

# Entrepreneurship as a Strategic Tool for Ensuring Sustainable Development in Nigeria

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**Abstract**— The paper examines how entrepreneurship could be used as a strategic tool for sustainable development in Nigeria. Qualitative and quantitative methods were used in the study. Fifty,(50) entrepreneurs were used as the sample size out of the one Hundred and fifty,(150) entrepreneurs in Abuja based on convenient sampling. Statistical Package for Social Sciences, (SPSS) was used to evaluate the degree of relationships between the variables. The study discovered that inadequate infrastructure; like poor road network, poor electricity supply, insecurity and high interest rate have been hampering entrepreneurship in Nigeria. It concludes from the finding that innovation, creativity of entrepreneurs is the only sure way to sustainable development in Nigeria. The study recommends that, Nigerian government should provide enabling environment for entrepreneurs to strive. Financial institutions should also reduce interest rate to enable entrepreneurs to access bank loans.

**Index Terms**— Creativity, Development, Entrepreneurship, Innovation and Strategic tool.

## I. INTRODUCTION

Innovation and creativity is the road map to sustainable development in the global South. Creativity is the mother of invention. Government need the support of her citizenry to develop a sustainable development. The sure way to achieve faster and a formidable sustainable development is through entrepreneurship. Entrepreneurship is the function of an entrepreneur, who perceives business opportunities and takes the advantage of the available resources to create something new. Entrepreneurship is the vehicle that carries innovation and creativity. Innovation is the specific instrument of entrepreneurship; it creates resources (Drucker, 1993:30).

Norbert, M.I, (2003:6) defines creativity as the generation of a new idea and innovation as the translation of a new service. Nigeria as a developing country is in dire need of creativity and innovation to be able to maximize the need of its robust population. Entrepreneurship can turn a country from developing to develop in a short period of time. China is an industrialize nation in few decades back because of entrepreneurship. Many Nigerians are striving to be creative and innovative; though the environment is not conducive to thrive.

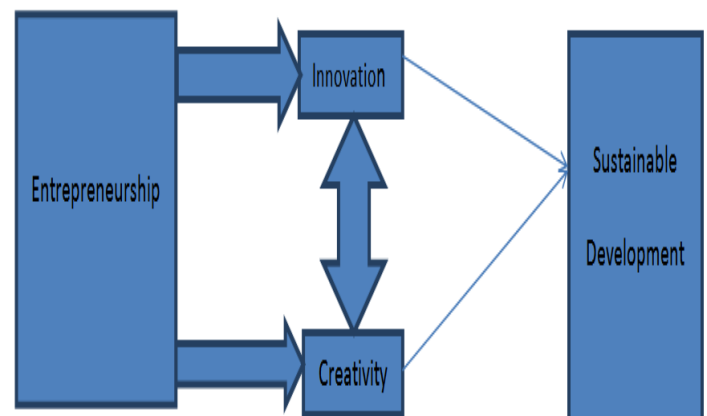
There are some challenges that have been confronting entrepreneurs in Nigeria. The issues of insecurity, poor road network, and inadequate electricity supply high interest rate and so on. These problems had been hindering the

entrepreneurship advancement in Nigeria.

The objective of the study is to determine the correlation between entrepreneurship and sustainable development; to examine the effect of creativity and innovation on sustainability development.

Hypothetically, we want to determine the null hypotheses that states that there is no significant relationship between entrepreneurship and sustainable development; there is no significant relationship between creativity, innovation and sustainable development.

## II. LITERATURE REVIEW



**Fig 1 Conceptual Framework of Entrepreneurship and Sustainable Development**

**Source: Author's Design the Entrepreneurship and Sustainable Development**

Entrepreneurship is incomplete without Innovation and creativity. The mediating effect of Innovation and creativity is the road map to sustainable development. Where an entrepreneur could create something new through innovation, sustainable development is sure. What people call entrepreneurship in most places is small business they started in a corner without creativity and innovation. The lasting effect of entrepreneurship could only be achieved where the mediating effects of innovation and creativity are incorporated. This is the sure and fastest route to sustainable development. It is the ability of satisfying the needs of the present generation without compromising the ability of future generation to meet their needs. (The Brundtland Report, 1987) China is one of the leading economies in the world because of their innovation and

creativity. Presently, China is now known as an industrial Nation because of their ability to create and recreate. Nigeria's economy needs a boost to get to the expected height in economic development. Therefore, innovation and creativity should be the watchword for every entrepreneur.

### III. LITERATURE REVIEW

Many researchers have studied the concept under study to find out the way forward. Many have developed their own models and brought up their suggestions and contributions. Some Theorists like Peter Drucker, Richard Cantillon, Max Weber, Everett Hagen, Thomas Cochran, Frank Young, John Kunkel and so on, saw entrepreneurship in various ways. The Creativity and Technological innovation Theory of Everett Hagen is in line with this study. An Entrepreneur is a problem solver, who tries to develop his or her environment socially and economically. Entrepreneurs try to innovate new things and ideas to develop his or her environment. In Nigeria the sustainability of the development could only be attained through innovation and creativity. The internal challenges like unemployment, poverty and brain drain are demanding the urgent attention of entrepreneurs to solve these problems.

Some of the fast growing economies in the world like china turned their economy around with innovation and creativity. Today China is one of the industrialized economies.

Drucker (1993:255) in his book Innovation and Entrepreneurship, he is of the view that for any economy to develop the society should be innovative. For any society to become entrepreneurial, innovation and entrepreneurship have to be the integral life sustainable activity in the organizations and the economy.

Ukpata and Onyeukwu (2012), in their study; reviewed that for Nigeria to reach to her peak of development through entrepreneurship, entrepreneurial education should be enshrined in the academic curriculum from primary to higher institutions. The study suggested the theory of meritocracy thesis and the ant business model. Another study of Onyeukwu and Akanegbu (2018), revealed that social entrepreneurship is the sure way to bring about employment and self-reliance in Nigeria. The study recommend that Nigerian entrepreneurs should borrow leaf from other countries like the USA, UK and Asian tigers that used entrepreneurial economy to jump out of poverty.

#### Entrepreneurship and sustainable development

Jeremy K. Hall, Michael and J. Lenox did a study on sustainable development and entrepreneurship: past and future direction. Their contributions see entrepreneurship as the engine for products and processes. Other researchers like; (Jordi Bacaria; 2014; Wim Naude; 2014 and others) stress that certain countries under the Asian continent reduced their poverty and unemployment level through entrepreneurial-wise economy.

#### Creativity and innovation on sustainability development

Innovation and creativity work in synergy to bring forth the beauty of Entrepreneurship. The crux remains that when you subtract the two concepts from Entrepreneurship, the result will amount to small business venture. Innovation and creativity is the neck that carries sustainable development in any country. The study of many researchers like, ( Paul

Keursten, 2013; Onyeukwu and Akanegbu, 2018; Joseph Maria Coll, 2014; Mariona Isabel Vidal, 2014; Ukata and Onyeukwu, 2014) support the debate. Creative thinking is the key to recent economic development all over the world, Nigeria inclusive. Most of the leading economies today rose to the top because of innovation and creativity. Today China is moving powerfully in the international trade because of industrialization. Therefore for Nigeria to reach the expected height that will lead to sustainable development, creativity and innovation must be the road map.

### IV. METHODOLOGY

Relevant data were collected from both the business owners and employees of some selected small and medium scale enterprise. A samples size of fifty (50) was considered. Five per cent (5%) more of the required sample size of the questionnaire forms was administered to take care of lost, damaged and misplaced questionnaires by the respondents. The data collected from the respondents were analysed using descriptive and inferential statistics. Two (2) null hypotheses were generated and tested at 0.05 alpha level of significance. This section therefore, presents the results obtained from the analysis of data and the interpretation of the findings on the study. The results are presented in three sub-sections. The first section was analysed with the use of inferential statistics (correlational and regression analysis). The results obtained with the two (2) null hypotheses postulated are presented. The third section of the section presents a summary of the findings. Statistical Package for Social Sciences (SPSS) version 23.0 and Microsoft Excel 2013 was used for the analysis.

#### Instrumentation

The instrument used in collecting relevant data for this research was a self-developed instrument tagged entrepreneurship, development, creativity, and innovation Questionnaire (EDCI). This questionnaire is a series of 20 relevant item questions that are used to elicit information (on the research variables) from respondents drawn from the target population of the study. Some of the items of the questionnaire were also drawn from the review of relevant literature. The instrument consists four sections:

Section A: This has four items drawn to elicit the following personal data: gender, age group, marital status and nature of employment.

Section B: entrepreneurship Sub-Scale (ENT)

Section C: development Sub-Scale (DEV)

Section D: creativity Sub-Scale (CRE)

Section E: innovation Sub-Scale (INN)

Sections B, C and D consisted of items which have 4 questions each and participants were to indicate their relative agreement with the statements by using a four-point Likert-type of:

SA - Strongly agree (4 points)

A - Agree (3 points)

D - Disagree (2 points)

SD - Strongly disagree (1 point)

#### Description of Entrepreneurship, Development, Creativity, and Innovation Sub-Scale:

The twenty (20) items in the subscales were modifications from *Entrepreneurship Questionnaire* (EQ) developed by N. Isaga (2012). Each scale is made up of 4 items with a 4-point

likert response format of from ‘1’strongly disagree to ‘4’strongly agree to which respondents’ indicated and revealed their relative agreements by a tick.

**Procedure for Scoring the Instrument and Data Analysis**

The highest possible score for sections B, C, D and E for any item was ‘4’ and the lowest was ‘1’. Hence the highest score obtained was 16 (i.e. 4 × 4), while the lowest score was 4 (i.e. 1 × 4). Therefore, the range was 12 (i.e. 16-4). The mid-point of range was 6(i.e. 2 ÷2). The cut-off point was therefore 16-6 (i.e. maximum score minus the mid-point of the range) or 4 + 6 (i.e. the minimum score plus the mid of the range), in which either way is 10. Thus, respondents who may obtain scores from 10 to 16 were considered as reporting higher levels on entrepreneurship, development, creativity, and innovation; while those who scored below 10 were considered as reporting less on entrepreneurship, development, creativity, and innovation respectively.

**Procedure for Data Administration and Collection**

The administration of the questionnaire was done by the researcher with the help of research assistants. This facilitated the ease of administration and retrieval of the instrument afterwards. A total of 60 copies of questionnaire were administered and 50 was successfully retrieved. The respondents were allowed to ask questions to clarify the questionnaire items from the researcher. No time was set for the completion of instrument and no confidential questions like names, addresses of respondents were asked. They were assured of the confidentiality with which the information obtained would be treated.

**Methods of Data Analysis**

**Estimation of Study Variables**

From the topic of this study “...” the following variables was deduced:

**Independent Variable:** Creativity and Innovation are the independent variable and being the input variable, it is also known as the ‘X’ variable.

**Dependent Variables:** The dependent variables otherwise known as ‘Y’ variables are the Sustainable Development. The Sustainable Development depends on the input or the dependent variables as the name implies, depend on the independent variables.

We test the dependent variable (Sustainable Development) to see how they respond to the change made to the independent variable or if there is a direct link between the two types of variables (independent and dependent variables).

V. METHOD OF DATA ANALYSIS

Ordinary least square regression analysis will be applied to the data as a method of estimation. Ordinary least square regression is an approach which is suitable for analysing a dependent variable that is dichotomous. A similar technique has been applied by Ayangeadoo andZungwe(2018)in their studies related to economy and sustainable development. The general model intended to be employed in our study to test the null hypotheses can be specified as follows.

$$DEV = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon_i$$

Where

DEV = Sustainable development

$\beta_0$  = Intercept

$X_1$  = entrepreneurship

$X_2$  = creativity

$X_3$  = innovation

$\epsilon_i$ = error term.

**RESULTS**

**Correlation Coefficient Table**

	ENT	DEV	CRT	INN
ENT	1.000			
DEV	0.801	1.000		
CRT	0.377	0.262	1.000	
INT	0.567	0.262	0.542	1.000
entrepreneurship			ENT	
development			DEV	
creativity			CRT	
innovation			INN	

Table above, presents the correlation coefficient (dependent and independent variables) for the degree of association measure within the variables considered in this thesis. Correlation values ranges from -1 to +1, where 0.75-0.99 signifies a very strong relationship between the intersecting variables, 0.5-0.74 implies strong relationship within the intersecting variables, 0.35-0.49 implies a weak relationship among variables as presented above.

Noticeably from the correlation table above, development and entrepreneurship are of produces a correlation coefficient of 0.801 which signifies a very strong relationship. It implies that entrepreneurship is a strong factor in getting sustainable development. Also, the innovation and creativity produce a strong relationship with correlation coefficient of 0.542. This is thus, implying that creativity and innovation explain or predict each other as variables.

**Hypotheses Testing**

Two (2) research hypotheses were formulated and tested with the use of inferential statistics. The hypothesis was

tested with ordinary linear regression analysis at 0.05 level of significance: which states that;

**Hypothesis 1:** There is no significance relationship between entrepreneurship and sustainable development.

**Table 1a Model Summary**

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.497 <sup>a</sup>	.247	.231	1.71688E5

a. Predictors: (Constant), Entrepreneurship

**Table 1b1: Regression Output for the relationship between Entrepreneurship and Sustainable Development.**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	135202.285	27574.062		4.903	.000
	Entrepreneurship	.078	.020	.497	3.966	.000

a. Dependent Variable: Sustainable Development

The regression analysis results in Table 1b indicate that “Entrepreneurship” which yielded a beta ( $\beta$ ) value of 0.078, t-value of 3.966, and a p-value of 0.000, was significant since p-value is less than 0.05 level of significance. This implies that a unit change in the level of the Entrepreneurship activities (a unit increase or decrease) will significantly have a corresponding effect on the Sustainable Development by a factor of 0.078. Also, from Table 1a,  $R^2$  of 0.497 indicates that up to 49.7% as the extent of the variability in the

Sustainable Development of the country is accounted for by the independent variables “Entrepreneurship”, it follows that other extraneous variables could be responsible for the remaining 50.3% variability in Sustainable Development. Hypothesis 1 was therefore rejected and we conclude that there is a significance relationship between entrepreneurship and sustainable development in Nigeria.

**Hypothesis 2:** There is no significance relationship between creativity, innovation and sustainable development.

**Table 2a Model Summary**

Model	R	R Square	Adjusted Square	Std. Error of the Estimate
1	.697 <sup>a</sup>	.485	.475	37.66172

a. Predictors: (Constant), Creativity, Innovation

**Table 2b2: Regression Output for the relationship between Creativity & Innovation and Sustainable Development.**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.605	6.049		2.745	.008
	Creativity	2.914	1.912	0.697	6.728	.000
	Innovation	1.309	0.974	0.447	3.211	.021

a. Dependent Variable: Sustainable Development

The regression analysis results in Table 2b indicate that “Creativity” which yielded a beta ( $\beta$ ) value of 2.914, t-value of 6.728, and a p-value of 0.000, was significant since p-value is less than 0.05 level of significance. This implies that a unit change in the level of the Creativity (a unit increase or decrease) will significantly have a corresponding effect on the Sustainable Development by a factor of 2.914. Similarly, “Innovation” which yielded a beta ( $\beta$ ) value of 1.309, t-value of 3.211, and a p-value of 0.021, was significant since p-value is less than 0.05 level of significance. This implies as seen from Table 2a,  $R^2$  of 0.697 indicates that up to 69.7% as the extent of the variability in the Sustainable Development

of the country is accounted for by the independent variables “Creativity and Innovation”, it follows that other extraneous variables could be responsible for the remaining 30.3% variability in the Sustainable Development, hypothesis 2 was therefore rejected and we conclude that, “There is a significance relationship between creativity, innovation and sustainable development”.

VI. DISCUSSION OF THE FINDINGS

The analysis above revealed some important issues to be taken seriously, such as, that there is a significance

relationship between entrepreneurship and sustainable development in Nigeria. The result of the analysis shows that “Entrepreneurship” which yielded a beta ( $\beta$ ) value of 0.078, t-value of 3.966, and a p-value of 0.000, was significant since p-value is less than 0.05 level of significance. This implies that a unit change in the level of the Entrepreneurship activities (a unit increase or decrease) will significantly have a corresponding effect on the Sustainable Development by a factor of 0.078. This implies that Nigerian entrepreneurs should increase their effort in enhancing entrepreneurial activities. This will ensure sustainable development, for example, the A report by Global Entrepreneurship Index (GEI) 2016-2017 shows the overall GEI (Global entrepreneurial index, 2018) score for India is 26% and ranked 69 out of 137 while Nigeria is 19.7% and ranked 101 out of 137 countries globally. Nigeria has and must increase her entrepreneurial activities to move to higher level on the entrepreneurial global ranking.

The analysis also disclosed that “There is a significance relationship between creativity, innovation and sustainable development”. The regression analysis results in Table 2b indicate that “Creativity” which yielded a beta ( $\beta$ ) value of 2.914, t-value of 6.728, and a p-value of 0.000, was significant since p-value is less than 0.05 level of significance. This implies that a unit change in the level of the Creativity (a unit increase or decrease) will significantly have a corresponding effect on the Sustainable Development by a factor of 2.914. Similarly, “Innovation” which yielded a beta ( $\beta$ ) value of 1.309, t-value of 3.211, and a p-value of 0.021, was significant since p-value is less than 0.05 level of significance. This implies that Nigeria should inculcate the spirit of Innovation and creativity in their entrepreneurial activities. In the study of (Audretsch, 2012), the importance of Innovation was stressed as the key to trigger economic development and growth. This will in turn ensure sustainable development that will create employment for now and future generation.

## VII. CONCLUSIONS AND RECOMMENDATIONS

In line with the findings, few conclusions were made as enumerated below;

1. One of the most important driver to sustainable development is entrepreneurship. This is in support with the study of (Jordi Bacaria; 2014; Wim Naude; 2014 and others) stress certain countries like Asian countries reduced their poverty and unemployment level through entrepreneurial-wise economy. The unemployment level in Nigeria is at 18.80 per cent as at 2017/2018. Therefore entrepreneurship processes will reduce the challenges of unemployment to barest minimum.

2. Creativity and Innovation are mediating factors in entrepreneurship drive. Skill acquisition is an element of innovation and creativity that could lead to sustainable development. The point is in support of the study of (Onyeukwu, Ukpatha and Akanegbu, 2018) The study of many researchers like, (Paul Keursten, 2013; Onyeukwu and Akanegbu, 2018; Joseph Maria Coll, 2014; Mariona Isabel Vidal, 2014; Ukata and Onyeukwu, 2014) support the debate. Creative thinking is the key to recent economic development all over the world, Nigeria inclusive. Most of the leading economies today rose to the top because of innovation and

creativity. The findings also supported the Theoretical framework of the study, The Creativity and Technological innovation Theory of Everett Hagen.

In line with the findings and conclusions the following recommendations were put forward;

1. Nigerian government should provide enabling environment for entrepreneurs to strive. Financial institutions should also reduce interest rate to enable entrepreneurs to access bank loans. This will help entrepreneurial activities and processes.

2. Nigerian entrepreneurs should borrow leaf from the countries like Asian Tigers who reduce their poverty and unemployment level through innovation and creativity.

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