“Who wants to be an entrepreneur?” An insight into the profile of individuals interested in entrepreneurship in Nigeria

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Abstract
With current challenges in the global economy, new and innovative strategies are emerging in the bid to stimulate and sustain growth in national economies. Entrepreneurship is one model that is deemed critical to the formulation and implementation of these strategies. Despite this, little is known about the profile of the Nigerian entrepreneur and how they engage with the constantly evolving policy context. This study therefore aimed at better understanding their characteristics as well as how they perceived certain key policies.

A cross-sectional online survey conducted in the first quarter of 2015 yielded a 61% response rate (1235/2017). Majority of the sample were between 26 - 40 years (70%), and were relatively well educated as indicated by the proportion that had at least a Bachelor’s degree (73%). Most of the respondents were self-employed or in business (62%), but a significant proportion were government workers (20%). Regarding views on government policies, 45% of the sample felt the agricultural sector had potential to make the most impact on national development, while a significantly less proportion had similar opinions about the information technology (16%) and the entertainment (2%) sectors. Majority (46%) indicated that electronic mail was their preferred means of communication with respect to entrepreneurship issues.

Demographically, Nigerian entrepreneurs are similar to their international contemporaries. This study has also confirmed that there is considerable engagement with government policies among this group, particularly those in which entrepreneurship can play a critical role. New insight has emerged regarding engagement with entrepreneurship in Nigeria, which can improve efficiency as well as facilitate the development of contextual and effective policies. For instance, enabling cost effectiveness in communication and facilitating entrepreneurship among government workers. Adopting these approaches in the various relevant policies can help drive growth in the economy and improve other facets of national development.

Keywords: Nigeria, Entrepreneur, Development, Policy

1. Background

Entrepreneurship is becoming increasingly important in the development of many countries’ economic sectors. It is also a critical factor in the formulation and implementation of growth and improvement strategies in other relevant developmental sectors, nationally and internationally. It is therefore understandable that many countries now prioritise the development of policies aimed at encouraging entrepreneurship (Drucker, 1999).

Schumpeter (1934) was one of the earliest researchers to focus on understanding entrepreneurs. Prior to this, the majority of the literature did not clearly differentiate them from other actors in the area, for example, capitalists, business owners, managers and family owned businesses. His pioneering work described entrepreneurs as individuals whose function was to carry out new combinations of means of production. His argument was that the function played by entrepreneurs within an economic setting was fundamental to that economy’s development. This was his basis for justifying the need for entrepreneurs to be studied independent of business personae.

Other researchers have since built on this definition. Vesper (1980) identified that a significant proportion of the value that the entrepreneurs contribute to a system revolves around innovation. For instance, they are involved with the introduction of products to the market, as well as developing or inventing new methods of production. Another form of entrepreneurial innovation relates to the identification or emergence of new markets or sources of resources. Organisational or process reorganisation is another area where innovative ideas by entrepreneurs can add value by reducing costs and improving efficiency (Vesper, 1980).
Internationally, contemporary research has also endeavoured to gain a better understanding of entrepreneurs’ role, albeit from various pertinent perspectives. The majority of the literature has explored this from the perspective of business, finance and economics (for instance, Webb et al., 2005; Bertocco, 2007; Galloway et al., 2005; Casson and Wadeson, 2007). Other researchers have explored entrepreneurship from the social dimension (For instance, Shapero and Sokol, 1982; Licht and Siegel, 2005; Shaw and Carter, 2007), while others have investigated the influence of geographical location and other environmental factors on entrepreneurship (Chrisman, 1999; Kuratko, 2005). Another area where significant entrepreneurship research has been undertaken is with respect to understanding milieus that nurture entrepreneurial activity, or increase the propensity for entrepreneurship intent, particularly in academic institutions, and among young people (Roberts, 1991; Ayers, 1997).

Recently, the evidence suggests that the Nigerian government has begun to understand the importance of entrepreneurship. Nigeria Youth Entrepreneurship Network (NYENET), a public-private partnership initiative with Anabel Group was established to improve organisation and coordination of the various entrepreneurship programmes within the country.

Previously, the majority of entrepreneurship and empowerment programmes aimed at creating jobs, were situated in a number of unrelated agencies (NYENET, 2015). NYENET was therefore designed to be the platform for a formulation and implementation of a national entrepreneurship strategy. This would enable better management and harmonisation as well as significantly improve efficiency and effectiveness.

A review of the literature however revealed that within the Nigerian context, there has been little focus on understanding who entrepreneurs are and how they engage with entrepreneurship development. A significant proportion of the research in this area seemed to have focused on the role of small and medium enterprises in national economic development (for instance, Abereijo and Fayomi, 2005; Ayanda and Laraba; Oyefuga et al., 2008; Apulu and Ige, 2011). In terms of policy as well, there is a similar focus. The relative national prominence of the Small and Medium Enterprise Development Agency of Nigerian (SMEDAN) (Adelaja, 2004) compared to NYENET, appears to validate this.

While this organisational approach is understandable, it appears that entrepreneurs, who arguably should be the primary focus of the debate, have been neglected. This means that a knowledge gap currently exists with respect to a comprehensive and robust understanding of individuals who engage with entrepreneurship within the Nigerian setting.

Gaining new insight into the profile of entrepreneurs together with their role in economic and national development is not only important, but also exigent, particularly within the Nigerian setting. This is due to the widespread impact of the global crises at the end of the last decade (Mishkin, 2010), as well as the more recent slump in oil prices (Ogunshina, 2015), both of which have had significant impact on the Nigerian economy.

Against this backdrop, this study therefore aimed at understanding characteristics of individuals interested in entrepreneurship, together with their perceptions of the relevant policy framework that constitute the entrepreneurship milieu in the country.

2. Methods

Following the launch of the national entrepreneurship strategy, the various dominant themes that emerged during the workshops and debates formed the basis for the literature review underpinning this research project. A questionnaire was then developed to better understand the characteristics of those interested in entrepreneurship, as well as explore their views and experiences.

The questionnaire contained items on demographics as well as other items relating to various aspects of entrepreneurship training and development in Nigeria. Some items required the selection of relevant options, while others required an indication with specified levels of agreement or importance attributed to relevant options. These were measured by Likert scales (Oppenheim, 1992).

To ensure quality in the data management, the data collection tool was subjected to the relevant reliability and validity tests. Cronbach’s alpha was applied to the data collection tool and related items yielded scores between 0.65 and 0.79. This indicated that the items in the questionnaire demonstrated moderately robust internal consistency (De Vaus, 2004).

Face and content validation were also carried out using an expert panel. Following validation, piloting of the
questionnaire was carried out on a convenience sample of 20 respondents. The feedback did not result in any major changes and the data collected were included in the final results.

The online survey which commenced in March 2015 involved emailing an invitation to complete the questionnaire on the Kwik survey platform. This was sent to email accounts randomly selected from a sampling frame compiled from various privately and publicly held databases of individuals associated in one way or the other with entrepreneurship and leadership training, as well as small and medium enterprises in Nigeria.

Invalid emails due to various reasons such as discontinuation of accounts and incorrect addresses were voided. The final number of respondents invited to participate in the survey was 2017. A reminder was sent after one week and a further week was allowed for the completion, before the survey was closed. Data collection which lasted for three weeks was concluded in April 2015.

Following the importation of the collected data into SPSS, univariate analysis was carried out to yield descriptive statistics. Associations between variables were also tested for using cross tabulations and results were subjected to statistical tests. It was agreed apriori that a p value of 0.05 or less would represent the threshold for statistical significance.

3. Results and Discussion

In this section, the results of the study are presented together with the discussion. The response rate achieved in the survey carried out was 61% (1235/2017). In relation to the demographic data collected in the study, a number of insightful findings emerged.

All the predetermined age categories were represented in the respondents’ age range (see figure 1). About half of the sample belonged to the 26 to 34 year old group (49%). This is closely followed by the 34 to 40 year old group, who made up just under a quarter of the sample (21%). Interestingly, the findings of our study are in line with other studies that suggest this group form a significant proportion of the Nigerian population, who it could be argued constituted the bulk of the national workforce (Omoju and Abraham, 2014; Odeh and Okoye, 2014).

Collectively, individuals aged 18 to 40 constituted the overwhelming majority of the sample. This is reflective of the age range of individuals that have been associated with entrepreneurship in the extant international literature (Smith and Milner, 1983; Birley et al., 1987). In this regard, some insight into the age range of individuals that engage with entrepreneurship in Nigeria can contribute to how the relevant policies are formulated as well as implemented for this group. For instance, these findings can lead to more inclusiveness in training and funding opportunities for budding entrepreneurs.

In Nigeria currently, certain relevant advertised opportunities indicate that only applicants below thirty are qualified to apply. With our findings, what this means is that more than one-fifth of potential entrepreneurs will be automatically excluded.
Figure 2 presents the details relating to the type of educational training that the respondents have had. Here, over half of the sample indicated that they possessed a Bachelor’s degree (56%), while just under a fifth had a Masters degree (17%).

Although some evidence suggests that current educational curricula does not sufficiently address knowledge and training needs of entrepreneurs (Paul Dana, 2001), there is some indication that higher educational qualification contributes to a more robust engagement with entrepreneurship (Burke et al., 2002; Robertson et al., 2003).

For stakeholders however, this insight into the educational background of entrepreneurs can be invaluable for policymaking. For instance, better targeting of training programmes can improve the effectiveness and efficiency of workforce development strategies.
With respect to the employment status, the majority of the sample indicated that they were self-employed (36%), while about a quarter indicated that they were business persons (26%) (See figure 3). This was expected.

An interesting finding however emerged in this area. One fifth of these individuals interested in entrepreneurship were public servants (20%). That is individuals currently employed either as civil servants or as public servants by the Nigerian government (FRN, 1999).

Currently, there is little evidence that suggests that the potential and interests of this group are considered in the development of entrepreneurship in Nigeria. One strategy that this insight into entrepreneurship interest by government workers can motivate is the inclusion of a part time model in the national policy.

Internationally, there is some evidence of the part time model in entrepreneurship, particularly in academia (Doutriaux, 1987). In Nigeria currently, there is a lack of a nationally recognised strategy for using part time arrangement as an entrée into full time entrepreneurship careers, as is the case in other economies (Smallbone and Welter, 2001).
Another novel strategy that can be considered in engaging public servants who are interested in entrepreneurship is better structuring and facilitation of their knowledge and experience of entrepreneurial activity. Already, in Nigeria’s service rules, public servants can access sabbatical leave (FRN, 2006). In-service training relating to entrepreneurship can be provided for public servants who aim to use their sabbatical leave to undertake entrepreneurial ventures.

Another group within this demography that can benefit from this training are public servants who are close to retirement. With the relevant training, interested individuals will not only be more empowered to invest terminal benefits, they will also help create jobs and improve the national economy.

One common criticism of the Nigerian economy has been the disproportionate focus on the oil and gas sector (Pinto, 1987; Yakubu and Akanegbu, 2015). Recently however, there has been significant debate regarding the need, as well as strategies for diversifying the national economy (Imoudu, 2012; Henley, 2012).

This underpinned this study’s objective of exploring how respondents perceived that the various relevant sectors could impact on economic growth as well as national development. Figure 4 presents the views of the respondents in this area.
Figure 4: Perceived impact of various sectors of National development

From the findings, almost half (45%) of the sample agreed that that the agricultural sector had potential to make the most impact on national development. The agricultural sector in Nigeria is currently undergoing significant reforms (Ismail et al., 2014; Kolade and Harpham, 2014; Fitzmaurice, 2014). Although the major objective is to contribute to the diversification of the national economy, it is believed that this sector can help achieve other important developmental goals. For instance, the reforms can help to generate employment for Nigerian youth, address rural poverty and hunger, as well as help achieve national food sustainability (Tersoo, 2014; Abila, 2012; Ugwu and Kanu, 2012). Internationally, entrepreneurs have played key roles in these agricultural reforms aimed at bolstering national development. For instance, the young agropreneur programme in Malaysia (Kadir and Quarters, 2010; Halim, and Hamid, 2011). Despite the fact that these reforms are a government initiative, without a robust engagement of the target population, it is unlikely that policy objectives will be met. The findings of our study suggest that individuals interested in entrepreneurship in Nigeria understand and identify with government’s strategy of using the agricultural sector to diversify the economy and improve national development.

Other sectors that participants perceived could positively influence national development were education and training (16%) and information technology (16%). Although only a small proportion of the respondents seemed to engage with these sectors, international evidence indicates that there is significant potential for entrepreneurs to use these sectors as platforms for economic empowerment and national development (Ein-Dor et al., 1997; Lim and Xavier, 2015). An almost insignificant proportion of the sample indicated that entertainment (2%) and media (1%) were sectors that could significantly impact on national development. This is surprising given that these sectors emerged as important contributors to Nigeria’s economy in the recent rebasing of the country’s GDP (Toboora, 2015). In other settings, there is evidence that strategies that involve the entrepreneurship model are being employed to harness the potentials of these sectors (Veeramani, 2015; Wu et al., 2015). Several assumptions can be made to explain the perceived lack of potential that the respondents attributed to these sectors. For instance, it could be that individuals interested in entrepreneurship associated these sectors with artistic and creative endeavours and therefore lacked sufficient knowledge regarding the economic and
commercial prospects of these sectors. Nevertheless, these findings can form a basis for further research regarding how targeted policymaking can enable entrepreneurs better harness the potential of these sectors.

The increasing scarcity of training and capacity building resources, both for government and privately owned organisations means that efficiency is a key factor in developing effective communication strategies. This underpinned the need to identify what mode of communication, respondents found most suitable in relation to being informed about learning and opportunities regarding entrepreneurship. The relevant findings are presented in Figure 5.

![Preferred means for accessing relevant information](image)

**Figure 5: Preferred means of engaging with entrepreneurship information**

From the findings, the majority of the respondents (46%) indicated that communicating by email was their preferred means of engaging with entrepreneurship related opportunities. This group was followed by those that preferred to communicate by text (18%). On the contrary, very few of the respondents indicated preference to engage with entrepreneurship via newspaper publications (6%), radio adverts (4%) and commercials on television (2%). Already in other countries, new media and other more efficient modes of communication are being used to engage stakeholders in entrepreneurship (Humphries and Wilken, 2014).

Like contemporaries in other countries, NYENET communication with individuals interested in entrepreneurship is email based. The primary reason underpinning this strategy is resource efficiency. In many other Nigerian organisations however, despite the obvious resource scarce situation, print and electronic media continue to play a dominant role in their information dissemination strategies. These emerging findings have clearly demonstrated that email and text based communication is preferred by individuals who engage with entrepreneurship in Nigeria. It means that an opportunity exist for both public and private establishments to reform their communication strategies, while at the same time improving efficient use of limited resources.

4. Conclusion

The current focus of the literature on how small and medium enterprises influence economic and developmental activity in Nigeria is understandable. This emphasis on institutional capacity and development has however
created a lacuna regarding the nature and characteristics of the entrepreneurs themselves, who argueable are the most important actors on this stage. Some of the findings emerging from this study have started to help address the knowledge deficit regarding this group. Individuals in Nigeria that engage with entrepreneurship are mostly educated youth who are self-employed or in business and identify with national developmental policies such as the on-going agricultural reforms.

In many respects, the demographic profile of Nigerian entrepreneurs is similar to those of their international contemporaries. However the emerging findings together with the contextual peculiarities means that opportunities exist to develop more efficient, effective and aggressive strategies to harness entrepreneurship for economic and national development. With these new findings, government and other stakeholders, including those in the private sector can begin to develop policies that will not only contribute to the economy, but also help address related national issues such as poverty, unemployment and crime.

Although this study has provided some insight into the profile and perceptions of individuals who engage with entrepreneurship in Nigeria, it is clear that a better understanding from this group's perspective can prove invaluable for policymakers. This means that more research needs to be undertaken to provide better evidence that can inform the ongoing debate and in turn underpin relevant policies.

5. References


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