

IMPACT OF ENTREPRENEURSHIP VENTURES ON DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES IN NIGERIA CASE STUDY OF THREE TERRITORIAL DISTRICT IN OSUN STATE, NIGERIA

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Abstract

Business is a set of interrelated activities carried on with a view to making profit, this basic economic unit in which this set of activities is performed is the business enterprise. The pattern of industrial development in most African nations shows that prior to independence, there were little or no manufacturing activities, the economic activities involved trading in imported finished goods (both consumer and capital goods). The genesis of enterprise in Nigeria can be traced to the moment people produced products than they needed, which warrant the need for exchange of these surpluses. The study adopted a quantitative method using independent t-tests. The target population for this research is practice entrepreneur practices in three senatorial districts in Osun State of Nigeria. Data were collected using self-questionnaires as the main instrument. It was discovered that entrepreneur ventures has a significant effect on the establishment and development of Small and Medium Scale Enterprises (SMEs) in Nigeria. Therefore, it is recommended that there should be reengineering on the part of government's response in addressing reported and observed obstacles facing indigenous entrepreneurs in Nigeria.

Keywords: *Micro, Small and Medium Enterprises (MSMEs), GDP Growth Rate, Gross National Product (GNP), Narrative-Textual Case Study (NTCS), Nigeria*

INTRODUCTION

Economic growth and development is an important feature of every country, be it in the developed or less developed economies. In Nigeria, government of every state embarks on policies and programs aimed at influencing the direction of economic progress towards a rapid and sustainable economic growth (Ogundele et al., 2012; Sule, 2014). These programs were contained in National Development Plan (1962-68, 1970-74, 1975-80 and 1981-85). The short term plans included the annual budget as well as the monetary policy of Central Bank of Nigeria (CBN), which is implemented to achieve specific targets within macroeconomic objectives of government. Following the emergence of oil sector in the early 1970s, significant change took place in the Nigeria economy. The buoyant oil reserves provide the basis for large increases in government expenditures designed to expand infrastructure. The expenditures were not however productive in nature, it does not have influence on business environment in the country. Business is a set of interrelated activities carried on with a view to making profit, this basic economic unit in which this set of activities is performed is the business enterprise (Dandago and Muhammad, 2014; Abiola, 2012). Entrepreneurship is a dynamic process of vision, change, and creation that requires an application of energy and passion toward the creation and implementation of new ideas and creative solutions. This entrepreneur process of innovation and new-venture creation is accomplished through four major dimensions-individual, organizational, environmental, and process-and is aided by collaborative networks in government, education, and institutions. The concept, 'entrepreneurship', is popularly associated with private sector economic activities. This paper argues that Nigeria's phenomenal problem of development and diversification of economic can be solved by developing entrepreneurship which will in turn developed small business ventures. This paper is divided into four sections, first section is the introduction, and section two is on the conceptual framework and the literature review while the next take care of methodology and section four is the summary of findings and the last section is about the recommendations and conclusion of the work.

LITERATURE REVIEW

In literature distinction was made between entrepreneurship and small business, despite the preceding structural changes, economic agents operate in business environments characterized by fragmented and incomplete information where awareness of markets, technology, policy, regulations and finance is limited (Onyirioha & Kabiru, 2015). For micro and small enterprises (MSEs) and enterprises located in rural areas, these problems are more acute. Arguably, this constraint adversely affects entrepreneurial activity since the absence of information impinges

on the scope for discovery of profitable opportunities. Entrepreneurship is not synonymous with small business; certainly, small firms are an out-standing vehicle for individuals to channel their entrepreneurial ambitions. The small firm is an extension of the individual in charge (Lumpkin and Dess 1996). However, entrepreneurship is not restricted to persons starting or operating an (innovative) small firm. Enterprising individuals in large firms, the so-called 'intrapreneurs' or 'corporate entrepreneurs', undertake entrepreneurial actions as well.

Conceptual Clarifications

Small and Medium Scale Enterprises

The concept of Small and Medium Scale Enterprises (SMEs) has no generally accepted definition, Ekpenyong, (1982) opined that classification of businesses into large, medium or small scale is a subjective and qualitative judgment. He argue further that small businesses are generally quite responsive to their environment and our environment changes fast. Changes in the environment therefore affect what constitutes a small business at a particular point in time. Thirdly, what the definition aims at is to set some limits (lower and upper) that will assist in achieving the set purpose. Such limits can be in terms of level of capitalization, sales volume, employment generation (i.e. number of paid employees) and so on. According to the House of the Lord's (2009) in Britain, small business is defined as that industry with an annual turnover of two (2) million pounds or less with fewer than 200 paid employees. Whereas in Japan (World Trade Organization; 2011), it is defined according to the type of industry, paid up capital, and number of paid employees. Consequently, small/medium enterprises in Japan are those in manufacturing with 100 million Yen paid up capital and 300 employees and those in wholesale trade with 30 million Yen paid up capital and 100 employees, and those in the retail and service trades with 10 million Yen paid up capital and 50 employees. Tanzania defines Small scale industry as "any unit whose control is within the capability of the people, either individually or cooperatively, in terms of capital required and know-how, it includes handicrafts, or any organized activity based on the division of labour" According to the government of Mauritius Small industry is defined as "one with production equipment CIF value of which does not exceed five hundred thousand rupees". In Korea however small industry is statutorily defined as follows:

- 1) Natural or judicial persons engaged in the business of manufacturing, mining or transportation, either with five or more but no more than three hundred regular employees or with total assets of no more than 500 million Won (US\$1,000,000);
- 2) Natural or juridical persons engaged in the business of construction, either with five or more than fifty regular employees or with total assets or no more than 500 million Won.

- 3) Natural and juridical persons engaged in the business of commerce and other services, either with five or more but no more than twenty regular employees or with total assets of no more than 50 million Won (in the case of wholesale businesses, with no more than 200 million Won); and
- 4) Small industry co-operatives, their federations and members of the Korea Federation of Small Business (KFSB), established in accordance with the Small and Medium Industry Co-operatives Act, and entities organized by small entrepreneurs.

But in Nigeria, the emphasis is on turnover and cost. The Central Bank of Nigeria in its Monetary Policy Circular No. 22 (2008), defined small scale enterprises as having an annual turnover not exceeding N500,000. But National Economic Reconstruction Fund (NERFUND; 2011) put the ceiling on capital investments for small scale industries at N10 million. In Section 376(2) of the Companies and Allied matters Decree (CAMD) of 1990 defines a small company as one with: (a) A small turnover of not more than N2 million, (b) Net asset value of not more than N1 million.

The 2005 Monetary, Credit, Foreign Trade and Exchange Policy Guidelines define small business as "those whose total cost excluding cost of land but including working capital is above N1 million but does not exceed N10 million and including cottage industries and defined as enterprises whose total cost excluding cost of land but including working capital does not exceed N10 million (Monetary Policy Circular No. 39, (2012)).

What has become clear in the case of Nigeria is the changing pattern of the definition in response to the changing environment. It can be seen from the various definitions that the more stable the economic environment, the more lasting the definition would be. In summary it can be adduced as follows:

- (I) Micro enterprise: (a) Capital base -upper limit N1 million
(b) Number of employees: 2
- (II) Small enterprise: (a) Capital base: Between N1 million and N3 million
(b) Number of employees: Between 2 and 10
- (III) Medium enterprise: (a) Capital base: Between N3 million and N10 million
(b) Number of employees: Between 10 and 50
- (IV) Large enterprise: (a) Capital base: Above N10 million
(b) Number of employees above 50.

Entrepreneur and Entrepreneurship

There is no single universally accepted definition of entrepreneurship, however there are varied definitions as there are scholars who have attempted to define the term (Byrd, 2007). The

concept of entrepreneurship has a wide range of meanings; it was first used in the early 18th century by an Irish man by name Richard Cantillon when he classified economic agents into three categories; landowners who is financially independent economic agents, hirelings and wage earners. He identified entrepreneurs as an economic agent that engages in market exchange for profit at their own risk, (Herbert and Link, 2009). On the extreme, it is a term used broadly in connection within the innovation of modern industrial business leader, which describe an originator of a profitable business idea (Akanni, 2010). Akanni, (2010) posited that the word entrepreneur originated from the French word, “entreprendre” which means “to undertake”. But note that entrepreneurship is a derivative word from entrepreneur. Garba (2010) asserted that the term entrepreneurship means different things to different people and with varying conceptual perspectives. He stated that in spite of these differences, there are some common aspects such as risk taking, creativity, independence and rewards.

Entrepreneurship is a continuous process of creating something different that has value to the users (Aderogba and Babajide, 2015; Ogundele et al. 2012; Sule, 2014). Definitions of the term entrepreneur have been abundant from its early usage in the French language as ‘one who takes between’. However entrepreneur can be viewed from three main perspectives; from economic perspective entrepreneur is considered as the role of the entrepreneur in the economic development of a nation while Sociologist considered entrepreneur as a member of a social system and who is influenced by and through their entrepreneurial activities influences, the social environment and the personality traits that the sociological system engenders. The sociological perspective is taken to include the spectrum of society from the family unit outwards and idiosyncratic perspective focuses on the entrepreneur as an individual with a unique combination of personal characteristics and beliefs. Entrepreneurs, who are defined as “risk takers” in new-venture creations, are uniquely optimistic, hard-driving, committed individuals who derive great satisfaction from being independent. Starting a new business requires more than just an idea; it requires a special person, an entrepreneur, who combines sound judgment and planning with risk taking to ensure the success of his or her own business. Entrepreneurs are driven by an intense commitment and determined perseverance, work very hard. But in business context, Ogundele (2004) argued that the concept means to start a business, identify a business opportunity, organise resources, manage and assume the risk of a business or an enterprise. It is also used to describe those who (took charge) lead a project, which would deliver valuable benefits and bring it to completion. In other words, those who can manage uncertainty and bring success in the face of daunting challenges that would destroy a less well-managed venture. Hornby (2006) defined an entrepreneur as a person who makes money by starting or running businesses, especially when this involves taking financial risks.

The American human psychologist, Abraham Maslow, sees the entrepreneur as someone who can “discern change, enjoy it and improvise without being forewarned”. According to him, the entrepreneur is a “here-now” creator, an improviser, who is not afraid of being viewed as operating in dissonance with general practice and belief (Dandago and Muhammad, 2014). Conclusively entrepreneur is someone who perceives or senses opportunity where others fear rejection, someone who refused to see obstacles but challenges and his mindset is tuned to success and not failure though he is aware of the possibility. They are optimists who see the cup as half full rather than half empty. They strive for integrity.

Evolution of Entrepreneurship in Nigeria

The genesis of enterprise can be traced to the moment people produced more products than they needed, as such, they had to exchange these surpluses. So he needed to exchanges the surplus he had with what he had not but needed. By this way, producers came to realize that they can concentrate in their areas of production to produce more and then exchange with what they needed. So through this exchange of products, entrepreneurship started. A typical Nigerian entrepreneur is a self-made man who might be said to have strong will to succeed, he might engage the services of others like; friends, mates, in-laws etc. to help him in his work or production. Through this way, Nigerians in the olden days were engaged in entrepreneurship. It is of note that Nigeria was traditionally an agricultural country, providing the bulk of its own food needs and exporting a variety of agricultural goods, notably palm oil, cacao/cocoa, rubber, and groundnuts (peanuts). At this time, the place called Nigeria had entrepreneurs who had the entrepreneurial mind-set prevalent at the time. The peoples of Hausa, Ibo, Yoruba and Benin all had their own entrepreneurs (13th-19th century), who were exposed to entrepreneurship opportunities outside their native areas. The Hausas had astute entrepreneurs who managed workers with skills in tanning, dyeing, weaving, and metalworking which were highly developed. The Hausas have long been famous for wide-ranging itinerant trading, and wealthy merchants shared the highest social positions with the politically powerful and the highly educated. In Hausa land, entrepreneurial success in Islam is not merely measured by the end result but also by the way and means of achieving them (Ebo et al., 2012). The Ibos also specialized in buying and selling goods and have perfected their entrepreneurial expertise in inventory control, management and distribution – which up till today, has remained their prevalent way of practice entrepreneur. The Yoruba are predominantly town dwellers who practiced small-scale, domestic agriculture and are well known as traders and craftspeople. Since the 13th century, Yoruba artists have been producing masterpieces of woodcarving and bronze casting. Like the Ibos, the finished products were traded on as business ventures and enterprises.

Recent Development of Entrepreneurship in Nigeria

Entrepreneurship is the cornerstone and at the heart of the free enterprise economy (Ogundele, 2004). Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and raw material International Journal of Development and Economic Sustainability through organizing efforts that previously had not existed (Shane and Venkataraman, 2000). Moreover, studies by UNIDO-Nigeria, (2012) show that Micro, Small and Medium Enterprises (MSMEs) has the propensity to drive the Nigerian Economy, and data reveal that there are currently over 17 million MSMEs employing over 31 million Nigerians. MSMEs account for over 80% of enterprises that employ about 75 % of the Nigeria's total workforce, and therefore formulating and effectively implementing MSMEs friendly policies represents innovative ways of building the capacity to engage in entrepreneurial activities and creating job opportunities thus, playing a central and invaluable role in helping Nigeria realize its quantity advantage. In addition, the 2012 Global Entrepreneurship Monitor (GEM) has empirically identified Nigeria as one of the most entrepreneurial countries in the world. The study showed that 35 out of every 100 Nigerians (over a third) are engaged in some kind of entrepreneurial activity or the other. It is therefore imperative at this point in time to critically evaluate not just the principles of entrepreneurship but the practice and its crucial role in fostering economic growth and development in a developing economy like Nigeria. The hypothesis that entrepreneurship is linked to economic growth finds its most immediate foundation in simple intuition, common sense and pure economic observation: activities to convert ideas into economic opportunities lie at the very heart of entrepreneurship. Entrepreneurship is a source of innovation and change, and as such spurs improvements in productivity and economic competitiveness (UNCTAD, 2004).

The role of government in entrepreneurship development in Nigeria became significant only after the Nigeria civil war (1967-70). Since the mid-1980s there has been an increased commitment of government to entrepreneurship development especially after the introduction of the Structural Adjustment Program (SAP) in 1986. Added to this is the establishment of the National Directorate of Employment (NDE), National Open Apprenticeship Scheme (NOAS) and, the Small and Medium Enterprise Development Association of Nigeria (SMEDAN) (Ebiringa, 2012). Fundamentally the Nigerian government promotes entrepreneurial culture through initiatives that build business confidence, positive attitude, pride in success, support and encouragement of new ideas, social responsibility, providing technological supports, encouraging inter-firm linkages and promotion of research and development. In the early 2000s, entrepreneurship studies were introduced into the Nigerian educational system especially in higher institutions as a mandatory course. The Centre for Entrepreneurship Development

(CED), which has the objective of teaching and encouraging students of higher institutions (especially in science, engineering and technological (SET)) to acquire entrepreneurial, innovative, and management skills, was established. The Centre's goal is to make the graduates self-employed, create job opportunities for others and to generate wealth (Ebiringa, 2012). He continued that entrepreneurship development in Nigeria became significant only after the Nigerian civil war. At the end of the war the 2nd National Development Plan focused on the development of the 3Rs objectives of Reconstruction, Re-development and Reconciliation.

The activities in the plan challenged/tasked the ingenuity and inventive skill of the individuals. This early period witnessed an economic development ideology of industrialization as the ultimate source of economic growth, and industrialization itself as the product of technical progress and investment. Technical progress or capital growth on the other hand is seen to be a function of, and the result of, entrepreneurial effort. In particular, evidence from the developed world indicates that economic growth is entirely due to the quality and efficiency of the entrepreneur. Thus after independence in 1960 there was the need by the government of Nigeria to promote indigenous entrepreneurs. The Government never loses sight of the tripartite relationship between entrepreneurship, industrialization and economic growth. Entrepreneurship is often carried out by micro and small scale businesses and therefore SMEDAN's focus is on the development of micro, small and medium-scale enterprises (MSMEs) where it co-ordinates and integrates MSME activities in order to develop their full potential and competitiveness (Ebiringa, 2012). In the past forty years or so, the government had established various support institutions specially structured to provide succor and to assist SMEs to contend with some of the hurdles along their growth path. Some of these specialized institutions include the Nigerian Industrial Development Bank (NIDB), the Nigerian Bank for Commerce and Industry (NBCI), the National Economic Reconstruction Fund (NERFUND), the Nigerian Export-Import Bank (NEXIM), the National Directorate of Employment (NDE), Industrial Development Coordinating Centre (IDCC), Peoples Bank, Community Banks, Construction Bank, Family Economic Advancement Programme (FEAP), State Ministries of Industry SME schemes, the Nigerian Agricultural and Cooperative Development Bank (NACDB), BOI (bank of industry) etc. These support institutions and other incentives created by the government notwithstanding, policy instability and reversals in addition to high turnover and frequent changes in government have impacted negatively on the performance of the primary institutions responsible for policy formulation, monitoring and implementation resulting in distortions in the macro-economic structure, low productivity and dismal performance of SMEs (Nwachukwu, 2012). Other major problems which have contributed to the poor performance of SMEs include: limited access to long-term capital, high cost of even short-term financing, poor partnership spirit, dearth of

requisite managerial skills and capacity, illegal levies, street urchins" harassments, over-dependence on imported raw materials and spare parts, poor inter and intra-sectoral linkages that make it difficult for the SMEs to enjoy economies of scale production, bureaucratic bottlenecks and inefficiency in the administration of incentives that discourage rather than promote SME growth, weak demand for products arising from low and dwindling consumer purchasing power, incidence of multiplicity of regulatory agencies and taxes that have always resulted in high cost of doing business and poor corporate governance and low entrepreneurial skills arising from inadequate educational and technical background for many SME promoters (Nwachukwu, 2012).

THEORETICAL BACKGROUND

Babajide (2012) observed that the Austrian School, people have certain characteristics that are associated with productivity; such individuals who have more of these characteristics are more likely to become entrepreneurs than those who have fewer. An individual chooses to create a new business so as to maximize his expected utility. This utility is a function of entrepreneurial activity or wage income and of attitudes that affect the utility that the person derives from entrepreneurial activity, such as one's taste for work, effort, risk, independence, working- close-to- customers, etc. Income, in turn, depends on the individual's ability to generate profit, such as managerial abilities to raise capital, and abilities to perceive new market opportunities and to innovate (Papadaki et al., 2002).

According to Papadaki et al. (2002), theories on small business growth and development view business growth from an organizational life cycle perspective, which sees growth as a natural phenomenon in the evolution of the firm; another perspective sees growth as a consequence of strategic choice. It is obvious that attributes of the business owner, organizational resources and environmental opportunity are crucial in expanding the firm and in overcoming the barriers to the evolution of the firm from one stage to the next.

Sexton and Smilor (1997), Ogundele et al. (2012) distinguish between a business owner and an entrepreneur, according to them, an entrepreneur is committed to the growth of the business. Growth is the very essence of entrepreneurship, and commitment to growth is what primarily distinguishes small business owners and entrepreneurs. The Classical School, has extended analysis of the decision to start a business to that of the decision to grow the business. According to Davidson (1991, 2010), firm growth is an indication of continued entrepreneurship. Davidson notes that economic theories take the willingness to grow a business for granted, by assuming profit maximization. However, empirical evidence suggests that small business owners are reluctant to grow even if there is room for profitable expansion

and that profitable firms of different sizes co-exist within industries. Thus, Davidson (1991) and Rasool et al. (2012) argues that growth is a choice of the owner-manager and that profit maximization is only one of the possible motives for business growth. Davidson (2010) draws from psychological theories of motivation, which recognize that individuals differ in their motivational make-up. According to the "Need for Achievement" motivation theory, individuals differ in the degree they strive for achievement satisfaction. If profit is used as a measure of success, then the striving for achievement coincides with the behaviour predicted by profit maximization, but he stresses that the latter is neither the sole nor the dominant motive for growth. In empirical models of small firm growth, the characteristics of founders of businesses were linked to their growth aspirations (Abosede and Onakoya, 2013; Rasool et al. 2012; Akingunola, 2011) and the growth performance of their ventures (Abdul-kemi and Idris, 2014; Kreft et al., 2003; Kimberly, 1979; Cooper et al., 1994). As noted, small business owners have been found to have many different motives for starting and operating their businesses (Orser et al., 2000). One major distinction in these motivations is between firms whose owners want to achieve high growth and those who do not. Those in the latter category have also been referred to as lifestyle businesses (Lewis and Churchill, 1983). This distinction captures the idea that growth is not always an outcome desired by all business owners (Orser et al, 2000; Ogundele et al. 2102; Abiola, 2012). Competition is another factor that has been found to influence the owner- entrepreneur's decision whether or not to make sustainable growth a priority (Kreft et al., 2003; Dodge et al., 1994).

METHODOLOGY

The target population for this research is the entrepreneurship practices as exhibited by the Small and Medium Business in three senatorial districts in Osun State of Nigeria as represented by Ile-Ogbo, representing Osun West Senatorial District, Iperindo-Osun East Senatorial District and Ilobu represented Osun Central Senatorial District.

Questionnaires were self-administered to five hundred (500) entrepreneurs which comprise the research sample selected from each of the Ile-Ogbo, representing Osun West Senatorial District (150), Iperindo-Osun East Senatorial District (150) and Ilobu represented Osun Central Senatorial District (200) in Osun State through the use of quota sampling technique. The purpose of the study was explained to the respondents and the procedures for filling out the questionnaire and answered any question in regard to any of the questionnaire's statements.

Prior to finalizing the questionnaire, technocrat in field of entrepreneur thoroughly refined it, assuring content validity, relevance and, representativeness. Next, it was pre-tested through

50 pilot studies where the questionnaires were administered to business owners Osun West Senatorial District. The respondents were informed of the confidentiality of their responses and purpose of the study which was for academic purpose. They were also promised to be given a summary of the research findings and this promise was fulfilled at the end of the study. Given the non-Yoruba research context, the questionnaire was translated and, back-translated to ensure that the underlying theoretical meaning of each of the questions was not lost during the translation process.

500 questionnaires were distributed and recovered over period of five days. Five (5) of the respondents misplaced their questionnaires and it was replaced immediately hence 500 filled questionnaires were recovered in time for the analyses. To ensure that there is no element of non-response bias, a comparison was made between early respondents (Pilot Study) and late respondents (during the second month) by using independent t-tests on the constructs of interest for this study. No significant difference was found and this suggested that the whole population is free from response bias.

ANALYSIS AND RESULTS

Descriptive Statistics

Descriptive information of the sample revealed that 65% of respondents were male while 35% of the respondents were female. Additionally, 28% of the total respondents were above 51 years of age while those between 41 to 50 years are the majority with 43%, 51 years and above accounted for the remaining 29%. Those on age group 30 to 40 years are 22% and those below 30 years are 7%. Marital status of the respondents' showed that 41% are married, 40% are single, 10% are divorced and 9% are widow. Analyses of the educational qualification of the respondents show that 52% have Secondary School Certificate or its equivalent, 17% have National Diploma or its equivalent, 20% are graduates of either university or Higher Diploma or its equivalent while 11% have higher qualification. The years of experience of respondents show that those who have below 5 years on the job are 22% those with 5 to 10 years are 34% and those with 11 years and above are 44%. Distribution of respondents according to vocation show that majority of the respondents are into retail trading with 74% of the total respondents while 15% are into manufacturing, 7% are into agriculture and 4% are into animal husbandry. On an average, majority of the respondents are aware of various policies by government on entrepreneurship practices in Nigeria with 65% while the 10% are not aware and the remaining disagreed that there is policy (as illustrated in Table 1 below).

Table 1: Description of the Respondents

Questions	RESPONSES		
	RESPONSE	Frequency	Percentage (%)
1. Gender	Male	325	65.0
	Female	175	35.0
	Total	500	100.0
2. Age	below 30 years	35	7.0
	30 to 40 years	110	22.0
	41 to 50 years	215	43.0
	51 Years and Above	140	28.0
	Total	500	100.0
4. Marital Status	Married	205	41.0
	Single	200	40.0
	Divorced	50	10.0
	Widow	45	9.0
	Total	500	100.0
5. Educational qualification	Secondary School Certificate or its equivalent	260	52.0
	National Diploma	85	17.0
	HND/BSc	100	20.0
	Higher Degree	55	11.0
	Total	500	100.0
6. Years of experience	Below 5 years	110	22.0
	5 to 10 years	170	34.0
	11 years and above	220	44.0
	Total	500	100.0
7. Respondents according to vocation	Retail trading	370	74.0
	Manufacturing	75	15.0
	agriculture	35	7.0
	Animal husbandry	20	4.0
	Total	500	100.0
8. Awareness of Government policies on entrepreneurship practices	Aware	325	65.0
	Not Aware	50	10.0
	No policy	125	25.0
	Total	500	100.0

This study used both descriptive and explanatory, the methodology is Narrative-Textual Case Study (NTCS) method, which is preferred because of the absence of sequential data related to entrepreneurship efforts and sustainable small and medium scale enterprises in Nigeria. NTCS is a social science research method that employs intensively, data and academic materials sourced from primary sources. The choice of this method is informed by the fact that NTCS combines the use of quantitative and qualitative observation, text content analysis and available official statistics in different proportions for problem-solving or problem-identification depending

on the objectives of the research. This research study is basically non-parametric, but rather descriptive, since information is collected without changing the environment. We used appropriate statistical technique, consisting of simple percentages in the analysis for the role of entrepreneurship on development of small and medium scale enterprises in Nigeria.

Hypotheses Testing

The measurement model test presented a good fit between the data and the proposed measurement model. For instance, the Chi Square/degrees of freedom (396/194) were used because of the inherent difficulty with the sample size. The $X^2/d.f$ value was 2.04 which falls in the recommended range of two and five as suggested by Joreskog and Sorbom (2003) and this shows that the model has a good fit to the data. The various goodness-of-fit statistics are shown in Table below.

Hypothesis I

Entrepreneur practices (EP) has no significant positive relationship to the development of Small and Medium Scale Enterprises (DSMEs)

Table 2: Chi Square (X^2): Analysis Respondents of Entrepreneur Practices (EP) and development of Small and Medium Scale Enterprises (DSMEs)

		Freq	%	X^2 Cal	X^2 Table	Df	LS	Remarks
6	Yes	305	61					
	No	195	39					
	Total	500	100					Sig
7	Yes	400	80.0					
	DK	30	6.0					
	No	70	14.0					
	Total	500	100.0					Sig
8	Yes	345	69.0					
	DK	25	5.0					
	No	130	26.0					
	Total	500	100.0					
13.	Yes	450	90.0					
	DK	40	8.0					
	No	10	2.0					
	Total	500	100.0	62.72	7.82	3	0.05	Sig.

Decision

Table 2 presents the significant relationship among the research variables. The Chi Square Calculated is 62.72 while Chi Square Table equal 7.82 with degree of Freedom (df) =3 at 0.05 Level of Significant level (LS) and $P < 0.01$. It is observed that Chi square (X^2) Table is less than Chi square (X^2) Calculated. The hypothesis was strongly supported. The result indicated that entrepreneur practices (EP) has a significant positive relationship effect on development of Small and Medium Scale Enterprises (DSMEs).

Hypothesis II

Entrepreneur practices (EP) has a no significant positive relationship with Government Policies (GP)

Table 3: Chi Square (X^2): Analysis Respondents of Entrepreneur Practices (EP) and Government Policies (GP)

		Freq	%	X^2 Cal	X^2 Table	Df	LS	Remarks
5	Yes	305	61.5					
	No	195	38.5					
	Total	500	100					Sig
9	Yes	400	10.0					
	DK	30	80.0					
	No	70	10.0					
	Total	500	100.0					Sig
10	Yes	345	69.0					
	DK	25	5.0					
	No	130	26.0					
	Total	500	100.0					
11.	Yes	450	90.0					
	DK	40	8.0					
	No	10	2.0					
	Total	500	100.0	44.480	7.82	3	0.05	Sig.

Decision

Table 3 above presents the Chi-square of the relationship between Entrepreneur practices (EP) and Government Policies (GP). The result show that the Chi square calculated (X^2_{cal}) is 44.480 while Chi square table (X^2_{tab}) is 7.82 with degree of Freedom (df) =3 at 0.05 Level of Significant (LS). Therefore reject the null hypothesis that Entrepreneur practices (EP) has a no significant positive relationship with Government Policies (GP).

Summary of Findings

The result from hypothesis one indicated that entrepreneur practices (EP) has a significant positive relationship effect on development of Small and Medium Scale Enterprises (DSMEs) which is in tandem with the studies of (Abdul-kemi and Idris, 2014; Abosede and Onakoya, 2013; Abiola, 2012) who have a statistical positive and significant relationship between entrepreneurial practices and SMEs. While hypothesis two suggested that entrepreneur practices (EP) has no significant positive relationship with Government Policies (GP) corroborating the study of (Adelekan et al., 2016). That is government's intervention policy has not been able to influenced practices of entrepreneurial practices in the senatorial districts. The analysis showed that enterprises involve in manufacturing are few and most of the entrepreneurs are aware of government initiative aim at developing entrepreneurship practices in Nigeria.

CONCLUSION AND RECOMMENDATIONS

This paper attempts to provide a linkage between entrepreneurial ventures, establishment and development of SMEs in Nigeria. It shows the relationships between practices of indigenous entrepreneurs in Nigeria and patterns of development of business enterprises in line with government aids and supports. Government has also put in place financial institutions to aid those enterprises e.g. Peoples Bank, National Economic Reconstruction Fund (NERFUND) and Central Bank of Nigeria made deductions from gross profits of banks to be invested in SMEs as equity shares holdings. The National Directorate of Employment (NDE) and National Poverty Eradication Programme (NAPEP) are put in place to provide training and financial assistance to SMEs entrepreneurs. Each of the states of the Federation also has their own entrepreneurial development programmes that are complementary to the Federal Government efforts. There is also the Small and Medium Enterprises Development Agency (SMEDA), The National Economy Empowerment and Development Strategy (NEEDS) with its state and local government system fashion (SEEDS and LEEDS) put in place by the federal government in their efforts in developing indigenous entrepreneurs.

This paper shows clearly that the government and other bodies concerned with the development of indigenous entrepreneurs have concentrated their effort on providing financial support which did not get to the local entrepreneur and training in technical and managerial competences. These negative consequences should be tackled to enable the country produce entrepreneurs that will be committed to the development of the country. The emphasis in this paper on the dimension of entrepreneurship development is further informed by one of the major thrust policies of National Economic Empowerment and Development Strategy (NEEDS)

which is values-reorientation of the populace for the successful implementation of this economic development programme. Since growing the private sector in which the indigenous entrepreneurs are involved is another major policy thrust the emphasis on this major omission is not misplaced. Also Federal government established Industrial Development Centres (IDCs) one each in every state of the Federation. There are four zonal centres in Owerri, Oshogbo, Zaria and Bauchi. These four centres have workshops that provide services for would be and actual entrepreneurs in metal and wood works, leather, textile, automobile, ceramics and electrical/electronic areas. The IDCs system was introduced to provide grassroots support to the development of small and medium scale entrepreneurs. The government and its agencies, the educational institutions and the international organizations and agencies in their efforts assumed that entrepreneurs and people in charge of programmes relating to them would be ethical in their behavior, it is then assumed that government official would be ethical in the discharge of their duties and that entrepreneurs would also be ethical in their behaviour. This can be linked with discovery that non-utilization of 12 billion Naira deducted from banks' profits for investment in equity shares in SMEs in Nigeria. Banks feeling that the SMEs are not properly place to put their money and SMEs feel that if banks come in they may take over their businesses; these mutual suspicions by the parties are based on ethical issues.

It is therefore recommended that:

- There should be reengineering on the part of government's response in addressing reported and observed obstacles facing indigenous entrepreneurs in Nigeria. Though government is doing a lot in principle not much has been achieved in reality. There are several research institutions that have succeeded in developing myriads of simple technologies, technical tools and innovations, there is need to open more of these IDCs in rural area for maximum effect and on the spot effect.
- Tertiary educational institutions, especially the Polytechnics and Universities have fashioned out small business management and entrepreneurship development course to equip existing and would be entrepreneurs with necessary technical and managerial skills.
- Lastly, international organizations and associations had given support in forms of fund and training programmes for entrepreneurs e.g. The Commonwealth and Ford Foundation. Where then is the missing link.

LIMITATIONS AND SUGGESTION FOR FUTURE RESEARCH

Findings reported in this study are restricted to the impact of entrepreneurship ventures on development of small and medium enterprises in the three senatorial district of Osun State, Nigeria. Future studies should endeavor a longitudinal study as against the cross-sectional

approach reported in this study. Also, a larger sample from a more populated zone will be an addition on the generalizability of this study's findings.

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