

Business Enterprises and Entrepreneurial Practices in Nigeria

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Abstract

This paper's argument is based on the fact that developing entrepreneurial culture will help the country to develop business enterprises culture which would facilitate enduring economic development rather than the simplistic approach which has become rhetoric and of no effect. The objective of the paper was to determine the influence of entrepreneurship practices on business enterprise culture. Data was sourced from primary sources using questionnaire as the main instrument of data collected. The questionnaire was self administered among entrepreneurs selected randomly in Ile-Ogbo, Iperindo and Ilobu represented the three senatorial districts in Osun State. The data were empirically manipulated using Non parametric statistical tool of Chi Square analyzed on computer based statistical package (Statistical Package for Social Scientists; SPSS 20.0). It was discovered that entrepreneur practices is common among the retirees and most of them are into retail trading and that entrepreneur practices has a significant positive effect on the product innovation but that entrepreneur practices has a no significant positive relationship with Government Policies. Based on these finding it is therefore recommended that negative consequences of government policies toward development of entrepreneurial practices should be tackled to enable the country produce entrepreneurs that will transform Nigerian business enterprises to efficient and effective organizations which will have capacity to contribute meaningfully into national development.

KEY WORDS: Product Innovation, strategies, orientation

Introduction

Business is a set of interrelated activities carried on with a view to making profit, this basic economic unit in which this set of activities is performed is the business enterprise. Therefore, business enterprise is the organizational context within which men, idea, money, materials and machines are combined for the purpose of providing needed goods or services, in order to make a profit. This definition implies that the business enterprise is characterized by a number of features. Firstly, business is essentially a capitalist concept in the sense that it is characterized by the profit motive. Secondly, the business enterprise is the melting pot of various factors of production men who offer their services; ideas about why, what, when, where and how to produce; money for acquisition of needed resources; materials which are converted or transformed into needed goods and machines which aid the transformation or conversion process. Thirdly, the business organization engages in productive activity, whether such production is in the form of the extraction or exploitation of natural resources; the conversion of such resources into finished goods, the distribution of the goods or the provision of financial, banking, insurance or other kinds of services that facilitate extraction, manufacturing, construction and distribution. Fourthly, business is a continuous process consisting of activities which involve the acquisition of input, and the processing of such input, to obtain an output, which the enterprise then sells to a set of customers or clients. Finally, the output of the business enterprise is aimed at the fulfillment or satisfaction of human needs. The launching of a business enterprise whether big or small organizations is an entrepreneurial function, but one set of factors that is important for the success of entrepreneur organization is efficient and effective planning and organizing of the enterprise (Ogundele, as cited in Ogundele and Sulaimon, 2010). Hence the paper is set to analyses the effect of entrepreneur practices on product innovation that will brought about need product that meet the need of the people in the community.

Entrepreneurship is a dynamic process of vision, change, and creation that requires an application of energy and passion toward the creation and implementation of new ideas and creative solutions. This process of innovation and new-venture creation is accomplished through four major dimensions-individual, organizational, environmental, and process-and is aided by collaborative networks in government, education, and institutions.

In any capitalist economy, many kinds of business enterprise exist, some may be as small as the one-man call centre, the small scale retail outlet, the roadside mechanic, or the itinerant trader who retails his wares from house to house and from street to street, others may be relatively large, such as Dangote Group with many subsidiaries and considerable international connections, Nigerian Bottling Company which markets its soft drinks (Fanta, Coke, etc) nationally, or Globacom- a telecommunication outfit. In all capitalist economies, business plays a crucial role in the creation and delivery of a standard of living, and in the creation of employment opportunities. The role of the business enterprise is even more crucial in a developing capitalist country such as Nigeria where private interest dominates the industrial and commercial sectors of the economy. In effect the relationship between various government policies over the time on entrepreneur practices over the

year draw the attention of the researcher. In this latter case, the ability of business to pinpoint and take advantage of opportunities, the scale of its operations, the quality of its management and its level of productivity, among other things, often determines the pace of economic development of the country.

The concept, 'entrepreneurship', is popularly associated with private sector economic activities. This paper argues that Nigeria's phenomenal problem of development and diversification of economic can be solved by developing entrepreneurship. This paper is divided into four sections, first section is the introduction, second section is on the conceptual framework and the literature review while the next take care of methodology and summary of findings and the last chapter is about the recommendations and conclusion of the work.

Hypotheses

1. Entrepreneur practices (EP) has a no significant positive relationship effect on the product innovation (PI).
2. Entrepreneur practices (EP) has a no significant positive relationship with Government Policies (GP)

Conceptual framework

There is no single universally accepted definition of entrepreneurship, however there as varied definitions as there are scholars who have attempted to define the term (Byrd, 2007). The concept of entrepreneurship has a wide range of meanings; it was first used in the early 18th century by an Irish man by name Recharad Cantillon when he classified economic agents into three categories; landowners who is financially independent economic agents, hirelings and wage earners. He identified entrepreneurs as an economic agent that engages in market exchange for profit at their own risk, (Herbert and Link, 2009). On the extreme, it is a term used broadly in connection within the innovation of modern industrial business leader, which describe an originator of a profitable business idea (Akanni, 2010). Akanni, (2010) posited that the word entrepreneur originated from the French word, "entreprende" which means "to undertake". But note that entrepreneurship is a derivative word from entrepreneur. Garba (2010) asserted that the term entrepreneurship means different things to different people and with varying conceptual perspectives. He stated that in spite of these differences, there are some common aspects such as risk taking, creativity, independence and rewards.

According to Joseph Scheumpeter, an Australian economist, the single function which constitute entrepreneurship concept is innovation, such as; new products, new production method, new market and new forms of organisation. Wealth is created when such innovation results in new demand. Entrepreneurship is therefore a process which involves the creation of an innovative economic organisation for the purpose of gain or growth under condition of risk and uncertainty (Dollinger, 2001 quoted in Akanni, 2010). Vanderwerf and Brush (1989), reviewed twenty-five definitions of entrepreneurship and they concluded that entrepreneurship is a business activity consisting of some intersections of the following behaviours: creativity, innovation, general management, risk bearing and intention to realise high levels of growth. Hisrich and Peters (1992) state that entrepreneurship is a continuous process of creating something different that has value to the users.

Definitions of the term entrepreneur have been abundant from its early usage in the French language as 'one who takes between'. However entrepreneur can be viewed from three main perspectives; from economic perspective entrepreneur is considered as the role of the entrepreneur in the economic development of a nation while Sociologist considered entrepreneur as a member of a social system and who is influenced by and through their entrepreneurial activities influences, the social environment and the personality traits that the sociological system engenders. The sociological perspective is taken to include the spectrum of society from the family unit outwards and idiosyncratic perspective focuses on the entrepreneur as an individual with a unique combination of personal characteristics and beliefs. Entrepreneurs, who are defined as "risk takers" in new-venture creations, are uniquely optimistic, hard-driving, committed individuals who derive great satisfaction from being independent. Starting a new business requires more than just an idea; it requires a special person, an entrepreneur, who combines sound judgment and planning with risk taking to ensure the success of his or her own business. Entrepreneurs are driven by an intense commitment and determined perseverance, work very hard.

But in business context, Ogundele (2004) argued that the concept means to start a business, identify a business opportunity, organise resources, manage and assume the risk of a business or an enterprise. It is also used to describe those who (took charge) lead a project, which would deliver valuable benefits and bring it to completion. In other words, those who can manage uncertainty and bring success in the face of daunting challenges that would destroy a less well-managed venture. Hornby (2006) defined an entrepreneur as a person who makes money by starting or running businesses, especially when this involves taking financial risks.

Drucker (1995, as quoted in Ogundele, 2004) defined an entrepreneur as someone who shifts economic resources out of an area of lower and into an area of higher productivity and greater yield. This definition has two aspects that deserve to be underlined. First, there are resources that undergo manipulation; second, the activity seeks to attain "higher productivity" and "greater yield". In the science of economics, we learn how to optimize the factors of production and at the same time seek to attain equilibrium in the distribution of wealth. In other words, we strive to get the most out of the existing resources and to establish equilibrium. The entrepreneur is someone

who sees change as normal and healthy. Usually, the entrepreneur does not bring about change. Rather, he “searches for change, responds to it, and exploits it as an opportunity.

Entrepreneurs are characterized by the need to be independent, to create value, to contribute to family and society, to become rich or, quite often, not to be unemployed. Potential entrepreneurs display initiative and ambition, have business sense and foresight, and are decisive. They are agents of change who accelerate the generation, application and spread of innovative ideas (UNDP, 2010).

UNIDO (1999) defined entrepreneurship as the process of using initiative to transform business concept to new venture, diversify existing venture or enterprise to high growing venture potentials. The entrepreneur acts in a different way. The entrepreneur brings to light a differentiator, something unique, which represents *value* in the eyes of the buyer or consumer. The idea is that the person at the helm should consider the organisation as operating under a process designed to provide “value” to the consumer. When all aspects of the business are geared towards achieving this goal – that is, value to the customer or a perception of it – then, such an organisation is entrepreneurial or represents entrepreneurship.

The American human psychologist, Abraham Maslow, sees the entrepreneur as someone who can “discern change, enjoy it and improvise without being forewarned”. According to him, the entrepreneur is a “here-now” creator, an improviser, who is not afraid of being viewed as operating in dissonance with general practice and belief (Stephens, 2000).

Conclusively entrepreneur is someone who perceives or senses opportunity where others fear rejection, who refused to see obstacles but challenges and his mindset is tuned to success, and not failure though he is aware of the possibility. They are optimists who see the cup as half full rather than half empty. They strive for integrity. They burn with the competitive desire to excel. They use failure as a tool for learning. They have enough confidence in themselves to believe that they personally can make a major difference in the final outcome of their ventures. The substantial failure rate of new ventures attests to the difficulty of entrepreneurship. Inexperience and incompetent management are the main reasons for failure. But what are the factors for success? Do they apply to all components of entrepreneurship? These are some of the issues we shall explore.

Entrepreneur Models

The term entrepreneur itself is used in reference to the individual or the function, the term is variously defined as a person who organizes, operates, and assumes the risk for a business venture (The American Heritage Dictionary of the English Language, 2010), while Webster's Revised Unabridged Dictionary (2009) see entrepreneur as the one who creates a product on his own account; whoever undertakes on his own account an industrial enterprise in which workmen are employed. Entrepreneur can be model in following ways;

Economic Model: The economic perspective of the entrepreneur dates back to Cantillon (1755) who first recognized the crucial role entrepreneurs played on economic development. His early definition was founded on the importance of intellectual property rights and, by implication, the need to be creative. Say (1803) advanced the notion to one that is pivotal in the economy and one that acted as a catalyst for change. Kirzner (1973), through “one alert to profitable opportunities for exchange” added breadth to the definition by introducing a competitive environment boundary scanning dimension, open to opportunities but also possessing the skills to identify suppliers and customers who whom they could act as intermediary. Modern management techniques, in particular just-in-time management has added the need to apply business rounded quality metrics to these relationships thereby elevating the competence set required to identify and establish effective customer/supplier relationship management.

Kirzner also recognised the imperfect nature of knowledge in the market place and the opportunities that can ensue from this. The entrepreneur, according to Kirzner is the person who possesses information that is unknown to other parties and thereby adds value to the intermediary role. Clearly to achieve this entrepreneur must be creative and often uses or exploits new technological opportunities as they arise.

Cole (1959) adopts the economic historian perspective with a focus on the role of the actors and their behaviours to change and economic growth through history. He offers a definition of entrepreneurship as “The purposeful activity (including an integrated sequence of decisions) of an individual or group of associated individuals, undertaken to initiate, maintain or aggrandize a profit-orientated business unit for the production or distribution of economic goods and services.”

Whilst both of these definitions see the entrepreneurship function as being a group rather than individual activity there is a recognition of the need for management and leadership and hence a focal entrepreneur. Under a general umbrella of making a profit, the skills that emerge from these definitions are: having a purpose (strategic vision), innovation (and creativity), activity planning and management (project management), decision making, directing others, division of activities and delegation. Harbison and Myers also recognised the impact the entrepreneur has on society through a ‘catalytic agent in the process of industrialization’.

Schumpeter’s (1934) definition of the entrepreneur included one who ‘carries out new combinations’ only whilst they are actually performing the action of enterprise, thus clearly focusing on the action rather than the person as

the more important (reported in Harbinger and Myers, 1959). For the purposes of definition herein, this fineness of distinction is of lesser importance.

Knight (1942) sees the entrepreneur as the calculated risk taker where reward ensues from bearing uncertainty. Knights' contribution is interesting from the integrated model point of view because it introduces the distinction between risk and uncertainty. For the purposes of the model, risk is the quantifiable probability that an adverse event will occur. This risk can generally be passed on to another through some form of insurance premium. Uncertainty is that part which cannot be quantified or determined and hence cannot be passed on. Arguably the entrepreneur is one who is prepared to accept uncertainty.

Casson (2003) recognised the importance of judgment in resource deployment and hence the need for the entrepreneur to have control over the immediate society around the venture. Casson noted that the economy impacts how well entrepreneurs flourish, not only at the National level but at the regional and sub-regional levels. A particular point he noted was that availability of personal equity is important.

Sociological Model: The sociological perspective focuses on the role society plays in shaping entrepreneurs and on the impact entrepreneurs have on society. Sociologist Collins (1964) identified "Craftsman" entrepreneurs as individuals who follow in the footsteps of family relations or role models who gave them early exposure to the craft they decide to follow as an entrepreneur. Also Collins (1964) identified a

- ❖ **Like father like son entrepreneur:** entrepreneur who is closely aligned to the craftsman entrepreneur; this type of entrepreneur enters a business with father/mother as role model. Other; includes
- ❖ **Off the farm entrepreneurs;** individuals who have a fundamental dislike for, or disagreement with their upbringing or some aspect of it. This engenders a strong desire to break away from the mould and be different.
- ❖ **Opportunistic entrepreneurs:** The opportunistic entrepreneur is one who seizes opportunities as and when they arise. The opportunities need not necessarily fit any predetermined strategy and can be diverse and disconnected in nature.
- ❖ **Trained entrepreneurs:** Individuals who have undergone training in the component skills of enterprise such as those offered in some MBA programmes.

But Hornaday (1990) gives a simpler classification which he titled

- ❖ **Craftsman,** it includes individuals who provide a product or service directly to customers and who generally enjoy doing so.
- ❖ **The Promoter:** this type includes the 'go-between' or 'wheeler-dealer' whose primary objective is to increase their personal wealth
- ❖ **Professional Manager:** the owner/manager who, generally adopts a more professional or structured approach to building their business, often as a 'little big business'.

Practice of Entrepreneurship in Nigeria

There are three myths surrounding practice of entrepreneurship and available literatures on the subject emphasize the attributes of entrepreneurs but these attributes hardly exist in Nigeria. In Nigeria, entrepreneurial practice is limited to Small Scale Businesses, whereas in developed world every enterprise has an entrepreneur be it public or private.

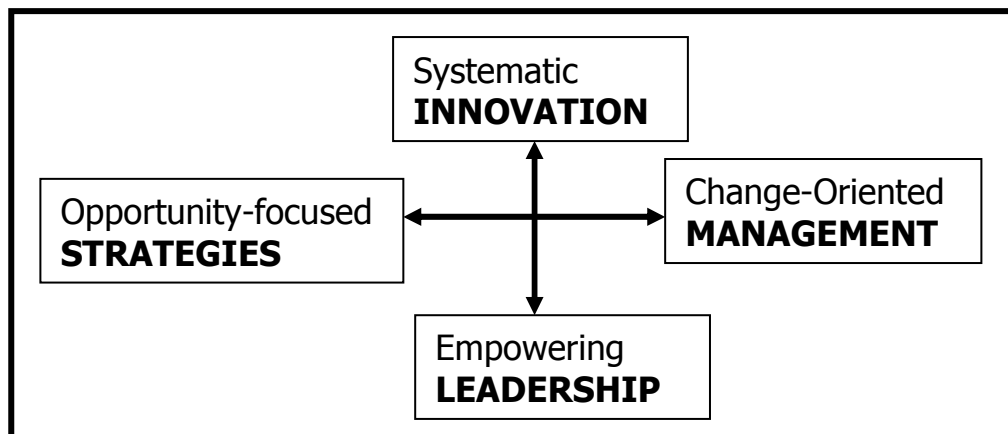
There is one attributes peculiar to a potential entrepreneur which he must possess; passion for success this is what McClelland calls achievement motivation. Beyond this, it appears every other thing said about entrepreneurs can be contradicted. Drucker (1985) think that entrepreneurs innovate in response to opportunities identified, actions and behaviors which constitute the practice of entrepreneurship. He then concluded that a wide variety of people with average intelligence can be taught how to practice entrepreneurship.

The development of entrepreneurial theory has attracted researchers from various social science disciplines. Their academic prowess hovers around what forces recruit entrepreneurs, their attributes and the place of entrepreneurship in economic development. Gbeja (2010) opine that entrepreneurship has been found to extend beyond small businesses; it is a practice which all kinds of enterprises or organizations can engage in, be they new or existing, large or small, public or private. Besides, a person who owns an enterprise is not necessarily an entrepreneur. Gbeja posited that the practice of entrepreneurship involves:

- ❖ Systematic Innovation;
- ❖ Change-Oriented Management;
- ❖ Opportunity-focused Strategies; and
- ❖ Empowering Leadership

These elements of the practice of entrepreneurship can be related in a model as in the figure below:

Figure: MODEL OF THE PRACTICE OF ENTREPRENEURSHIP



Source: Ogundele and Sulaimon (2010).

Systematic Innovation – That is what entrepreneurs do: Systematic innovation implies engaging in purposeful search for innovative opportunities (using sources in the internal and external environment), it consist of purposeful and organised search for change and systematic analysis of the opportunities that such changes might offer it term of economic or social innovation. Most successful innovations exploit change and discipline of innovation-a systematic diagnosis of the areas of change that typically offer entrepreneurial opportunities from the knowledge base of entrepreneurship. Specifically, systematic innovation means monitoring the sources and environment for innovative opportunity. Seven sources were identified by Gbeja, he posited that four of such sources lie inside and three outside the enterprise or industry. They are basically symptoms but highly reliable indicators of changes. The first four sources are:

- ❖ The unexpected: the unexpected success, the unexpected failure, the unexpected outside event;
- ❖ The incongruity: between reality as it actually is and reality as it is suppose to be or as it ought to be;
- ❖ Innovation based on process need;
- ❖ Changes in industry structure or market structure that catch everyone unawares;

The second set of three sources outside the enterprise or industry, viz:

- ❖ Demographics (population changes);
- ❖ Changes in perception, mood, and meaning;
- ❖ New knowledge, both scientific and non-scientific.

These sources of innovative opportunities overlap considerably in practice, nevertheless each has its own distinct characteristic. Contemporary literature on the subject shows that even though no area is inherently more important than the other, the above listing is in descending order of reliability and predictability. For instance, the most reliable source of innovation is the unexpected success or failure, new knowledge with all its glamour do often carry the longest lead time.

Change-Oriented Management (Entrepreneurial Management): Change-oriented management relates to policies and practices that must be installed in the internal environment of the entrepreneurial organisation or in a country where entrepreneurship must flourish. Indeed, the entrepreneurial organisation admits different style of management than the existing organization, yet it requires purposeful, systematic and properly articulated management.

Current thinking in the developing economy supports the view that though the existing business, the public service institution and the new venture present different challenges, have different problems and constraints, the ground rules are the same for every entrepreneurial organisation. Drucker (1985) say “Entrepreneurship is based on the same principles whether the entrepreneur is an existing large institution or an individual starting his or her new venture single-handed. It makes little or no difference whether the entrepreneur is a business or a non-business public-service organization, nor even whether the entrepreneur is a governmental or non-governmental institution. The rules are pretty much the same, the things that work and those that do not are pretty much the same, and so are the kinds of innovation and where to look for them. In every case there is a discipline we might call entrepreneurial management. In Nigeria, entrepreneurial management lack certain specific policies and practices in the internal management environment of the organization. Gbeja (2010) identified this as entrepreneurial culture and climate in which innovation and change are perceived and accepted as an opportunity rather than a threat. Each manager must be greedy for new things (Drucker, 1985; Cavanagh and Clifford, 1983). Innovation must be made attractive, rewarded, sought for, seen as the means to preserve and perpetuate the

organization and the foundation for the individual manager's job security and success. He further posits that entrepreneurial organizations must build certain practices into their management, these practices are;

- ❖ Managerial vision must focus on opportunity; the entire management group must create the habit of looking for opportunities.
- ❖ The management group must meet occasionally, to review the work of Entrepreneurs and innovators who have done exceptionally well with the aim of helping others to learn from the secrets of their success in an informal and relaxed setting.
- ❖ A habit of making a top successful manager hold occasional informal sessions of SWOT analysis (SWOT - Strengths, Weaknesses, Opportunities and Threats) with the middle, junior workers and students of tertiary schools drawn from all the part of the country can yield entrepreneurial ideas.
- ❖ Entrepreneurial or innovative performance must be explicitly included among measures of performance. If there be an innovation budget, innovation plan and innovation objectives, there must be an assessment of achievements. Such a feedback and systematic review may open up new opportunities. Thus entrepreneurial achievements become a control or directing device for the leadership.
- ❖ Entrepreneur must be capable of innovation, able create a structure that permits entrepreneurship to flourish. The organization must devise relationships that allow people to be innovative, particularly for nursing new ideas to maturity.

Opportunity-Focused Strategies

Opportunity focused strategies spells out specific entrepreneurial strategies used in dealing with or managing the external environment. Just as entrepreneurship demands that certain policies and practices are adhered to within the organization, so does it require a set of policies and practices outside either in its market or client-system, Drucker called it "entrepreneurial strategies". He summarized it under four sub-headings, namely:

- getting there first;
- creative imitation and 'entrepreneurial judo';
- ecological niche; and
- Changing values and characteristics.

Though these four categories of entrepreneurial strategies are distinct, they are not mutually exclusive. Besides, each has its own limitations and risks.

Empowering Leadership: The most important element, "empowering Leadership" relates to an empowered and empowering would be entrepreneur. These four elements identified above interact, overlap and jointly determine the practice of entrepreneurship in any organization. Their principles must be learned and internalized by every individual to be able to behave entrepreneurially. An empowering leadership is a most critical aspect of the internal arrangement of a public (or private) enterprise that would be entrepreneurial. The leader or entrepreneur must have access to sources and instruments of power (namely, property, personality, organization, condign, compensatory, conditioned and exchange).

Constraints to Entrepreneurship practices in Nigeria

Kawonise (2011) examined the origin and performance of indigenous entrepreneurs in the bakery industry in Lagos, Nigeria as part of his doctorate degree. He discovered that indigenous entrepreneurs were energetic and effective in their perception of opportunities and acquisition of resources in running their organization. He observed that the major problems were in the realm of management control and technology. He therefore highlighted factors that affected the practices of entrepreneurship in Nigeria as follows;

1. Perception of market opportunities
2. Gaining command over scarce resources
3. Purchasing inputs
4. Marketing of products and responding to competition
5. Dealing with public bureaucracy
6. Management of human relations with the firm
7. Financial management
8. Management of customers and supplier-relations
9. Production management
10. Acquisition and overseeing of assembly of factory
11. Industrial engineering
12. Upgrading processes and product quality
13. Introduction of new production techniques and products.

Others were entrepreneurial motivation, the extended family system, the propensity to re-invest his/her profit and the ethnic distribution of entrepreneurial propensities.

Methodology

3.1. Population and data collection

The target population for this research is the entrepreneurship practices as exhibited by the Small and Medium Business in three senatorial districts in Osun State of Nigeria as represented by Ile-Ogbo, representing Osun West Senatorial District, Iperindo-Osun East Senatorial District and Ilobu represented Osun Central Senatorial District. Questionnaires were self administered to five hundred (500) entrepreneurs which comprise the research sample selected from each of the three senatorial districts in Osun State through the purposive random sampling technique. The purpose of the study was explained and the procedures for filling out the questionnaire and answered any question in regard to any of the questionnaire's statements.

Prior to finalizing the questionnaire, technocrat in field of entrepreneur thoroughly refined it, assuring content validity, relevance and, representativeness. Next, it was pre-tested through 50 pilot studies where the questionnaires were administered business owners Osun West Senatorial District. The respondents were informed of the confidentiality of their responses and purpose of the project which was for academic purpose. They were also promised to be given a summary of the research findings and this promise was fulfilled at the end of the study. Given the non-Yoruba research context, the questionnaire was translated and, back-translated to ensure that the underlying theoretical meaning of each of the questions was not lost during the translation process. 500 questionnaires were distributed and recovered over period of five days. Five (5) of the respondents misplace their questionnaires and it was replaced immediately hence 500 filled questionnaires were recovered in time for the analyses.

To ensure that there is no element of non-response bias, a comparison was made between early respondents (Pilot Study) and late respondents (during the second month) by using independent t-tests on the constructs of interest for this study. No significant difference was found and this suggested that the whole population is free from response bias.

Analysis

Descriptive information of the sample revealed that 65% of respondents were male while 35% of the respondents were female. Additionally, 28% of the total respondents were above 51 years of age while those between 41 to 50 years are the majority with 43%. Those on age group 30 to 40 years are 22% and those below 30 years are 7%. Marital status of the respondents' show that 41% are married, 40% are single, 10% are divorced and 9% are widow.

Analyses of the educational qualification of the respondents show that 52% have Secondary School Certificate or its equivalent, 17% have National Diploma or its equivalent, 20% are graduates of either university or Higher Diploma or its equivalent while 11% have higher qualification. The years of experience of respondents show that those who have below 5 years on the job are 22% those with 5 to 10 years are 34% and those with 11 years and above are 44%. Distribution of respondents according to vocation show that majority of the respondents are into retail trading with 74% of the total respondents while 15% are into manufacturing, 7% are into agriculture and 4% are into animal husbandry. On an average, majority of the respondents are aware of various policies by government on entrepreneurship practices in Nigeria with 65% while the 10% are not aware and the remaining disagreed that there is policy

Hypotheses Testing

The measurement model test presented a good fit between the data and the proposed measurement model. For instance, the Chi Square/degrees of freedom (396/194) were used because of the inherent difficulty with the sample size. The $X^2/d.f$ value was 2.04 which falls in the recommended range of two and five as suggested by Joreskog and Sorbom (2003) and this shows that the model has a good fit to the data. The various goodness-of-fit statistics are shown in Table below.

Hypothesis I: entrepreneur practices (EP) has a no significant positive relationship effect on the product innovation (PI)

Table 1: Chi Square (X^2): Analysis Respondents of Entrepreneur Practices (EP) and Product Innovation (PI)

		Freq	%	X^2 Cal	X^2 Table	df	LS	Remarks
6	Yes	305	61					
	No	195	39					
	Total	500	100					Sig
7	Yes	400	80.0					
	DK	30	6.0					
	No	70	14.0					
	Total	500	100.0					Sig
8	Yes	345	69.0					
	DK	25	5.0					
	No	130	26.0					
	Total	500	100.0					
13.	Yes	450	90.0					
	DK	40	8.0					
	No	10	2.0					
	Total	500	100.0	62.72	7.82	3	0.05	Sig.

Decision:

In Table 1 presents the significant structural relationship among the research variables and the standardized path coefficients. The Chi Square Calculated is 62.72 while Chi Square Table equal 7.82 with degree of Freedom (df) =3 at 0.05 Level of Significant level (LS) and $P < 0.01$. It is observed that Chi square (X^2) Table is less than Chi square (X^2) Calculated. The hypotheses were strongly supported. The result indicated that entrepreneur practices (EP) has a significant positive relationship effect on the product innovation.

Hypothesis II: Entrepreneur practices (EP) has a no significant positive relationship with Government Policies (GP)

Table 1: Chi Square (X^2): Analysis Respondents of Entrepreneur Practices (EP) and Government Policies (GP)

		Freq	%	X^2 Cal	X^2 Table	df	LS	Remarks
5	Yes	305	61.5					
	No	195	38.5					
	Total	500	100					Sig
9	Yes	400	10.0					
	DK	30	80.0					
	No	70	10.0					
	Total	500	100.0					Sig
10	Yes	345	69.0					
	DK	25	5.0					
	No	130	26.0					
	Total	500	100.0					
11.	Yes	450	90.0					
	DK	40	8.0					
	No	10	2.0					
	Total	500	100.0	44.480	7.82	3	0.05	Sig.

Decision:

Table 2 above presents the Chi-square of the relationship between Entrepreneur practices (EP) and Government Policies (GP). The result show that the Chi square calculated (X^2 cal) is 44.480 while Chi square table (X^2 tab) is 7.82 with degree of Freedom (df) =3 at 0.05 Level of Significant (LS). Therefore reject the null hypothesis that Entrepreneur practices (EP) has a no significant positive relationship with Government Policies (GP).

Summary of Findings

It was discovered that entrepreneurs that formed the respondents of the research has demographic features common to the other across the three senatorial districts of Osun State especially the distribution of respondents according to age and gender. It is also noticed that

entrepreneur practices is common among the retirees, reason why the age distribution is above national average of working population. Considering the demographic analysis according National Population Census (2006) reveals that percentage of widow in the three senatorial districts is 5%. From the demographic analyses it was ascertained that average educational qualification of the respondents are Secondary School Certificate or its equivalent and those respondents have been on the enterprises for 11 years and above and most of these respondents are into retail trading with 74% of the total respondents. The analyses show that enterprises involve in manufacturing are few and most of the entrepreneurs are aware of government initiative aim at developing entrepreneurship practices in Nigeria.

It was discovered that entrepreneur practices has a significant positive relationship effect on the product innovation and introduction of new product. These products were created in line with people in the community's demand. These products are in meant to add value to their life one way of the other. It is curtailed that entrepreneur practices (EP) has a no significant positive relationship with Government Policies. That is government's intervention policy has not been able to influenced practices of entrepreneurial practices in the senatorial districts.

Conclusion and Recommendations

This paper attempts to provide a linkage between entrepreneurial practices and development of business enterprises in Nigeria. It shows the relationships between practices of indigenous entrepreneurs in Nigeria and patterns of development of business enterprises in line with government aids and supports. Government has also put in place financial institutions to aid those enterprises e.g. Peoples Bank, National Economic Reconstruction Fund (NERFUND) and Central Bank of Nigeria made deductions from gross profits of banks to be invested in SMEs as equity shares holdings. The National Directorate of Employment (NDE) and National Poverty Eradication Programme (NAPEP) are put in place to provide training and financial assistance to SMEs entrepreneurs. Each of the states of the Federation also has their own entrepreneurial development programmes that are complementary to the Federal Government efforts. There is also the Small and Medium Enterprises Development Agency (SMEDA), The National Economy Empowerment and Development Strategy (NEEDS) with its state and local government system fashion (SEEDS and LEEDS) put in place by the federal government in their efforts in developing indigenous entrepreneurs.

This paper shows clearly that the government and other bodies concerned with the development of indigenous entrepreneurs have concentrated their effort on providing financial support which did not get to the local entrepreneur and training in technical and managerial competences. These negative consequences should be tackled to enable the country produce entrepreneurs that will be committed to the development of the country. The emphasis in this paper on the dimension of entrepreneurship development is further informed by one of the major thrust policies of National Economic Empowerment and Development Strategy (NEEDS) which is values-reorientation of the populace for the successful implementation of this economic development programme. Since growing the private sector in which the indigenous entrepreneurs are involved is another major policy thrust the emphasis on this major omission is not misplaced. Also Federal government established Industrial Development Centres (IDCs) one each in every state of the Federation. There are four zonal centres in Owerri, Oshogbo, Zaria and Bauchi. These four centres have workshops that provide services for would be and actual entrepreneurs in metal and wood works, leather, textile, automobile, ceramics and electrical/electronic areas. The IDCs system was introduced to provide grassroot support to the development of small and medium scale entrepreneurs,

The government and its agencies, the educational institutions and the international organizations and agencies in their efforts assumed that entrepreneurs and people in charge of programmes relating to them would be ethical in their behavior, it is then assumed that government official would be ethical in the discharge of their duties and that entrepreneurs would also be ethical in their behaviour. This can be linked with discovery that non-utilization of 12 billion Naira deducted from banks' profits for investment in equity shares in SMEs in Nigeria. Banks feeling that the SMEs are not properly place to put their money and SMEs feel that if banks come in they may take over their businesses; these mutual suspicions by the parties are based on ethical issues.

It is therefore recommended that there should be reengineering on the part of government's response in addressing reported and observed obstacles facing indigenous entrepreneurs in Nigeria. Though government is doing a lot in principle not much has been achieved in reality.

There are several research institutions that have succeeded in developing myriads of simple technologies, technical tools and innovations, there is need to open more of these IDCs in rural area for maximum effect and on the spot effect.

Tertiary educational institutions, especially the Polytechnics and Universities have fashioned out small business management and entrepreneurship development course to equip existing and would be entrepreneurs with necessary technical and managerial skills. Also, international organizations and associations had given support in

forms of fund and training programmes for entrepreneurs e.g. The Commonwealth and Ford Foundation. Where then is the missing link.

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