



Evaluating the Impact of Support Services on the Performance of Technical Entrepreneurs in South-West Nigeria.

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ABSTRACT

This study examined 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. Using ANOVA, the analysis of data gathered through well-structured and administered questionnaire 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 Eshiobo, 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.



3. METHODOLOGY

Survey research technique was used in this study. The survey approach appeared best suited for this study because it is not feasible to interview the entire population. The South –western zone of the country was the focus as it serves as the economic nerve centre. Questionnaires were administered among the entrepreneurs of fourteen institutions which are providers of support services forming the sampling technique for this study. These institutions include Bank of Industry (BOI), National Directorate of Employment (NDE), Federal Institute of Industrial Research, Oshodi (FIIRO), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Industrial Development Centre (IDC), Technology Incubation Centre (TIC), Institute of Agricultural Research & Training (IAR&T), Human Development Initiative (HDI), Women Affairs and Poverty Alleviation (WAPA), National Poverty Eradication Programme (NAPEP), Cooperative Societies (CS), Micro Finance Bank (MFB), Mosques, and Churches.

3.1 Target Population

The target population were the entrepreneurs who had received support services from these Institutions in South -western States, Nigeria. These could be male or female depending on the availability of the respondents. The present study is not interested in the respondents' gender disposition.

3.2 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 1: Impact of the support services on the performance of entrepreneurs

S/No.	Parameters of performnce	Meansquare	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 reegistration	0.0338	0.16	0.9974
(f)	Reduction in operating cost	0.312	1.49	0.2087
(g)	Reduction in manintenance cost	0.086	0.41	0.7993
(h)	Producsct 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 reegistration	0.0292	0.14	0.9689
(f)	Reduction in operating cost	0.31397	1.46	0.21087
(g)	Reduction in manintenance 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 reegistration	0.46263	2.80	0.283
(f)	Reduction in operating cost	0.25700	1.56	0.1893



S/No.	Parameters of performnce	Meansquare	F value	P value
(g)	Reduction in manitenance 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 reegistration	0.09769	0.59	0.6701
(f)	Reduction in operating cost	0.185305	1.12	0.3498
(g)	Reduction in manitenance 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 reegistration	0.12310	0.86	0.4877
(f)	Reduction in operating cost	0.12559	0.88	0.4772
(g)	Reduction in manitenance cost	0.23216	1.63	0.1707
(h)	Product quality	0.03885	0.27	0.8952

Source: Field Survey and author's computation, 2017

RESULTS AND DISCUSSIONS

It is expected that entrepreneurs utilize support services received to the davantage of their enterprises. The results showed that support servcies' 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 previosuly 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 corroborates the claim of Bato (2006) and Saleh (2004) that financial support to entrepreneurs would enable them realise 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

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 maintainance costs, product quality and profitability. The more the support services received by technical etrepreneurs the more the quuality of the contribution of the sector to the economic development of the nation.

RECOMMENDATIONS

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 strenthen institutions through adequate funding to enable these institutions provide these sevicees with ease for the development of the sector and ultimately the economic development of the country.



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