

**ENTREPRENEURSHIP DEVELOPMENT FOR SUSTAINABLE ECONOMIC TRANSFORMATION: A STUDY  
OF YOUWIN PROGRAMME IN EASTERN STATES OF NIGERIA.**

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**ABSTRACT**

Researchers are in agreement that entrepreneurial development is four dimensional (personality, skill, motivation, and attitude). However there seem no conclusions as to the order of importance of the above to sustainable development. This paper is motivated by the need to empirically establish an ordered ranking of the four dimensions of entrepreneurial development for effective implementation of entrepreneurship development programmes. Beneficiaries of the Federal Government of Nigeria youth empowerment scheme -YouWIN in the south eastern states of Nigeria formed our study population. 110 of them who won grants of N5.0million and above and have started implementing their business plans considered as meeting the basic requirement sustainable development formed our sample size. Each respondent is benchmarked on 19 entrepreneurship attributes identified in the literature. Principal component analysis was employed in analysis. Our results shows an ordered ranking of motivation (26.38%); skills (17.44%); personality (16.51%) and attitude (11.91%), given an achievement of 72.23% on entrepreneurial experience curve. The conclusion therefore is that for entrepreneurship development to lead to sustainable development, efforts must be ensure that solutions to present economic problems do not lead to social and environmental problems in future.

**Keywords:** Skill, Personality, Motivation, Attitude, Learning curve, Economic Transformation, Sustainable Development.

## **INTRODUCTION**

Entrepreneurship development has become a strategic in economic transformation of developing economies given the successes recorded by the Asian countries (China, India, Malaysia, Indonesia etc) in the 90s. Countries with increased entrepreneurial initiative tend to have experienced greater decrease in unemployment rates as well as recorded sustained increase in standard of living (Ebiringa, 2012). Therefore, a considerable agreement exists regarding the need to promote entrepreneurship as a strategy for economic transformation. The level of economic development experienced by societies has significantly depended on the level of entrepreneurship development efforts existing in it. A country might remain backward not because of lack of natural resources or dearth of investment capital [as it is often believed] but because of lack of adequate entrepreneurial abilities or its inability to tap the latent entrepreneurial talents existing in that society. Entrepreneurs historically have altered the course of economic history the world over. Entrepreneurship is basically concerned with creating wealth and livelihood through production of goods and services (Ebiringa, 2011a). This results in a process of upward change whereby the real per capita income of a country experiences sustained increase overtime or in other words economic development takes place (Ebiringa, 2011b). Thus entrepreneurship development is critical to economic transformation. However, the extent to which the above leads to sustainable development remains debatable among social and environmental entrepreneurship researchers.

## **PROBLEM STATEMENT & OBJECTIVE**

International Labor Organization (ILO), estimates that 300 million young people are unemployed or underemployed and 80% of these youth live in developing or transition economies. Although the ILO estimates that 20% of the young unemployed have the potential to become entrepreneurs, less than 5% actually do (Huang, et al, 2010). Programs, such as the ILO's Youth Business International program, and YouWin in Nigeria target youth. There seems some level of agreement that entrepreneurial attribute is four (personality, skills, motivation, and attitude) dimensional (Lumpkin and Erdogon, 2004). However there seem no evidence as to the order of importance and integration of the above in the entrepreneurship development process for it to lead to sustainable economic transformation and development. This may have affected success levels of entrepreneurship development programmes especially in developing countries such as Nigeria. This paper is motivated by the need to empirically establish the order of integration of personality, skill, motivation, and attitude as critical success factors of entrepreneurship development. The objective is to develop an entrepreneurship development model that ensures a progressive learning experience, through which beneficiaries are motivated to take socially and environmentally responsive entrepreneurial actions aimed at address economic problems of unemployment and income inequalities their societies.

## **THEORETICAL FRAMEWORK**

Entrepreneurs influence their economies in significant ways. Ebiringa (2012) posits that new jobs come from new establishments, whether they're independent firms or part of large multidivisional firms. These new establishments are products of entrepreneurial venturing. Lumpki and Erdogon, (2004) documents contributions of entrepreneurship to

economic transformation as: higher employment growth, higher wage growth and higher productivity as well as higher levels of technology development. As entrepreneurs have the potential to contribute much to society, researchers have tried to analyze entrepreneurs’ personalities, skills, and attitudes as well as the conditions that motivate entrepreneurship and the extent to which these efforts lead to sustainable development. Prior research has examined competency constructs in the field of entrepreneurship, and various attributes have been linked to business creation and success (Hu, 2008). The Psychological Characteristics School of Entrepreneurship, which focuses on personality factors, believes that entrepreneurs have unique values and attitudes towards work and life. Entrepreneurial attributes which have received a great deal of attention include need for achievement, locus of control, risk-taking, tolerance of ambiguity (Zhao, Seibert & Hills, 2005). Of recent more and more studies are focusing attention on how the effect of entrepreneurship can be made more sustainable through social and environmental responsive actions of entrepreneurs. This is not surprising and in fact, should be expected given that an understanding of long run effect of actions of entrepreneurs on the society and the environment goes beyond employment creation and income generation.

United Nations Division for Sustainable Development (2005) insists that sustainable development is balancing the protection of the natural environment with the fulfillment of human needs so that these needs can be met not only in the present, but in the indefinite future. The term has prompted a global recognition of the close linkage between environmental health and human development, as well as the need to alter social and economic policies to minimize the human impact on the planet. This is a logical step in entrepreneurship development for economic transformation and sustainable development.

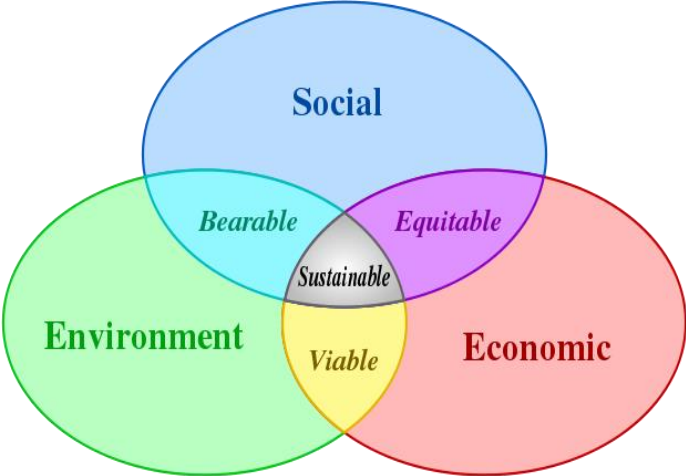


Figure 1: Improve Economic Wellbeing and Preserving natural resources and ecosystems

**ROLE OF ENTREPRENEURS IN SUSTAINABLE ECONOMIC TRANSFORMATION**

Towards the end of the sixties, two significant contributions were made in the field of entrepreneurship. One was a positive linkage between entrepreneurship development and economic development and the other was the emergence of a strong hypothesis that entrepreneurship can be developed through planned human development. Consequently economic planners

realized that absence of a strong entrepreneurial base acts as a serious handicap in the economic transformation process. Natural resources endowment in areas with inadequate entrepreneurial drive have experienced stunted economic growth, while areas with inadequate natural resource endowment but have adequate entrepreneurial drive seems to have experienced sufficient economic transformation. The question therefore is “*does natural resource endowment discourage entrepreneurship*”.

However sufficient evidence exist to suggest that entrepreneurial spirit of a people leads to creative addition of value available natural resources to the extent that such product becomes internationally competitive. This is the extent to which entrepreneurship is of significance for achieving the goal of economic transformation and sustainable development (Ebiringa and Okorafor, 2010). The myth that entrepreneurs are born with some innate traits is no longer valid. Many studies have brought out that entrepreneurship can be developed through a structured learning experience anchored on skill acquisition and attitudinal change.

Entrepreneurship is the most critical inputs in the economic development of a country. It speeds up the process of activating factors of production leading to a higher rate of economic growth, dispersal of economic activities and development of backward regions (Ebiringa, 2012). If a region is unable to throw up a sufficient number of entrepreneurs then alien entrepreneurs usually step in to provide goods and services needed by the people. However the profits earned by these entrepreneurs are usually not ploughed back but repatriated to their place of origin. As a result economic transformation in such region cannot take place. This practice has been referred to as ‘*The Leech Effect*’ (McMullan, et al, 2002).

Entrepreneurship begets and also injects economic transformation and sustainable development by starting a chain reaction when potential entrepreneurs are motivated to acquire skills needed to create new or improve quality of existing goods and services which adds value to the society and the environment in the long run. As an example since computers came into the market there has been continuous improvement in models and functionalities from mainframe to desktops to laptops to palmtops and smart phones by such entrepreneurs as Steve Jobs of Apple. Not only had this fostered the development of the software industry by such entrepreneurs as Bill Gate of Microsoft but also computer skills training centers, computer consumables manufacturing, distribution and retailing businesses as well hardware maintenance businesses etc have sprang up. In this manner by harnessing the entrepreneurial attributes of individuals a society comes out of traditional lethargy to modern industrial culture of economic transformation (Ebiringa and Okorafor, 2010). However, the above has equally posed some global challenges as the actions of some entrepreneurs has focused more on economic opportunities to the neglect of social and environmental considerations. This has most often led to unsustainable developments.

## **ENTREPRENEURIAL ATTRIBUTES**

Researchers have made extensive use of psychological variables as predictors of leadership, organizational behavior, and entrepreneurship. According to Hu, (2008), personality variables serve an important role in the development of a consistent entrepreneurship theory. As such, they call for the inclusion of entrepreneurship as a more “active participant” in the revival

of personality research. The current study makes an effort to do that by examining the role of individual differences in relation to entrepreneurial attitudes. Prior research has examined numerous personality constructs in the field of entrepreneurship, and various traits have been linked to business creation and success (Hu, 2008). Zhao et al (2005) asserted that an individual's need for achievement is an entrepreneurial attribute that positively correlates with success in business (Hu, 2008). They insist that the personality of successful entrepreneurs shows that they are confident, have a high level of self-esteem and self-efficacy, demonstrate greater initiative and possess positive attitude toward risk (Huang, Liu & Yang, 2010). In addition, creativity (Tsai, Hsieh, Lee & Hsu, 2008), innovation (Hu, 2008) and improvisation (McMullan, Chrisman and Vesper, 2002) have all been linked to entrepreneurial venturing and business success. Obviously there are numerous personality constructs that have been used to show how skills, motivation and attitude can influence level of successful entrepreneurs. Ebiringa (2011c) identified creativity, innovation, self-efficacy, achievement motivation, risk-taking propensity, tolerance for ambiguity etc. as some attributes of successful entrepreneurs.

## **METHODOLOGY**

This paper adopted a case study approach focusing on the Youth Enterprise with Innovation in Nigeria (YouWiN!) Programme in the South Eastern States of Nigeria. The objective is to determine the key skills, motivation, personality and attitudes that seem common to entrepreneurs who won grants during the first phase of the programme in 2012. YouWiN! Programme is a collaboration of the Ministry of Finance, the Ministry of Communication Technology, the Ministry of Youth Development and the Ministry of Women Affairs and Social Development that launch an annual Business Plan Competition (BPC) for aspiring young entrepreneurs in Nigeria, in line with the Federal Government's drive to transform the Nigerian economy through enterprise and job creation for Nigerians. The programme is implemented in partnership with Nigeria's private sector, which provides funding support. The main objective of YouWiN! is to generate jobs by encouraging and supporting aspiring entrepreneurial youths to develop and execute business ideas that will lead to job creation and income generation. The programme provides aspiring youth a platform to show case their talents and business acumen, skills and aspirations to become future business leaders.

The South East geopolitical zone of Nigeria was used as our study area. Likert modeled survey instruments were administered on 110 recipients of the YouWiN! grant spreading across the five States of Imo, Abia, Anambra, Enugu and Ebonyi. The criteria for selection are: a grant of N5.0 million and above must have been approved for such a respondent and he/she must have received at least two tranches of the grant. The instrument seeks to benchmark each respondent on personality, skill, motivation and attitude as to how these have affected their entrepreneurial drive and success. Valid responses were received from 105 of them, implying 95.45% success in questionnaire administration. The Principal component analysis with varimax rotation for normalization was employed in clustering the variable into decision factors and importance on their learning experience ladder (their journey through entrepreneurship development Programme).

## RESULTS AND DISCUSSION

The result of the analysis as shown on Table 1 clustered the nineteen (19) attributes of entrepreneurship as displayed by the 105 youth entrepreneurs who responded to our questionnaire into four inter dependent components of motivational factors, skill/competency factors, personality and attitudinal factors respectively.

**Table 1: Rotated Component Matrix<sup>a</sup>**

		Component			
		1	2	3	4
Personal drive and ambition	(X4)	.952			
Desire to make an impact	(X1)	.951			
Need for achievement or self-satisfaction	(X5)	.918			
Desire for status	(X15)	.878			
Desire to create and accumulate wealth	(X10)	.791			
Desire to perform social responsibility	(X6)	.729			
Ability to network	(X14)		.819		
Ability to think strategically	(X13)		.807		
Possessing business knowledge and acumen	(X11)		.664		
Possessing of Interpersonal skills	(X12)		.652		
Ability to gain access to resources	(X2)		.651		
Possessing resilience	(X3)			.929	
Possessing Tenacity	(X7)			.909	
Ability to spot Opportunity and take it	(X9)			.721	
Risk-taking ability	(X16)			.708	
Awareness of importance of customer focus	(X8)				.953
creativity and imagination	(X18)				.923
Defined personal standards and values	(X19)				.654
Perception of enterprise as a positive activity	(X17)				.545

Source: Result of Principal Component Analysis with Varimax & Kaiser Normalization. Using SPSS ver 17

a. Rotation converged in 5 iterations.

**Motivation for achievement:** Personal drive and ambition, desire to make positive impact, need for self-satisfaction, desires for status, to create and accumulate wealth and socially responsible represent passion for entrepreneurship which remains the starting point in the journey to successful entrepreneurship. In fact, these motivational factors according to Ebiringa and Okorafor (2010) are more of vision which challenges the entrepreneur to seek for requisite skill and knowledge needed to be successful. This leads him to the second stage in the entrepreneurial development journey.

**Skill/Competency:** Ability to network, thinking strategically, business skills, knowledge and acumen, interpersonal skills, people management and business development skills are the first entrepreneurial attribute in the direction of achieving entrepreneurial success. This is more of an effort in the collection of relevant statistics about the desired entrepreneurial venture and the preparation of bankable/winnable business plan and using such to seek funding from investors and grant given agencies such as YouWin.

**Personality:** Possessing resilience, tenacity, opportunity spotting and risk taking are the next efforts made in the direction of entrepreneurial vision realization. These are personality attribute needed to identify viable opportunities in the environment, taking advantage of such opportunities as well as overcoming daunting challenges of managing operational issues associated with business ventures.

**Attitude:** Awareness of importance of customer focus, application of creativity and imagination, defined personal values and ethics are needed for business sustainability. This implies perception of enterprise as a positive activity needed to transform the individual, the family, the society and the nation at large. This is sustainability factors for successful entrepreneurship.

### **Motivation, Skill, Personality and Attitude on Entrepreneurship Development**

The integrative entrepreneurship development process and effect on progression on entrepreneurial experience ladder (Fig. 1) is as shown on Table 2 with motivation ranking top with 26.38% variation; skills acquisition ranking second with 17.44% variation; personality transformation ranking third with 16.51% variation and attitudinal change ranking fourth with 11.91% variation. The implication therefore being that successful entrepreneurship starts with existence of motivation to achieve ones desires in life, which must imply existence of a clear vision to be a positive change agent in one's society.

**Table 2: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.636	29.664	29.664	5.636	29.664	29.664	5.011	26.376	26.376
2	4.096	21.559	51.222	4.096	21.559	51.222	3.313	17.438	43.814
3	2.179	11.468	62.691	2.179	11.468	62.691	3.137	16.508	60.322
4	1.812	9.539	72.229	1.812	9.539	72.229	2.262	11.907	72.229
5	1.323	6.964	79.193						
6	.920	4.844	84.036						
7	.818	4.307	88.343						
8	.641	3.376	91.719						
9	.418	2.199	93.918						
10	.394	2.072	95.990						
11	.220	1.156	97.145						
12	.174	.918	98.063						
13	.169	.891	98.954						
14	.079	.416	99.370						
15	.047	.248	99.619						
16	.026	.137	99.756						
17	.021	.111	99.866						
18	.015	.080	99.946						
19	.010	.054	100.000						

Source: Result of Computer Principal Component Analysis. With SPSS ver 17

**The Entrepreneurial Learning Experience Curve**

Figure 1 shows the effect of the YouWin entrepreneurial capacity building programme on 105 beneficiaries in Imo, Abia, Anambra, Ebonyi and Enugu States of Nigeria. The programme whose first phased sought for youths who have personal entrepreneurship drive and are self-motivated to venture into business to submit their business ideas. This is consistent with the first principal component of varimax rotated factor load matrix (Table 1) which loaded factors such as personal drive and



ambition, desire to make positive impact, need for self-satisfaction, desire for status, desire to create and accumulate wealth and socially responsible maximally. This is more of expression of passion for entrepreneurship. Submitted business ideas were subject to preliminary evaluation by team of experts after which some were shortlisted. The shortlisted applicants were invited for a seven days capacity building programme on business plan preparation and business management skills. This is consistent with our second principal component, which loaded such factors as: Ability to network, thinking strategically, business skills, knowledge and acumen, interpersonal skills, people management and ability to gain access to resources. Having acquired the requisite skills to realize the entrepreneurial vision each applicant was now required to review he/her business plan for resubmission.

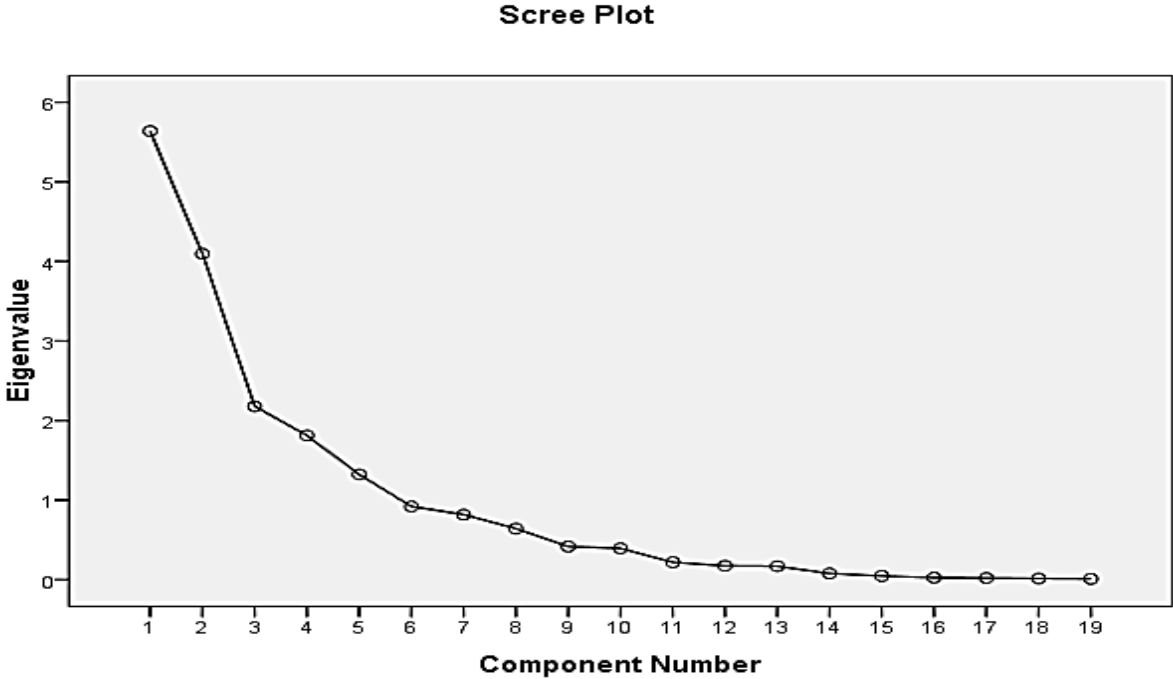


Figure 2: Scree plot of Entrepreneurial Experience Curve

Source: Computer Output

The third phase of the YouWin entrepreneurial development process which involved release of grants, ensures that monitors focus on beneficiary’s resilience, tenacity, opportunity spotting and risk-taking abilities as it relates to the use of released funds. In order to ensure the sustainability of the business mentors were attached to each of them to help create awareness of importance of being customer focus, application of creativity and imagination, defined personal standards and values and perception of their enterprises as economic transformation activities that must be socially and environmentally responsibly managed. This is consistent with the forth principal component of Table 1. The implication of the above is that solutions to economic problems of unemployment and income inequality should be found through socially and environmental responsive

entrepreneurial actions (Baker, 2006). This is the condition under which entrepreneurship development will lead to economic transformation and sustainable development of the Nigerian society as the learning experience curve Fig. 2 has shown.

## **CONCLUSION**

Based on the result of our analysis the following conclusions are made:

- Entrepreneurship development is a learning process that should be integrative and progressive.
- Motivation to achieve economic transformation and self-actualization ie vision is the building block and fundamental to successful entrepreneurship.
- The above imply that entrepreneurs must seek for requisite skills and knowledge needed to transform their entrepreneurial vision into successful business ventures.
- Personality issues of the entrepreneur such as opportunity identification and people management are critically important in the day-to-day operations of the venture established.
- Sustainability of the established venture depends heavily on the attitude of the entrepreneur. To this extent being customer focus, application of creativity, imagination, defined personal standards and values as well as perception of the venture as economic transformation agent for self, family, community and the society are key issues for successful entrepreneurship.

## **RECOMMENDATIONS**

Based on the above conclusions the paper made the following recommendations:

- In order to ensure that Entrepreneurship development centres in Nigeria achieve their mandate, their activities need to be made more practical. The YouWin model is hereby recommended for adoption.
- Teachers in tertiary institutions should be made to undergo practical trainings in entrepreneurship. This is to ensure that they will be able to think outside the box and provide mentorship to students.
- Centre for Entrepreneurship Studies in Nigerian tertiary institutions should provide facilities for business idea incubation and clinic services, through which student business ideas can be refined and incubated.
- Strategic public-private sector alliance is needed in the entrepreneurship development process, which will ensure that youths will have adequate out of classroom experiences. This can be achieved by internships in industries and attachments to industry-based mentors.

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