

## THE ROLE OF ENTREPRENEURSHIP IN JOB CREATION

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### **Abstract**

The paper examined the role of entrepreneurship in wealth creation. The area of the study was Onitsha urban, Anambra State of Nigeria. The population of the study consisted of 90 staff of entrepreneurial firm situated in Onitsha Urban, there were no Sampling. A two response item questionnaire was used for data collection. Chi square statistics was used to analyze the data. The findings revealed that there is a significant relationship between entrepreneurship and wealth creation. It was, however, found that entrepreneurship has not received the needed attention it requires to operate, such as lack of power enabling environment and lack of infrastructural facilities. From oral interview, it was suggested that infrastructures especially power supply should be improved on to encourage entrepreneurs. Also entrepreneurial education should be included in all levels of education to ensure good entrepreneurial activities.

The bedrock of all Business evolution and economic miracle cum development of any nation is saddled by the level of entrepreneurial development. Hence, entrepreneurs constitute a vital engine in the economic growth and development of Nigeria because it helps in the stimulation of indigenous business and the transformation of traditional industries. It Creates employment opportunities, generates incomes (locally and externally) and harnesses of national wealth by contributing to the gross national product (GNP).

Entrepreneurship is the capacity and willingness to develop, organize, and manage a business venture with its risk in order to make a profit.

According to Ducker (1998) and Knight (1970), entrepreneurship is about taking a risk, it is the system of creating new values that did not

previously exists. It is the process of starting new organization, especially new business which involves creation of new wealth through implementation of new concept.

One thing that every government in a country especially developing countries like Nigeria do is to ensure that there is growth and development in the economy. The Nigeria government since independence has come up with various measures such as the national development planning programme. But one factor among others that constitute a big obstacle to the realisation of the objects of these developmental plans is the acute shortage of entrepreneurial activities. Hence (Olagunju, 2004) noted that entrepreneurship is a factor of production that co-ordinates and organizes the other factors of production such as land, labour and capital for more productive purposes.

Entrepreneurship is very fundamental in the world of business and development because it is only when an entrepreneur establishes a business that managers can manage and the enterprise has products to sell to the consumers. This will result to wealth creation and empowerment which are essentials for development.

The economic and social emancipation of any nation depends on the seriousness placed on entrepreneurship. A society is prosperous only to the degree to which it rewards and encourages entrepreneurial activities. Nnenna (1999) states that for any economy to grow and develop there is need for entrepreneurship. This simply means that one way to economic buoyancy is to encourage entrepreneurship by in the citizens so that they can contribute their quota to the growth of the economy. Tracy

(2005) implied that the most dynamic societies in the world are those ones that have the most entrepreneurs plus economic and legal structure to encourage and motivate them to greater productivity.

Entrepreneurship is a major pivot to industrial development and wealth creation. This is because; entrepreneurs are people who undertake the risk of setting up and running a business enterprise for the purpose of profitability, growth and development of society.

### **Statement of the Problem**

Over the years the economy of the state is wobbling. This may be due to over dependence on one sector (mono-economy), underutilization of resources or unproductiveness of the Nigeria or poor planning.

There is also the problem of massive unemployment, increase rate of poverty, low productivity and so on, even the entrepreneur or those who intend to be entrepreneurs have also been disappointed or discouraged by various factors such lack of incentives and access to finance lack of entrepreneurial skill as well as other changes in the value system which made Nigeria's prefer foreign commodities.

### **Purpose/Objective of Study**

The research work is aimed at (1) finding out the role and contribution of entrepreneurship to economic development of a country (2) investigating whether entrepreneurship reduces unemployment (3), increase productivity, re-distribution of income and wealth creation. The study also examined the need and importance of entrepreneurship development and the factors that hinder entrepreneurial activities among others.

### **Research Questions**

The following research questions were established to achieve the purpose of this study.

- i. Does entrepreneurship reduces massive unemployment?

- ii. What are the roles of entrepreneurship in wealth creation?
- iii. If the Nigerian society embraces entrepreneurship totally, would that reduce youth restiveness in the society?
- iv. Is there any significant relationship between entrepreneurship and wealth creation?

### **Significance of the Study**

The result of the study will be of great importance to student of tertiary institution such as polytechnics, universities and college of education ) who offers entrepreneurship as an academic course of study .It would also be of immense help to entrepreneurs, managers, management and industrialists who want to know the impact of entrepreneurship in development .The result of the research work would be of great value to federal and state government and the public on how entrepreneurship affects the growth and development of the economy .

### **Scope of the Study**

This research work examines the contribution and the role of entrepreneurship in the growth and development of the economy. Due to the vast business population and which is subjected to constraints, the study is limited to Envoy's Plastics Onitsha Anambra state of Nigeria.

### **Definition of Terms**

**Business Incubation:-** This is a form of mentoring in which workplace coaching and support services are provided to the entrepreneurs at the early stage of business for free or at reduced cost.

**Creator:-** This could be defined as someone who makes , design, produces or invent something.

**Creativity:-** This means the ability to use your imagination or skills to produce new ideas or things.

**Economic Development:-** Todaro (2003) defined development as a multi dimensional process involving changes in structure, attitudes and institution and acceleration of economic growth. It involves the transformation of sectors in the economy.

**Entrepreneur:-** An entrepreneur is someone who organizes, operates and assumes the risk bearing role of a business venture.

**Innovator:** - This refers to someone who introduces changes and add new idea to an existing product.

**Entrepreneur:-** An entrepreneur is a person who organizes, operates and assume risk bearing role of a business venture.

**Venture:-** This refers to a new business activity or a project that might earn money but involves taking risk.

**Wealth:-** This means having enough money to do whatever you wish, freedom from debt or the opportunity to grow and achieve.

### **Methodology**

A descriptive Survey design was adopted. The instrument used for the data collection was a questionnaire and oral interview. The instrument had a 2 point response scale of "YES" and "NO".

The study was carried out in an entrepreneurial firm in Onitsha Urban of Anambra State. No Sampling was done. Ninety copies of the questionnaire were distributed but 78 copies were retrieved from the respondents and were used for the study. Data collected were analyzed using the chi square statistics.

Data were collected through primary and secondary sources to elicit information. The data collected were analysed and tested using the simple percentage and the chi-square statistical method.

### **Sample Size and Sampling Technique**

The researcher decided to use the entire population due to the smallness of the number of staff. Therefore, our n=100. This population comprises of 20 management staff, 25 supervisory staff, 45 junior staff and 10 customers that were chosen as adequate representation of the population used for this research work.

The sampling technique adopted for this research is the random sampling technique. The reason for the use of this technique is that is selecting the sample randomly, all staff of the organisation are given equal opportunity to respond to the questionnaire.

### **Research Instrument**

The instrument used by the researcher in this project work is the questionnaire, personal interview and observation.

### **Validity of the Instrument**

The instrument for this project was contended and validated by the researcher who constructively and critically examined the items in the questionnaire. Based on his suggestions, necessary correction and modifications were made and effected on the questionnaire.

### **Reliability of the Instrument**

The instrument was proved to be reliable because the questionnaire was also administered to other related companies and the public and their response to the questions were the same and thus consistent.

### **Methods of Data Collection**

A structured questionnaire was composed by the researcher, which was used to elicit information from the respondents. The questionnaire was personally administered by the researcher aided by some staff of the organisation. One hundred copies of the questionnaire was administered to the

respondents and carefully monitored by the researcher to prevent lost in transit. In addition, data were collected through personal interview.

**Methods of Data Analysis**

Data collected for this research work were presented in tables and analysed using simple percentages, and the Chi-square statistics using Excel statistical software. The simple percentages are calculated using the formula as indicated below:

$$\text{Percentage (\%)} = \frac{\text{Number of Respondents}}{\text{Total Number of Respondents}} \times \frac{100}{1}$$

The Chi-square calculation formula is also given as:

**Where**

X<sup>2</sup>= Chi-square symbol

F<sub>o</sub> = Frequency observed

F<sub>e</sub> = Frequency expected

However, the F<sub>e</sub> is calculated using the formula

$$F_e = \frac{\text{Column Total} \times \text{Row Total}}{\text{Grand Total}}$$

**Decision Rule**

If the Chi-square calculated value greater than the critical or table value, we will reject the null hypothesis and accept the alternative hypothesis.

**Data Presentation and Analysis**

**Table 1**

**Question 1:** Entrepreneurs Contribute to Poverty Reduction in an Economy.

Responses	No. of Respondents	Percentage
Yes	66	77.65
No	17	20.00
Indifference	2	2.35
<b>TOTAL</b>	<b>85</b>	<b>100.00</b>

The response to question 1 shows that 77.65% of the respondents support the fact that

entrepreneurs contribute to poverty reduction in an economy while 20.00% did not support that fact. Since a higher percentage of the respondents are in support, we conclude that entrepreneurs contribute to poverty reduction in an economy.

**Table 2**

**Question 2:** Entrepreneurs Create Wealth and Income through their Investment.

Responses	No. of Respondents	Percentage
Yes	68	80.00
No	12	14.12
Indifference	5	5.88
<b>TOTAL</b>	<b>85</b>	<b>100.00</b>

In response to question 2, the respondents hold the view that entrepreneurs create wealth and income through their investment. This is the view of 80% of the respondents while 14.12% are of the opposite view in addition to the fact that 5.88% of the respondents were indifference.

**Table 3**

**Question 3:** Entrepreneurs are Innovative and Creative by Nature.

Responses	No. of Respondents	Percentage
Yes	75	88.24
No	10	11.76
Indifference	0	0.00
<b>TOTAL</b>	<b>85</b>	<b>100.00</b>

In table 3, the responses revealed that entrepreneurs are innovative and creative by nature. This is the view of 75 respondents representing 88.24% of total responses while only 10 respondents representing 11.76% are of the opposite view.

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**Hypothesis Testing**

In other to achieve the objectives of this research work, the following hypotheses were formulated and tested.

1. **Ho** - There is no significant relationship between entrepreneurship and wealth creation.

**H1** - There is a significant relationship between entrepreneurship and wealth creation.

There is a significant relationship between entrepreneurial activities and the level of wealth creation.

This hypothesis was tested in this study and the analysis was summarized on table 3 thus:

**Hypothesis One**

This hypothesis states that there is significant relationship between entrepreneurship and employment/wealth creation. In addition to test this hypothesis the researcher uses responses from questions that are related to employment/wealth creation addressed in the questionnaire.

The Chi-square result as computed from the Excel statistical software is presented below:

Respondents that say "No"									
Fo	17	18	12	22	23	7	20	15	23
Fe	17.44	25.69	25.69	25.6	25.6	25.6	25.69	25.6	25.6
Fo - Fe	-0.44	-7.69	-13.69	-	-	-	-5.69	-	-
(fo-Fe)²	0.1975	59.098	187.35	13.6	7.22	3.49	32.348	114.22	7.22
(fo-Fe)² / fe	0.01	2.30	7.29	0.53	0.28	13.6	1.26	4.45	0.28
Respondents that say "Yes"									
Fo	66	60	68	60	60	78	65	68	61
Fe	65.11	65.11	65.11	65.1	65.1	65.1	65.11	65.1	65.1
Fo - Fe	0.89	-5.11	2.89	-	-	12.8	-0.11	2.89	-
(fo-Fe)²	0.79	26.12	8.3	26.1	26.1	166.1	0.0123	8.3	16.9
(fo-Fe)² / fe	0.01	0.40	0.13	0.40	0.40	2.55	0.00	0.13	0.26
Respondents that are "Indifferences"									
Fo	2	7	5	3	2	0	0	2	1
Fe	2.44	2.44	2.44	2.44	2.44	2.44	2.44	2.44	2.44
Fo - Fe	-0.44	4.56	2.56	0.56	-	-	-2.44	0.44	-1.44
(fo-Fe)²	0.1975	20.753	6.5	0.3	0.2	0.6	5.9753	0.2	2.1
(fo-Fe)² / fe	0.8	8.49	2.67	0.13	0.08	2.44	2.44	0.08	0.85
									17.27
									51.53

**Table 4:** Chi-square Calculation for Hypothesis One

**Table 5. Summary of Chi Square**

Level of Relationship	Managers	Subordinate	Total	Table of Value	X² Calculated	Decision
Yes	45	19	64			
No	4	10	14	6.64	8.55	Significant
Total	49	29	78			

The Ho1 was tested to determine the relationship of entrepreneurial activities and the chi-square (x²).

Contingency table from the table (x²) analysis, the table values 6-64 is less than the calculated value of 8.55, the Ho1 is rejected and the alternative hypothesis Hi accepted. Hence there is a significant relationship between entrepreneurship and wealth creation.

This entails that, entrepreneurial activities has a greater role in wealth creation and hence improving the standard of living of citizenship in the country. Thus it is very important for government to pay a demanding attention to entrepreneurship development in the country for sustainable growth and development.

**Research Findings**

From the statistical analysis of study conducted by the researcher, it was found that:

- Entrepreneurship has a positive effect on wealth creation which result to improving standard of living of citizens in a country, through reduction of unemployment. Tables 1 and 2 carries this vital information. Also this is in line with the opinion of (Nnanna 1999) cited earlier on this study.
- Furthermore, the hypothesis tested revealed that there is a significant relationship between entrepreneurship and the level of job creation. By accepting the alternative hypothesis H1 and rejecting Ho1 see table 3.

- This shows that entrepreneurial activity is the bedrock of job creation by reducing unemployment in the country. It also helps people to have a better lives and bright future. Unfortunately, the interview conducted shows that entrepreneurial activities are hampered by lack of infrastructural facilities such as power supply, accessible road, market square, communication network, poor managerial skills and lack of entrepreneurial education.

### **Summary**

The researcher hereby summarized entrepreneurship activities is inevitable for job creation and employment generation which results in improved standard of living. This entrepreneurial activities ranges from different field and skills such as Poultry, Piggery, Production of Soap Detergents, Candle, Sewerages, Confectionaries, Decoration, Tiling Event Management, Fashion Design etc.

If the unemployed youth are sensitized on the entrepreneurial activities it will help to reduce youth unemployment in the country and reduce vices.

### **Recommendations**

Entrepreneurial education should be included in all levels of education by curriculum designers.

Government should provide training centres for entrepreneurship skill acquisition. An enabling environment should be provided for skill acquisition programs to make it attractive for the recipients.

Infrastructural facilities should be provided by both government and private state holders in business to encourage young entrepreneurs. Such infrastructures like power supply, good road network etc.

If all these recommendations are provided, it will make entrepreneurial education attractive and hence help to promote entrepreneurship and

wealth creation on the long run. The standard of living will be improved and the economic and social life of the nation will smile.

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