

## ASSESSMENT OF FACTORS THAT ENHANCE THE DEVELOPMENT OF ENTREPRENEURSHIP ATTRIBUTES IN SELECTED INDIGENOUS FIRMS IN NIGERIA

[Dr.Kifordu Anyibuofu Anthony, Dr.Ann Ogbo and Emelike, Ndubueze O.]

*Abstract— This study aimed at exploring the degree to which certain factors enhance the development of entrepreneurship attributes in selected indigenous firms in Nigeria, specifically Abia State. To do so, the study used a questionnaire survey of the views of staff of selected companies on the subject matter. Secondary sources including textbooks, journals, unpublished work and other materials that related to the concept were also used. A sample size of 553 was derived from a total population of 1124 using Freund and William's statistical formula. In this study, the content validity was used. The respondents interviewed as well as experts were approached face to face. Cronbach's Alpha was used to test the reliability of the research instrument showing a result of 0.91. Four hypotheses were tested using Pearson product moment correlation and Regression analysis. The main findings of the study showed that training, technological know-how and security of investments enhance the development of innovative skills, opportunity identification that affects research and development significantly. The study concluded and recommended that firms need to ensure that their entrepreneurial abilities are developed consistently so that their survival will be ensured. Also that indigenous firm should engage in employment of qualified staff, though within their budget.*

**Keywords:** Development, Entrepreneurship, Indigenous, Firms, Training.

### Introduction

Entrepreneurship is as old as mankind. Nigeria like any other country had her early man who battled through the ages to survive, just like other early men in human history. Nigeria had her early entrepreneurial and business classes. These two classes did not develop as much as would be expected. Probably, this lack of development in the said areas was not unconnected with the British colonial rule over Nigeria. In the pre-colonial period, individuals in Nigeria had organized regional and inter-regional trade based on regional specialization of production that involved the practice of principles of comparative cost benefit. They developed the local transportation system of land use and water courses (canoes), and some forms of media of exchange such as barter, manila, brass, iron, copper and cowries. The different states, empires and kingdoms in pre-colonial Nigeria developed to fame as a result of organized trade and transport. Organization of the market during this period was influenced largely by the abundant production (output) of farm and non-farm men and women. As a result of the variety of product offerings to market, trade developed fairly well. By 1960, the employee - self-employed gap became noticeable. The Nigerian leaders realized that they could not accommodate the many people seeking paid employment. This situation drew government's attention to thinking in the direction of establishing specific institutions to provide services to the small industries sector of the economy. In Nigeria, small-scale businesses represent about 90% of the industrial sector in terms of the number of enterprises. They also account for 70% of national industrial employment if the threshold is set at 10 – 50 employees; contribute 10% of manufacturing output and a meager 1% of gross domestic product (GDP) as the 2001 statistics put it (Ajayi, 2002). Similarly, they have also contributed significantly to economic development through employment, job creation and sustainable livelihood (Nigerian Investment Promotion Commission, 2003). As Ufomba, Ukandu and Madubuko (2009) note, government's concern for the development of small industries in the country really started in the early 1970s when in the National Development Plan (1970 – 74), the Nigerian government accorded high priority to the sector considering its significant potentials in the industrialization process. By 1972, entrepreneurship received a tremendous boost, with the promulgation of the Nigerian Enterprise Promotion

Decree. Prior to the decree, ownership and management of enterprises in Nigeria were dominated by aliens. But with the decree banning alien ownership in some sectors, indigenous ownership of business on a large scale became imminent. Moreover, subsequent deliberate economic policies of Nigeria fueled entrepreneurship even as many businesses were established. However, business mortality rate was equally high. A major factor associated with such failure rate was poor management. In the recent time, other factors tend to play alongside poor management in accounting for the massive business failures of the past decades in Nigeria. To mention but a few, lack of finance, poor infrastructural facilities and amenities, poor or lack of business planning, underdeveloped entrepreneurial skills as well as poor implementation of economic policies. In an effort to arrest the problem of poor management, the indigenization decree was made to integrate management development as a crucial factor in the indigenization process. Even the vision 2020:20 incorporates manpower development/human capital management as an important element of the development paradigm. With the government's realization of its inability to wholly satisfy the job needs of Nigerians and other residents, it has become obvious that something of a drastic change is pertinent to help galvanize the needed economic development of the nation. This seems to underline the importance of various approaches adopted by the Nigerian government in the recent years. Public private participation, for example will ensure the government teams up with the private sector to foster economic development. Again, the vision 2020:20 – a development paradigm that sees Nigeria emerging among the top 20 economies of the world by the year 2020 is another among several visionary frameworks. Even at this, the Nigerian government has continued to play several prominent roles in enhancing entrepreneurship in Nigeria and even among indigenous firms.

Unfortunately however, the Nigerian situation is some-worth different in this global enthusiasm for entrepreneurship. There is little impact of entrepreneurship on the nation's economy. This is not unconnected with failure on the part of government to effectively play its role in its entirety. There is also the problem of inadequate development of entrepreneurship attributes amongst Nigerians and indigenous firms. It is against the above background that this study is undertaken to assess the factors that enhance the development of entrepreneurship attributes among indigenous firms in Abia State, Nigeria.

### 1.2. Statement of the Problem

In spite of the significance and contributions of small scale industries to the national economy, many problems and constraints still exist in promoting their development and growth. For instance, Small and Medium Enterprises (SMEs) both in the manufacturing and service sectors, are faced with daunting challenges ranging from competition to uncertainties, technological changes to man management, poor financial base to paucity of other resources and infrastructural facilities. Even more discouraging is the inability of individuals among indigenous companies to develop their entrepreneurship attributes. To this end, this study sets out to address the factors that could enhance the development of entrepreneurship attributes among indigenous companies in Nigeria despite the daunting enumerated challenges.

### 1.3. Objectives of the Study

- 1) Determine the extent to which level of employment enhances the development of idea generation in selected firms in Nigeria.

- 2) Ascertain the extent to which technological know-how influences the development of opportunity identification in selected firms in Nigeria.
- 3) Examine the extent to which security of investment affects the development of research and development among indigenous companies in Nigeria.
- 4) Highlight the extent to which training leads to the development of innovative skills among indigenous companies in Nigeria.

#### 1.4. Research Questions

- 1) To what extent does level of employment enhance the development of idea generation among indigenous firms in Nigeria?
- 2) To what extent does technological know-how influence the development of opportunity identification among firms in Nigeria?
- 3) To what extent does security of investment affect the development of research and development among indigenous companies in Nigeria?
- 4) To what extent does training lead to the development of innovative skills among indigenous companies in Nigeria?

#### 1.5. Research Hypotheses

The research hypotheses of this study are stated as follows:

1. Employment enhances the development of idea generation significantly.
2. Technological know-how has significant influence on the development of opportunity identification.
3. Security of investment does significantly affect the development of research and development.
4. Training does lead to the development of innovative skills, to a large extent.

#### 1.6. Scope of the Study

The focus of the study is to assessing the factors that enhance the development of entrepreneurship attributes among indigenous companies in Nigeria specifically Abia State, Nigeria. The geographical scope is Abia State in South Eastern Nigeria. The companies to be studied are Vital Products Limited, Tezibon Engineering and Manufacturing Limited, Valleumbra Flour Mills Limited, and Monipulo Limited. The Time scope is from 2012 - 2014.

### REVIEW OF RELATED LITERATURE

#### 2.1. Conceptual Framework

Concepts of Entrepreneurship and Entrepreneurship Development, Idea Generation, Business Ideas, Developing a Business Idea, Concept of Innovation and Entrepreneurship Process, the Concept of Opportunity Identification ,Flow of business process and the role of entrepreneurship in innovation

#### 2.2 Theoretical framework

The various theories of entrepreneurship identified are Economic Theory, Sociological Theory, Psychological Theory, Entrepreneurship Innovation Theory, Theory of Achievement Motivation, Acquired Needs Motivation Theory, Kakinada Experiment and the theory of High Achievement or Achievement Motivation as developed from the works of David McClelland who identified two (2) characteristics of entrepreneurship: Doing things in a new and better way and Decision making under uncertainty.

#### 2.3 Empirical Review

The works of Anyadike, Emeh and Ukah (2012), Duru (2011) Muhammad (2008) Lin and Liang (2015), Hsu , Yu, Cheng and Wang (2013)Barbara and Damian (2012) and Edralin (2007) from different dimensions were reviewed.

### 3.0 METHODOLOGY

This survey research design made use of the questionnaire. In this study, two major sources of data were used, namely: primary (questionnaire and observation methods) and secondary (textbooks, journals, unpublished work and other

materials that relate to the concept of Entrepreneurship concept). Population of 1124 comprises of the staff of the selected firms as stated below:

**Table 1: Population Distribution**

Firm	Population
Vital Products Limited	232
Tezibon Engineering and Manufacturing Limited	326
Valleumbra Flour Mills Limited	225
Monipulo Limited	341
Total population	1124

#### Source: Field Survey

The stratified sampling (a probability sampling technique) and purposive (judgmental) sampling (a non-probability sampling technique) was used. The rationale for the use of these sampling techniques include that the firms involved in the study are varied and geographically spread. Again, the administration of questionnaires was based on the researcher's judgment in accordance with the purpose of the study. That is, the choice to administer questionnaires to some management personnel or any other class of organizational members is entirely the judgment of the researcher.

The sample size of n=553 was derived using Aina (2000) proportional allocation formula given as:

$$\text{Sample size} = n = \frac{z^2 pq}{e^2}$$

In this work, the content validity was used. The respondents interviewed were approached face to face. The table of random numbers was used to determine the sample numbers. The same research instrument in the case of questionnaire was administered to the 553 respondents. Coefficient or Cronbach Alpha was used to test the reliability of the research instrument. In the Cronbach's Alpha method, the coefficients of all scores from different methods of splitting scale items are averaged. The average of the coefficients should vary between 0.0 and 1.0. A value of 0.6 and below suggests unsatisfactory internal consistency reliability. To test for reliability of the research instrument, a test-retest method was adopted. The result of reliability test (0.91) was determined from the internal consistency table shown in Table 3.2

**Table 2: Reliability Test**

Cronbach's Alpha	No. of Items
	35

Source: SPSS Survey

Cronbach's Alpha or Coefficient Alpha is denoted by

$$\frac{n}{N-1} \frac{(1 - \sum s_i^2)}{s_x^2}$$

Cronbach's alpha will generally increase as the inter-correlations among tests items increase, and is thus known as an internal consistency estimate of reliability of test scores. Because inter correlations among test items are maximized when all items measure the same construct, Cronbach's alpha is widely believed to indirectly indicate the degree to which a set of items measure a single dimensional latent construct. As George and Mallery (2003) and Kline (1999) suggest, accepted rule of thumb for describing internal consistency using Cronbach's alpha is as follows:

**Table 3. Internal Consistency**

Cronbach's alpha	Internal consistency
------------------	----------------------

$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

However, Cortina (1993) hints that a greater number of items in the test can artificially inflate the value of alpha. As such, this rule of thumb should be used with caution.

### 3.4 Data Analysis Techniques

Data was presented in frequency tables and the corresponding values expressed in percentages. The hypotheses (1) and (4) were tested using the Pearson Product Moment Correlation Analysis and hypotheses (2) and (3) were tested using the Regression Analysis.

## 4.0 DATA PRESENTATION AND ANALYSIS

### 4.1 Return Rate of Questionnaire

Out of the 553 copies of the questionnaire that were distributed, 513 copies were correctly filled and returned. This gave a 92.7% success rate. However, 40 (7.3%) copies of the questionnaire were not correctly filled or returned. Based on the 92.7% success rate, the data from the correctly filled copies of the questionnaire were deemed adequate for use in this study. Table 4.1 and Fig. 4.1 show the distribution of the administered copies of the questionnaire.

**Table 4.1: Return Rate of Questionnaire**

Organisation	Administered (%)	Correctly Filled & Returned (%)	Incorrectly Filled or Not Returned (%)
Vital Products	114 (100.0)	104 (91.2)	10 (8.8)
Tezibon	160 (100.0)	149 (93.1)	11 (6.9)
Valluembra	111 (100.0)	106 (95.5)	5 (4.5)
Monipula	168 (100.0)	154 (91.7)	12 (8.3)
Total	553 (100.0)	513 (92.7)	40 (7.3)

Source: Field Survey

## 4.2 Presentation and Analysis of Data based on Objectives

### 4.2.1 Extent Level of Employment enhances Development of Idea Generation

The perception of the respondents on the extent to which level of employment enhances the development of idea generation in indigenous companies in Abia State is presented in Table 4.7.

**Table 4.2.1: Extent Level of Employment enhances Development of Idea Generation**

Statements	SA	A	U	D	SD
• Employment enhances the development of idea generation significantly.	123 (24.0)	321 (62.6)	46 (9.0)	18 (3.5)	5 (1.0)
• Employment enhances the development of idea generation insignificantly.	14 (2.7)	16 (3.1)	320 (62.4)	85 (16.6)	78 (15.2)
• There is relationship between Employment and idea generation	104 (20.3)	269 (52.4)	93 (18.1)	28 (5.5)	19 (3.7)
• There is no relationship between employment and idea generation	40 (7.8)	70 (13.6)	221 (43.1)	140 (27.3)	42 (8.3)

Source: Field Survey

As presented in Table 4.2.1, 123 (24%) respondents strongly agreed that employment enhances the development of idea generation significantly. 321 (62.6%) respondents agreed with this, 46 (9%) respondents were undecided about this, 18 (3.5%) respondents disagreed with this while 5 (1%) respondents strongly

disagreed with this. Having a mean response score of  $4.05 \pm 0.75$ , the respondents agree that employment enhances the development of idea generation significantly. Based on the responses of 14 (2.7%) respondents who strongly agreed, 16 (3.1%) respondents who agreed, 320 (62.4%) respondents who were undecided, 85 (16.6%) respondents who disagreed and 78 (15.2%) respondents who strongly disagreed and the mean response score of  $2.62 \pm 0.88$ , the respondents do not generally agree that employment enhances the development of idea generation insignificantly.

Having a mean response score of  $3.80 \pm 0.95$  and 104 (20.3%) respondents strongly agreeing, 269 (52.4%) respondents agreeing, 93 (18.1%) respondents being undecided, 28 (5.5%) respondents disagreeing and 19 (3.7%) respondents strongly disagreeing, the respondents are of the general view that there is a relationship between employment and idea generation.

As 40 (7.8%) respondents strongly agreed, 70 (13.6%) respondents agreed, 221 (43.1%) respondents were undecided, 140 (27.3%) respondents disagreed and 42 (8.2%) respondents strongly disagreed and with the mean response score of  $2.86 \pm 1.01$ , the respondents did not generally concur that there is no relationship between employment and idea generation.

### 4.2.2 Impact of Technological Know-How on the Development of Opportunity Identification

The opinion of the respondents on the impact of technological know-how on the development of opportunity identification is presented in Table 4.8.

**Table 4.2.2: Impact of Technological Know-How on the Development of Opportunity Identification**

Statements	SA	A	U	D	SD
• Technological know-how has significant influence on the development of opportunity identification.	104 (20.3)	288 (56.1)	83 (16.2)	21 (4.1)	17 (3.3)
• Technological know-how has no significant influence on the development of opportunity identification.	32 (6.2)	77 (15.0)	275 (53.6)	81 (15.8)	48 (9.4)
• There is correlation between Technological know-how and development of opportunity identification	60 (11.7)	328 (63.9)	85 (16.6)	20 (3.9)	20 (3.9)
• Mean	4.05	3.80	2.86	2.62	2.62
• Std. Dev.	0.75	0.95	0.95	0.88	0.88

Source: Field Survey,

As presented in Table 4.2.2 above, 104 (20.3%) respondents and 288 (56.1%) respondents strongly agree and agree respectively that technological know-how has significant influence on the development of opportunity identification. 83 (16.2%) respondents were undecided while 21 (4.1%) respondents and 17 (3.3%) respondents disagreed and strongly disagreed respectively that technological know-how has significant influence on the development of opportunity identification. Having a mean response score of  $3.86 \pm 0.90$ , it is the determination of the respondents that technological know-how has significant influence on the development of opportunity identification.

With 32 (6.2%) respondents strongly agreeing, 77 (15%) respondents agreeing, 275 (53.6%) respondents being undecided, 81 (15.8%) respondents disagreeing and 48 (9.4%) respondents strongly disagreeing and a mean score of  $2.93 \pm 0.96$ , the respondents do not generally agree that technological know-how has no significant influence on the development of opportunity



identification. From the responses of 60 (11.7%) respondents who strongly agreed, 328 (63.9%) respondents who agreed, 85 (16.6%) respondents who were undecided, 20 (3.9%) respondents who disagreed and another 20 (3.9%) respondents who strongly disagreed, as well as the mean response score of  $3.76 \pm 0.86$ , the respondents concur that there is a correlation between technological know-how and development of opportunity identification.

#### 4.2.3 Extent Security of Investment affects Development of Research and Development among Indigenous Companies

The respondents' perception about the extent to which security of investment affects development of research and development among indigenous companies is as presented.

From the data presented, 143 (27.9%) respondents strongly agree that security of investment does significantly affect the development of research and development. 266 (51.9%) respondents agree with the assertion. However, 28 (5.5%) respondents were undecided, 41 (8%) respondents disagreed and 35 (6.8%) respondents strongly disagreed that security of investment does significantly affect the development of research and development. Based on this and the mean response score of  $3.86 \pm 1.12$ , it is the view of the respondents that security of investment does significantly affect the development of research and development in indigenous companies.

Based on the mean response score of  $2.77 \pm 1.20$  and the responses of 48 (9.4%) respondents who strongly agreed, 83 (16.2%) respondents who agreed, 178 (34.7%) respondents who were undecided, 110 (21.4%) respondents who disagreed and 94 (18.3%) respondents who strongly disagreed, the respondents do not agree that security of investment does not significantly affect the development of research and development in indigenous companies.

143 (27.9%) respondents and 297 (57.9%) respondents strongly agreed and agreed respectively that there is a relationship between security of investment and development of research and development. 62 (12.1%) respondents were undecided about this, 7 (1.4%) respondents disagreed and 4 (0.8%) respondents strongly disagreed with this. With a mean score of  $4.11 \pm 0.72$ , it is the view of the respondents that there is a relationship between security of investment and development of research and development.

Having a mean score of  $2.78 \pm 0.72$  and 8 (1.6%) respondents strongly agreeing, 23 (4.5%) respondents agreeing, 373 (72.7%) respondents being undecided, 68 (13.3%) respondents disagreeing and 41 (8%) respondents strongly disagreeing, the respondents are not of the general view that there is no relationship between security of investment and development of research and development.

#### 4.2.4 Extent Training Leads to Development of Innovative Skills

The opinion of the respondents about the extent training leads to development of innovative skills is presented in Table 4.10.

**Table 4.2.4:** Extent training leads to development of innovative skills

Statements	SA	A	U	D
• Training does lead to the development of innovative skills, to a large extent.	218(42.5)	198 (38.6)	62 (12.1)	23 (4.5)
• Training does not lead to the development of innovative skills, to a large extent.	19(3.7)	48 (9.4)	277(54.0)	104 (20.3)
• There is a relationship between	158(30.8)	267(52.0)	57 (11.1)	26 (5.1)

Training and development of innovative skills

• There is no relationship between Training and development of innovative skills	24 (4.7)	76(14.8)	226(44.1)	107(20.9)	80(15.6)
--	----------	----------	-----------	-----------	----------

#### Source: Field Survey

As presented in Table 4.2.4, the responses of 218 (42.5%) respondents who strongly agreed, 198 (38.6%) respondents who agreed, 6 (12.1%) respondents who were undecided, 23 (4.5%) respondents who disagreed and 12 (2.3%) respondents who strongly disagreed as well as the mean response of  $4.14 \pm 0.96$ , reveal that the sampled respondents are in harmony that training to a large extent leads to the development of innovative skills.

19 (3.7%) respondents strongly agreed that training does not, to a large extent, lead to the development of innovative skills; 48 (9.4%) respondents agrees that it does not to a large extent lead to the development of innovative skills; while 277 (54%) respondents were undecided. However, 104 (20.3%) respondents and 65 (12.7%) respondents disagree and strongly disagree respectively that training does not lead to the development of innovative skills to a large extent. Having these responses and the mean response score of  $2.71 \pm 0.93$ , the respondents do not concur that training, to a large extent, does not lead to the development of innovative skills.

As indicated by the responses of 158 (30.8%) respondents, 267 (52%) respondents, 57 (11.1%) respondents, 26 (5.1%) respondents and 5 (1.0%) respondents who strongly agreed, agreed, were undecided, disagreed and strongly disagreed respectively, as well as the mean response score of  $4.07 \pm 0.84$ , it is the general opinion of the respondents that there is a relationship between training and development of innovative skills.

24 (4.7%) respondents strongly agreed that there is no relationship between training and development of innovative skills. 76 (14.8%) respondents agreed there is no relationship, 226 (44.1%) respondents were undecided, 107 (20.9%) respondents disagreed and 80 (15.6%) respondents strongly disagreed. With a mean response score of  $2.72 \pm 1.05$ , the respondents do not agree that there is no relationship between training and development of innovative skills.

#### 4.3 Test of Hypotheses

##### 4.3.1 Test of Hypothesis One

**Employment enhances the development of idea generation significantly**

In testing this hypothesis, the data presented in Table 4.7 was tested using the Pearson Product Moment Correlation (R) analysis. The results are presented below.

**Table 4.3.1:** Pearson Correlation Results for Hypothesis One

	Development of Idea Generation
Pearson Correlation	Development of Idea Generation Employment

Sig. (1-tailed)	Development of Idea Generation	• Security of Investment (SI)	0.872	41.482	0.000
	Employment				
N	Development of Idea Generation	$r = 0.879$ ; $r^2 = 0.772$ ; RegSS = 322.430; ResSS = 95.290; F-value = 1729.047; sig. = 0.00			
	Employment	Source: Appendix 5	513		

Table 4.3.1 presents the result from the Pearson Product Moment correlation. The correlation coefficient (R) between development of idea generation and employment is 0.904. This shows that there is a very strong positive relationship between development of idea generation and employment. With p-value (0.000) < 0.05, this result is significant.

Based on this, the results indicate that employment enhances the development of idea generation significantly in indigenous companies.

#### 4.3.2 Test of Hypothesis Two

##### Technological know-how has significant influence on the development of opportunity identification

In testing this hypothesis, the data presented in Table 4.8 was tested using the regression analysis. The results are presented below.

**Table 4.3.2: Summarised Regression Results for Hypothesis Two**

Variable	Coefficient	t-value
Constant	6.773	82.705
Technological Know-How (TKH)	1.009	48.122

$r = 0.905$ ;  $r^2 = 0.819$ ; RegSS = 389.521; ResSS = 85.953; F-value = 2315.746; sig. = 0.00

Source: Appendix 4

The result of the regression analysis summarized in Table 4.3.2 shows that the model for the relationship between technological know-how (TKH) and development of opportunity identification (DOI) is:

$$DOI = 6.773 + 1.009TKH$$

This reveals that technological know-how has positive impact on development of opportunity identification. Furthermore, as t-value > 1.96 (t-critical) and p-value < 0.05, this impact is significant.

Also, the regression coefficient (r) of 0.905 indicates a strong relationship between the independent variable (technological know-how) and the dependent variable (development of opportunity identification). The coefficient of determination ( $r^2$ ) of 0.819 reveals that 81.9% of the variation observed the dependent variable is caused by the independent variable. Having a regression sum of square of 389.521 > the residual sum of squares of 85.953, this variation is not due to chance. The F-value and corresponding significance value of 2315.746 (0.000) shows that these results are significant.

Based on this, the results indicate that technological know-how has significant influence on the development of opportunity identification.

#### 4.3.3 Test of Hypothesis Three

##### Security of investment does significantly affect the development of research and development

In testing this hypothesis, the data presented in Table 4.9 was tested using the regression analysis. The results are presented below.

**Table 4.3.3: Summarized Regression Results for Hypothesis Three**

Variable	Coefficient	t-value	p-value
Constant	6.291	72.596	0.000

The result of the regression analysis summarized in Table 4.3.3 shows that the model for the relationship between security of investment (SI) and development of research and development (DRD) is:

$$DRD = 6.291 + 0.882SI$$

This reveals that security of investment has positive impact on development of research and development. Furthermore, as t-value > 1.96 (t-critical) and p-value < 0.05, this impact is significant.

Also, the regression coefficient (r) of 0.879 indicates a strong relationship between the independent variable (security of investment) and the dependent variable (development of research and development). The coefficient of determination ( $r^2$ ) of 0.772 reveals that 77.2% of the variation observed the dependent variable is caused by the independent variable. Having a regression sum of square of 322.430 > the residual sum of squares of 95.290, this variation is not due to chance. The F-value and corresponding significance value of 1729.047 (0.000) shows that these results are significant.

Based on this, the results indicate that security of investment does significantly affect the development of research and development.

#### 4.3.4 Test of Hypothesis Four

##### Training does lead to the development of innovative skills, to a large extent

In testing this hypothesis, the data presented in Table 4.10 was tested using the Pearson Product Moment Correlation (R) analysis. The results are presented below.

**Table 4.3.4: Pearson Correlation Results for Hypothesis Four**

	Development of Innovation	Development of Innovation
Pearson Correlation	Training	Development of Innovation
Sig. (1-tailed)	Development of Innovation	Training
N	Development of Innovation	Training

Table 4.3.4 presents the result from the Pearson Product Moment correlation. The correlation coefficient (R) between development of innovation and technology is 0.908. This shows that there is a very strong positive relationship between development of innovation and technology. With p-value (0.000) < 0.05, this result is significant.

Based on this, the results indicate that training does lead to the development of innovative skills, to a large extent.

#### 4.4 Discussion of Findings

##### 4.4.1 Extent Level of Employment enhances Development of Idea Generation

If any indigenous company in Nigeria must grow, its entrepreneurial abilities must be developed. The development of entrepreneurial abilities is germane to the survival of such organization in the face of stiff competition. The development of entrepreneurial ability is hinged on a number of factors, paramount of which is idea generation. which revealed that the level of employment significantly enhances the development of idea generation in indigenous companies in Abia State. This is

collaborated by the findings of Anyadike, Emeh and Ukah (2012) and Duru (2011) .

#### **4.4.2 Impact of Technological Know-How on the Development of Opportunity Identification**

Opportunity identification is another factor that enhances the development of entrepreneurial abilities. This is because a very important aspect of entrepreneurship is the ability of the entrepreneur to identify opportunities especially in cases where it may seem as though there is no prospect. Thus, there is the need to be able to identify opportunity, even in the rarest cases. This can be done with ease when the entrepreneur is equipped and prepared to not only identify opportunities but also be able to take advantage of those opportunities.. This aligns with the finding of Muhammad (2008) who showed how a technological invention is used in multiple opportunities, dependent on the entrepreneurs' knowledge, experience and education.

#### **4.4.3 Extent Security of Investment affects Development of Research and Development among Indigenous Companies**

Companies thrive better when they invest more into research of existing and new company products, and developing those products. This always gives them an edge in the industry, more especially if the product patent is theirs. When investments are made into research and development, entrepreneurs are encouraged to be more creative, as they know that there are available resources that will encourage their creativity and lead to innovations in the industry. This is confirmed in the results of this study, which revealed that security of investment to a large extent affects the development of research and development among indigenous companies significantly. Lin and Liang (2015) inclined towards this reasoning when in their study they showed the positive effects of entrepreneurial orientation of small business managers on firm performance, with availability of new opportunities and access to financial capital having a moderating influence on the firm.

#### **4.4.4 Extent Training Leads to Development of Innovative skills**

Entrepreneurial abilities do not just develop overnight. They have to be nurtured. The essence of nurturing is to ensure the development of innovative skills which is a key to establishing entrepreneurial abilities. Each entrepreneur has at his disposal certain abilities that enable him see through situations and adapt quite easily. However, those skills have to be developed to enable him outperform competition.

### **5.0 Conclusion**

For firms to survive in a declining economy, they need to ensure that their entrepreneurial abilities are developed consistently. An entrepreneurial ability is what helps smaller and indigenous companies to be able to stand alongside bigger and even multinational companies. These bigger companies already have the volume of investment to face any stiff competition, retain the best human resources and even create newer products that appeal to their market. As such, indigenous firms need to be more creative to ensure that they can withstand the harsh industry competition. One identified factor that can ensure this is their ability to develop idea generation. There is also the need to ensure that knowledge is acquired and training is enhanced.

Based on this, this study concludes that factors that enhance the development of entrepreneurial abilities are employment, technological know-how, security of investment and training among others.

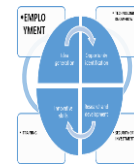
### **5.1 Recommendations**

Based on the findings of this study, it is recommended that;

- Indigenous firms should engage in employment of qualified staff, though within their budget in line with inputs and job specifications.
- Training units should be created under the human resource departments of indigenous firms for the development of opportunity identification and innovative skills among staff, especially key employees;
- R&D unit should be created under the production department of firms, that will be saddled with the responsibility of ensuring that newer products and product designs are created that will meet the needs of target markets and not just research on 'white-elephant projects
- Investors should be assured of their investment, by creating forum where investors are able to see how their investments are being utilized.

### **5.2 Contribution to Knowledge**

Development of entrepreneurial abilities can be enhanced when idea generation, opportunity identification, research and development as well as innovative skills are developed significantly in indigenous firms. This can, to a great extent, be made feasible if indigenous firms engage in employment of key personnel, acquire technological know-how, ensure security of investment and carry out training at regular intervals.



**Conceptualized Ent., Enhancing factor**

Authors Name: Dr Kifordu Anthony  
line 1 Edo University Iyamho  
line 2: Nigeria

Authors Name: Dr Ann Ogbo  
line 1 University of Nigeria  
line 2: Nigeria

line 4: e-mail address if desired

Authors Name: N.Emelike  
line 1 Abia State Polytechnic  
line 2: Nigeria

line 4: e-mail address if desired

### **Acknowledgement**

We wish to express our appreciation to the Authorities of Edo University, University of Nigeria and Firms used for all their contributions. Also, IRED for finding this paper appropriate to be enlisted as published.

### **References**

- Agbadudu, A. B. (2004) *Statistics for Basic Business and the Social Sciences*. Benin City: Uri. Publishing Limited.
- Agu, C. N. (2001). *Fundamentals of Small Business Management and Entrepreneurship Development*. Owerri: I. O Publishers.
- Agu, C. N. (2005) *Fundamentals of Small Business Management and Entrepreneurship Development* (2<sup>nd</sup> Ed.). Owerri: I-O Publishers.
- Aina, T. A. (2000) "Documenting the Study". In I.I.C. Imosil, *Social Research Method for Nigerian Students*. Lagos: Institute Ibi Personnel Management Malthouse.
- Aldrich, H., and Zimmer, C. (1986). *Entrepreneurship through Social Networks*, "In the Art and Science of Entrepreneurship". Cambridge, MA: Ballinger.
- Anyadike .N, Emeh I.E.J and Ukah F. O. (2012) An Empirical Analysis of entrepreneurial opportunity identification and their decisive factors: The case of new Spanish firms. *Universal Journal of Education and General Studies* 1. 1(4).

- Anyanwu, A. (1999). *New Perspective of Entrepreneurship Development*. Owerri: Klepten Publishers.
- Audretsch and Thurik (2001). Role of Government Policy on Entrepreneurship Activities [en.wikipedia.org/wiki/entrepreneurship\\_activities](http://en.wikipedia.org/wiki/entrepreneurship_activities), retrieved Sept. 14, 2012.
- Austine, C.E. (2005). *Basic Principles in Managing Research Project*. Aba: Afritowers Publication Limited.
- Bandura, A. (1997). *Self-Efficacy: The Exercise of Control*. New York: W. H. Freeman and Company.
- Barbara J and Damian(2012) G Effects of Policies for Training and Skills on Improving Innovation Capabilities in Firms in Manchester. *Manchester Institute of Innovation Research*, 4 (1) 3-7
- Eshioho, S. S. (2012). Entrepreneurship in Innovation, Phenomenal Growth of Enterprises and Industrial Organizations in Nigeria on [en.wikipedia.org/wiki/entrepreneurship](http://en.wikipedia.org/wiki/entrepreneurship) Retrieved September 14, 2012.
- Fashua, K. O. (2006) *Entrepreneurship: Theory, Strategies and Practice*. Abuja: Bee Printing Publishing Co.
- Igbo, C. (2005). *Modern Institutional Techniques and their Application in Technical Vocational Education Programs of Polytechnics and Monotechnics*. ETF Capacity Building Workshop. Auchi, Nov.
- Katz, J. A. and Green, R. P. (2007). *Entrepreneurial Small Business*, McGraw-Hill international Edition. Irwin: McGraw-Hill.
- Lin and Liang (2015) How does research and development investment affect market value? [http://www.researchgate.net/publication/261683230\\_How\\_does\\_research\\_and\\_development\\_investment\\_affect\\_market\\_value](http://www.researchgate.net/publication/261683230_How_does_research_and_development_investment_affect_market_value) downloaded Nov 22, 2015.
- Muhammad N.M.N (2008) Technology Strategy and Firm's Revenue Growth: Empirical Evidence of Malaysian Industrial Automation Industry. *International Journal of Business and Management*, 7(9)
- Schumpeter, J. A. (1975). *Theory of Economic Development*. Cambridge: Howard University Press
- Schumpeter, J. A. (2001). Role of the Entrepreneur in Economic Growth [en.wikipedia.org/wiki/entrepreneurship](http://en.wikipedia.org/wiki/entrepreneurship). Retrieved on September 14, 2012.
- Timmons, J. A., Mazyka, D. F., Stevenson, H. H. and Bygrave, W. D. (1987). *Opportunity Recognition: The Core of Entrepreneurship*, MA: Babson College Press.
- Ufomba, C. O., Ukandu, C. N. and Madubuko, R. C. (2009). *Entrepreneurship and Small Business Management: An Introductory Text*. Enugu: Immaculate Publication Limited.
- Ukandu, C. N., Azubuike, C. R., Chukwu, M. K., Emelike, N. O. and Nwachukwu, A. (2012). *Research Methodology*. Enugu: Hipuks Additional Press Co.
- UNIDO 1999 Report on [www.unido.org](http://www.unido.org)
- Books.
- World Bank Report (2011). *Doing Business in Nigeria* on Wikipedia.com
- Wright, M., Robbie, K., and Ennew, C. (1997). Venture Capitalists and Serial Entrepreneurs, “*Journal of Business Venturing* 12(3), PP. 227 – 249
- [www.enet.com/valleumbra/profile](http://www.enet.com/valleumbra/profile). Profile of Valleumbra Flour Mill Ltd. Downloaded 12<sup>th</sup> September, 2012.
- [www.entrepreneur.com/bobreiss](http://www.entrepreneur.com/bobreiss)
- [www.jenyvilleweb.net/monipulo/profile](http://www.jenyvilleweb.net/monipulo/profile) (on Google search) profile of Monipulo Limited, downloaded 14<sup>th</sup> September, 2012.
- [www.jenyvilleweb.net/tezibon/profile](http://www.jenyvilleweb.net/tezibon/profile) (on Google search) profile of Tezibon Limited downloaded 11<sup>th</sup> September 2012.
- [www.vitalproductsplc.com/business/profile](http://www.vitalproductsplc.com/business/profile) (Google search) profile of Vital Products Plc. Downloaded 11<sup>th</sup> September 2012.
- About Author (s):



Dr **Kifordu** Anyibuofu Anthony is a product of University of Nigeria. He holds an MSc and Ph.D in Management, BSc, Business Administration, Post Graduate Diplomas in Education and Computer Science. Currently, a Lecturer with Edo State University Iyamho, Edo State Nigeria. .



Dr Anastasia Ifechukwudebelu **Ogbo** holds a Bachelor of Science (B.Sc) degree, MBA, M.Sc and Ph.D Management respectively. She is vastly experienced in Management, highly published, authored and co-authored books. Currently a Senior Lecturer at the Department of Management, University of Nigeria, Enugu State, Nigeria..

**Emelike** N holds a Bachelor of Science (B.Sc) degree in Bus. Admin, Administration and M.Sc Management. Currently, a lecturer in the Department of Business Administration, School of Business and Management and Technology, Abia State Polytechnic, Abia State, Nigeria. He has various publications in his subject area.