

Socio- Demographic Characteristics and Impact of Support Services On Performance of Technical Entrepreneurs in South-Western Nigeria

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ABSTRACT

This study examined the socio-demographic characteristics and the impact of support services on the performance of technical entrepreneurs in south-western Nigeria. The study considered a total of 264 technical entrepreneurs confirmed through 14 institutions to have received one support service or the other from these institutions in the course of their entrepreneurial activities. . Analyses of data gathered through well administered questionnaires showed that gender participation in entrepreneurship is 55.7% and 44.3% for male and female respectively. About 57.6% of the respondents were in age group of 31 - 45 years while the mean age is 39 year and standard deviation is 19 years. The result further showed that 75.4% were married, 97.7% were Nigerians, 67.8% had post-secondary education and 34.8% were specialised in vocational and technical education. Most (78.0%) were owners of their businesses while 43.9% had been in business within 5 - 10 years and 3.8% had been in business within 21 - 25 years. The mean year of experience was about 9 years while the standard deviation is 5 years. Also using ANOVA, the analysis showed that the technical support services provided had significant impact on production output ($F=3.74$, $p<0.05$) and sales turnover ($F=3.00$, $p<0.05$) of the entrepreneurs. Financial support services significantly impacted production output ($F=2.29$, $p<0.0010$) and sales turnover($F=2.53$, $p<0.05$). Information services had significant impact on reduction in maintenance costs ($F=2.580$, $p<0.05$) and product quality ($F=3.37$, $p<0.05$) while human resource development had significant impact on profitability ($F=2.68$, $p<0.05$) and product quality ($F=5.65$, $p<0.01$). It can be concluded that the support services received by technical entrepreneurs significantly impacted the performance of the entrepreneurs.

Keywords: Technical Entrepreneur, Impact, Support Services, Performance

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1. INTRODUCTION

Entrepreneurship is a major catalyst that drives the economy of most nations (Say, 1824; Schoof, 2006). It is also the engine that engenders the introduction of new approaches in business and market place (Wood, 2005; Olatunji, 2010). Entrepreneurship guarantees job and wealth creation as well as economic returns from diverse forms of activities. It is the vehicle ridden by innovation which is the application of knowledge in production activities (Ubom, 2003). Entrepreneurs are considered as “champions” especially for converting products and services that ultimately create wealth and reduce unemployment. Hence, today entrepreneurship is an agent of job creation and an approach for integrating the youth into the labour market in many advanced countries (Ubom, 2003). According to Ronstadt (1996) entrepreneurship is the dynamic process of incremental wealth creation by individuals who assume the major risks in terms of equity, time, and/or career commitment of providing valuable product and/or technical service. The product or technical service may not be new or unique, but value is usually infused by the entrepreneur through the allocation of required skills and resources.

2. TECHNICAL ENTREPRENEURSHIP

Technical entrepreneurship deals with the manufacturing of products and/or provision of technical services for wealth creation building ventures focusing on technology. Technical entrepreneurship can be based on creation of a new company, expansion of an existing one, commercialization of a new product or process from scientific research or technology development (Ilori, 2010). According to Schumpeter (1939), there are five basic forms of technical entrepreneurship, the introduction of new goods in the market is the first of these. By new product, it means something that has been invented and has never been available in the market before. In simple terms, whenever a new invention is made, it is seen as an act of entrepreneurship. The second is the introduction of a new method of production by new method, it is assumed that the method that is effective and is able to improve on an existing production method. The third form of technical entrepreneurship is the opening of a new market. Whenever such resources are provided that enables the population to benefit, e.g. economic, education among others., it establishes a new opportunity that is known as a new market for using that particular resource.

The fourth form is the conquest of a new source which allows the industry to increase its productivity. This new source can be in many forms including the discovery of a natural resource (oil, steel, among others.) or attracting a labour force that hasn't been exposed to the industry. The last but not the least form is the carrying out of the new organisation of industry that will increase the personal welfare of the entrepreneur (Schumpeter, 1939 and Eshio, 2009). For economic development therefore, the technical entrepreneur is a special person of science and technology and commerce who seizes upon, and develops an invention and through his own individual efforts or in conjunction with others, commercially exploits new or adaptive products or novel production techniques and processes. He must combine the skills of the classic entrepreneur with those of research engineers and scientists (Irefin, 2006).

2.1 Technical Entrepreneurship Development Process

The highly complex process of new ventures creation is embodied in the entrepreneurship process (Baron, 2004). In general, the entrepreneurship process covers two to five stages. According to Shane (2003), two broad dimensions exist namely: opportunity recognition and resource acquisition. Otero (2000) identifies three distinct stages viz: pre-founding stage, which comprises of opportunity identification and evaluation; a founding stage which involves a business plan, resource gathering, incorporation and market entry; and an early development stage which is establishing the venture and market penetration.

Also, three stages of the entrepreneurship process are identified by Baron (2004), these include screening ideas for feasibility, gathering required resources and actually developing the venture. On the other hand, four stages are identified by Bygrave (1995) which include opportunity identification, technology set up, organization establishment and exchange. However, Hisrich and Peters (2002) articulate four stages of the entrepreneurial process as opportunity identification and evaluation, business plan preparation, determination of required resources and managing the established venture. Furthermore, the five stages identified by Rwigema and Venter (2004) are identifying, measuring and refining an opportunity from various ideas; preparing a business plan; organizing resources; putting a formidable team together; and overseeing the new venture creation and growth.

2.2 Statement of the problem

Despite the efforts by successive government in the development of entrepreneurship in the country, the impact is yet to be seen in terms of economic development, employment generation, revenue generation among others, the Nigerian entrepreneurs have continued to operate in a very harsh business environment, many agencies established to offer support services according to their mandate notwithstanding. This study was therefore being undertaken to examine the role played by the agencies in providing support service and the impact of the services on the performance of the entrepreneurs

3. METHODOLOGY

The research design adopted for this study is the survey method. The South-western zone of the country was selected because it serves as the nation's commercial nerve centre. The high economic activities of the zone are shown by the concentration of institutions providing various aspects of support services to entrepreneurs and the predominance of various types of small, medium and large scale businesses.



Figure 1: Space Occupied by the South-western Nigeria

Similarly, the presence of headquarters of national bodies of trade unions and associations also support the choice of the zone as the study area. Examples are National Association of Small and Medium Enterprises (NASME), National Association of Small Scale Industrialists (NASSI), Manufacturers Association of Nigeria (MAN), Lagos Chamber of Commerce and Industry (LCCI) and a host of others. There are many private entrepreneurs with profitable ventures located there. The region is densely populated with a population of about 31,000,000 people according to the 2006 population census (National Population Commission, 2010). It is a politically active zone with all the political parties represented. The states that make up this zone are Ekiti, Lagos, Ogun, Ondo, Osun and Oyo.

3.1 Study Population and Sampling Technique

The study population consisted of institutions established to provide one support services or the other to entrepreneurs and the technical entrepreneurs who benefitted from such support services. The institutions considered in the study are Government institutions (Federal and State), Non-governmental organizations, International organizations, Cooperatives societies and Religious organizations (Table 1). The sampling technique employed was multi-stage sampling. The first stage was the selection of the study area, the South-western Nigeria, followed by purposive selection of relevant institutions useful for the purpose of the study. Also, the purposive selection of the technical entrepreneurs from the list made available by the institutions. The final stage was the systematic sampling technique which was employed to select the technical entrepreneurs' respondents. From the lists provided by the institutions, after the first element was selected at random every third element was selected at random to ensure the respondents had equal chance of being selected. A total of fourteen institutions supporting entrepreneurship development are in the South-western Nigeria while three hundred and forty-six beneficiaries were systematically sampled.

4. RESULTS AND DISCUSSIONS

Table 1 Sources of Beneficiaries/Technical Entrepreneurs

Institution	Number of questionnaire administered	Number of questionnaire retrieved	Percentage response (%)
SMEDAN	32	26	9.8
NDE	60	52	19.7
TIC	32	23	8.7
BOI	25	9	3.4
FIIRO	50	35	13.3
IDC	23	23	8.7
IAR&T	14	9	3.4
Cooperative	15	12	4.5
MFB	22	20	7.6
HDI	5	5	1.9
WAPA	20	19	7.2
NAPEP	18	13	4.9
Mosque	20	13	4.9
Church	10	5	1.9
Total	346	264	100.0

Source: Field Survey and Author's computation, 2018

Table 2: Socio-demographic characteristics of technical entrepreneur respondents

S/No.	Characteristics	Frequency	Percentage (%)	Mean	S.D.
1.	Gender				
	(a) Male	147	55.7		
	(b) Female	117	44.3		
2.	Age (years)				
	(a) 16 - 30	36	13.6		
	(b) 31 - 45	152	57.6		
	(c) 46 - 60	66	25.0		
	(d) 61 - 75	9	3.4		
	(e) Above 75	1	0.4	38.57	18.74
3.	Marital status				
	(a) Married	199	75.4		
	(b) Single	55	20.8		
	(c) Divorced	3	1.1		
	(d) Widow	7	2.7		
4.	Nationality				
	(a) Nigerian	258	97.7		
	(b) Non-Nigerian	6	2.3		
5.	Educational Background				
	(a) Primary School Certificate	12	4.5		
	(b) Post Primary School Certificate	40	15.2		
	(c) Post-Secondary Certificate	179	67.8		
	(d) Higher Degrees	33	12.5		
6.	Area of Specialization				
	(a) Pure Science	45	17.0		
	(b) Engineering	49	18.6		
	(c) Social Sciences	30	11.4		
	(d) Management Science	30	11.4		
	(e) Humanities	18	6.8		
	(f) Vocational and Technical	92	34.8		
7.	Position held by respondents				
	(a) MD/CEO/Proprietors	206	78.0		
	(b) Director	28	10.6		
	(c) Senior Manager	20	7.6		
	(d) Production Manager	10	3.8		
8.	Years of experience				
	(a) Below 5 years	108	40.9		
	(b) 5 - 10	116	43.9		
	(c) 11 - 15	30	11.4		
	(d) 16 - 20	0	0.0		
	(e) 21 - 25	10	3.8	8.63	4.84

Source: Field Survey, and Author's computation,2018

In the survey of gender participation in entrepreneurship for this study, the results showed that 55.7% and 44.3% were males and females respectively (Table 1). Entrepreneurship can be a cumbersome activity in which entrepreneur has to play multiple roles to achieve success. Many of these roles can be effectively played by males than females who prefer to engage in trading activities rather than production. About 57.6% of the respondents were in the age group 31 - 45, while 13.6%, 25.0%, 3.4% and 0.4% were in the age groups of 16 - 30 years, 46 - 60 years, 61 - 75 years and above 75 years respectively.

The mean age was about 39 years while the standard deviation was 19 years, indicating a wide gap in the ages of the respondents which cut across all age ranges. The result also revealed that those actively engaged in entrepreneurship are within the age bracket 16 and 60 years. It is obvious that at age above 60 years, the strength to engage in business ventures may have been drastically reduced and entrepreneurs above this age may not be able to carry out strenuous business activities. The result further showed that 75.4% of the entrepreneurs were married, while 20.8%, 2.7%, and 1.1% were singles, widows and divorced respectively. About 97.7% of the respondents were Nigerians while only 2.3% were non-Nigerians.

Majority (67.8%) of the respondents had post-secondary education, 15.2% had post primary education, 12.5% had higher degrees while 4.5% had primary education. The result also showed that 34.8% specialized in vocational and technical education, 18.6% in Engineering, 17.0% in Pure Science, and 11.4% each in Social and Management Sciences. Most (78.0%) of the respondents were owners of the businesses, 10.6% were directors, 7.6% were senior managers and 3.8% were production managers.

The result showed that all the respondents were literates and that the elites are now engaged in business ventures. Years of experience of respondents revealed that 43.9% had been in business within 5 - 10 years, 40.9% had below 5 years of experience while 11.4% and 3.8% had between 11 and 15 years, and 21 and 25 years of experience respectively. The mean of the years of experience was about 9 years while the standard deviation was 5 years

4.1 Technical entrepreneurs' performance variables

The technical entrepreneurs' performance variables include production activities and marketing operations and the impact of support services received on production activities, were considered using the following parameters: production output, sales turnover, profitability, staff strength, product registration, reduction in operational and maintenance costs and product quality. These variables were measured using 5 point Likert scale of 1 for very low and 5 for very high and Analysis of Variance Test (ANOVA) was conducted to test the significance of the support services on the performance of the entrepreneurs.

Table 3: Impact of the support services on the performance of entrepreneurs

S/No.	Parameters of performance	Mean square	F value	P value
1.	Technical			
(a)	Production output	0.7821	3.74	0.001 [*]
(b)	Sales turnover	0.6268	3.00	0.020 [*]
(c)	Profitability	0.47795	2.28	0.06
(d)	Staff strength	0.45398	2.17	0.07
(e)	Product registration	0.0338	0.16	0.9974
(f)	Reduction in operating cost	0.312	1.49	0.2087
(g)	Reduction in maintenance cost	0.086	0.41	0.7993
(h)	Product quality	0.0922	0.44	0.77
2.	Financial			
(a)	Production output	0.628	2.92	0.0071 [*]
(b)	Sales turnover	0.5451	2.53	0.0433 [*]
(c)	Profitability	0.4473	2.08	0.087
(d)	Staff strength	0.3959	1.84	0.1252
(e)	Product registration	0.0292	0.14	0.9689
(f)	Reduction in operating cost	0.31397	1.46	0.21087
(g)	Reduction in maintenance cost	0.1784	0.83	0.5093
(h)	Product quality	0.1066	0.50	0.7393
3.	Information			
(a)	Production output	0.24175	1.46	0.1830
(b)	Sales turnover	0.09649	0.58	0.6742
(c)	Profitability	0.30751	1.86	0.1205
(d)	Staff strength	0.14168	0.86	0.4907
(e)	Product registration	0.46263	2.80	0.283
(f)	Reduction in operating cost	0.25700	1.56	0.1893
(g)	Reduction in maintenance cost	0.424923	2.58	0.0405 [*]
(h)	Product quality	0.55608	3.37	0.0116 [*]
4.	Human resource development			
(a)	Production output	0.14371	0.87	0.5332
(b)	Sales turnover	0.30396	1.84	0.1253
(c)	Profitability	0.44349	2.68	0.0343 [*]
(d)	Staff strength	0.3849	2.33	0.0595
(e)	Product registration	0.09769	0.59	0.6701
(f)	Reduction in operating cost	0.185305	1.12	0.3498
(g)	Reduction in maintenance cost	0.18119	1.10	0.3616
(h)	Product quality	0.93401	5.65	0.003 [*]
5.	General			
(a)	Production output	0.15529	1.09	0.3736
(b)	Sales turnover	0.07132	0.50	0.7355
(c)	Profitability	0.24313	1.71	0.1524
(d)	Staff strength	0.01350	0.09	0.9840
(e)	Product registration	0.12310	0.86	0.4877
(f)	Reduction in operating cost	0.12559	0.88	0.4772
(g)	Reduction in maintenance cost	0.23216	1.63	0.1707
(h)	Product quality	0.03885	0.27	0.8952

Source: Field Survey and author's computation, 2018

It is expected that entrepreneurs utilize support services received to the advantage of their enterprises. The results showed that support services' impact on the performance of the technical entrepreneurs was significant. Using multivariate analysis, the result showed that the impact of the technical support services on production output ($F=3.74, p < 0.05$), sales turnover ($F=3.00, p < 0.05$) were positive and significant at 5% level. This indicates that 5 units increase in the provision of technical support services would improve production output and sales turnover and also implies that production output and sales turnover are the first major and evident results of the receipt of any type of technical support services. Hence, technical support service is core to increased production output and sales turnover as previously claimed by Adegbite (1995), Egesi (2004) and Coleman (2015). The result also showed that the impact of financial support services was positive and significant on production output and sales turnover at 5% level of significance. The results corroborate the claim of Bato (2006) and Saleh (2004) that financial support to entrepreneurs would enable them realize their desire of quality product, reliability and competitiveness. The result revealed that information support services had a positive impact on product quality and reduction in maintenance costs implying that correct information received by an entrepreneur and rightly applied could enhance business operations.

Similarly, human resource development support services had positive and significant effect on product quality ($F = 5.65, p = 0.003$) and profitability ($F = 2.68, p = 0.0343$) while the impact on staff strength was at 10% level of significance. This implies that capacity building for the staff would impact on the quality of product turned out by the venture or service as a result of the enhanced knowledge. The positive impact in product quality will enhance sales and thereby result in profitability which is the ultimate desire of the entrepreneurs (Egesi, 2004).

5. CONCLUSION

The level of interest in entrepreneurship by female and youths is generally increasing. This could be as a result of job scarcity and that men can no longer bear domestic responsibilities alone. It is heartwarming to acknowledge that the institutions provided support services to technical entrepreneurs in the south-western Nigeria. The support services received significantly impacted production output, sales turnover, reduction in maintenance costs, product quality and profitability. The more the support services received by technical entrepreneurs the more the quality of the contribution of the sector to the economic development of the nation.

6. RECOMMENDATIONS

Following the findings of the study, it is recommended that the support services should be easily and timely accessed by entrepreneurs. Government should encourage synergy among the support services institutions to facilitate a single window opportunity for entrepreneurs to access all the support services. It is also important to strengthen institutions through adequate funding to enable these institutions provide these services with ease for the development of the sector and ultimately the economic development of the country.

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