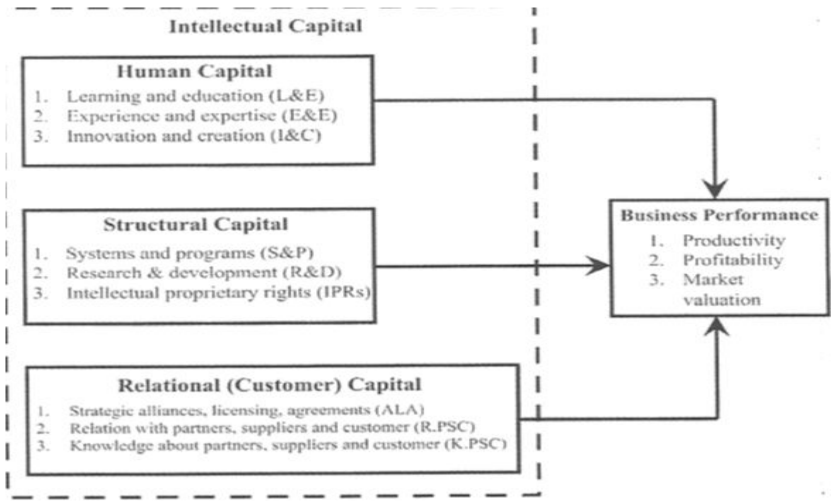

Figure 1: Conceptual Model

Source: Sharabati, A. A., Jawad, S. N. and Bontis, N. (2010) "Intellectual Capital and Business Performance in the Pharmaceutical Sector of Jordan", *Management Decision Journal*, 48 (1), 105-131 Retrieved from www.emeraldinsight.com/0025-1747.htm on 23/1/2016.

This model indicates that 1C is divided into three categories: a. Human Capital; b. Structural Capital; c. Relational Capital.

Human capital is defined as the accumulated value of investments in the employee's training and competence (Edvinsson and Malone, 1997). It also contains the competence, skills, and intellectual agility of the individual employees (RoosRoos, Dragonetti, and Edvinsson,, 1997). Zambon (2002) adds that human capital includes the collective knowledge, creativity and innovativeness of people within an organization.Structural capital consists of non-human storehouses of knowledge in an organization that are embedded in systems, databases and programs (Edvinson and Malone, 1997). Unlike human capital, structural capital is an intangible asset that can be traded, reproduced and shared within the firms (Zambon, 2002). In fact, certain structural capital elements can be legally protected in the form of patients and trademarks as aresult of investment in research and development (Roos et al., 1997). However, Choo and Bontis (200) argue that intellectual property and intellectual capital are mutually exclusive. While relational capital represents all the knowledge embedded in relationship with external parties such as customers, suppliers, partners and other external stakeholders and the knowledge about these stakeholders (Roos, et al. 1997).Zambon further extends this notion to include formal alliances, licencing and partner agreements as evidence of these external relationships.

Empirical Studies

The increase intention of intellectual capital is based on its capability to influence firms' performance. The literature of IC and business performance, consists of three principal aspects. Researches confirm a very strong and positive relationship between intellectual capital and business performance (Barney, 1991; Bontis, 1998; Bassi and Van Buren, 1999).Riahi-Belkaoui (2003) examines the relationship between intellectual capital and business performance of multi-national companies in United States of America. The result reveals that intellectual capital is positively associated with financial performance. In the same vein, Olayinka and Uwalomwa (2011) examine IC and business performance of listed companies in Nigeria, the results show that intellectual capital has a positive and significant relationship with the performance of business organization in Nigeria.

Despite the above positions by scholars, Firerand Stainbank (2003) ascertain a negative relationship between intellectual capital and business performance in the South Africaneconomy and conclude that intellectual capital has no positive relationship with business performance, nor a positive influence on analysts and investors. These review on related literature on intellectual capital and business performance obviously reveals mixed results hence the need to undertake a research on the relationship between intellectual capital and business performance in small scale business in Makurdi metropolis, Benue State, Nigeria.

Following this scenario I will now bring the model to help ascertain the relationship that: $BSP = B_O + B_1HCP + B_2SCP + B_3RCP$, where BSP = business performance, HCP = human capital, SCP =structural capital, RCP = relational capital and B_1, B_2 and B_3 are expected not to be equal to 0.

Methodology

The research adopted a survey research design and it explored primary data through structured questionnaire and interview. The population of the study consists of all members of Association of Table Water Producers (ATWAP) in Makurdi metropolis, Benue State. There are 81 registered and functional companies, stratified sampling technique was used to have 2 managers from each company resulting to a total of 162 sample size, therefore N =n, where: N= population, and n= sample size.

The study used perceptual measures, in intellectual capital research which has been used widely by researchers like Kannan and Aulbur (2004). By analysing over 100 research papers in the field of intellectual capital, they argue that perceptual measures were among the most often measurement techniques used to examine organizational factors that contribute to employee performance, human capital development and organizational performance, given that intangible assets are difficult to measure objectively.

The survey instrument was based on Sharabati, Jawad, and Bontis, (2010) intellectual capital questionnaire. Intellectual capital was sub-divided into three elements: human capital (innovation), structural capital (policies and programs) and relational capital (customer loyalty). Regression was used in testing the formulated hypothesis with the aid of IBM SPSS version 20.

Data Presentation and Analysis

In this section we present analysis of the data collected from the respondents. As earlier stated 162 questionnaires were sent to various managers, of which, 151 were completed and returned,4 out of 151 questionnaires were condemn because vital information were missing. The total valid questionnaires were 147 given the response rate of 90.74 percent. The questionnaire was based on a five point Likert scale with 1 for totally disagree to 5 with totally agree. Quantitative data from the questionnaire was analysed with IBM - SPSS version 20.

Table 1: The Summary of Questionnaires is as Follows:

	Variables	**Items**
A	Human capital (innovation)	5
B	Structural capital (policy and program)	5
C	Relational capital (customer loyalty)	5
D	Business performance	9

Source: Field survey, 2016

Table 1 shows that items on the questionnaires against human capital represented by innovation, structural capital represented by policy and program and relational capital represented by customer loyalty are 5 respectively, while business performance has 9 items which were completed by the respondents.

Table 2: Model Summary as Computed

R	R Square	Std. Error of the Estimate	Change Statistics		
			df1	df2	Sig. F Change
.965[a]	.930	1.381	3	143	.000

Source: IBM-SPSS Output, 2016

Table 3: Computed Result of Coefficients

Model	Unstandardized Coefficients		T	Sig.
	B	Std. Error		
(Constant)	2.742	1.062	2.583	.011
Human Capital	-.092	.025	-3.699	.000
Structural Capital	.037	.036	1.013	.313
Relational Capital	.943	.022	43.472	.000

Source: IBM-SPSS Output 20 16

As shown in table 2 and 3, the model for the analysis sample is statistically, significant hence, the model investigated has good predictive power. The model is given as: BSP = 2.742 - 0.092HCP + 0.037SCP + 0.943RCP. With correlation of 0.965, the study concludes that 93% (square correlation) of the variance in the dependent variable was accounted for by this model. Since the P value = 000 is less than the alpha level of 0.05, I therefore reject the null hypothesis and concludes that intellectual capital has a positive and significant relationship with small scale business performance in Makurdi metropolis, Benue State.

Table 4: Industry Leadership in the Town

	Mean	Std. Deviation
Future Outlook	4.17	.718
Overall Response to Competition	4.00	.603
Overall Business and Success	3.83	.718
Employee Productivity	3.92	.900
Process Productivity	3.58	1.240
Sales Growth	3.67	.492
Profit Growth	3.83	.389

Source: Computed from Field Survey, 20116

Table 4 presents the mean scores of variables in the industry based on how respondents rank your company compared to the competitors. The mean scores generally indicated that all the firms are struggling to be second top and none wants to be at the bottom.

Discussion of Findings

The main research question of this study was to investigate relationship between intellectual capital and small scale business performance. During the investigation certain findings came up which explain the research question and the establishment of clear relationships between these configurations, intellectual capital and business performance.

Based on the analysis, intellectual capital has a positive and significant relationship with small scale business performance. This submission is in line with most of the intellectual capital research by most researchers like Riahi-Belkaoui (2003), Sharabati,et al. (2010) among others. Innovation has a negative coefficient, but is significant to the model. This is confirmed by one of the manager in OXNET Ventures Ltd:

> We employ solutions, skills, knowledge not just employees in two or three positions, the rest we employ thosewith no hope of going to school in future'.

Nielson et al. (2006) propose that human resources capital is the core of intellectual capital components, they include skilled staff, knowledge and management philosophy the company's performance has been affected. This answers the first question and achieves the first objective.

The second finding shows that structural capital in form of policies and programs for the small scale business is positively related to the sustainable growth of their firms. Like upgrading employees' skills and education through workshops, upgrading their processes to meet customers' needs. This is also confirmed by one of the managers OXNET Ventures Ltd, that:

> The culture of punctuality and dedication to work is one of our core values, and effective supervision.

The aspect of structural capital that is vital to small business is having a reputable policies and programs to improve the quality of products and services, but the P=value = 0.313 indicated that the variable is not significant to the model. This answer the second question and achievesecond objective.

Finding about the customer loyalty reveals a positive relationship with the survival of small scale businesses as most of the businesses are strategic. This has the highest coefficient of 0.943 indicating that customer loyalty is a strong predictor of the survival of small scale businesses in the competitive world. The P-value = 0.000 shows that the variable is significant to the model. How well a firm is able to satisfy their customers' needs and wants better than competitors can keep a firm in the business, and would equally have a long term benefits. One of the manager confirmed OXNET Ventures Ltd that:

> We value our customers by delivering more than our competitors in terms of price, quality, making it accessible anywhere. We sometimes call to know how well they are doing".

This implies that retaining business relationship is integral to success of a small scale business. Goran Alan and Kristine (2001) in their research argue that some of the money that is earned is used to sustain the relationships with clients, and some to maintain and develop the competence of the individual. This answers the third question and achieves the third objective.

Conclusion
This study focuses on the intellectual capital and small scale business performance therefore specifically, how small scale business are recognising the value their intangible assets. Equally improving processes of the firm to improve quality of products and services that meets customers' needs create a sustainable growth for the small business. Also to attract and retainloyal customers' valued by the firm has a significant impact on the survival of small scale businesses. The business depends on the revenue coming from these customers' for survival. Therefore, paying attention to the intellectual capital may impact on the performance of small scale business in terms of increasing their productivity, improving their profitability and their entire valuation in the market.

Recommendation
The study therefore wishes to make the following recommendations that:

i. Small scale business should have a culture of investing in their employees through education to increase their productivity.
ii. Organizations should identify key people and assign them the role as intellectual capital manager. This individual would be responsible for preparing a plan for managing intellectual capital and linking it to the organization's strategic goals.
iii. Small scale businesses should pay serious attention toward retaining their business relationships as their survival is mostly tied to the customer loyalty.
iv. It is important for the Nigerian government to harvest the full potential of its people by providing appropriate technological infrastructure so that human capital can be processed into increased wealth and a higher standard of living. This can be achieved for organizations regardless of size.

v. A unique contribution of this study is the testing of intellectual capital concepts within small scale business in Benue state, Nigeria given the fact that intangible assets are more important and critical than tangible assets in such a decisive period of the life of a business. There are several other states and elsewhere that would benefit testing these concepts in other setting.

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DEVELOPING INNOVATION BY ENTREPRENEURS FOR BUSINESS SUCCESS: A SERVICE DELIVERY PERSPECTIVE

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PP. 320-338

Abstract

The growing competition from around the world occasssioned by the globalisation of the economy, is leading to obsolesce in the product offerings many of companies. As a result, more entrepreneurs are entering almost every viable business arena that promises profitability and sustainability. For absolute continuity and sustainability of their businesses, entrepreneurs need to be innovative in order to meet emerging needs and aspirations of customers and remain fit in the marketplace. Realised that, without innovation culture from businesses, whatever value a company had yesterday, or even today, will wither tomorrow as the speed of technology evolves and the global market re-awakens. Entrepreneurs should not let the pace of scientific advancement outstrip their creative thinking that manifest in their product offerings to the market. It is against this backdrop that, this paper adopts a conceptual framework in looking at developing innovation by entrepreneurs for business success: a service delivery perspective. The paper therefore examined conceptual clarification, types of innovation in an organisational set-up and innovation baselines for an organisation. It also discusses the triggers of innovation for entrepreneurs, and finally, enumerates how entrepreneurs could deliver quality service to customers.

Keywords: Innovation, Entrepreneurs, Business Success, Service Delivery, Nigeria.

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Introduction

In today's history of business, managers need to encourage innovation in order to better reshape their value creation as increasing competition is in leading to accelerated product/ service development cycles. In recognition of these developments, Dundon (2002) suggested that organisations must adopt a more innovative approach that will likely weather the storm and reap top-level profits.

It must be emphasised that innovation and creativity to humanity is a divine duty from our creator (God). According to evidences from our holy books, when mankind was created, and instructed to multiply and fill the earth; absolute dominion over everything on the surface of the earth was also given to him. With this responsibility, and the likeness nature of the creator, it becomes our birthright to use the creative powers to reshape the society in ways that better suit our well-being. It is in this light that, Tracy (2014) asserted that every innovation begins with an idea to serve people better in some ways. He further emphasised that almost all entrepreneurs who start and build successful companies have at the back of their minds ways to solve problems and satisfy the needs of others in the society.

In a similar vein, PricewaterhouseCoopers (1999) revealed that, an organisation with an innovative culture attract and reward three distinct parties for the wellbeing and improvement of the society. Firstly, it rewards customers with superior products/services. Secondly, employees are rewarded with adequate pay and provided with the opportunities for growth and an environment that makes them feel comfortable at work. Lastly, it rewards stakeholders with meaningful profits that keep the business going, thereby meeting set out goals in line with the operational guidelines of the society.

As entrepreneurs diversify into new emerging opportunities occasioned by the economic downturn in Nigeria, they are looking for edges that set them ahead of others. Resultantly, they have become desperate for creativity and innovation in order to reward customer with superior products or services at a margin that keep them going.

It is in the light of the foregoing that the paper is set to examine the development of innovation by entrepreneurs for business success. In this regard, the paper is structured in the following sub-headings for easy and better understanding of the subject matter.

i. The Concept of Innovation
ii. Types of Innovation in Organisational Set-Up
iii. Innovation Baselines
iv. Triggers of Innovation
v. Service Delivery to Customers

The Concept of Innovation

Innovation is all about introducing something distinctly new and better to the marketplace or organisation and succeeding in getting the customer to switch from what they are currently using to the new idea/product (Sampson, 2013). Dundon (2002) defined innovation as "the profitable implementation of strategic creativity". Analysing this definition, the author breaks the basic components into four and substantiates as follows:

i. Creativity: Is the discovery of new ideas.
ii. Strategy: Being the determination of whether a discovery is new and useful idea to be used in order to add to the organisation.
iii. Implementation: Has to do with putting these new and useful ideas into action. It is in the area of implementation that many great creative and potentially innovative ideas are blocked and never given a chance to deliver value to an organisation.
iv. Profitability: It shows the maximisation of the added value from the implementation of this new and useful idea. It also manifest in other ways such as financial gain, improvement in employee morale, an increase in the contribution to the society.

Tracy (2014) observed that, an idea only become creative when it has a value addition. He therefore asserts that, innovation creates room for ideas to flourish and that, new ideas often appear frightening or strange and if we cling to the status quo, it may bring us frustration and staleness in all aspects of our lives.

Types of Innovation in an Organisational Set-up

Three types of innovation approaches are easily seen and practice in an organisational set up. These innovation approaches are rightly captured by Dundon (2002), as the innovation value continuum shown below:

Efficiency Innovation	**Evolutionary Innovation**	**Revolutionary Innovation**

One of these or a combination of these approaches are usually adopted by an organisation in this era of economic uncertainty, constrained resources and increased global competition. The adoption of one is dependent on what a company wishes to achieve with its innovative strategy.

- **Efficiency Innovation** focuses on identifying new ideas for improving what already exists; and it requires minimal investment since it is building on the past and only looking for a small change on what is already done. Studies by Sampson (2013) Alabar (2012) and Ulrich and Eppinger (2004) opined that the strategy is usually to cut costs, reduce cycle time, improve quality, offset a competitor's move or attract new customers. Examples of efficiency innovations may include but not limited to: (i) Extending the hours of service from 16:00hrs to 24:00hrs per day. (ii) Enabling the same machinery/personnel to work faster or with greater accuracy. (iii) Developing a standardised format for reporting complaints from customers to enable it take appropriate remedial actions. Ernest (2000) and Mari (2001) however warned that pursuing efficiency innovation may not be the optimal route as it may seem to be a quick route to higher profits but costing more than anticipated. They further maintained that, these initiatives may even have negative effects on the quality of product offerings as well as the psyche of organisational employees.

- **Evolutionary Innovation** focuses on identifying ideas that represent something "distinctly new and better". It may be products and services or processes, which can change the way customers relate to the organisation or the way work is processed within the organisation. An example of this type of innovation according to Alabar (2012) is the introduction of Automated Teller Machines (ATMs) by Nigerian banks that guarantee banking at all times (24/7). All the changes introduced operate within existing structure of the company and the marketplace.
- **Revolutionary Innovation** focuses on radically new and better ideas that may dismantle the existing current structure of the company and marketplace. In reality, only a very few companies/individual are adopting this approach in their operational processes.

  Nokia appears to be using this approach as it relies much/ directly on its customers to be explosive in its technological advancement to deliver value to it teeming customers. From the early handset telephones it built in the 1990s to the smart phones of today, Nokia has kept its edge despite extremely fierce competition in this highly innovative and technology-driven market.

  Studies by Malcolm (2000) and Dundon and Pattakos (2001) however warned that revolutionary innovations are disruptive, and if not well coordinated may result to tremendous resistance from stakeholders. They therefore said that, having a revolutionary innovation strategy does not in all ways guarantee success as the other side of human thinking is concerned.

Innovation Baselines for an Organisation

In this new millennium, it is only innovation that can bring businesses the competitive edges they need and the tempo to grow revenue as well as delivering exciting products to customers. To do this, management must establish policies, attitudes and practices that support innovation activities in their companies. This according to Sampson (2013), Ovia (2007) and Munroe (2005) entails but not limited to the followings:

1. Taking an Honest Unbiased Innovation Inventory: Management should and must take an honest top-down look at the needs of the company in order to be innovative. In this regard, a consultant/advisor is needed to objectively handle the job as management may not be objective. Innovation partly involves change, which management requires doing away with some cherished behaviours in the organisation, laying off workmates and friends. To innovate is to reposition, and set the outfit on a stand that meet the current needs of the market, shareholders and other stakeholders. So, if an organisation doesn't stand in the industry's hierarchy, creative measures are required to make it work. Standing tall in an industry means being one amongst the market leaders. So, when you are not a market leader what can you do objectively to move up to the status? The answer to this makes an organisation to be innovative.
2. Create a Risk-taking Culture: This must start with top management and as it begins, it is passed down the line to operational managers, and other employees. A risk taking culture set clear guidelines as to the company's expectations for creativity. Instead of pointing at people for failures in certain actions, management should device a platform for assessing personal initiatives, and view failure as a welcome opportunity for all to learn in the chain of the value creation process.
3. Expose your Staff Members to Creative People and their Works: When you talk about creativity and innovation, most employees don't know much about it. But when they are exposed to creative people, ideas and environments, they are propelled to be like them. Creative individuals, business incubators and business accelerators are good examples to get your staff visited.

4. Establish Quiet, Creative Space: Every innovator needs a quiet time and space to flourish. Creativity needs a still, peaceful environment without frantic, urgent energy. And for it to come to life, you need to create a physical atmosphere that nourishes it. Designated spaces should be provided in the workplace that provides quiet time for positive thinking that may translate to creativity.
5. Adequate Provision for Dialogue and Debate: Healthy dialogue and debate amongst experts in a field or industry can create an atmosphere where creativity flows freely. Despite the fact that, firms in an industry compete amongst themselves, an industry grows richer and stronger when open dialogue and debate occur amongst players. So it is pretty clear that, open dialogue and debate provide fertile terrain for creativity.
6. Adopt a True Team Approach: When people work to accomplish an assigned task it doesn't really mean they are a team. But when people work together, as adequate time is provided for them to know themselves as relates to the job, and they truly care about one another and a sense of shared goals develops, individual egos become less important and their best is unraveled to more positively achieve set goals. In this regard, individual competencies are realised and put together to get it right.
7. Establish a Culture of Intrapreneurship: The word intrapreneurship refers to the development of an entrepreneurship spirit within the existing structure of a company. Intrapreneurs are often given specific goals to achieve and a great deal of freedom as to how to accomplish those goals. The freedom permits them to draw on the resources of the company without being restricted by its rules and hierarchy. They are given the freedom to act as independent contractors to achieve specified goals. So, when a culture of freedom is given to members of staff of a company to act independently towards set out goals, they bring a breath of fresh air into the company. It can also be termed "a culture of creative-mindedness amongst employees". Such culture

creates an enabling opportunity to operate independently, while much benefiting from the infrastructure provided by the company. Better still, it is a possibility of testing the waters of entrepreneurship without taking the risk of starting your own company.

8. Hire Proven Innovators: Any company that wants to be innovative must hire the people who have undergone the exercise. When successful innovators are hired they bring their successful experience to bear on the organisation's innovative initiative. The services of inveterate initiator may be very useful at this point.
9. Share Information Openly: An open sharing of information amongst functional units of the organisation can open windows of innovation. But where people operate in a secretive and ignorant environment, they unintentionally keep their creative brakes on. So, the flow of information should ignite the understanding that jobs are tied together for the overall benefit of the organisation, which in turn spurs surprising innovations.
10. Listen to your Customers and Try to Anticipate their Needs: The customers are the end-users of a company's products and they provide a critical stake in the new product development process. And as the art of finding and meeting unmet needs of customers is key in the company's success, organisations should be able to establish a well planned feedback system from customers. This feedback system helps in identifying customers' needs, which could be transformed into a product. The tracking system therefore creates an innovative platform for the business. Every piece of customer feedback is a road map to the next innovation.

    Constant efforts to establish a good rapport with your customers will provide an opportunity for plenty of creative and improved ideas. Also, when customers quit, you need to know why they quit, as that may provide an avenue for improvement in your subsequent offering.

Triggers of Innovation for an Entrepreneur

Everyone has the ability to connect one idea with another, to find an idea in another individual, organisation or industry and connect it with another to solve a prevailing problem. Good ideas are engines that power us to live extraordinary lives in our current society. It is in this light that Sampson (2013) asserts that, the greatest ideas and models are those that solve the challenges of society and meet the needs of its citizens. Studies by Sampson (2013), Alabar (2015), Tracy (2003) and Maxwell (2007) highlighted some major triggers of innovation an entrepreneur may apply in his business to survive in today's marketplace where the needs of customers are illimitable, but the means are limited.

- **Connectivity**: We live in a society where individualistic tendencies are hail as a sign of strength. But this tendency is seen as a sensible model for an era when the world was separated by distance and lack of communications technology. In this new era of change, collective strength and the need to connect with other people will bring out the best in us as a people. Human connectedness is absolutely critical for success in our today's globally wired and economically interdependent world. It should be noted that, every business success requires entrepreneurs connecting with the customers, suppliers and other related stakeholders. Many entrepreneurs have failed in recent decades because they insisted playing by the same old rules, with same old products/services, and with same old technologies. But when business people get connected with those of other nationalities, geographies and other cultural backgrounds, this brings about a host of values, perspectives, initiatives, attitudes and knowledge that trigger creativity.

  It is in the light of this that, most cutting-edge technology companies' today employ engineers and executives from across the world working together side by side for better results and innovative products.

Connectivity emphasised that; together we are greater than the sum of our parts, which could be in terms of knowledge, creativity, and above all, innovation perspectives in all aspects of human existence.

- **Positivity**: The kinds of belief's and behaviour we hold flow directly from the kinds of thoughts we choose to entertain. The kinds of thoughts we choose to live with may be positive or negative. Entrepreneurs that choose negative thoughts easily give away their power, which could be physical or mental in nature. Generally, people who live with negative thoughts are perpetually victimised, angry, and fearful or even discourage all times to comply with changes. Their efforts are always on the taking, obstructing, blaming, starving their faith and being on the disruptive side of the divide.

  But in today's business world that is transparent, interconnected, people oriented and solution-driven, it will only be entrepreneurs that hold positive, creative and value-adding thoughts that may be more solution-oriented and productive. Sampson (2013) singularly, highlighted the benefits of positivity to an innovative entrepreneur as follows:

i. It allows you see opportunities where others can not.
ii. It adds value, while negativity strips it away.
iii. It bolsters creativity and productivity.
iv. It helps you bounce back quickly from failures and setbacks.
v. It changes your brain chemistry towards creativity and receptivity.
vi. It attracts others to you who may be very instrumental to creativity and discoveries.
vii. It gives you hope and optimism, which tend to produce better business/world results.
viii. It lets you see strengths in yourself and others for optimum use.
ix. It inspires others around you.
x. It promotes good habits that lead to better health and longer life.

Tracy (2004) also sees positivity as a trigger of innovation as; positivity broadens our outlook, opens up to new solutions and ideas, and brings more possibilities around us that can be of benefit for human existence. He further emphasised that, when you sow a positive thought, you reap a positive action; when you sow a positive action, you reap a positive habit; when you sow a positive habit, you reap a positive character, when you then sow a positive character, you reap a positive destiny. His emphasis clearly shows that positivity determines what we can achieve and how far we can go as entrepreneurs only if we imbibe the culture of positive thinking in our daily lives.A positive entrepreneurial brain has better resources for creativity and innovation than a stressed and negative one.

- **Personal Responsibility**: Every noteworthy business success stems from an individual making nearly rightful/rightful decision(s) to act on an identified problem or idea. To take personal responsibility means powering our efforts into doing the right thing, even when victory is not seen near.

  Many times we allow hardships; circumstances and other challenges prohibit us from knowing that we have the personal power and responsibility to make our dreams come true. To survive in the economy of the 21st century, we must understand that God has endowed us with a brain, an imagination, and the ability to innovate and create something that adds value to our well-being and the society in general.

  An effective value-addition by entrepreneurs means shifting your psychology away from the mindset of finding existing jobs to the one of shaping, defining, and creating new ones with no or little pains/mistakes. Taking responsibility for mistakes in a company may be painful, but boost your reputation as a trustworthy entrepreneur. What that means is that, most people have more respect for companies that readily admit mistakes and come up with better and innovative products that meet the needs of target audience. Assuming responsibility involves four stages as advanced by Alabar (2011) and Tracy (2014), thus:

i. Recognise the problem(s).
ii. Identify the causes.
iii. Proffer solution(s) that repair the damage.
iv. Take steps to avoid a repeat of the problem.

When an entrepreneur takes responsibility to limit damage to his reputation owing to mistakes, he becomes creative enough to cause a better offer and efficient service delivery to the customer. To be determined, hardworking and make personal sacrifice to be creative enough to attract and retain customers, launches from the springboard of an unshakeable sense of responsibility.

- **Diversity**: In today's global marketplace, the ability to effectively communicate and interact with people (customers/ suppliers) of different cultures and backgrounds is critical success factor. Just as nature has proven that a diverse gene pool makes our species stronger, entrepreneurs should also show their employees how a diverse workforce can be strength and not a weakness. When they know that innovation flourishes when there is diversity, they will desperately need more teamwork that is diversified to innovate not just only for themselves and the organisation, but the economy at large. We may not need to be the best friends on the planet, but develop a curiosity about other fellow beings to enable us explore into the vast opportunities provided by our interconnected world. With the curiosity to understudy other cultural backgrounds enable us not only to develop products that have cultural appeals, but also elicit other ideas that help in providing solution arising from what maybe called Process Needs of new product development.

  In an atmosphere where everyone feels accepted and valued irrespective of cultural differences feel safe and motivated to make individual contributions that result to creativity and innovation.

- **Dream**: The ability to dream is very unique to us humans. Other animals may experience pleasure and pain; some appear capable of abstract problem solving, some may even share some human like emotions, but one thing is clear, they do not dream. A dream gives our lives a sense of purpose beyond just living, but what we achieve our lives with the available resources. Hogan (1996) asserts that, a dream is the very wellspring from which all of our energy flows. A powerful dream can drive a human being to extraordinary acts of courage, endurance, discipline and creativity. Today, many entrepreneurs are in the field of business as a result of the dream they had; since everything you create in the world begins with a dream. In this wise, Tracy (2003) was quoted as saying; all successful entrepreneurs of our time are "blue-sky thinkers" because it is what they see inside of them that finally manifest on the outside. He further emphasised that, dreams pull us out of our comfort zone to our capacity zone thereby causing us to make personal sacrifice to achieve the vision we had.

For example, without a dream, the airline industry that exists today would not have been discovered by the Wright brothers. Without a dream, Nelson Mandela wouldn't have been able to spearhead the movement for the abolition of apartheid in South Africa. Without a dream, Dr Jones Salk would not have been able to discover the vaccine for polio eradication (Sampson, 2013). According to Loehr (2003), powerful dream or vision provides hope and meaning, which increases dopamine levels in the brain and triggers solution-oriented thinking.

It is therefore clear that, dreams are not poetic niceties; they are the engines on which innovation strives.

- **Openness**: In this information age in which we live, there is a growing need for openness in business as it equals trustworthiness, while closed doors equal trouble. But most entrepreneurs are accustomed to the safety of operating behind closed doors for the fear of scrutiny, which may invite criticism and negative publicity. LeBouef (1987) however suggested that, opening up on ones mistakes gives him an opportunity to share his value and concerns with others for valuable suggestions that may help in improving on his worth. When an entrepreneur openly shares his business views, it opens the door for possible feedback from customers and other partners. When you open up on your activities and products, you arm your employees with a clear sense of purpose and accountability, they see it in their best interest and this releases huge amount of creative power in them. Having nothing to hide is more than anything else and it gives consumers confidence, and creates opportunities for more input from the public, which translate to innovativeness.

- **Self-Image**: We live in a very transparent, media-rich world that cell phone cameras, security video and recording equipment of different types are becoming omnipresent, making it vital to be on at all times. In a similar vein, it is becoming increasingly difficult to live a double life in which you talk one thing and do the opposite and go free. As one is seen playing double standards in his dealings, tend to make people lose confidence in him, and his worth is greatly reduced. Your self confidence makes people believe in your capabilities and strength such that any idea one has is openly expressed and properly used. But without a self-worth personality, one does not believe in himself and would want to follow the ideas of others. However, as one strongly believes in himself and cares less about what others think about him, he is most likely to follow his instincts, which may result to positively achieving set out goals. Bill Gates is an example of an innovator with a visionary and unapologetic workaholic that has always stayed true to who he really is. Our self-image manifest in our desire to excel and to excel in life means being creative in your thoughts and actions. Self-belief can make one to be innovative.

A combination of the above triggers can be very instrumental for entrepreneurs developing innovation in the business landscape, and should be taken with utmost concern to survive the rapid change in the marketplace. In spite of these innovation concerns, an entrepreneur must ensure that the quality of service delivery, which also denotes an aspect of innovation, should be properly organised in order to communicate value to customers.

Service Delivering to Customers

Your service delivery is a way not only to showcase skills but demonstrate to the society that you are a person with values, commitment and integrity. And when we serve our customers and the society, they reward us with their support and business. It is also a known fact that, successful entrepreneurs that start and build their businesses also operate a unique and efficient service delivery system. As observed by LeBoeuf (1987), Alabar (2007) and Alabar (2011), if you want customers to talk good about you and your products, you need to imbibe these features in your service delivery system.

1. Know Who your Customers are and their Needs: You can't serve people if you don't know who they are, and what they need. As an entrepreneur, you must take your valuable time and efforts to learn about your customers' lives, needs and desires to serve them better. For you may be perceived to be giving quality service to your customers, but if they perceive otherwise (that is, at variance with their needs/aspirations), that may cause them not to buy or come back to buy from you again. Therefore, focusing on customers needs/wants, helping them buy what is best for them make them feel good, and talk good about you to others.
2. Create a Solution that Really Serves the Customer: When needs/aspirations of customers are reasonably identified and transformed into a product/service that richly provides solutions, customers feel satisfied. So, product solution that positively respond to the real needs of customers don't only make them feel good but also add up to the deposits on their emotional bank accounts. Therefore, any provided solution that really serves an identified need reshape the customer's perception about you and your business in a marvelous lens.
3. Deliver your Solution with Respect, Humility and an ever Willingness to Improve: Every company's greatest assets are its customers, and when their needs are solved with absolute respect and humility they reward the company with their wallets and referrals. According to Tracy (2002), service delivery can be seen as a transfer of enthusiasm. He says the

more enthusiastic and convinced you are about what you are giving, the more contagious this enthusiasm will be, and the more your customers will sense it and act on it. Also, always ask your customer/prospects if there is anything they need that you have not provided as they want. Observe them every step of the way and look for signs of confusion, resentment or annoyance. Take prompt actions to improve on areas of discomfort to the customers and it should be an ongoing orientation. Also, always thank them for the opportunity to serve them and reassure them of your willingness to attend to any of their grievances as they emerge.

4. Deliver more than you Promise: Always try to delight your customers i.e. doing more than expected in any service encounter. This singular act of offering extra can do more to turn your customers into raving fans than any other thing else. You can even let them know that you are always thinking about them by sending them congratulatory cards/SMS for birthdays, promotions, festivities like Christmas, Sallah or anything you can congratulate them for. Be more than other businesses that only hear from customers when they want to sell. Adopt a different style and even add a personal touch. For extra touches add small deposits on customers' emotional bank accounts that ultimately result in deposits that could be reflected on the financial books of the company.

   In some instances if possible, offer the customer several options and let him choose. If you can't solve the problem for him, you can even refer him to someone who can, and do what you can to put him in contact with the problem-solver.

5. Make a Follow-up Call to Insure Satisfaction: Where appropriate, you can call the customer back at a later date to make sure he is alright with the solution provided. This will achieve much benefits for the organisation in the following perspectives:

i. It will confirm that the problem has been solved, and
ii. It leaves the customer with a positive and lasting impression about your desire to give quality service.

6. Consider Setting-up a System to Document and Classify Complaints: This system will help you in spotting areas of customers' annoyances that need immediate action. Example, you may want to have a complaint log to document when a complaint is received, what it is, and how and when it was resolved.
7. Accept Complete Responsibility for Service Delivery Results: It is often said that people who accept total responsibility for their lives are likely to become experts in their fields of endeavour. So, for you to delivery quality service to your customers, the issue of blame game or apportioning blames should be avoided. Businesses should accept 100 percent responsibility for everything involved in the value-delivery process. When you accept complete responsibility, you become more personally powerful in whatever you do. So, as you see yourself as responsible for delivering quality service to your customers, the better you are on the job, and the likelihood to become a force to reckon with in the industry is boosted.
8. Build Relationship with Customers: The heart of service delivery today is contained in the quality of relationships that you build with your customers. It takes an interest in the total customer, determining his current position and past history, and other things about his life that are usually more important than whatever value proposition offered. It is therefore true that the relationship comes first in every service encounter, because it is only by establishing a good relationship that you know what, when, where and how to serve the customer better.

When entrepreneurs deliver their creative efforts in form of value proposition to prospects in the most efficient ways, customers tend to patronise and stage another come back.

Conclusion

There is no doubt that the world is becoming smaller and more interconnected because of technological advancements. This connectivity is absolutely critical for creative thinking and success in business as we are required to get connected to our customers who will purchase our products/services and other partners who are also involved in the value delivery process. As entrepreneurs become much innovative in their thoughts and actions, as evidenced in their business productivity and proficiency, it results to customer satisfaction. It is therefore worthy of note that, as customers of today are beginning to demand more from businesses arising from advances in technology, responsive entrepreneurs must live up to their innovative responsibility of meeting up these needs. Therefore, living up to the expectations of customers requires innovating creatively at every stage of the product offering in order to create value in the emotional bank accounts of target audience.

It is only appropriate that, in times of economic hardship, global competition and overabundance of similar products, entrepreneurs should turn to innovation as the quickest remedy to remain fit in the marketplace.

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INTERROGATING THE OPERATIONAL CHALLENGES OF SMALL AND MEDIUM SCALE ENTERPRISES (SMEs) IN NIGERIA

E.O. Ogaga

PP. 339-351

Abstract

The study enquired into the government's efforts toward the development of SMEs in Nigeria and equally probed into the challenges by this sub-sector. A qualitative study was carried out with the review of relevant literature, aimed of finding out the extent of government's commitment towards the growth and development of SMEs. The study found among others that government policies towards development of SMEs are not only weak but also suffer from lack of effective implementation; the dearth of financing alternatives and accessibility has hampered the growth/development of the SMEs in Nigeria; and the SMEs are faced with a series of problems ranging from poor infrastructure, high cost of raw materials and inputs, limited knowledge. Poor management skills and inexperience in related businesses among others.

Keywords: Systematic assesssment**,** Challenges, Small and Medium Scale Enterprises in Nigeria.

Introduction

Small and Medium size Enterprises (SMEs) are heterogeneous group. They include a wide variety of firms that posses a wide range of sophistication and skills and operate in very different markets and social environments. Their owners may be poor, some are dynamic, innovative and growth-oriented, while others are traditional enterprises that are satisfied to remain small (Falai 2015). In most cases the SMEs owners in Nigeria are dominated by members of a particular family or ethnic groups with the Igbos and Yoruba tribes as dominant.

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They play a key role in the industrialization of any economy and have a unique characteristics of their own. They are labour intensive,, easy to start up, focus on small markets, require low investments, and promote customers intimacy. In emphasizing the importance of SMEs, Rogers (2002), stated that: they enhance capacity building as they serve as entrepreneurial training avenues; they create more employment opportunities per unit of investment because of their labour intensive operations; they achieve a much more relative high value added operations because they are propelled by basic economic activities that depend mostly on locally sourced raw materials, they provide feeder industry services as they serves as major suppliers of intermediate goods and components to large-scale industries as well as major agents for the distribution of final products of such industries while at the same time, provide opportunities for the development of local skills and technology acquisition through adaptation.

The owner/manger relationship cannot be separated. There is hardly any unique universally accepted definition of SMEs because the classification of business into small, medium, and large is a subjective judgment (Ekpeyong and Nyong, 2002). The statistical definition of SMEs vary both between countries and between continents. The major criteria commonly used in the definition of SMEs could include various combinations of the followings, number of employees, financial strength, sale value, relative size, initial capital outlay and types of industry. The lower limit for small scale enterprises as prescribed by the degree creating the small and medium size enterprises is set at 5 to 10 workers and upper limit at 30 to 50 workers respectively.

SMEs may also be defined in terms of the size of capital investment (fixed assets), value of annual turnover (gross output) and numbers of paid employees, balance sheet totals and their independence in order to better adopt measures which concern them. The definition is, however, valid when it comes to allowing benefit from preferential treatment over other enterprise, especially the large enterprises. This is when such treatment is authorized by community regulation. However, SMEs will under this study be classified under three main groups: micro, small and medium size industry. Amidst several definitions provide by the government and its agencies, the National Council on Industry (1991) defined micro enterprises as an industry whose total project cost excluding cost of land but including working capital is no more than 500,000.00Small scale enterprises on the other hand is defined as an industry whose total project cost excluding cost of land and including working capital does not exceed 5million naira.

The importance of SMEs in the long-term performance in the developing countries in which Nigeria belong is now generally being recognized. The World Bank report (1990) claims that if the share of employment and value added by this enterprise does not exceed a critical threshold, economies of these countries will not take off in terms of sustainable growth. As such, financing of small and medium scale enterprises (SMEs) is very crucial and critical in the development of economies of recent. They need proper funding in order to bring forth the desired benefit. According to Sheifer, and Vishny (2008), the difference in legal and financial systems can explain much of the variation across countries in firms' financial policies and performance. Other recent empirical evidence supports the view that the development of a country's financial system affects firm's growth. Harper (2004) also believes that the capital shortage problem in the small firm sector is partly one which stems for the insignificant economic development of available resources by the owner- managers.

Globalization, however, has intensified opportunities, level of education and experience in related business set up as challenges faced by SMEs. This phenomenon has also affected SMEs in Nigeria and has further deepened the need to upgrade the quality and quantity of their output in order to survive in the competitive era.Making them more competitive should become of high priority by policy makers now than ever.

Over time, the government of Nigeria has recognized the importance of SMEs and seemed to act in a way to improve them in the face of the growing stiff competition. However, despite this attention of government and the creation of various bodies such as: industrial development centres (IDCs); Small Scale Industries Credit Schemes (SSICS); the Nigeria Bank for Commerce and industries (NBCI); the Nigerian Industries Development Bank (NIDB), and the Central Bank of Nigeria (CBN) and host of others, the growth and development is still yet to be reckoned with. The benefits of this very important sub-sector in terms of increased output, employment generation, poverty reduction, improved standard of living, etc, are yet to be felt. It is in this regards that this paper sought to reviewed government's efforts towards improving SMEs in Nigeria and to investigate the challenges that are hindering the growth and development of these SMEs.

The Benefits of Funding SMEs in Nigeria

Financing SMEs is very important to the development of SMEs from the start-up face to the stage of maturity. During start-up, the best sources of finance can be business owners savings, loan obtained from friends or relations. As they continue to develop, they obtain funds from commercial finance institutions, factoring, leasing, trade credit, and reinvestment of profit. When they have reached the stable stage, they may be financed from the capital market or equity investments. If these institutional arrangements are in place, SMEs financing can be easy to come by.

Some other sources of financing include; venture capitals, credit guarantee, trade finance, trade credit, securitization of loans. Some SMEs may have special aid and loans assistance scheme from international bodies such as ADB, IFC,IMF, world Bank and other donor institution. Unfortunately, these are not available for SMEs in Nigeria. The most available source of SMEs financing in Nigeria are trade credit, mostly from business relationship, short term loans from banks that require a large amount of collaterals beyond the reach of owner/manager. There are virtually no special sources of long- term financing that can permit business expansion or investment in fixed assets, involvement in training research and product development. Although short-term financing, trade financing and other relationship lending exist to meet the needs of working capital equity financing, but long-term debt are more appropriate to finance the fixed capital investments which require longer gestation periods.

Providing the right type of financing that is needed for the development and growth of the SMEs, at each stage is therefore very crucial not only to their survival and growth, but also ensuring that they do not rely on internally generated revenue alone,(mostly of retained earnings and plough- back profit) that takes a lot more time to accumulate. This inability to raise the productive capacities of SMEs results in lost opportunities that lead to a slower growth rate of the SMEs in Nigeria. Equally, the lacks of financing further reduce expansion rate and the inability to boost the competiveness of the SMEs sector. A shortage of financing has also lead to the non- execution of business plans and product and service development of SMEs. This short fall is not only in business class of Nigeria but also to the entire economy.

Though these problems are common to most economies of the emerging market of the world, it is more severe to Nigeria as the SMEs owners in Nigeria have to rely on their personal savings, funds from relative and earnings from operations. The size of business expansion islimited up to the level of their accessible fund from personal sources or they have to turn to the informal sources of finance from outside money lenders. As a consequence, they pay higher interest rates which place them under pressure to high failure levels. This is the reason why financing matters for SMEs in Nigeria if this sector is to play its statutory role of economic development.

Current State of SMEs Financing in Nigeria

Financing problem of this sector has been a complicated issue that has been existing for a long time in both the demand side and the supply side which are also related to the development history and regimes of governments and level of the lending infrastructure in the country. We may not consider all the available financial schemes introduced by government due to lack of space but review the most impartment ones. The case of Industrial Development Centres (IDCs) are established to provide extensive services to small scale industries in areas such as technical appraisal of loans application, training of entrepreneurs, management assistance, product development, production planning and control as well as other services in 1962. The stakeholders were the Federal and State Government. A majority of the management personnel were bureaucrats from the public service whose poor managerial skill which led to collapse in term of service delivery and poor funding.

Again, small scale industries credit schemes (SSICs) was created in 19771 with mission to provide technical and financial support for the SMEs. This led to the setting up of SMEs committee to administer the SMEs credit fund (SICF) throughout the country the scheme was operated as a matching grant between the Federal and State Governments and was designed to make credit available in bilateral terms to SMEs. The scheme was managed by the state ministry of industry, trade and cooperatives through the Loan Management Committees (LMCs) just like the IDCs, it was Liquidated in 1979.

Still, the Nigeria Banks for Commerce and Industry (NBCI) was set up by the Federal Government in 1973 (through decree no. 22) with its primary aim of providing among other things, financial services to the indigenous business community, particularly SMEs. It was later merged with the NIDB and NERFCN to forms the new Bank of industry as a result of failure of NBCI to meet the needs of the SMEs in terms of fund generation.

Furthermore, the Central Bank of Nigeria (CBN) has from 1970 been instrumental also to the promotion and development of SMEs sector. The CBN credit guidelines required that's commercial merchant banks allocate a minimum stipulated credit to the sector classified as preferred, all industries including SMEs. The CBN in 1971- 1980 directed that at least 10% of the loans advanced to indigenous borrowers be allocated to SMEs. This was subsequently raise to 16% and minimum of 20% of totals loan and advances from April of 1980 and 1990 respectively. Today it is performing at very low rate as most of commercial banks has failed to adhered to this directive because of economic crises andfinancial mismanagement.

There are other institutions created such as the Small and Medium Enterprise Development Programme (SMEDAN); the Family Economic Advancement Programme (FEAP); the National Economic Reconstruction Fund (NER FUND), all of which were created to provide credit facilities and related services to SMEs at relative low interest rate. However, owning to inadequate funding and poor management of these institutions, most of them exist by namely today.

The Challenges of SMEs in Nigeria

This study breaks these problems (or challenges in two parts; problems that are generated from the supply side and demand side respectively. Information asymmetry, poor track record, the absence of business plan, shortage of skill, inexperience, financial indiscipline, poor location, managerial skills, etc. are some of the demand side problems of the SMEs face, while the unfriendly and time wasting procedures to complete loans application, failure, to adopt modern ways of evaluation corruption tendency, etc. are the supply side challenges.

Demand-Side Challenge.

Most of the SMEs owners surveyed did not have enough collateral required by the bank. As a result, they could not have access to bank credit. Even when they use their lands and buildings as collateral, banks always prefer to grant them just about 30 to 40 percent of the collateral market value. This amount could never be adequate for the total sum of money demanded and they cannot use the same assets to borrows again from some where else in order to make up minimum capital requirement needed for expansion. Worse still, many of them with land and building could not use them as collateral because they had no title to them. The shortage of finance therefore, affects the ability of the SMEs to install modern machinery and tools, maintain well organized and fully equipped factories, to buy and store good quality raw materials, marketing activities etc.

Most of these SMEs are managed by entrepreneurs meaning that their ability to observe any accounting manners of book-keeping is highly questionable due to the low level of education of most of them. This makes them give to the bankers only the information they think is important not what the bank wants. This is information asymmetry. There could be reasons for this, either they are hiding the true state of their businesses for tax purpose or that they do not have the accounting knowledge. Some businesses maintain dual records: one for interest (true one) and another one that is submitted to the banks and tax officials. Since these records do no reflect the true state of the business,banks do not always rely on them to make objectives analysis for the loan decision.

As observed, most SMEs lack the skills of preparing a business plan that can be used to access the feasibility of these projects. Most of them begin without a plan, they used subjective judgment on the potentials of their planned businesses. This often lead to poor implementation of policies, reduced quality of their decision making as well missed of guideline business opportunities. Business plans today are considered in with other collaterals.

Another problem lies in cash management as most SMEs owners do not know how to match their income with their expenditure. Some cannot make a distinction between business income and personal income. When they get large sums from banks, they do not use the money for business and instead use it for their personal ostatentious personal expenditures. In some case, they offer longer term credit rates than they can manage.

SMEs lack proper accounting standards, poor business plans, inadequate collaterals, and poor management ability. Thus, the difficulty in securing loans from banks also lies in the existing perception, that lending to SMEs is very risk. Consequently, bank loans can not be frequently used for business expansion and the acquisition of fixed assets such as modern machinery and tools which are very essential to the long-term survival of the business.

The Supply-Side Problems

We should first note that there are no financing programmes funded by the state. State funds are dedicated for subsiding inefficient state enterprises in the public sector. Due to the banking crisis in the late 1980s and 90s, the central bank had issued, so many regulations as regard liquidity rates, loan deposed rates, loan processing procedures, interest rates etc.Now commercial banks are not allowed to change the rate structure. This makes chargeable on loan to be the same, while banks can only compete on the volume of processing and other services rendered.

Collateral quality determines the loan value of the SMEs today. The quality of business is of lesser importance and when loans are granted, all the interest rates are the same regardless whether they have a good reputation or not. For credit worth customers, the much they can get from bank is quick facilitation of loan application or where the reputation of entrepreneur is reliable banks play it on the safe side by providing 30 to 40 percent market value of collateral property instead of central bank's prescribed 50 percent. This means that the credit evaluation skills are inrelevant in Nigeria banks because banks rely more on the value of the collateral property thereby tempering the capability of banks staff to making systematic assessment on the borrowers as well as on their business plans. This will further reduces the long-term competitiveness among banks.

Another problem is that banks do not have any close relationship with the SMEs sector. This has led to intensive and unnecessary bank procedure because banks do not know the true requirements and nature of the SMEs. Worse still, there is no data base to enable them use credit eligibility mechanisms to process loan application and decisions.

The inability of banks to provide medium and long term loans limit the growth of the SMEs sector. For long term financial investment in business expansion and upgrade, SMEs, have no choice but to depend on their own funding which take time to accumulate. The financial gap has occurred in SMEs sector of Nigerian economy and this significantly limit the growth and effectiveness of financing SMEs. Financing gaps pertains to the financing requirement of a business sector that cannot be fulfilled by formal financing sources of the economy. Since most SMEs owners can not afford to spend large sums of money to buy assets, there is a wide financing gap in the area of long term investment between the supply-side and the demand-side of financing. That is, the supply side can only offer short-term funds whereas the demand side requires long-term funds for business expansion and further development, hence, the conflict between the two. The development of SMEs has no chance to be realized, unless this conflict is resolved.

Conclusion

Conclusively, the study enquires into the good health of the Nigerian SMEs. The finance, weak internal market, smuggling of uncontrolled goods, laws, customs code, the investment charter, the tax code, educational policies, monitoring and consultancy, governance structures in place, institutionalized structures, poor management, interest rates, have impacted on the well-being of the SMEs, and therefore, slow the pace of development of the nation economy. Government on its part is found not have created special financing programme or structure for the SMEs. That is, most structures/infrastructures remain but a dream. As a result only one viable form of lending technique exist today-trade credit and collateral based (asset-based financing) have remained the only popular method of financing SMEs. Furthermore, there are no development financing programmes or schemes for expansion, research and development, investments in fixed assets. Since commercial loans can only finance short-term capital requirement, this greatly limits the development of SMEs in term of size, product, market and competitiveness.

Recommendations

Flowing from the above, the following recommendations are made to include:

1. Government and other stakeholders should evolve a financing framework for SMEs to do away with the difficulties they face in sourcing for funds. If Nigeria wants to set up a nation wide SMEs development programme to enhance the competitiveness of all indigenous SMEs, it has to address this financing issue first.
2. As a matter of urgency, government should create legislation on credit guarantee schemes that will act as a guarantor to the credits issued by commercial banks to business.
3. In order to establish an enabling environment for SMEs, some supportive measures are needed. Such as; providing good and affordable infrastructure in the area of transportation and energy and setting up policies that will reduce taxes, administrative bottlenecks in the issuing of licenses and importation restriction. To make SMEs more effective, public policy may seek to improve on human resource development, cheap and affordable sources of finance, vocational training or open up research and development facilities for the SMEs.
4. In alternative to bank lending, leasing and factoring should be developed and encouraged. Leasing and factoring are not properly developed yet. They are useful ways to deal with insufficient collateral.

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EFFECT OF ENTREPRENEURIAL COMPETENCIES ON THE MARKETING PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN MAKURDI METROPOLIS, BENUE STATE

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PP. 352-370

Abstract

The study examines the effect of entrepreneurial competencies on the marketing performance of small and medium scale enterprises (SMEs) in Makurdi metropolis, Benue State. The study specifically examined the effect of strategic competencies, conceptual competencies and opportunity competencies on the marketing performance of SMEs. The study focused on selected SMEs in Makurdi metropolis. A survey design was adopted for the study and questionnaire was used to collect needed primary data from the sampled respondents. The population of the study was 650 SMEs in Makurdi metropolis while a sample size of 248 was arrived at using Taro Yamane's formula. Data collected were analyzed with the aid of simples percentages while the study hypotheses were tested using multiple regression. Findings of the study indicate that strategic competencies, conceptual competencies and opportunity competencies have significant effect on the marketing performance of SMEs in the study area. The study therefore concludes that entrepreneurial competencies are important for owners of small scale businesses and every entrepreneur in Nigeria. It was therefore recommended that entrepreneurs should identify and execute entrepreneurial competent strategies that will improve performance of their firms and that entrepreneurs should also developmental capabilities to enable them coordinate all the activities of their businesses.

Key Words: Entrepreneurial competencies, marketing performance, SMEs.

Introduction

Business operation is undeniably becoming challenging and complex in the present increasing competitive business environment, which is occasioned by constantly changing dynamic factors including technological advancements. This competitive business environment demands that entrepreneurs interact with these environmental forces which require him to be highly competent in different dimensions including: intellectual, attitudinal, behavioral, technical and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavors (Man & Lau, 2000). Entrepreneurial competencies are defined as underling characteristics possessed by a person, which result in new venture creation. The characteristics which include generic and specific knowledge, motives, traits, self-images, social roles, and skills may or may not be known to the person and may even unconscious attributes of an individual. Some of these competencies are innate while others are acquired in the process of learning and training and development (Solesvik, 2012). Recent developments on research on entrepreneurship have seen increased attention given to small and medium scale enterprises (SMEs) due to their vital contributions in the economy of every country (Ahmad, 2007). The collective impact of SMEs on the economy of both developed and developing countries is considerable and their existence very important especially in all developing countries where they assist economic growth; improve income distribution, productivity, efficiency and economic structure during the economic downturn (Abdullah & Manan, 2011).

Previous researchers have identified a set of entrepreneurial competencies that are relevant for the performance of SMEs (Tehseen & Ramaya, 2015). These entrepreneurial competencies include the opportunity, relationship, conceptual, organizing, strategic and commitment competencies (Man, *et al.* 2002). The opportunity competencies are related to identifying, assessing and seeking market opportunities. The relationship competencies embrace the ability to build, keep and use networks with all the firm's stakeholders. The conceptual competencies refer to the abilities that are reflected in the behaviour of the entrepreneur associated with intuitive thinking, innovative behaviour, assessment of risk and the need to have different view of the market. The organizing competencies are related to managerial functions such as planning, organizing, leading, motivating, delegating, and controlling. The strategic competencies deal with setting, evaluating, and implementing the strategies of the firm. The commitment competencies are the abilities that drive the entrepreneur to work hard and face the difficulties involved in sustaining the business (Man, Lau & Snape, 2008). Moreover, findings of previous studies indicate that communication ability is one of the relevant competencies for entrepreneurship (De Koning, 2003). Entrepreneurial competencies are considered important for the success of small scale businesses. Kiggundu (2002) suggests that entrepreneurial competencies could offer a realistic view of the know-how of the running of a business. Small businesses operate within an environment that is dynamic, turbulent and that offers great challenges for their operations and so, they need to acquire appropriate entrepreneurial competences to be competitive and achieve high performance. Till date, Small scale businesses are still faced with lack of appropriate knowledge and skills, limited access to relevant information on technology and dependency on poor and obsolete technology in managing their businesses (Tehseen & Ramaya, 2015). It is against this backdrop that this study seeks to examine the effect of entrepreneurial competencies on the marketing performance of SMEs in Makurdi metropolis, Benue State. Specifically, the study seeks to achieve the following objectives:

i. examine the effect of strategic competencies on the marketing performance of SMEs in Makurdi metropolis, Benue State
ii. determine the effect of conceptual competencies on the marketing performance of SMEs in Makurdi metropolis, Benue State

iii. examine the effect of opportunity competencies on the marketing performance of SMEs in Makurdi metropolis, Benue State

Conceptual Clarification and Review of Related Literature

Entrepreneurial Competencies

Competency is defined as the total capability of the entrepreneur to perform a job role successfully. An entrepreneur is an individual who develops and grows the businesses through creative and innovative activities, by introducing new products or services, by improving the existing methods of production or service (Chandler & Jansen, 1992). Thus, the competencies of entrepreneurs make a business more successful and may lead towards its sustainable competitive advantage and enhance improved performance. Murphy, Trailer and Hill (1996) opine that entrepreneurial competencies implicitly presume entrepreneurs to be different from non-entrepreneurs in terms of the competencies they possess. Entrepreneurial competencies are defined as knowledge, skills and attitudes that affect the willingness and ability to perform the entrepreneurial job of new value creation (Lackéus, 2015). Skills and attributes of entrepreneurs are known as entrepreneur competencies. Such competencies are also defined as underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles and skills that result in venture birth, survival, and/or growth (Bird, 1995). In a similar submission, Man, Lau and Chan (2002) conceptualize entrepreneurial competencies as higher-level characteristics encompassing personality traits, skills and knowledge, which can be seen as the totality of the entrepreneur to perform a job successfully. The author went further to categorized entrepreneurial competencies into six to include; i. Strategic competencies, ii. Conceptual competencies, iii. Opportunity competencies, iv. Learning competencies, v. Relationship competencies, and vi. Commitment competencies. For the purpose of this study however, the focus is on the first three competencies:

i. **Strategic Competencies:** According to Man, Lau and Chan (2002), strategic competency is related with the establishing, evaluating and executing the strategies for the firm. Man (2001) operationalised this area of competency by measuring the following behaviours: (1) knowing clearly the expected directions and the impact of changes on firm's performance (2) giving priority to work that aligns the business goals only (3) redesigning the firm to achieve the goal in a better way (4) linking or associating the current actions with strategic goals (5) observing progress towards strategic goals (6)analyzing results against strategic goals (7) establishing strategic actions by assessing cost and benefit. In the views of Thompson and Richardson (1996) managing change as a component of strategic competence can be associated with competitive success of all those firms operating in highly competitive environment.

ii. **Conceptual Competencies:** Conceptual competencies as viewed by Man *et al.* (2002) involve different conceptual abilities that the entrepreneurs reflect in their behaviours like innovativeness, risk taking, decision skills, observing and understanding complex information. Chandler and Jansen (1992) sees the competency as reflecting the mental capability to coordinate all the activities of the business. Man (2001) operationalised conceptual competency by measuring a good number of behaviours including the following: (1) taking suitable risk related with job (2) understanding the understanding of the observations and issues (3) translating the ideas and observation of business into the context of business (4) monitoring progress towards the achievement of objectives in risky actions (5) exploring new ideas (6) looking problems in new ways (7) and treating the new problems as opportunities. The author stress further that through factorial analysis the conceptual area of competency can be divided into innovative and analytical domains.

iii. **Opportunity Competencies:** Man *et al*. (2002) conceptualise opportunity competency as the ability to recognize the opportunities in the market through various means. It is a means of measuring various behaviours such as identifying the services or products needed by the customers, perceiving unmet needs of the customers, looking for beneficial product and services for the customers, and availing the best opportunities. De Koning (2003) linked the opportunity development with the entrepreneur's ability to seek, explore, develop and assess better existing opportunities in markets. One of the main characteristics of entrepreneur as seen by Allison, Chell & Hayes, (2000) is that they can see or recognize the opportunities where others cannot do so

Marketing performance

The word Performance is a concept that is subject to open and wide variability of meanings since as it is an imprecise word when it functions as a place holder in research (Folan, Braume & Jegede, 2007). The lack of consensus on the definition of the concept creates confusion and clearly limits the potential for a clear generalisability and comparability of research in this area (Franco-Santos, et.al 2007). Porter (2008), defines performance as the above-average rate of return sustained over a period of years. Firm performance could mean the success level of the firm in the market within which it operates. It could also be described as the ability of the firm in creating commendable profit. To Yahya, (2014) performance is a measure of how well a mechanism/process achieves its purpose. He adds that a firm's performance is an important dependent variable in business research.

Marketing performance involves the development of an organization's strategy that combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business (Murphy *et al.* 1996). The marketing strategy is the foundation of a marketing plan. Marketing performance is therefore the systematic management of marketing resources and processes to achieve measurable gain in return on investment and efficiency while maintaining quality in customer experience. Marketing performance is the effectiveness of suppliers in a market/industry in utilizing economic resource to their maximum efficiency as to the ultimate benefit of consumers. However, according to Daft (2000), marketing performance is the organization's ability to attain its goals by using resources in an efficient and effective manner. The marketing performance of organizations is measured using the following indices (Wu, 2009):

- **Productive Efficiency:** This is the cost effectiveness of firms producing their outputs. Ideally outputs should be produced in plants of optimal scale that is plant sizes which fully exploit available economies of scale so that minimum cost levels are attained.
- **Distributive Efficiency:** This is the utilization of cost-effective channels of distribution and marketing techniques so as to maximize distribution cost.
- **Product Performance:** This is the satisfaction of consumer demands for product variety and sophistication, that is, the maximization of consumer choice and value-for-money attributes.
- **Technological Progressiveness:** This involves the introduction of process and product innovations which enable supply costs and prices to be reduced in real terms and which provide answers with technologically superior products.
- **Price:** This has to do with the setting of "fair" prices to consumers, that is, prices which are consistent with the real economic costs of supplying the product, including reasonable (i.e. non-monopolistic profit return to suppliers).

Empirical Review

Entrepreneurial Competencies and Performance of SMEs

The relationship between entrepreneurial competencies and firm performance has been documented in several empirical studies (Serena *et al.* 2015). Man *et al*. (2002) confirm that entrepreneurial competencies play a key role in determining firm performance. A study by Chadler and Jansen (1992) found that the founder's self-assessed entrepreneurial competencies are positively related to firm growth. Madatta (2011) assessed the role of entrepreneurial competencies on the success of the SMEs in Tanzania. The study examined the factors that may impact upon business success in the two municipals of Ilala and Temeke SMEs. The study also examined the extent to which entrepreneurial competence influenced business success in SMEs. The population of the study comprised of 60 SMEs, 30 from each municipality. The findings of the study showed that business or entrepreneurial failures are mostly attributed to inadequacy of financial resources. The study concluded that one of the serious impediments to the success of SMEs is the limited capacity of people who start and operate the businesses, in terms of the attitudes, motivation, exposure, skills and experiences. The study therefore recommended that education and training are crucial to SMEs since they play a big role in the success of the business.

Tehseen and Ramayah (2015) adopted the Resource Based View of competencies (RBV) to explain the relationship between entrepreneurial competencies and SMEs business success in Malaysia. The study revealed that entrepreneurial competencies alone are not enough to ensure the survival and success of businesses. Also, since SMEs have scarce resources of finance, skills, technology and knowledge; therefore SMEs sustainable business success highly depends on many other factors such as supplier's capabilities as well as customer's integration.

Abdullahi and Kaplan (2017) examined the effect of entrepreneurial competencies and entrepreneur's demographic and personal characteristics on business performance among initial stage entrepreneurs. It also explored that the main challenges encountered by the women entrepreneurs involved in Small business in Somalia. The study adopted extensive relevant literature reviews on the studied variables and drawing conclusions based on the conducted reviews. The reviewed studies showed that entrepreneurial characteristics and entrepreneurial competencies are positively related to overall business performance.

A study by Mohamad and Sidek (2013) also showed that entrepreneurial competencies mediate the relationship between the growth of micro and small businesses. They identified entrepreneurial competencies such as lifestyle improvement, expansion of the business facility, adoption of better technology and the problem-solving capability which are used to improve the successful performance outcomes of small and medium enterprises. Also, the training and the development program has helped to attain the growth of business. Mohamad and Sidek (2013) added that basic characteristics such as generic, motivation, problem solving and decision-making skill and knowledge are positively associated with the survival of the small and medium business. They concluded that entrepreneurial competencies have played an effective role in the growth of the micro and medium business.

Correspondingly, Tehseen and Ramayah (2015) also indicated that entrepreneurial competencies are related to the performance of venture and sustainable competitive advantage. They identified valuable skill, knowledge, and the ability to take the risk, birth and survival as some of the factors which are closely associated with the entrepreneurial competencies. These competencies also have produced the successful performance of the small and medium business. The study also revealed that opportunity, learning, commitment, operational and personal competencies have both the direct and the indirect influence on the performance of small and medium enterprises while ethical, conceptual, and strategic competencies enhance the business success of small and medium enterprises.

Sarwoko (2013) conducted a study on entrepreneurial characteristics and competencies as determinants of business performance in small and medium enterprises. The authors considered education, value of personal, experience in work, a support network of professional, psychological factors and attribute as factors associated with the entrepreneurial characteristics which are used to enhance the business performance while entrepreneurial competencies such as strategy competency, commitment competency, opportunity competency, conceptual competency, relationship competency, and the organizing competency have enhanced the successful performance of small and medium enterprises.

Another study by Lazar and Paul (2015) on the effect of entrepreneurial competencies in a business enterprise showed that entrepreneurial competencies are positively associated with the performances of the firm and the competitiveness. Relatedly, Sanchez (2012) indicated that entrepreneurial competencies are positively related to the performance of the firm. The author explained that entrepreneurial competencies have played a significant role in the organizational competence and the competitive scope of small-scale and medium enterprises. Entrepreneurial competencies according to the study are nothing but the characteristics of people which is used to enhance the work effectiveness and performances.

Methodology

Research Hypotheses

The following null hypotheses have been formulated for the study:

i. Strategic competencies have no significant effect on the marketing performance of SMEs in Makurdi metropolis, Benue State
ii. Conceptual competencies have no significant effect on the marketing performance of SMEs in Makurdi metropolis, Benue State
iii. Opportunity competencies have no significant effect on the marketing performance of SMEs in Makurdi metropolis, Benue State

A cross-sectional survey research design was used in this study. This enabled the researcher to collect responses of SMEs owners in Makurdi metropolis at a point in time. The population of the study comprise of 650 registered SMEs in Makurdi metropolis according to records obtained from Benue Chamber of

Commerce, Industries, Mines and Agriculture (BECCIMA) and Benue State Ministry of Trade and Investment. Owners and managers of the selected SMEs form the target population. A sample size of 248 was used for the study. A stratified sampling technique was used to divide the population into strata and a simple random sampling technique was used for distribution of questionnaire to respondents. The selected SMEs were classified under four sub-sectors: services, trading, agribusiness and arts/crafts. The study used a structured questionnaire as instrument for data collection. The questionnaire was carefully designed and administered to the respondents. The questionnaire was designed on a four point Likert-Scale which ranged from strongly agree (4 points), agree (3 points), disagree (2 points) and strongly disagree (1 point). The items were structured to capture information on entrepreneurial competencies and marketing performance of SMEs. A total of 248 questionnaires were distributed to the respondents and 214 were correctly filled and returned by the respondents. In this study both descriptive and inferential statistics were employed for data presentation and analysis. Simple tables and percentages were used for presentation of demographic attributes of the respondents. Correlation analysis was used to determine the nature of the relationship between the variables and at a generally accepted conventional significant level of P=0.05. In addition, multiple linear regression analysis was employed to test the hypotheses.

Model Specification

This study is anchored on two major variables namely; the independent variable (entrepreneurial competencies) and the dependent variable (Marketing performance). Marketing performance is thus regarded as a function of entrepreneurial competencies. The implicit form of the model is specified below:

$$MP = f\ (EC) \qquad \text{(i)}$$

The explicit form of the model can be stated thus:

$$MP = a_0 + SCb_1 + CCb_2 + OCb_3 + e \qquad \text{(ii)}$$

Where;
MP = Marketing Performance
EC = Entrepreneurial Competencies
SC = Strategic Competencies
CC = Conceptual Competencies
OC = Opportunity Competencies
a_0 = intercept
$b_{1-}b_3$ = parameter estimate
e = disturbance terms or error term.

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 21. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at $p < 0.05$.

Results and Discussion

Table 1: Model Summary

Table 1: Model Summary

R	R-Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.562	.316	.310	.835	1.614

a. Predictors (Constant), Opportunity Competencies, Strategic Competencies, Conceptual Competencies.
b. Dependent Variable: Marketing Performance.
Source: Field Survey, 2017.

The result from Table 1 shows that coefficient of determination (R square) explains the variation in the dependent variable due to changes in the independent variable. The R square value of 0.316is an indication that there was variation of 31.6 % in marketing performance of SMEs due to changes in strategic competencies, conceptual competencies and opportunity competencies at 95% confidence interval. Also, the value of R from the table shows the relationship between the study variables which implies that there was a strong positive relationship between the study variables as shown by 0.562.

Table 2: ANOVA Model

	Sum of Squares	df	Mean Square	F	Sig.
Regression	96.830	3	32.277	46.281	.000[b]
Residual	209.220	244	.699		
Total	**306.049**	**247**			

a. Dependent Variable: Marketing Performance
b. Predictors (Constant), Opportunity competencies, strategic competencies, conceptual competencies

Source: Field Survey, 2017.

The result from the ANOVA statistics in Table 2indicates that the processed data, which is the population parameters, had a significance level of 0.000 which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. This implies that strategic competencies, conceptual competencies and opportunity competencies significantly influence marketing performance of SMEs in Makurdi metropolis. The significance value was less than 0.05 indications that the model was statistically significant (F =46.281; P = .000).

Table 3: Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	.523	.140	3.729	0.000	
SC	.235	.054	.223	4.357	0.000
CC	.335	.063	.301	5.304	0.000
OP	.214	.071	.178	3.034	0.003

a. Dependent Variable: Marketing Performance
Source: Field Survey, 2017.

From the data in the Table 3 the established regression equation was Y = 0.523 + 0.235 (Strategic competencies) + 0.335 (Conceptual competencies) + 0.214 (Opportunity competencies)

The regression equation above revealed that holding strategic competencies, conceptual competencies and opportunity competencies to a constant zero, marketing performance of SMEs would be 0.523, a unit increase in strategic competencies would lead to increase in marketing performance of SMEs by a factor of 0.235, a unit increase in conceptual competencies would lead to increase in marketing performance of SMEs by a factor of 0.335 and a unit increase in opportunity competencies would lead to increase in performance of marketing SMEs by a factor of 0.284. The study also found that the p-values of strategic competencies (0.000), conceptual competencies (0.000) and opportunity competencies (0.003) were less than 0.05 which is an indication that the effect of strategic competencies, conceptual competencies and opportunity competencies was enough to improve marketing performance of SMEs in Makurdi metropolis, Benue State.

Discussion of Findings

The findings of the study indicate that strategic competencies have significant effect on the marketing performance of SMEs in Makurdi metropolis. The result shows that most entrepreneurs have competencies in establishing, evaluating and executing the strategies for their businesses. This finding is supported by previous studies by Thompson and Richardson (1996)who suggested that strategic competencies are associated with competitive success of all firms operating in highly competitive environment.

Result of the findings also revealed that conceptual competencies have significant effect on the marketing performance of SMEs in Makurdi metropolis. Entrepreneurs develop these competencies as reflected in the behaviour such as innovativeness, risk taking, decision skills, observing and understanding complex information. The result is in agreement with Lazar and Paul (2015) whose study showed that conceptual competencies are positively associated with the performances of the firm and the competitiveness. Relatedly, Sanchez (2012) indicated that these competencies are positively related to the performance of the firm.

Lastly, the result of the findings revealed that opportunity competencies also have significant effect on the marketing performance of SMEs in Makurdi metropolis. Such competencies enable entrepreneurs to recognize the opportunities in the market and identify products needed by customers. Previous studies by Abdullahi and Kaplan (2017) indicates that entrepreneurial characteristics and entrepreneurial competencies such as the ability to recognize opportunities are positively related to overall business performance.

Conclusion and Recommendations

This study examined the effect of entrepreneurial competencies on the marketing performance of small and medium scale enterprises in Makurdi metropolis, Benue State. Existing literature revealed raveled the importance of entrepreneurial competencies on the successes of businesses. Findings from the study indicated that entrepreneurial competencies such as strategic competencies, conceptual competencies and opportunity competencies significantly influence the performance and survival of SMEs Makurdi metropolis. The findings also confirm that entrepreneurs generally possess higher level of entrepreneurial competencies than the non-entrepreneurs and such competencies are pivotal to the success of their businesses. Based on the result of the analysis, this study concluded that entrepreneurial competencies are important for owners of small scale businesses and every entrepreneur. The study recommends that entrepreneurs should identify and execute strategies that will improve performance of their firms. Entrepreneurs should also developmental capabilities to enable them coordinate all the activities of their businesses. Finally, they should be able to seek, explore, develop and assess better existing opportunities in markets so as to identify and satisfy potential customers. The implication of this study is that given the importance of entrepreneurship to economic growth and new job creation, policy makers and instructors may consider developing certain competency-based training and education programs to enhance the competency of non-entrepreneurs to make them entrepreneurs, as well as to improve the competency of entrepreneurs to better fulfill their entrepreneurial role. The findings of this study will provide an extensive insight into a wide area of knowledge including the emergence of entrepreneurial groups in different societies, economies, in different political and cultural settings across different countries. There is need for further studies to assess the relationship between entrepreneurial competencies and performance of SMEs in other parts of Benue State. A comparative study should be conducted on the entrepreneurial competencies of male and female entrepreneurs.

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DEVELOPING AND SUSTAINING ENTREPRENEURIAL CULTURE: A PANACEA FOR BUSINESS FAILURE IN NIGERIA

Philip Dewua and ***Donald, K. Komgbenda***

PP. 371-390

Abstract

The main objective of this paper was to examine how developing and sustaining entrepreneurship culture could solve the problem of high rate of small business failure in Nigeria: The study focuses on selected small scale businesses in Benue State. To realize this objective, a total of 342 Questionnaires were served to respondents of forty (40) Small Business centres in the four [4] local government areas selected within Benue State. A total of 105 copies of questionnaires was distributed to top, middle and lower level management staff as well as entrepreneurs/proprietors of Small Scale Business centres in Makurdi, Katsina-Ala, Otukpo and Gboko local government Small Business centres chosen. Ten (10) Small Businesses were selected from each of the four (4) local government areas. The questionnaires were used to elicit information on entrepreneurship culture of the management of small Business owners using descriptive data analysis. The result indicates that poor planning, poor marketing strategies, inadequate managerial skills, poor record keeping, undercapitalization and unfavourable policy environment were the major factors that accounts for business failures in Benue State. The study concluded that for the entrepreneurial culture to be developed and sustained in Nigeria, the government needs to create an investor-friendly environment encompassing stable macro-economic policies and urgently address the dilapidated infrastructural facilities in the country among others.

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Key Words: Entrepreneurial culture, small business, Benue State

Introduction

The performance and effectiveness of Small Business Enterprises as an instrument of economic growth and development in Nigeria has long been under scrutiny since 1970-1979 Ihua (2009) as quoted by Ijir and Gbegi (2015). This intense examination has been against the backdrop of the low performance and inefficiency that characterized small business particularly in assessing its role on economic growth and development. Despite government institutional and policy support to enhancing the capacity of small business, small businesses have fallen short of expectations. This has generated serious concern and cynicism on whether it can bring about economic growth and national developments in Nigeria.

The concern is even more worrisome when comparing it in Nigeria with other countries particularly where it has become harbinger of economic reconstruction and transformation. In the case of Nigeria, small business through entrepreneurial culture has performed at abysmal level. This low performance has further exacerbated poverty, hunger, unemployment and low standard of living of people in a country whose economy is poorly. It is against this backdrop that this study attempts to identify the causes of high rate of business failure by Small scale Businesses in Benue State and Nigeria at large.

The major objective of this work therefore was to ascertain the importance of developing and sustaining entrepreneurial culture in Nigeria with particular a focus on Benue State. Specifically, the study seeks to:

1. Find out whether high rate of business failure by Small Businesses in Benue State is as a result of lack of developing and sustaining entrepreneurial culture.
2. Examine how developing and sustaining entrepreneurial culture can help in improving the operations of Small Business in Benue State and Nigeria at large.

Hypotheses

Ho_1: lack of developing and sustaining entrepreneur culture has no significant relationship with high rate of business failure by Small Business in Benue State and Nigeria.

Ho_2: Developing and sustaining entrepreneur culture has no significant relationship in improving the operations of small business in Benue State and Nigeria at large.

Literature Review

Entrepreneur

An entrepreneur is an individual who is willing and able to take business risks for gainful purposes. Entrepreneur has been defined as the willingness and ability of an individual to seek out investment opportunities, establish and run an enterprise successfully (Amacchina & Nwaddozie, 1995). The idea of entrepreneurship is not new to Nigeria because it used to be a no paid employment prior to the coming of the colonial masters.

Thus, entrepreneurship is associated with different kinds of activities that have to do with the establishment and operation of business enterprises. Such activities may include identification of investment opportunities to exploit for profit, promotion and establishment of the business enterprise, pooling of the various scare resources needed for production and distribution of goods and services, organization and management of the human and material resources for the attainment of the objectives of the enterprises, risk bearing and innovation.

Entrepreneurship

The concept of entrepreneurship has been associated with several activities concerned with the establishment and operation of business enterprise. These activities include but not limited to identification of investment opportunities; decision-making regarding available opportunities to exploit; promoting and establishing business enterprises; aggregation of the scarce resources for production and distribution of goods and services; organization and management of human and material resources for the attainment of the objectives of the enterprise; risk bearing and innovation. The effective performance of the above activities is critical to the birth, growth and sustainability of the business enterprise (Nzewi, et al 2017). According to Oborah (2003), entrepreneurship in Nigeria is characterized by small scale enterprises in all sphere of the economy ranging from agro-based to service industry and that it constituted about 97 percent of all businesses in Nigeria. Entrepreneurship however, goes through stages, namely; conception of business idea, evaluating business opportunities, initial starting of the business, nurturing to the business to grow to maturity, maintaining stability of the business growth, expansion of the business and improving standard/quality to business decline. This process is exhilarating and encouraging to the entrepreneurial minds.

Concept of Small Scale Business

Nigeria just like most other countries operates small and medium businesses. Small business constitutes a vital element in the business life of any country. Nigeria small business enterprises are still predominantly in the traditional state with only a few in the better-organised stage. Oni and Daniya2012, quoted in Nzewi, et al (2017) brought out four broad classification of Small and Medium Enterprises; (a) Micro/Cottage Enterprises, (b) Small Scale Industry/Enterprises and (c) Medium Scale Industry/Enterprises and (d) Large Scale/Companies. The first term refers to an industry/enterprise with a labour size of not more than 10 workers or total cost of not more thanN1.5 million, including Working Capital but excluding the cost of land.

The second class is an industry or enterprise with workers' strength of between 11 and 100 or a total cost of not more than N50 million, including the cost of land. The Medium Scale Industry refers to an industry with a labour size of between 101-300 workers or a total cost of over N50 million, but not more than N200 million including working capital, but excluding the cost of land. The forth term refers to an industry or enterprise with a labour size of over 300 workers or a total cost of over N200 million. The Development of any enterprise whether (micro, small, medium or large) is a necessity that calls for concern by any entrepreneur. It involves the size of the business which consists of many factors such as market and technology. If the market is small, only small or micro economic activities will be viable.

Theoretical Framework

Theories of entrepreneurship can be divided into four main categories: personality based theories, socio-cultural theories, economic theories and social-network theories (Schumpeter 1934, 1971; Kirzner 1973) as cited by Adegboyega (2014).

i. **Personality-Based Theories:** These theories of entrepreneurship assume that personal traits give particular people an advantage in entrepreneurial activities. The list of traits includes internal locus of control, low aversion to risk taking aggressiveness ambition, marginality, and a high need for achievement. The problem with personality approach is that research using comparison groups and other controls have uncovered inconsistent and weak relationship between personality characteristics and entrepreneurial behaviour.

ii. **Socio-Cultural Theories:** These theories have emerged partly as a reaction to the individualistic approaches. These theories are based on national origins, culture and religion. Certain groups are believed to possess beliefs, values, and traditions that predispose them to succeed in business, regardless of where they find themselves. Various groups have been labeled in this way, including the Ibos, Jews, Chinese, Japanese, and Lebanese. The major problem with this approach is that groups that claimed to possess a propensity to entrepreneurship display their predisposition only under limited, country-specific and historical conditions. Prior to immigration, people originating from the claimed entrepreneurial cultures are indeed, indistinguishable from others around them.

    Aldrich and Zimmer (1986) argue that the main problem with the socio-cultural explanations are that they are deterministic and over socialized because they presume the existence of stereotypical standard that all members of the group display, and presume that behaviours are evoked regardless of the members situation.

iii. **Economic Theories:** These theories view entrepreneurs as rational, isolated decision-makers. These models assume that with clear vision of ones goals, and all the required information a person can make decision to start his own business, and thus self- employed. According to Aldrich and Zimmer 1986 quoted in Adegboyega (2014), there are two major problems associated with this approach. First, empirical research on cognition, perception and decision-making by social psychologists has found that people do not behave the way models predict they should behave. Second, a person who behaved the way models describe would be an example of a social pathology, not a rational decision maker, as the person would have to reject all social contacts.

Coleman 1988 also cited by Adegboyega (2014) criticizes the economic theory, by arguing that, persons actions are shaped, redirected or constrained by the social context. The norms, interpersonal trust, social networks, and social organization are important in the functioning, not only of the society, but also of the economy. However, Schumpeter (1971) unlike other economists explains entrepreneurship by means of economic psychological and social factors.

iv. **Social Network Theories:** Criticism to the personality, cultural-norm, and economic theories has stimulated the development of the social network perspective. Aldrich and Zimmer (1986) as an alternative to under and over-socialized models of entrepreneurship-proposed a perspective that viewed entrepreneurship as embedded in the network and continuing social relations. They argued that entrepreneurship is embedded in a social context, channeled and facilitated or constrained and inhibited, by entrepreneurs „positions in the social network. Aldrich and

Dubini (1991) as cited by Jaja (2004) based on their review of network principles, formulated two general principles.

First, effective entrepreneurs are more likely than others to systematically plan and monitor network activities. Second, they are more likely than others to undertake actions toward increasing their network density and diversity. Network analysis assumes that a network constraint or facilitates the action of people and actions-sets. Hence, it is more than the sum of the individual links that comprise it. There are commonly two types of networks: the personal networks which are centered on the focal individual and the extended networks which focus on collectivities.

A person's network, or a role-set, consists of all those persons with whom an entrepreneur has a direct relation. For instance, an entrepreneur usually have direct relation with partners, suppliers, customers, business capitalists, bankers, other creditors and distributors, trade associations, and family members. In other words, these are the persons whom entrepreneurs meet on face-to-face bases, and from whom they obtain resources, some advice, and moral support. On the other hand, extended networks consist of all the relations between owners, managers, and employees as they are structured by patterns of co-ordination and control.

Factors Inhibiting Developing and Sustaining Entrepreneurial Culture in Nigeria

In Nigeria, the issues of infrastructural development (electricity supply, good roads, water, and so forth) hinder the development of entrepreneurial activities. Ovat 2013 cited in Ezekiel and Agwu (2015) emphasized lack of funds as bane for the development of entrepreneurship. Ayodele 2006 also cited in Ezekiel and Agwu (2015) identified inadequate capital, irrelevant education that is not tailored towards entrepreneurial activities to be other factors thwarting the development of entrepreneurship in the country. Okafor 2011 again cited in Ezekiel and Agwu (2015) pointed out that corruption has robbed the country of developing a vibrant economic base. Agwu and Kadiri, (2014) in their study emphasized that corruption had permeated the entire social structure of Nigeria; hence the funds meant for developing projects that will aid entrepreneurial activities have been misappropriated, diverted, or embezzled and stashed away in foreign banks.

Political instability and inconsistent government policies have made so many entrepreneurs to take their funds outside the country to other nations where the political terrain is better. In his own contribution, Chibundu (2006) highlighted the following challenges confronting entrepreneurial activities in Nigeria. These are low entrepreneurial skills, poor management practices, overbearing regulatory and operational environment and poor implementation of policies.

Others are restricted market access, lack of infrastructural facilities, financial indiscipline, unstable and highly bureaucratic business environment, the laws governing private enterprise, especially business registration and taxation systems, lack of managerial skill and leadership style by small business owners and constrained access to funds and capital markets, among others. Nwagwu (2007) re-emphasized the important of entrepreneurial skill when he asserted that the failure of tertiary education to inculcate in their curriculum good entrepreneurship education has led to the wastages in both human and natural resources.

This is because the youth and the graduates from tertiary institutions are not equipped with the skills with which to exploit the natural resources that abound in Nigeria. Other factor according to AAPAM and UN (1990) includes, The absence of indigenous training materials and local case studies relevant to local environments and the import of such case studies and teaching materials from overseas not having a direct bearing on local conditions and problems; The lack of government programmes for motivating individuals or potential entrepreneurs to come forward; and often the unsuitability of procedures for selecting entrepreneurs, appointing staff in key industries which ignore natural aptitudes and innovative minds; Poor planning, poor record keeping, undercapitalization, unfavourable policy environment, poor marketing strategies and inadequate managerial skills as major constraints to the development of small scale industries. The lack of market power and penetration which inhibits the growth of several small indigenous enterprises; These overbearing problems need concerted efforts by all stake holders in the country for entrepreneurial culture or activities to strive.

Ways and Strategies for Developing and Sustaining Entrepreneur Culture

Small businesses constitute the bedrock of entrepreneurial development anywhere in the world. Therefore, the extent to which their development has been encouraged is an important measure of government support for private sector entrepreneurial development. However, AAPAM and UN (1990) urged that for entrepreneurial culture to be developed and sustained small business in Nigeria following are imperative.

- The simplification of the procedure for entrepreneurs to enter into business is an important contribution which governments can make to entrepreneurship development. In this regard, lengthy registration process, excessive regulatory measures and heavy taxation should be avoided.
- General macro-economic framework that did not pay due regard to the specific needs of entrepreneurship development is unlikely to develop, sustain and nurture entrepreneurs.
- Since a sustainable strategy for fostering entrepreneurship depends on the entrepreneur's ability to mobilize his own resources, it is imperative that appropriate institutions be created that would assist entrepreneur's easy access to financial resources. However, such an arrangement should be accompanied by strict accountability.

Oborah (2006) cited in Sajuyigbe, al et (2016) and Nwangu (2006); Akpomi (2009) and Baba (2013) quoted in Ayatse, (2013), in the other hand outlines the strategies for developing and sustaining entrepreneurship culture in Nigeria to include the following:

- That there should be need provide meaningful education for the youths, which could make them self-reliant and subsequently encourage them to derive profit and be self-dependent. To provide small and medium sized companies with the opportunities to receive qualified graduates who will receive training and tutoring in the skills relevant to the management of the small business centres.
- Also to provide graduates with the training and support necessary to help them establish a career in small and medium sized businesses.
- Government should develop entrepreneur internship programme by matching students with locally successful entrepreneurs with clearly established education programmes.
- Government should provide graduates with training in skills that will make them meet the manpower needs of the society
- There should be School-based enterprises where students identify potential business, plan, create and operate small business by using the school as mini-incubators.
- They should also provide graduates with enough training that will make them creative and innovative in identifying new business opportunities.
- Graduates with enough training in risk management to make uncertainty almost possible and easy
- They should also stimulate industrial and economic growth of rural and less developed areas.
- To form of genuine school- work based learning incorporated in some studies as part of the national economic development strategies. This implies enriching the curriculum to incorporate more vocational and technical training. The development of apprenticeship scheme would give new graduates some work skills and experiences.
- Government should establish small business schools where interested students and community members can participate. This will make students to be self-reliant.
- The Government should establish an enterprise college aimed at fostering the specific skills required for entrepreneurship. This will serve as skill-acquisition centre for the youths.

- Government should create an economic friendly environment. These centers on reduction of taxes on small scale businesses.
- Rewards and recognition to entrepreneurs and entrepreneurship should be encouraged.

Methodology

This study focuses on developing and sustaining entrepreneurial culture in selected small scale businesses in Benue state. The study used a survey research design. The population of the study was two thousand three hundred and fifty-four (2,354) employees derived from the selected forty (40) Small Businesses in the Four (4) Local Governments covering the three senatorial zones in Benue State. A simple Random sampling technique was employed considering the characteristic mentioned in the population. The instrument focuses on examining how developing and sustaining entrepreneurial culture can help in improving the operations of Small Business in Benue State and Nigeria at large.

A total of 342 Questionnaires were served to respondents to obtain the cross-sectional sample view in the survey of forty (40) Small Business centres in the four [4] local government areas selected within the three senatorial zones of the State. A total of 105 copies of questionnaires will be distributed to top, middle and lower management staff as well as proprietors of Small Business centres in Makurdi, 100 copies to Katsina-Ala, 64 and 73 copies of questionnaires respectively to Otukpo and Gboko local government Small Business centres chosen. Ten (10) Small Businesses are selected from each of the four (4) local governments. It is believed that in each of these Small Businesses, questionnaires are administered to an collected from the respondents whom are specifically targeted to be management staff and owners of the business since they are in a better position to give accurate and reliable information on the leadership style and behavioural actions or inactions as they affect the business either positive or negative.

Our data were analyzed using Descriptive data analysis of percentages, and the likert's rating scale questions is used as in

Strongly Agree (SA), Agree (A), Disagree Agree (DA), Strongly Disagree (SD), data were sourced from both secondary and primary sources. Data from secondary sources are those from text books, journals, publications and the internet, while primary data were from respondents through questionnaire, and the oral interviews. Pearson Product Movement Correlation coefficient was applied in the analysis of the data collected to determine the strength and weakness of the variables,

Data Presentations, Analysis and Discussion Findings

This section comprises of data presentation and analysis to determine whether the causes of high rate of business failure by Small Business Enterprises in Nigeria and to examine how developing and sustaining entrepreneurial culture can help in improving the operations of Small Business Enterprises in Nigeria and Benue State in particular. Simple percentages were used to show the responses of our respondents on the questionnaire administered on the issues of the causes of high rate of Business failure and role of leadership style (entrepreneurials) in developing and sustaining entrepreneurship culture in small business enterprises.

Figure 1: Questionnaires Returned and Not Returned

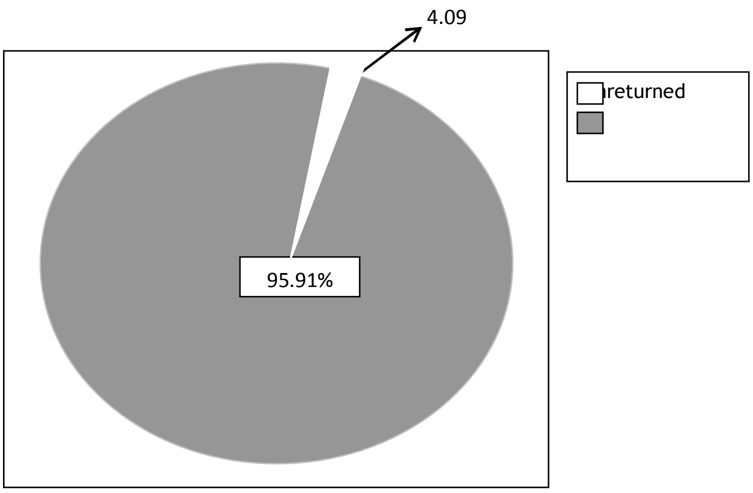

Table 1: Relationship between Developing and Sustaining Entrepreneurial Culture and Small Business Ownership

		Agree		Disagree		
Qs	**Description**	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**	**Total**
1	All risks in your organization are borne by the proprietor/ owner	154	33	86	55	328
2	Personality or ability of your entrepreneur/owner is an asset as it constitutes your public relations and goodwill	36	274	13	5	328
3	Formation/implementation policies are controlled by the entrepreneur/owner of your organization	24	27	166	111	328
4	Business perception/ managerial attitudes of Small Business owners affects the growth and expansion of the organization	175	127	16	10	328
5	Good relationship enhances trust, confidence and participation in decision making	129	132	51	19	328
	Total	**1108 (67.56%)**		**532 (32.44%)**		**1640**

Source: *Field Survey, 2017.*

From table 1, 1108 (67.56%) answered in the "Agreement" category while 532 (32.44%) answered within the category of "Disagreement". The result of the analysis carried out on developing and sustaining entrepreneurial culture and ownership reveals that a relationship exists between ownership and entrepreneurial leadership style in an organization.

Leader's or Small Business Owner's Entrepreneurial Culture and Leadership Style

Questions were designed to ascertain if Leader's or small business owner's entrepreneurial culture determines the leadership style to be adopted in an organization. The responses obtained from the one (1) question were produced in the table below

Table 2: Relationship between Leadership Style and Leader's or Small Business Owner's Entrepreneurial Culture in an Organization

		Agree		Disagree		
Qs	Description	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
6	Ability to change behaviour is the key ingredient to success in an organization	100	121	63	44	328
7	Leadership/managers that switch from one leadership style to another are better equip to compete with others by adopting to changes	143	128	48	9	328
8	A good leader/manager can use more than one style to achieve a goal depending on what forces are involves between the followers, the leader and the situation	109	157	46	16	328
9	A leader /manager's ability to lead has to do with his/her perception, attitudes, competences and expectation toward organizational effectiveness	141	84	68	35	328
10	The style of management whether directive, participative or free rein is influenced by situational factors, experience and entrepreneur education.	132	82	65	49	328
	Total	**1197 (72.99%)**		**443 (27.01%)**		**1640**

Source: Field Survey, 2017.

Table 2 reveals that 1197 (72.99%) answered in 'Agreement" category what there is a relationship between leadership style and leader's qualification in an organization, while 443 (27.01%)

answered within the "Disagreement" category. The result is enough to say Leader's or small business owner's entrepreneurial culture influence the leadership style of a leader in an organization. Entrepreneurial culture can be cultivated or based on entrepreneur education. This also agree with the fact that, how entrepreneurially innovated a leader or person is determines his/her interactions or relationship with others in an organization which result to a leadership decisions and sustainers of the organizations.

Small Business Sustainability or Stability and Entrepreneurial Culture/Leadership Style

Questions were asked to ascertain the degree of relationship between Entrepreneurial culture/Management style and small Business Stability or sustainability.

Table 3: Relationship between Entrepreneurial Culture through Management Style and Small Business Stability

		Agree		Disagree		
Qs	Description	Strongly Agree	Agree	Disagree	Strongly Disagree	Total
11	Workers accept change as an agent of innovation when they are informed about the proposed change and are allowed to participate in the implementation of the change	174	136	13	5	328
12	Competitive Business Advantage can be created with an entrepreneur culture through leadership style that is effective	142	127	31	28	328
13	Small Business owners/ managers exhibit over confidence and knowing all attitudes in their administration	129	115	48	36	328
14	Creation of new possibilities by managers will enhance Business Stability	121	110	77	20	328
15	An entrepreneur culture through leadership style that encourages team coordination, realize group synergy participation will aim productivity and Business Stability	152	130	35	11	328
	Total	1336 (81.46%)		304 (18.54%)		1640

Source: Survey 2017.

Table 3 reveals that 1336 (81.46%) answered in the "Agreement" category while 304 (18.54%) answered within the category of "Disagreement". Clearly, the table or percentages shows that relationship exists between Entrepreneurial culture through management style and small Business sustainability or stability. A management/leadership style that accept change and encourage innovative activities will achieve Business Stability and Success.

Small Business Performance and Leadership/Management Style

Questions were designed to determine the extent to which leadership/management/entrepreneur culture relates or affects Business Performance.

Table 4: Relationship between Leadership Style and Business Performance

		Agree		Disagree		
Qs	**Description**	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**	**Total**
16	Conflict / crisis emanates in an organization mostly due to the management style adopted	157	130	30	11	328
17	An organization is productive or not depending on how the labour force is utilized	149	104	58	17	328
18	Gap in communication between management / employers in Small Businesses is due to the style adopted	124	117	57	30	328
19	Clear divisional functions /specialization enhances Business performance	117	109	86	16	328
20	Organizations like Small Businesses should consult with or solicit the ideas or services of qualified consultants when the need arises.	120	101	63	44	328
	Total	**1228 (74.88%)**		**412 (25.12%)**		**1640**

Source: Field Survey, 2017.

From table 4, 1228 (74.88%) respondents answered in the "Agreement" category while 412 (25.12%) answered within the category of "Disagreement". The analysis shows that leadership/ management style has a positive relationship with small Business performance. With an effective leadership style, entrepreneurial culture, Business Performance will also be effective.

Conclusion

This study assessed the role of entrepreneurial culture in sustaining and improving small business enterprises in Benue State. The study discovered that the key factors affecting low performance of small business enterprises in Benue Sate and Nigeria at large are Poor planning, poor record keeping, undercapitalization, unfavourable policy environment, poor marketing strategies and inadequate managerial skills, inadequate capital, irrelevant education that is not tailored towards entrepreneurial activities, lack of environmental scanning and lack of infrastructure, poor price fixing, poor product or service, absence of an enabling environment, security concern, multiple taxation and over-dependence on certain individuals as major constraints to the development and low performance of small business in Benue State. The paper concluded that for the entrepreneurial culture to be developed and sustained, the government needs to create an investor-friendly environment encompassing stable macro-economic policies, urgently address the dilapidated infrastructural facilities in the country, starting with the power sector, roads and railways, provide adequate security and give every citizen the sense of belonging.

The educational sector needs to be revamped with emphasis on science and technology and developed practical entrepreneur centers on Nigeria universities. There is need to change the mind set of young people to embrace entrepreneur culture rather than waiting for non-existing government job. Lastly, there is the need to ensure that those with innovative ideas are provided with the financial support to translate such ideas into reality.

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DETERMINANTS OF PRICING POLICY DECISIONS OF SMALL AND MEDIUM SCALE ENTERPRISES

Luper Iorpev and *Ayoor John Ivungu*

PP. 391-402

Abstract

This study assesses the determinants of pricing policy of small and medium scale enterprises (SMEs) in Nigeria. A sample of 100 small and medium scale businesses operating within Makurdi metropolis was used. The study made use of primary data using the questionnaire. Findings revealed that, factors such as the business overall objectives, the type of market in which the business operates in, the nature of its products and the state of customers acceptance of the product do not only influence the pricing decision of small and medium scale enterprises (SMEs) in Nigeria but also affects their sales and profitability. The study recommends that, SMEs in Nigeria should monitor and measure the degree of customer's satisfaction and dissatisfaction with service delivery and the prices of competing products on a continuous base before adopting a pricing policy or setting the price of their products.

Keywords: SMEs, Pricing, Policy, Determinant

Introduction

The ultimate objective of any business be it small, medium or large scale is to satisfy customers at a profit. The pricing of a product or service is a key element in determining the profitability of a business. However, it is not always easy to set the right price. If the price of a company's product is too high, demand will reduce and it may affect its sales volume as well as market share. If its price is too low, consumers may tend to believe that the product or service does not offer value since

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price is the measure by which industrial and commercial customers judge the value of products (Sije&Oloko, 2013). Balancing between too high and too low prices depends on the pricing policy adopted by the firm since consumers always strive to maximize satisfaction.

Pricing policy is the ability of a business to change or alter its prices independently at any given time without recourse to anybody. The decision of determining the prices to be charged to customers for the business products or services is one of the most important decisions to be made by managers. This is because; price affects customers demand, sales volume, market share and profitability of a business. The task of setting prices for product or services is faced by all profit organizations and many not for-profit organizations. However, pricing is a complex problem with numerous interacting factors such as type of product, government legislation, level of activity and elasticity of demand.

Despite the importance of price and pricing decisions to the survival and growth of a firm and by extension the economy it operates in, studies that investigate the determinants of pricing policy of small and medium scale enterprises (SMEs) are sparse. It is in view of this, that the study seeks to assess the pricing policy of small and medium scale enterprises. In specific terms, the study seeks to assess the pricing policy used by small businesses, factors that influence the pricing policy and how pricing policy will affect their sales volume and profitability. This study is structured into five (5) sections. Following the introductory section, the remainder of this paper is as follows: Section two (2) takes a brief review of related literature; Section three (3) is the methodology; Section four (4) present results and discusses of the study; Conclusion and recommendations are presented in section five (5).

Review of Related Literature

This section discusses the concepts of SMEs, pricing policy as well as the determinants of pricing policies in SMEs.

The Pricing Policy of SMEs

There is no generally accepted definition of SMEs. This is because the classification of businesses into small, medium and/or large scale is a subjective and qualitative judgment. Kpelai (2009) defined SMEs as a group of businesses whose scale of operations are less than average for the industry where managers are, at least co-owners and provide substantial part of the start-up capital. Adidu & Olannye (2006), summarize SMEs as those businesses whose capital investment do not exceed five million naira (including land and working capital) or whose turnover are not more than twenty five million naira annually.

In the words of Ojukwu (2001), small business enterprises are those that operate with a capital outlay or investment of between 1,018,336.07 to 10,183,361.46 NGN which is equivalent to 6,791,171 USD to 67,911,715 USD respectively, medium scale enterprises are those that operate with a capital between 40,733,445.83 to 152,750,421.11 NGN also equivalent to 271,646.86 USD to 1,018,675.72 USD while others that operate with 1,018,675.72 and above are large scale enterprises. Central Bank of Nigeria (2011) defined Small and Medium Scale Enterprises (SMEs) as an enterprise that has an asset base (excluding land) of between N5Million – N500Million and labour force of between 11and 300. It can be observed that the scope of these definitions is within the same framework.

The Pricing policy of SMEs refers to how they set the price of their product or services. They determine the pricing model that is compatible with the target market and is consistent with the pricing objectives of their business. The pricing policy of a small business can ultimately determine its fate. Price is a double edge sword that can make or break your business. So, when devising a product pricing policy; do it with utmost caution. SMEs can ensure profitability and continuity by paying close attention to their pricing policy.

Four (4) fundamental pricing policies often used according to Jobber (2004) are:

- Cost Oriented Pricing
- Customer Value Based Pricing
- Competition Oriented Pricing
- Demand Base Pricing

- **Cost Oriented Pricing:** A good number of firms set their prices largely on the basis of their cost. Pricing decisions are influenced primarily by accounting data, with the objective of getting a certain return on investment or a certain markup on costs. Two methods are normally used here, they are cost plus method and direct or marginal cost pricing (Jobber 2004).
- **Customer Value Based Pricing:** This approach is otherwise known as "value based pricing," it uses data on the perceived customer value of the product as the main factor for determining the final selling price. Customer value based pricing asks how can we create additional customer value and increase customer willingness to pay despite intense competition? Customer value-based pricing approach is driven by a deep understanding of customers' needs, perception of value, price elasticity and willingness to pay.
- **Competition Oriented Pricing:** This approach uses data on competitive price levels or on anticipated or observed actions of actual or potential competitors as a primary source of determining appropriate prices (Hinterhuber 2008). A firm is most likely to use this method, when the market is highly competitive and the product is not differentiated significantly from competitive models. In such a situation, prices are set on the basis of what the competitors are charging.
- **Demand Base Pricing:** Managers adopting demand based pricing policy are, like value priers, not fully concentrated with costs. Instead, they concentrate on the quality and characteristics of their products or services. Demand oriented pricing focuses on the level of demand for a product or service, not on the cost of materials, labor, and so forth.

Determinants of Pricing Policies in SMEs

Pricing decisions are influenced by internal as well as external factors (Luqman & Okewale 2017). Brassington & Pettitt, (2013) sees consumers, demand curve and competitors as external factors as well as organizational objectives, marketing objectives and costs as internal factors that determine price. For the purpose of this study, competition, market demand and elasticity of demand, brand policy/strategy, cost of goods sold, perceived value of the product, economic trend and demographics are discussed thus:

i. **Competition:** Dudu & Agwu, (2014) posits that, while cost set the floor for prices and are usually used to determine the least price, marketers must also consider the prices of competitors that offer buyers other means of satisfying the same needs. A competitive pricing strategy where prices are set based on the prices of the competition is best suited for a price sensitive and highly competitive market. Whether you use this type of strategy or not, you should always take your competitors prices into account when setting your own price, unless you hold a monopoly. If customers perceive that your product and that of your competitor's as having equal value, you may lose out in a big way if your competitor's price is lower than yours.

   Competition will bite you if you keep running. If u standstill, it will swallow you. Most entrepreneurs fancy the concept of selling their products with a very high margin. This idea can only be realistic when you have a monopolistic hold on the market. But if not, you can't sell with your desired profit margin without a sting from competition. When trying to adopt a product pricing policy or determine the right price for your product, the issue of competition is a factor that must be trashed out effectively. The more intense the competition in your industry, the more flexible your product pricing strategy and policy will have to be.

ii. **Market Demand and Elasticity of Demand:** The law of demand and supply should always come into play when setting your price. If a product is in high demand, particularly if demand exceeds supply, then the market can bear a higher price. Conversely, if demand dwindles, consumers will not be willing to pay higher prices. Your pricing should remain relatively stable over time but you can put promotions in place to discount the price when need arise.

iii. **Brand Policy/Strategy:** Setting prices without a thorough grasp of the brand objectives can destroy any brand building efforts. Price is part of your brand image. If the products' Price is not in line with the brand image, customers will likely get confused instead of being attracted.

iv. **Cost of Goods Sold:** One of the goals of organizations is to maintain a customer base at a profit (Michael, Jan & Sephapo, 2016). Profit is selling price less the cost price. A good price must take into cognizance the cost of the product. That is, it must be higher than the actual cost of production. The cost of goods sold plays an integral role in any pricing strategy. An exception to this is when a product is a loss leader. A loss leader is a product that is sold below cost as an incentive for consumers to purchase other products at normal prices.

v. **Perceived Value of the Product:** The reason why perceived value is a critical factor to consider in a product pricing policy is because customers often associate low price with low quality. Customers use price as an indicator of quality, especially products whose objective measurement of quality is not possible, price strongly influences the quality perception of such products. Arising from the above, Michael, Jan & Sephapo, (2016) is of the view that, consumers' ability to pay a certain amount for a product should be considered when determining which price to set.

vi. **Economic Trend:** As an entrepreneur, economic factors such as tax rate, labor cost, inflation rate, currency exchange rate, government fiscal and monetary policy rates will definitely influence your adopted product pricing policy positively or negatively.

vii. **Demographics:** Demographic factors to consider before setting price include; the age bracket of the targeted customers, business location, customer's location and educational status of the targeted market.

Methodology

This study adopted a survey research design. The population consists of all the small and medium scale businesses operating in the transport sector, computer centre/cyber café, sachet water business, tailoring, bakeries, restaurants, hair dressing /barbing salons, fruit/vegetable sellers and furniture designers. Purposive sampling method was used to select 100 SMEs operating in Makurdi (i.e. 10 businesses from each of the ten (10) lines of business mentioned above). Primary data was sourced via questionnaire and the collected data were analysed using simple percentages and cut off mean.

Results and Discussion

The result presented below is based on the responses from the questionnaire issued to 100 SMEs operating in makurdi in ten line of business.

Table 1. The Pricing Policy Used by Small Business

S/No	Variables	Strongly agree	Agree	Strongly disagree	Disagree	Mean	Decision
1.	Price that cover cost of production and service delivery (cost oriented pricing).	64(64%)	26(26%)	2(2%)	8(8%)	3.46	Agree
2.	Price that is based on what the customer is willing to pay(customer oriented pricing)	44(44%)	12(12%)	30(30%)	14(14%)	2.86	Agree
3	Price that is based on your reaction to competitor's prices (competition based pricing)	42(42%)	38(38%)	4(4%)	16(16%)	3.06	Agree
4	Price that does not follow any pattern	21(21%)	9(9%)	32(32%)	38(38%)	2.13	Strongly disagree

Source: Field Survey, 2017

Table 1 shows the pricing policies used by small businesses in Makurdi. A total of 64 or 64% of the respondents strongly agreed, 26 or 26% Agreed, 2 or 2% strongly disagreed and 8 or 8%

disagreed with the price that covered cost of production and service delivery (cost oriented pricing). 44 or 44% strongly agreed, 12 or 12% agree, 30 or 30% strongly disagreed and 14 or 14% disagreed with a price that is based on what the customer is willing to pay (customer oriented pricing).42 or 42% strongly agreed, 38 or 38% agreed, 4 or 4% strongly disagreed, 16 or 16% disagreed with a price that is based on a firm's reaction to competitor's prices (competition based pricing). Price that does not follow any pattern has 21 or 21% who strongly agreed, 9 or 9% agreed, 32 or 32% strongly disagreed, 38 or 38% disagreed.

Arising from the above, it can be deduced that, the respondents are of the view that the pricing policy used by small business are price that covered cost ofproduction and service delivery (cost oriented pricing), price that is based on what the customer is willing to pay (customer oriented pricing), price that is based on your reaction to competitor's price (competition based pricing).

Table 2. Factors that Influence Pricing Policy of Small Business

S/No	Variables	Strongly Agree	Agree	Strongly Disagree	Disagree	Mean	Decision
1	The firm overall objectives	64(64%)	22(22%)	0(0%)	14(14%)	3.36	Agree
2	Type of market the firm operates	20(20%)	80(80%)	0(0%)	0(0%)	3.2	Agree
3	The nature of the products	28(28%)	66(66%)	0(0%0	6(6%)	3.16	Agree
4	The state of customers' acceptance of the products	18(18%)	70(70%)	2(2%)	10(10%)	2.96	Agree
5	The elasticity of demand for the product	18(18%)	70(70%)	6(6%)	6(6%)	3	Agree
6	Cost structure of the firm and product (the expenses that a firm must take into account when manufacturing a product or service	14(14%)	71(71%)	8(8%)	10(10%)	2.95	Agree

7	Possible economy of scale of production	6(6%)	66(66%)	4(4%)	24(24%)	2.54	Agree
8	The state of the market	14(14%)	74(74%)	6(6%)	6(6%)	2.96	Agree
9	Opportunities for competition	62(62%)	20(20%)	10(10%)	8(8%)	3.36	Agree
10	Government restrictions and legislations	8(8%)	16(16%)	12(12%)	64(64%)	1.68	Strongly Disagree
11	Level of activity	16(16%)	74(74%)	6(6%)	4(4%)	3.02	Agree

Source: Field Survey, 2017

Table 2 shows the factors that influence pricing policy of small businesses in Makurdi. A total of 64 or 64% of the respondents strongly agreed, 22 or 22% agreed, 0 or 0% strongly disagreed, 14 or 14% disagreed with the firm overall objectives. 20 or 20% strongly agreed, 80 or 80% agreed, 0 or 0% strongly disagreed, 0 or 0% disagreed with the type of market the firm operates. 28 or 28% strongly agreed, 66 or 66% agreed, 0 or 0% strongly disagreed, 6 or 6% disagreed with the nature of the products. 18 or 18% strongly agreed, 70 or 70% agreed, 2 or 2% strongly disagreed, 10 or 10% disagreed with the state of nature of customer's acceptance of the products. 18 or 18% strongly agreed, 70 or 70% agreed, 6 or 6% strongly disagreed, 6 or 6% disagreed with the elasticity of demand for the product. 14 or 14% strongly agreed, 71 or 71% agreed, 8 or 8% strongly disagreed, 10 or 10% disagreed with cost structure of the firm (the expenses that a firm must take into account when manufacturing a product or service). 6 or 6% strongly agreed, 66 or 66% agreed, 4 or 4% strongly disagreed, 24 or 24% disagreed with possible economy of scale of production. 14 or 14% strongly agreed, 74 or 74% agreed, 6 or 6% strongly disagreed, 6 or 6% disagreed with the state of the market. 62 or 62 % strongly agreed, 20 or 20% agreed, 10 or 10% strongly disagreed, 8 or 8% disagreed with opportunities for competition. 8 or 8% strongly agreed, 16 or 16% agreed, 12 or 12% strongly disagreed, 64 or 64% disagreed with government restrictions and legislations. 16 or 16% strongly agree, 74 or 74% agree, 6 or 6% strongly disagreed, 4 or 4% disagreed with the level of activity.

From the above analysis, the respondent agreed that, the factors that influence pricing policy of small businesses in Makurdi are; the firms overall objectives, type of market the firm operate, the nature of the products, the state of customers acceptance of the products, the elasticity of demand for the product, cost structure of the product, possible economy of scale of production, the state of the market, opportunities for competition and level of activity.

Table 3: How Pricing Policy Influence Sales Volume and Profitability

S/No	Variables	Strongly Agree	Agree	Strongly Disagree	Disagree	Mean	Decision
1	Does pricing policy affect your sale quantity	82(82%)	12(12%)	4(4%)	2(2%)	3.74	Strongly agree
2	Does pricing policy affect profitability of your business	88(88%)	6(6%)	2(2%)	4(4%)	3.78	Strongly agree

Source: Field Survey, 2017

Table 3 shows how pricing policy influence sales volume and profitability of SMEs in Makurdi; does pricing policy affect your sales quantity has 82 or 82% who strongly agreed, 12 or 12% agreed, 4 or 4% strongly disagreed, 2 or 2% disagreed while 88 or 88% strongly agreed, 6 or 6% agreed, 2 or 2% strongly disagreed, 4 or 4% disagreed that pricing policy affects their profitability. In sum, the respondents strongly agreed that, pricing policy influence their sales volume and profitability

Conclusion/Recommendations

This study concludes that, the type of market a firm operates in, the nature of the product, the state of customers acceptance of the product, the elasticity of demand for the product, cost structure of the product, possible economy of scale of production, the state of the market, opportunities for competition and level of activity are the factors that influence pricing policy of SMEs in Nigeiria. The study therefore recommends that, for SMEs in Nigeria to boost the demand of their products, increase their sales volume, market share as well as profitability, they should monitor and measure the degree of their customer's satisfaction and dissatisfaction with service delivery and the prices of competing products on a continuous base before and after adopting a pricing policy or setting the price of their products and/or services.

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APPLICATION OF ENTREPRENUERSHIP TECHNIQUES IN AGRICULTURAL ACTIVITIES FOR ENHANCED PERFORMANCE: NIGERIA IN PERSPECTIVE

Mtswenem, Paul Shimadoo and *Alabar, T. Timothy*

PP. 403-418

Abstract

The shift of emphasis from oil as the main stay of the Nigerian to agriculture has created a lot of opportunities for actual and potential farmers to leverage on. This opportunity is further stimulated by the increasing knowledge in entrepreneurship occasioned by the numerous seminars, workshops, symposiums etc. organised by government and the organised private sector to sensitised and educate the general public on the meaning and attractiveness of entrepreneurship. The paper adopts a conceptual approach to examine the application of entrepreneurship techniques in agricultural activities for enhanced performance in Nigeria. The concept of entrepreneurship was examined, farmers as entrepreneurs analysed and the paper also looked at the way of life of farmers as entrepreneurs. The challenges of farm entrepreneurs were x-rayed and appropriate solutions recommended.

Key Words: Entrepreneurship, Agricultural Activities, Techniques, Enhanced Performance, Sustainable Development, Economic Development, Nigeria.

Introduction

Prior to the oil boom of the 1970s, the Nigerian economy was driven majorly by agriculture. However, the discovery of oil and

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the associated prospects made Nigeria to shift focus to oil thus gradually neglecting agriculture. The oil has seemingly sustained the Nigerian economy for a long period of time. But the recent fluctuations in the oil prices in the international market and Nigeria's inability to build and maintain her refineries has further worsened the situation. The present administration, realising this challenge has placed so much emphasis on agriculture considering it as the only out of the recession Nigeria is experiencing. Today, as the agricultural sector provides enormous investment opportunities in Nigeria, farmers need to apply entrepreneurship knowledge, skills and techniques in order to boost productivity for increase economic benefits. As entrepreneurs play significant role in any economy and are the prime movers of economic development, there are growing concerns for the stimulation of entrepreneurial interest in the agricultural sector of the Nigerian economy. As the nation battles to curb the menace of unemployment amongst graduates, fewer vacancies in choice industries like oil and gas, banking and lack of job security even for the employed, entrepreneurship stand tall in providing a way forward for solving these challenges (which include but not limited to creating job opportunities, generating renewed economic growth and advancing human welfare) of the 21st century in a developing economy like ours. Studies by Pickernell, Packham, Brooksbank and Jones (2010), Ahmed (1987) and Lawrence (1992) observed that many small-scale farmers and extension organisations understand that there is little future for farmers unless they become more entrepreneurial in the way they run their farms. They therefore maintained that, for farmers to succeed in their career and contribute positively to the development of the society, they must increasingly produce not only for their personal consumption, but for markets and profits. Also, the quest and desire by the lower income farmers to build wealth in an agricultural dominated economy must and can only be achieved through the application of entrepreneurship knowledge and techniques. However, becoming more entrepreneurial can be a challenge for small-scale farmers. It is in the light of the forgoing that the paper provides a platform of understanding on how farmers can apply the basic entrepreneurship techniques in their farming activities for enhance performance that translate to economic pillars of the society.

On the strength of the above therefore, the study is structured as follows:

i. The Concept of Entrepreneurship
ii. The Importance of Small Business to the Nigerian Economy
iii. Farmers as Entrepreneurs
iv. Way of Life of a Farmer-Entrepreneur
v. Challenges of Farm-Entrepreneurs in Nigeria
vi. Recommendations for solving some of the challenges

The Concept of Entreprenuership

The term entrepreneurship is used to describe a dynamic process of creating incremental wealth (Shailesh, Gyanendra & Yadav, 2013). This wealth is created by individuals who take the major risks in terms of equity, time and career commitment of providing value to some product or services, the product or service itself may or may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skill and resources. In other words entrepreneurship is the application of energy for initiating and building an enterprise (Mishra, El-Osta, & Shaik 2010). Presently, in Nigeria an entrepreneur is an innovator who recognises and seizes opportunities, converts those opportunities into workable ideas, adds value, effort, money, skill and assumes risks of competition to actualise the ideas and takes the reward. Onubuogu and Esiobu (2014) opined that sustainable development of agribusiness requires the development of entrepreneurial and organisational competency in farmers. Developing entrepreneurial skills of farmers can take two tracks. The first is to amend the social, economic, political, and cultural frameworks that hinders, and foster those that stimulate their development. The second is encouragement of farmers, via their personalities and capabilities, to kindle the development of entrepreneurship.

If farming competitiveness is to be improved by nurturing entrepreneurial behaviour, both tracks have to be considered. The improvement of entrepreneurial skills in agriculture is an important condition to generate sustainable rural development (de Wolf and Schoorlemmer, 2007).

Stimulators of Entrepreneurship Thinking

Perhaps, as an individual, you cannot depend only on your current economic status to become a successful entrepreneur. Certain stimulators may push you better becoming what you dream of achieving as an entrepreneur, and when properly harnessed would help in developing a culture of entrepreneurship that stand the test of time in a depressed economy like ours. These factors alluded to by Alabar, Mtswenem and Lim (2016) and Sampson (2013) includes but not limited to the followings:

1. Become a Master of your Thoughts: The more effective you become in taking full responsibility of what is going on in your head, the better you become in disciplining your mind in guarding and directing your thoughts in the ways you may want it to be. As the control of your thoughts is put under a closer watch of your conscious mind to provide solutions to societal needs, your unconscious mind give in accepting same. Becoming a master of your thoughts therefore inspires you to have an independent mind, and makes you see value in yourself to add value to the society. There are seeds of success in each and every individual, but you must cultivate those seeds in terms of thoughts that may culminate into tangible and intangible solutions to societal problems, which is a representation of entrepreneurship culture.
2. Travelling: Travels takes us out of our stale daily habits, awakens our senses, and exposes us to beliefs and cultures different from our own. It then forces us to develop a new way of thinking out of the box that brings changes in our businesses and society. I therefore recommend people travelling to Africa, which is an emerging continent that provides ample opportunities for productive thinking.

3. Making Good Use of Bad Experiences: The most distinguishing trait between creative and non-creative people is their ability to transform the pains of life into a productive inspiration. As it is often said, bad experiences expose us to who we are, where we are and where we ought to have been. In most instances, the hard times one witnessed in his life may be a pointer to the journey of success as creative thinking begins at the end of the comfort zone. Many successful entrepreneurs of history faced enormous hardships, but instead of masking their pain, they used it as an opportunity funnel. Therefore, channeling negative experiences into positive opportunities is a liberating prescription for positive thinking that not only provides inspiration, but opens up great new veins of insight and compassion for solution-provision.
4. Always be Learning: To be creative and productive, one must be educated and knowledgeable in his field of endeavor. A deep understanding of the problem before you can help you see where your talents can be useful and well applied. When an individual keeps expanding his knowledge frontiers into new areas of human endeavor, the more he is likely to be attracted to new solutions to life problems. Learning new skills and disciplines expose us to new perspectives that may keep the productive wheels of our lives going.
5. Identify your Key Skills: Every aspect of human endeavor needs some skills to succeed. For example, there are four basic success factors for physical health, and these include; proper diet, proper weight, proper exercise and proper rest. Any of the health challenges may be traced back to a problem or deficiency in one of these areas. So also for one to build a culture of entrepreneurship in any field of life, one must identify the key skills required in such a setting. The identification of these skills will help in performing and getting the expected results for any engagement.

These lines of thought if properly harnessed would go a long way in helping us develop a productive thinking that manifest in setting up of small and medium scale enterprises for our wellbeing and the society in general.

The Importance of Small Businesses in Economic Development of Nigeria

Alabar and Wombo (2012) and Ayozie (2011) identified the following as the Importance of Small Businesses to the Nigerian economy:

- Small scale industries generate employment for a lot of Nigerians. A lot of unemployed people and youths, have found employment in small scale industries. A lot of small retail shops, cottages, restaurants, poultry farms, and telecommunication/telephone shops have been established and managed profitably by Nigerians who would have been unemployed till date. The entrepreneurs have in turn provided jobs for other Nigerians, who serves as support, technical and administrative staffs for them.
- It has encouraged self-employment for many youths both in the rural and urban areas. The spirit of successful entrepreneurship has taken over the mind of Nigerians, who believe in themselves and in the goal of self employment, instead relying on government jobs. In the telephone retail and rental jobs, a lot of youths and Nigerian have remained self employed. Their businesses have expanded to the level of employing some other unemployed people. Through the establishment of manpower development support schemes, and their involvement in the training and retraining of entrepreneurs, small scale industries have provided a pool of potential entrepreneurs and business people who are well equipped to start and successfully manage industries whether small or large, not only in Nigeria, but overseas. Successful business people in Nigeria like the Aliko Dangotes, the Ibrus, Mike Adenuga, Illodigwe and the Orji Kalus started as SMES, before the growth of their various businesses into conglomerates.
- It has reduced the dependence on government and large firms on salaried employment. This is evidenced from the liberalisation policy of the government in the

telecommunication and education sectors as a lot of companies have been established to provide support staff and employment for Nigerians.

- Small scale industries have stimulated rural development and the achievement of a meaningful level of broad economic and rural development. To reduce the migration from rural to the urban centres, some infrastructural facilities which promoted small scale industries were provided in the rural areas, such as the provision of access road, increased improvement in communication facilities like telephone, postal services and the internet facilities, construction of industrial layouts and estates, and the provision of electricity and water expansion schemes.
- It has uplifted the dignity of labour. There is the spirit of "ME TOO", I can do it attitude. People deriving joy in working for themselves and seeing their businesses grow and mature to conglomerates and deriving joy in being a source of employment to other Nigerians.
- It has upgraded the social status of Nigerian youths, by showcasing them as very successful entrepreneurs and operators of small scale industries. This is evidenced in the many success stories of small scale industries as recorded by the print and electronic media houses.

Farmers as Entrepreneurs

Can small-scale farmers become entrepreneurs? Yes. Small-scale farmers all over the world have shown a remarkable ability to adapt. They look for better ways to organise their farms. They try new crops and cultivars, better animals, and alternative technologies to increase productivity, diversify production, reduce risk – and to increase profits. They have become more market-oriented and have learned to take calculated risks to open or create new markets for their products. Many small-scale farmers have many of the qualities of an entrepreneur (Kahan, 2012).

For small-scale farmers to become entrepreneurs they need all of these qualities and more. They need to be innovative and forward-looking. They need to manage their businesses as long-term ventures with a view to making them sustainable. They need to be able to identify opportunities and seize them. Some small-scale farmers do have these qualities, but they still focus on maintaining their traditional way of life. Their production decisions are based on what they need — not on what is possible. The farmer-entrepreneur produces a clear picture in his mind of what is possible and the future he wants. He knows that what is possible is determined by the market (Kahan, 2012).

The farmer-entrepreneur is always looking for new opportunities. He knows that new opportunities are found in the market. The farmer-entrepreneur wants to make profits. He knows that profits are made in the market. An entrepreneurial farmer has the initiative, drive, capacity and ability to take advantage of opportunities.

The 'Way of Life' of a Farmer-Entrepreneur

Kahan (2012) is of the view that, the farm –entrepreneur's way of life comprises the following:

- Freedom in making decisions about the business and the relationship with family
- Control over what has to be done, when and in what order
- Working alone often in solitude
- Coping with a wide range of managerial and 'day to day' tasks
- Lives with uncertainty; if you can't generate profit you may not survive in the future
- Risking personal assets and security
- High level of responsibility and risk of failure
- Lives with an inability to control the actions of stakeholders upon whom the success of the business depends
- Develops trust and alliances with other stakeholders where mutual benefits exist
- Works long and irregular hours to meet demands
- Closely interwoven family and business life
- Social status is linked to the success of the business

- 'Learns by doing' under pressure from stakeholders, by solving problems, experimenting, seizing opportunities, and learning from competitors.

Phases of Farm Business

The development of a farm enterprise as a business occurs in five phases (Kahan, 2012):

- Establishment
- Survival
- Early growth
- Rapid growth
- Maturity (and possible decline)

- **Establishment:** The organisation of the business at this stage is usually quite simple. Challenges relate to market potential, the motivation of the farmer, the availability of resources and basic business skills. Farmers require skills to negotiate with banks and other agencies in order to get the assistance they need to establish their new enterprise. The key questions are:

♦ How can this become a profitable business enterprise?
♦ How will it impact on my farm as a whole?
♦ How can I establish a market?
♦ Do I have enough money to cover the cash demands in setting up the enterprise?

During this stage, the organisation is simple and the farmer has to do almost everything himself. The focus is on making sure the product is produced, gets to market and is sold. Since it is the first time he is producing this product, everything is new. Many new enterprises do not survive the first season of production and marketing. Those that do, enter the survival stage. The business can grow if efficiently managed with commitment and determination Rapid growth is fuelled by entrepreneurial capacity and skills.

- **Survival:** Starting a new enterprise shows that the farmer has some entrepreneurial skills. Surviving the first stage shows that the new enterprise has short-term viability. In the survival stage, the focus is on the relationship between the income earned and the costs entailed. The key questions are:

♦ Can I generate enough income to break-even in the short-run and to replace capital equipment?
♦ Can I generate enough income to expand or diversify production according to market demands to ensure long-term viability?

Many surviving enterprises stay in the survival stage. The farmer will need to consider if he wants to do the work to keep growing. If he does, he will need to figure out how to build on the success of the enterprise to move to the next stage.

- **Early Growth:** If the farmer decides to take his new enterprise beyond survival, the enterprise needs to grow. To achieve this, the farmer needs to develop a broader product and buyer base while ensuring that the farm business remains profitable. He must also ensure that farm operations are efficient, find the information needed for better management and hire more skilled staff to cope with the increased production, marketing and management activities. While the organisation may still be simple, growth requires more managerial skills and qualities to cope with the more complex farm management activities and decisions.
- **Rapid Growth:** Once the farm enterprise is working as a well-integrated farm business, it is in a position where it can achieve rapid growth. One way to grow is by increasing the amount of land planted and/or raising more livestock. This will give more products to sell. Another way is to add value to the product by processing it and/ or packaging it.

During the rapid growth stage the farmer is likely to have to delegate some managerial responsibilities. He will need to change the way communication is done, and to make some tasks routine. To do this, the farmer will need even broader managerial skills. As the scope of the farm business increases, the entrepreneurial and managerial skills of the farmer must also increase.

Sometimes a small-scale farmer may prefer to remain small. When his farm reaches the size that satisfies his requirements and purpose for farming, he may prefer to keep the business at that level. But making this decision must not be because of a lack of knowledge, skill or opportunity.

- **Maturity (and Possible Decline):** Eventually, the farm business reaches maturity. This means that it stops growing or expanding. It reaches a point of balance where land size, market opportunities and the scope of activities are in balance with the skills and vision of the farmer. As long as the farmer and the farm business continue in this balance the farm business will continue. If the enterprises are profitable and the farm is well managed, the business can be sustained.

However, a thriving business will still face challenges and threats. There might be many competing farmers selling in the same market. Other farmers may have newer, more efficient methods of production and processing that give them an advantage. The farmer has to be entrepreneurial in adapting to these threats; innovating and developing strategies to ensure the farm business remains profitable and viable. Inevitably, the farmer will need to decide about the future of his thriving business. Will the business outlive the farmer? Will he sell the business or hand it over to another family member? Should he close the business down?

Understanding these stages helps extension workers provide farmer-entrepreneurs with appropriate support, guidance and advice. It is important to remember that, in most cases, farmers are not starting with a completely new farm. They have working farms that already have one or two enterprises. Aspects of their farms may already be in the post-survival stages – some even in the maturity stage. Each new enterprise that is introduced, however, will follow these stages.

Challenges of Farm Entrepreneurs in Nigeria

Esiobu, Onubuogu, and Ibe, (2015) identified the following as challenges of Farm entrepreneurs in Nigeria which we have developed:

1. Poor access to entrepreneurship information
2. Poor experience/training in entrepreneurship development
3. Poor government support for entrepreneurs
4. Long distance between home area and market area
5. Poor access to capital
6. Inability to cope with the task of entrepreneurship
7. Poor enabling environment
8. Poor managerial skills
9. Inability to withstand competition

1. **Poor Access to Entrepreneurship Information**: A lot of Nigerian farmers live in the rural areas thus making it difficult for them to access entrepreneurship information especially in the area of farming because of the wide gap between the urban and rural areas in Nigeria. Therefore, most of the farmers still use very obsolete equipments and methods which retard their survival and growth.
2. **Poor Experience/ Training in Entrepreneurship Development**: A lot needs to be done in the area of training of farmers to inculcate entrepreneurship in their farming activities thus turning them into farm entrepreneurs. Unfortunately, most of the farmers are illiterates who can hardly read and write and this becomes a very big challenge for them to be trained. Furthermore, most of the seminars/workshops/training organised for entrepreneurs are usually general in nature and only targeted at the urban populace.
3. **Poor Government Support for Entrepreneurs**: The support given entrepreneurs y the government at various levels is seemingly inadequate. This is largely due to the fact that, even when these supports are pronounced they do not reach the actual farmers as a result of a poor framework for

disbursement thus providing a platform for corrupt individuals and groups to take advantage of the lapse and siphon and misappropriate these resources.

4. **Long Distance between Home Area and Market Area**: No doubt, Nigeria is endowed with a vast area of arable land, but much of this land is situated in the rural areas where people are not willing to dwell as a result of lack of absence of basic amenities. This makes it difficult for people to do their farm business smoothly as a result of the long distance between their homes in the urban centres and their farms in the rural areas. This problem is further compounded by poor access roads to the rural areas.
5. **Poor Access to Capital**: The government's realisation of the difficulty farmers faced in obtaining loans from conventional banks thought it wise to establish specialised banks for farmers. The establishment of these banks like the hitherto Nigeria agricultural and co-operative bank which have been renamed as the Bank of Agriculture has seemingly failed to live up to her expectations as a result of bureaucratic bottlenecks and corruption thus making it even more difficult for farmers to access funds.
6. **Inability to Cope with the Task of Entrepreneurship**: Considering that most Nigerian farmers live in the rural areas and are mostl illiterates who can hardly read or write, it makes it difficult for them to drop their traditional ways of farming for subsistence to embracing the fundamentals of entrepreneurial farming.
7. **Poor Enabling Environment**: Epileptic power supply, bad road network and poor government support especially in the rural areas makes farming as a business extremely difficult if not impossible. Therefore, Farm entrepreneurs have to go extra miles to provide some of these basic infrastructures for themselves which increases their cost of production thus resulting in low profits.
8. **Poor Managerial Skills**: Most farm entrepreneurs lack the basic skills of management especially when the farm enters the rapid growth stage where the farm enterprise begins to

work as a well-integrated farm business. At this stage, the farmer will need broader managerial skills which most often are lacking thus resulting in business failure or stunted growth.

9. **Inability to Withstand Competition**: As the farm business reaches the maturity stage, it becomes the subject of imitation for most existing and intending farm entrepreneurs. Most farm business managers find it difficult and frustrating to withstand competition especially coming from farmers with newer, more efficient methods of production and processing that might give the firms competitive advantage.

Conclusion and Recommendations

In the Nigerian context, most farmers do not consider farming as a business in the first instance, thus it becomes difficult for them to approach either the bank of industry and/or Bank of Agriculture for finances and be successful. Therefore, Nigerian farmers who intend to succeed in this endeavour as farm must answer the question of how they can turn their farms into profitable ventures. This can be achieved by drawing up a small business plan for their farms that spell out the basics of; 1. Identifying the market to be served, 2. Understanding the basic requirements for starting the firm (farm implements, seedlings, herbicides etc.), 3. The technical requirements (farm methods, techniques, machines and equipments), 4. The financial involvement of the farm and, 5. A simple projection of the income and expenditure of the farm for at least three years as well as the profitability.

Furthermore, Nigeria farmers must no longer as an endeavour for the less privilege and/or a short term window out of the present recession but as long term business that is worth pursuing. Relatedly, Nigeria farmers must continually seek new seedlings and methods of farming to enhance their profitability and survival. Finally, the government should consider establishing Farm Business Schools (FBSs) with a curriculum-based approach to extension aimed at building farmers' entrepreneurial capacity where learning takes place in the context of the participants' farming businesses and through schools set up at community level. Under this arrangement, farmers can work in small groups at their own pace and at an agreed time and duration using local dialect where necessary.

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DEVELOPING THE ENTREPRENEURSHIP SPIRIT IN NIGERIA: A SOCIOLOGY OF DEVELOPMENT APPROACH

Benjamin Gowon Ahule

PP. 419-439

Abstract

This paper attempted to discuss the development of entrepreneurship spirit in Nigeria through sociology of development approach. The paper downplays the usual economic analysis of issues surrounding the emergence and development of entrepreneurship in societies that are pursuing development. Using the views of David McClelland and Max Weber as advanced in "Achievement Motivation" and "Protestant Ethics and the Spirit of Capitalism," respectively as guiding theoretical frameworks, the paper emphasizes that rather than economic factors, social, cultural and psychological factors significantly account for entrepreneurship development of societies and these values are lacking in Nigeria. The paper therefore advocates that the family, education and religious social institutions should inculcate this spirit through the right teachings to the younger generations in their socialization tasks for it to be firmly rooted. Cultivating the entrepreneurship spirit is a guarantee for entrepreneurship development and overall development of Nigeria.

Keywords: Entrepreneurship Spirit, Sociology of Development, Nigeria

Introduction

The phenomenon of development has become an integral part of everyday society. Its attainment has remained the major goal of every society throughout human history. However for a long

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time, it appears that the responsibility of attaining the desired development has been vested in government. In developing countries generally and Nigeria in particular, citizens have literally folded their hands and abandon the task of development to the government; a task which has remained daunting thus leading to colossal failure. The failure of governments over the years to achieve the desired development has earned them criticisms and outright abuses. Correspondingly, governments have always blamed the lack of development on a number of factors including lack of resources occasioned by dwindling revenue from both local and international sources.

Apart from the above factors inhibiting governments in attaining the desired development, efforts to develop over the years have largely depended on the approach of driving change through formulation of economic policies and since Nigeria's independence, the formulation and implementation of economic policies have remained the driver of the process of development. These include policies such as import substitution industrialization (ISI), technology transfer, the Structural Adjustment Programme (SAP), the establishment of Export Processing Zones (EPZ), the clamour for Foreign Direct Investment (FDI) among others; yet development has remained a chimera. By implication therefore, development approach has been one-sided and theoretical. The failure of these policies to bring about the desired development is also a pointer to the fact that government alone cannot drive the process. The task of development is too huge for government alone to bear. Development is therefore by and large, a collective responsibility of all citizens.

Having failed in making government at the center of development, efforts were shifted to engaging the private sector. Perhaps Nigerian governments came to rediscover the fact about the nature of economic system we practice – capitalism, which thrives on private ownership of the means of production. Therefore for development offered by the capitalist system to occur, we must work in tandem with the principles of the system;

one of which is to promote private property and capital accumulation. This means that the private sector must be driving Nigeria's economic ship. Nigeria appears to be a latecomer to this approach as many other developing countries have already toed this path. Countries like Singapore, Indonesia, Malaysia, Brazil, and India, among others, have made significant progress in anchoring the private sector at the forefront of the development process. The awakening of Nigeria has culminated in the pursuit of policies such as Public-Private Partnership (PPP) and Foreign Direct Investment (FDI) in recent times. Yet achievement in this regard leaves much to be expected and development remains an illusion. The failure of Nigeria's development policies has always been blamed on a number of factors including lack of vigour in their pursuit, the misplacement of priorities and diversion of resources.

The last hope of Nigeria now appears to be on entrepreneurship as the panacea to the soaring unemployment phenomenon. For the first time, Nigeria has started to pay close attention to entrepreneurship development. While the private sector approach is on-going, entrepreneurship is its extension arm that will augment and drive faster the process of development. Entrepreneurship development has therefore fast become a new kid on the block.

The Concept of Entrepreneurship

The scholarly definition of concepts has always been a problem and this concept of entrepreneurship is not an exception. Because entrepreneurship is a multidisciplinary affair, disciplines several disciplines tend to define the concept basically from their own understandings (Ersoy & Saygili, 2018). Needless to look at them for want of space, it was Schumpeter (1950; 1961) who famously defined the entrepreneur as the coordinator of production and agent of change. He describes them as innovators who take advantage of change, including: (i) the introduction of a new (or improved) good; (ii) the introduction of a new method of production; (iii) the opening of a new market; (iv) the exploitation of a new source of supply; and (v) the re-engineering/ organization of business management processes. Schumpeter (1950) further identifies the function of an entrepreneur to include:

> … to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on (Schumpeter, 1950:132).

It is in furtherance of Schumpeter's view that other scholars also define the concept. According to Shane & Venkataraman (2000), entrepreneurship is defined as a field of business, which seeks to understand how opportunities create something new. Kuratko & Hodgetts (2004) look at it as a dynamic process of vision, change and creation. Allen (2006) on the other hand sees it as a mindset or way of thinking that is opportunity focused, innovative and growth-oriented. Low and MacMillan in Dollinger (2008) define the concept as 'the control and deployment of resources to create an innovative economic organization (or network of organizations) for the purpose of gain or growth under conditions of risk and uncertainty.'

It is from the above definitions, according to Ahmad & Seymour in Rexhepi & Kadriu (2018) that there is this commonly shared vision of the concept as a business activity; that is identifying market opportunities and using innovative approaches to exploit them. While entrepreneurship is a business activity, the process by it its skills are acquired are also important in helping in its understanding. Aan (2016:23) identified this process of entrepreneurship when he defined it as "a pattern of behavior that drives people towards the process of wealth creation through the commercialization of new inventions and innovations." Entrepreneurship is therefore a business activity that is learned or acquired through a process of socialization.

Theoretical Framework

This paper adopts "Protestant Ethics and the Spirit of Capitalism" and "Achievement Motivation" of Max Weber and David McClelland, respectively as theoretical frameworks. The former scholar propagated his ideas in his work titled: "The Protestant Ethics and the Spirit of Capitalism" published in 1930 and the latter "The Achieving Society" published in 1959. In his book, Weber (1930) sought to establish entrepreneurship as a social economic behavior given rise to by the social and cultural values, ideas and beliefs prevailing in a society. To buttress this, he tried to establish the link between protestant ethics and the spirit of capitalism. In the prologue to *The Modern World* System, Wallerstein (1974:ii) observed about Weber's work that 'the thrust of his idea was widely interpreted to mean that the existence of certain kinds of values was a necessary prerequisite to what in the post-1945 period tended to be called modernization or (economic) development.' Weber emphasized values that a particular group of people possessed among themselves, which propelled economic development in Europe, particularly the rise of capitalism. He first recognized the fact that capitalism in the shape of mercantile operations had existed in various forms of society, including in Babylon and Ancient Egypt, China, India and mediaeval Europe. During this era, capitalists were primarily interested not in maximising their daily wage but only in earning enough to satisfy their traditionally established needs. Unlike today, 'a parallel phenomenon exists among the wealthy in traditional forms of society, where those who profit from capitalist enterprise do so only in order to acquire money for the uses to which it can be put, in buying material comfort, pleasure or power' (Weber, 1930: x). 'Only recently has capitalistic activity become associated with the rational organisation of formally free labour in the Western world. The rationalised capitalist enterprise implies two things: a disciplined labour force and the regularised investment of capital' (Weber, 1930: xi).

In the modern form of capitalism however, there is the 'regular reproduction of capital, involving its continual investment and reinvestment for the end of economic efficiency' (Weber, 1930:

xi). This means that individuals are more concerned with the continual accumulation of wealth for its own sake, rather than for the material rewards that it can serve to bring. 'Man is dominated by the making of money, by acquisition as the ultimate purpose of life. Economic acquisition is no longer subordinated to man as the means for the satisfaction of his material needs' (Weber, 1930:x-xi) but an end in itself. As Weber also pointed out, this is the essence of the spirit of modern capitalism.

To achieve this spirit, the entrepreneurs associated with rational capitalism combined the drive to accumulate wealth with a frugal life style. The worldly asceticism of Puritanism was informed by the notion of the 'calling' as introduced by the Reformation. The calling laid a moral obligation on the individual to fulfill his duty in worldly affairs. Weber also singled out the doctrine of predestination as one of the most important elements that spurred the capitalist spirit. The doctrine of predestination meant that only some human beings are chosen to be saved from damnation, the choice being predetermined by God; and to prove this individual must be successful in fulfilling his duty in worldly affairs (Weber, 1930). This altogether spurred entrepreneurship among the people and consequently the development of capitalist spirit in Western Europe. Weber was criticized by Wallerstein in that the values in question followed rather than preceded the economic transformations that were occurring (Wallerstein, 1974).

David McClelland on his part developed further a psychological approach that drew experiences of societies that have already made steady progress in economic development. These societies include European industrial revolution as well as modern Greece and Japan. This version emphasizes the psychological motives in terms of values that people have to lead them to exploit opportunities to shape their own destiny. To begin with McClelland, (1959) identified two basic psychological groups of people in the world. First is those people who are 'challenged by opportunity and willing to work hard to achieve something', and second is those who 'really do not care all that much' (McClelland, 1959:73). He maintained that 'years of studies have demonstrated that these men possess in greater degree a specific type of human motivation" (McClelland, 1959:73); they are people with 'high achievement motivation' or 'need for achievement'; what he termed 'n'Ach.' He defined need for achievement as "a desire to do well, not only for the sake of social recognition or prestige, but to attain an inner feeling of personal accomplishment" (McClelland, 1959:73). This is a quality that is associated with societies that witness rapid social changes. For societies to develop therefore its people must have strong desire or need for Achievement. Such people possess certain qualities that are uncommon to everybody. According to McClelland, (1959:74), they are concerned with "personal achievement rather than with the reward of success per se, since they stand just as much chance of getting that reward by winning, or excelling in whatever they do." It means that entrepreneurs with high achievement motivation are more concerned with personal accomplishment rather than what they stand to gain from what they do. Thus societies that have people with high achievement motivation would tend to have more entrepreneurs than those that do not.

Furthermore, McClelland underscored the role of the family in inculcating the value of achievement motivation. Pointing out to psychological researches he maintained that achievement motivation is not hereditary but rather comes about because of 'special training that children get in the home from parents who set moderately high achievement goals but who are warm, encouraging and non-authoritarian in helping their children reach these goals' (McClelland, 1959:74-75). This places the family in a strategic position of forming the base of entrepreneurship spirit and when the government creates the enabling environment, society witnesses robust entrepreneurship and consequently the development of the entire society is achieved.

The foregoing theories suggest that values are crucial to entrepreneurship development. McClelland's thesis that entrepreneurship is not hereditary but socio-cultural in nature agrees with the value assertion. Thus entrepreneurship development is hinged on individuals with high achievement motivation and when there are the greater majority of them in a society, rapid social change and development is witnessed as compared with societies that are low in people with achievement motivation. For entrepreneurs to achieve, they also need other values such as frugality in the way they manage resources. Entrepreneurs engage less in worldly pleasures but prefer to reinvest whatever gains they make in their worldly callings. Reinvestment in turn creates what economists call the multiplier effect the benefit of which is accrual of profit to him. This is the capitalist spirit.

The imperative of Entrepreneurship in development

Entrepreneurship is essential to propelling the people's socio-economic indicators (Harper, 2003). Entrepreneurship is therefore central to social change and development. Many studies have linked entrepreneurship to development (Bygrave & Zacharakis, 2010; Idam, 2014; Mogbai 2017; and Badzinska, 2017). Emphasizing about entrepreneurship education, Badzinska (2017:323) noted that "the importance of entrepreneurship education and entrepreneurial activity for the economic growth of countries is now well established. A high level of entrepreneurial activity contributes to foster competition, innovation, economic growth, and job creation. Bygrave & Zacharakis (2010) linked entrepreneurship and development to what he refered to as "creative destruction." This he summarises Schumpeter's work to refer to it as the situation where the outcome of entrepreneurship is the creation of new firms and the destruction of inefficient or outmoded ones, thus fuelling economic growth and development.

The Global Entrepreneurship Monitor (2000) reportedly divided 21 countries into three levels of entrepreneurship (see table below). In the data presented, the highest levels of entrepreneurial activity were found in five countries; the average levels of entrepreneurial activity were found in 14 countries and the lowest levels of entrepreneurial activity were found in two countries. It was also discovered about the major industrialized

G-7 countries (group of seven countries including Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) in particular to exist a very strong relationship between the level of entrepreneurial activity and annual economic growth. This report provides conclusive evidence that promoting entrepreneurship and enhancing the entrepreneurial dynamics of a country should be an integral element of any government's commitment to boosting economic well-being.

Level of Entrepreneurial Activity around the Globe

Top Level	Middle Level	Lowest Level
Australia	Argentina	France
Canada	Belgium	Japan
Korea	Brazil	
Norway	Demark	
United States	Finland	
	Germany	
	India	
	Israel	
	Ireland	
	Italy	
	Singapore	
	Spain	
	Sweden	
	United Kingdom	

Source : *Based on "Economic Growth Linked to Level of Business Start - ups," GEM 2000 Report*

The table above indicates that entrepreneurship cuts across different societies of the globe; among the developed core northern countries as well as middle income countries. There is high level of entrepreneurship in developed countries such as the United States of America as well as a significant level in Germany, Sweden, Spain, Denmark, Belgium and Finland, among others. This shows the extent to which entrepreneurship is valued as an indispensable human activity. According to Naude (2011), in the West, the managed economy of the 1970s-2000s, characterized by reliance on big business and mass production, has given way to a so-called entrepreneurial economy. Here knowledge-driven goods and services are now more flexibly provided by smaller firms, and the emergence of a creative class requires a less interfering but more facilitating state.

Worthy of note in the table above also is the fact that the presence of entrepreneurship in countries like Brasil, India, Singapore, Korea and Israel, among others accounts for the level of success achieved by these countries as emerging economies. Noting about the emerging economies termed as BRICS (Brasil, Russia, India and China), Naude (2011) observed that impressive growth has been driven by a veritable entrepreneurial revolution. The need in these economies to sustain growth through sustainable access to resources, knowledge, markets, and low-carbon industrialization puts a premium on innovative entrepreneurship. The need for entrepreneurship in the least developed countries, where aid dependency is high, also calls for shifting of emphasis towards private sector development. In many of these countries, populations consist of many young people who see little prospects of gaining employment with decent wages. Promoting youth entrepreneurship here should become a vital policy objective of development organizations and donors (Naude, 2011).

Scholars have also opined that entrepreneurship is not just enough in driving the process of development. Naude (2013) has specifically alluded to a number of things to be done before entrepreneurship becomes effective in any given society. The first is that there must be a structural transformation of society to pave way for entrepreneurship development. Using the Paretto's endogenous economic growth model, he held that there must be a long-run structural transformation of society for this to happen. He however opined that long-run structural transformation depends on the degree to which an economy can transit from a growth path driven by capital accumulation to a growth path driven by knowledge accumulation, popularly refered to as the 'innovation-driven' economy. Secondly and very important too is that the development impact of entrepreneurs must be enhanced. According to Naude (2013), improving the quality of entrepreneurial ability means not only improving the skills and education of entrepreneurs (i.e. their 'human capital') but also focusing on the innovative abilities of entrepreneurs as well. This suggests that it is innovative entrepreneurship that is most desirable for growth, which is lacking in Nigeria. Innovation policy ought therefore to be a central focus of entrepreneurship promotion in developing countries as it is in advanced economies. Good enough but surprisingly, he observed that entrepreneurs in developing countries have a much greater propensity for innovation than is often recognized in the literature or by policy-makers. This is further buttressed by Turan, etal (n.d.) who observed a sad situation where many innovations in developing countries either do not see the light of day or they end up in the hands of developed societies who mass produce and turn around to market to same developing countries who are the innovators.

Lack of Entrepreneurship Spirit as the Bane of Entrepreneurship Development in Nigeria

Scholars have adduced the problems of entrepreneurship takeoff in Nigeria to quite a number of factors. These have been the usual economic factors commonly alluded to as the bane of entrepreneurship in Nigeria and indeed all those societies that are desiring to develop. These include the lacks of finances, managerial competence, misapplication of loans, arbitrary challenges in the administration of law by the government, which spreads the element of uncertainty among the entrepreneurs, insufficient infrastructure and high cost of production, market imperfections, which deny potential entrepreneurs the resources they need for organizing new entrepreneurs, high risk involved in new enterprises, low status of business in the eyes of the public, among others. These factors have been on the front burner in the discussions bordering on entrepreneurship development in Nigeria.

While it is absolutely correct of the above identified economic factors, other important factors desiring attention are the social, cultural and psychological impediments to entrepreneurship development. The problem of unfavourable disposition to entrepreneurship can simply be summarized in the lack of entrepreneurial culture as fundamentally the bane of entrepreneurship development in Nigeria. This was concurred by Drucker (n.d.) when he observed that certain societies do not tolerate changes and in such circumstances, entrepreneurship cannot take root and grow. Similarly, some societies have an inherent dislike for any money-making activity. Drawing analogy from Russia he noted that in Russia, in the nineteenth century, the upper classes did not like entrepreneurs. For them, cultivating the land meant a good life. They believed that land belongs to God and the produce of the land was nothing but god's blessing. Russian folk-tales, proverbs and songs during this period carried the message that making wealth through business was not right.

Furthermore, motives are also identified as impelling men to action. Entrepreneurial growth requires proper motives like profit-making, acquisition of prestige and attainment of social status. Ambitious and talented men would take risks and innovate if these motives are strong. The strength of these motives depends upon the culture of the society. If the culture is economically or monetarily oriented, entrepreneurship would be applauded and praised; wealth accumulation as a way of life would be appreciated. This is particularly not the case in less developed countries, where people are not economically motivated. Monetary incentives have relatively less attraction because people have ample opportunities of attaining social distinction by non-economic pursuits. Men with organisational abilities are, therefore, not dragged into business. They use their talents for non-economic ends. The absence of proper economic motives is a general characteristic of agrarian societies in which people do not attach great value to business talents and industrial leadership, among other factors (Drucker, n.d.).

Thus the lack of entrepreneurial spirit that has held Nigerians down as the fundamental bane in the development of entrepreneurship is rooted in the people's ways of life. One scholar who has discussed anything close to this is Ndubuisi in

Diyoke (2014) who attributes the bane of entrepreneurship development to the 'restrictive effects of customs and traditions.' This may be expanded in scope to the socio-cultural influences that affect entrepreneurship development. Harper (2003:x) discusses 'how cultural value systems orient entrepreneurial vision and, in contrast to conventional wisdom, argues that individualist cultural values are not categorically superior to group-oriented values in terms of their consequences for entrepreneurial discovery.' This means that individuals may possess entrepreneurial spirit but this is not very important until the cultural value system from which the person comes is entrepreneurially spirited.

The thesis so far is that the environment where people are born and bred has fundamental impact on attitudes and dispositions towards doing things is supported with two very good examples in Nigeria. The Ibo people, one of the major ethnic nationalities in Eastern Nigeria, are generally enterprising. The people have cultivated the entrepreneurial spirit overtime, which has become part of their culture and is personified in them. Indeed every Ibo person is a potential entrepreneur as every one of them engages in one business venture or another. They are seen to flourish in environments where people of other ethnic groups have failed. A number of factors may be adduced to the cultivation of this spirit by the people. One of which is the fact that they do not have fertile land for agriculture and also that the land is grossly inadequate to their population in the first place, which informs their migration to other societies. Secondly, the impoverishment of the people brought about by the civil war pushed them to the inevitable necessity of hustling for survival, which fuelled this entrepreneurial spirit and subsequently becoming a virtue to which their lives are tied (Chinweuba & Emeka Ezeugwu, 2017). This is sufficiently likened to the experience of Japan who arose from the ashes of the Second World War when America dropped two atomic bombs on their cities of Hiroshima and Nagasaki. The deadly blow of these bombs eventually became the major propeller to Japans enterprising spirit in the bid to overcome the drawback occasioned by the phenomenon.

Most importantly to Ibo people is the fact their entrepreneurial spirit has been part of their culture. According to Chinweuba & Emeka Ezeugwu (2017) Igbo people's business acumen is a factor of their ontological worldview, which serves as a foundation that drives their cosmological and eschatological views and shape their approach to life generally. He traced the history of Ibo enterprise to the pre-colonial times when agriculture dictated their articles of trade. However, their involvement with the colonial system later changed the direction of their trade as it gave them orientation to capitalist virtues.

Conversely, the Tiv people of North-Central Nigeria are one group of people who lack the entrepreneurship virtue. They are generally bad at business and as a result, very few of them venture into it. The Tiv people have taken more to agriculture with the type of zeal exhibited by the Ibo people for entrepreneurship. This has often informed their migration to other societies in the quest for more land for agricultural purposes unlike the Ibo people who migrate for greener business pastures. The major reason that may have informed the virtue of agriculture is that their environment supports agriculture as the land is generally fertile for cultivation of many crops. This makes them more agriculturalists than business entrepreneurs. Harper's (2003) thesis is therefore well conceived as it provides a good means to the understanding, not only of how a society's cultural values cultivate entrepreneurship spirit, but also of how a society values entrepreneurship. Most importantly is the fact that the Tiv culture, like several others, does not accept enterprise.

Several studies have been conducted among the Tiv people and have all come to the conclusion that Tiv culture does not aid entrepreneurial spirit. Asenge, et al (2017) and Mogbai, et al (2017) examined the link between socio-cultural factors and entrepreneurship development. While reviewed literatures established the link, data showed that there is an inverse relationship between Tiv culture and entrepreneurship development. A research by Aan (2016) indicate that among the three major ethnic groups in Benue State (Tiv, Idoma and Igede), the Tiv people score the lowest in terms of entrepreneurship development while the Idoma rank second and Igede rank first. Despite this rating, even Igede people are not visible in entrepreneurship in Benue state. Rather, the Ibo people are predominant as they are in every part of Nigeria. The case of Benue people generally has been presented by Aan (2016) to be a result of social factors acting as constraints to entrepreneurship development such as the extended family system that caters for the social and economic needs of members including those who are unemployed thereby creating a culture of dependence, general hostility to entrepreneurship due to negative perception, parents design of career courses for children, among others.

Enhancing Entrepreneurship Spirit in Nigeria

The position of Maehr (2008) that motivation should be considered to be a process rather than a trait is quite acceptable. His study of the numerous research reports of writers on motivation in different cultures is informative of this fact as such studies have not revealed otherwise. As alluded to by Mariotti (2010), no one is born with all the characteristics needed to be a successful entrepreneur. But keeping a positive attitude and belief in oneself can actually develop many of them. This means that socio-cultural values can be consciously changed for the sake of cultivating entrepreneurship spirit. David McClelland's Need for Achievement is a first pointer to achieving this purpose. He emphasized that people must be driven by the desire to achieve in the course of their lifetime. This will propel them to adventurism, to taking risks into the world of unknown, which eventually leads successes in life endeavours. Thus the success of individuals in particular and nations in general could be traced to the virtue of achievement desire. The virtue of achievement motivation drives people and nations to a world of limitless possibilities and enduring successes. This, people and nations alike must imbibe for the desired socio-economic transformation and sustainable development.

Furthermore, following achievement motivation is another behavioural quality expressed in frugality. When individuals take on entrepreneurships, they must engage in less spending but keep investing and reinvesting profits back into the ventures thus enabling the multiplier effect take its course for sustainability and ultimate prosperity. According to Max Weber's (1930), this capitalist spirit, which became the norm in 19^{th} century Europe led to the development of capitalism and ultimate prosperity to that part of the world. Similarly, a people and a nation that imbibe the virtue will also witness similar economic prosperity. Of course, apart from this overall benefit enshrined in economic prosperity, entrepreneurship enables job creation, which benefits people individually and by extension collectively as nations in the Gross Domestic Product. Mariotti (2010) further enunciated characteristics of successful entrepreneurs good enough to ginger the entrepreneurial spirit in people. They include qualities of self-assessment i.e. evaluating your strengths and weaknesses, aptitudes (natural ability to do a particular type of work or activity well) and attitudes (a way of viewing or thinking about something that affects how you feel about it.). Courage (A willingness to take risks in spite of possible losses), Creativity (inventing new ways of doing things; thinking outside the box), curiosity (the desire to learn and ask questions) determination (refusing to quit in spite of obstacles) discipline (the ability to stay focused and follow a schedule to meet deadlines) and enthusiasm (being passionate about something; the ability to see problems as opportunities) among other qualities.

Furthermore, in developing the right values or virtues for entrepreneurship, McClelland (1959) underscored the role of the family in this regard. According to him people who have high achievement motivation are not born with the quality, they are taught and socialized into it. This teaching and socialization are inculcated in them by the family. He observed:

> The evidence suggests it is not because they are born that way, but because of special training they get in the home from parents who set moderately high achievement goals but who are warm, encouraging and non-authoritarian in helping their children reach these goals (McClelland, 1959:74-75).

The family, from the above, remains a special unit in society where socialization of members takes place. It therefore means that this unit needs special attention and care for it to carry out this all important function. It must be ensured that its primary function of socialization of children and their inculcation of the right values must remain sacrosanct. Thus a society whose family unit is able to instill the value of achievement motivation to its members right from the cradle will produce a crop of dynamic young achievers in their numbers. That society will certainly grow and develop.

Apart from the family, another social institution that can instill entrepreneurial spirit in members of a society is education. Turan, et al (n.d.:34) emphasized the role of education as central to this. According to him 'education enables one to understand the outside world and equips him with the basic knowledge and skills to deal with day-to-day problems. In any society, the system of education has a significant role to play in inculcating entrepreneurial values.' Aan (2016) supported this by recommending socialization and re-socialization model to develop the culture and mindset of the people for entrepreneurship development. This model according to him goes in stages. They include:

Career education ⟶ *Career guidance and counseling* *Career choice* *Vocational training and career adjustment* Career launching (Aan, 2016:167).

Again, the role of the state or government is equally important. Governments must play the role of regulators and gatekeepers in terms of setting up appropriate rules. In the absence of appropriate rules, entrepreneurship may result in undesirable social outcomes, including corruption, crime, speculation and financial crises, and may worsen the vulnerabilities of people (Naude, 2011). The role of government is already discussed by studies on emerging economies. Noting about Japan, — reveals that government created the enabling environment through appropriate regulations while the dynamic young business executives were front drivers of the economy. This serves as a good lesson for countries desiring to make entrepreneurship an important instrument for development.

Conclusion

The entrepreneurship spirit is essential to entrepreneurship development in any society that is pushing for development. Countries that ignore this now are doing so at their peril. However, several factors, mainly economic have been over flogged in total disregard of non-economic factors. Very essential to these non-economic factors are the psychological, social and cultural issues that seem to be at the root of entrepreneurship development. We have seen that these non-economic factors are the major factors that cultivate the spirit of enterprise in its people without which entrepreneurship will commence. The family, education and indeed religious institutions need to key into inculcation of the right values that will initiate and propel entrepreneurship spirit for development to take place in Nigeria. Several other countries earlier mentioned have done this and Nigeria cannot be an exception.

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