



ENTREPRENEURIAL EDUCATION IN TYRE RECYCLING ON SMALL AND MEDIUM SCALE ENTERPRISES PERFORMANCE ON SANDAL MAKING IN ABEOKUTA

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Abstract

The growth of most economies depends essentially on the vibrancy of the entrepreneurship (Oyeniyi & Adeniji, 2010). Entrepreneurship in today's world has become major concept of discussion in developing countries. Entrepreneurship via SMEs is a major means which a society can meet up with current commerce challenges in the world. Entrepreneurship provides avenues for alternate failing or malfunctioning state-owned enterprises in developing economies in the world. Entrepreneurship is a means of job creation and empowering the deprived fraction of a population. As such, this study tried to ascertain the following objectives; to determine the effect of creative thinking learning on business growth, to ascertain the relationship between risk taking ability and increased in product line, to assess the effect of entrepreneurial alertness on customers growth and to examine how innovativeness affects sales growth.

The methodology used in the study was a survey design, in which 150 questionnaires were administered to gather data from the respondents and four hypotheses were tested accordingly using

KEYWORDS:

Entrepreneurship,
Growth, SMEs, Job
creation,
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recycling

regression analysis. Data were analyzed using descriptive statistics (frequencies, percentages and means), correlation and Regression. Result showed the mean age, marital status, year of work experience, educational qualification, organization experience with organization were less than 5 years, 44.7% married, 32.6% others, 36.0% less than 5 years, 54.0% female respectively. ANOVA showed the significant ($p < 0.00$) positive relationship between creative thinking and business growth with

strong positive correlation coefficient (0.789). The result of regression shows the R square gave a large value of 36.7%, this means that entrepreneurial alertness explained about 36.7% of the variance in customer growth. The study found that there was significant relationship between creative thinking and business growth. Also, the study discovered that risk taking has effect on organizational product line. The study as well revealed that entrepreneurial alertness significantly affects customers' growth. Finally, the findings revealed that innovativeness does significantly affect sales growth. The study recommends that effort should be focused to other sectors like the tyre recycling industry that needs innovative minded people who are ready to venture into the industry for sustenance.

Introduction

Small and medium enterprises (SMEs) in Africa have been hailed as the engine of economic growth. Formal SMEs are reported to contribute up to 45 percent of total employment and up to 33 percent of national income (GDP) in emerging economies, when informal SMEs is included, this percentage is higher. SMES are an essential part of the economic fabric of developing countries (Steve, 2010). Entrepreneurship brings about new sources of employment and productive investment, and the basis for growth and poverty reduction. Historically in developed countries, SMEs have benefited those economies and have contributed to the thriving economies that they are today (Khrystyna and Kushnir, 2010). Entrepreneurship education inculcates in its recipients, entrepreneurial competencies and skills geared towards focusing their minds towards self-reliance and self-employment. On the directive of the Federal Government of Nigeria, most tertiary institutions in recent times have incorporated entrepreneurship education into their curricula as a means to stimulate self-reliance and self-employment in the society. Most economies now support entrepreneurship education, so as to achieve objectives such as encouraging their citizens to demonstrate positive attitude towards self-employment, identify viable business opportunities, portray a desire to venture into business, demonstrate managerial skills for running successful enterprises, encourage new start-ups and other entrepreneurial ventures (Pathak et al , 2013).

Technology allows for automation of routine processes, such as production, distribution, sales, after-sales service and inventory management. Adoption and use of automation support SMEs to reduce transaction costs, improve product quality, improve efficiency, enhance customer service, reach new customers and

suppliers in existing markets and expand into new markets. Technology is an important factor for SMEs' product mobility within and across national boundaries. The growth of most economies depends essentially on the vibrancy of the entrepreneurship (Oyeniya & Adeniji, 2010). Entrepreneurship in today's world has become major concept of discussion in developing countries. Entrepreneurship via SMEs is a major means which a society can meet up with current commerce challenges in the world. Entrepreneurship provides avenues for alternate failing or malfunctioning state-owned enterprises in developing economies in the world. Entrepreneurship is a means of job creation and empowering the deprived fraction of a population. Muma (2002) opined that SMEs contribute to self-sustained growth and the development of nations. Bleeker (2011) as cited in Singh, Pathak, Shee, King and Parker (2013) stressed that SMEs are the greatest profit opportunity for the banking industry in European markets. Due to the importance of entrepreneurship, series of studies such as Abdulwahab and Al-Damen (2015); Tambwe (2015); Adegbite et al., (2007); Osemeke (2012); Ebiringa (2012); Islam, Khan, Obaidullah & Alam (2011); Tagrafa and Akin (2009); Gartner and Shane, (1995) etc have been done on entrepreneurship and they affirmed that entrepreneurship has great impact on economic growth. According to Pathak et al., (2013), the success or failure of small and medium-size enterprises (SMEs) rests on how entrepreneurs think, behave and act.

SMEs performance in Nigeria has been viewed in terms of sales growth, competitive advantage, expansion and profitability. Business performance can be viewed from financial perspective and non-financial perspective. According to Reynolds, Bygrave and Autio, (2004), financial perspective is linked to profits, wealth creation, economic growth and sales growth while non-financial perspective is associated with competitive advantage and increased productivity. Therefore, SMEs performance can be judged based on several different dimensions such sales growth, capital, increase in employment, increase in production line and others. In the same vein, SMEs performance is seen from the angle of financial perspective and it is assessed as sale growth and profitability

Statement of research problem

Nigeria is currently faced with serious economic challenges. There is therefore an urgent need for resuscitation and diversification of the economy. Small and Medium Enterprises contribute significantly to the economic growth and

development of Nigeria. Dogarawa (2011) asserts that SMEs, not only contribute significantly to improve the living standards and serve not only as a catalyst in the process of development, but also bring about substantial local capital formation and achieve high levels of productivity and capability. They are also the main agents for achieving equitable and sustainable industrial diversification and distribution; and in several countries SMEs account for well over half of the total share of employment, sales and value added. The associated market competition drives up entrepreneur spirit in many SMEs, which in turn has significant impact on economic development. This is because entrepreneurship is a vital factor in economic development and social change, since it makes for continuous innovation, and commercialization of innovation and technology. Entrepreneurs are proactive to change. They like competition and are always ahead in the market place. They are change agents and catalyst for transforming resources into new products and services with greater utility and value. All these immensely impact on economic development and growth (Etuk et al., 2014). While globalization offers unprecedented opportunities for firms to act successfully, it simultaneously heightens the risks for firms lagging behind. Thus, in an open and liberalized world, increasing firm competitiveness has become a major challenge to the SMEs (Ocloo et al., 2014). Given the great potential of SMEs to bring about social and economic development, this study sought to establish how acquisition of entrepreneurship education skills; adoption and use of technology; and globalization through improved cross-border transactions could enhance performance of SMEs, bring about economic recovery and thus help to ameliorate the current economic challenges of Nigeria. This is because SMEs are known to be the largest employers of youths in Nigeria. SMEs also substantially contribute to the GDP.

The multiplier effects can therefore be felt across all sectors of the economy. The most obvious hazard associated with the uncontrolled disposal and accumulation of large amounts of tires outdoors is the potential for large fires which are extremely detrimental to the environment. Once a large pile catches fire, it is very hard, if not impossible, to extinguish. In some instances, large tire piles have been burning for several months with the fumes being visible for many miles. Due to the intense heat and smoke generation, fire fighters have a hard time extinguishing these fires with conventional means. Also, air and soil pollution is even worse if attempts are made to extinguish the fire

with foam or water. For this reason, scrap tire fires are often allowed to burn out in a more or less controlled manner until the entire pile is exhausted. In response to the environmental problems and health hazards caused by countless illegal scrap tire piles around the globe, most industrialized countries have instigated legal guidelines addressing this issue. Regulations vary from country to country, but the main purpose of these regulations is to provide for an environmentally safe disposal, limit the amount of tires being stored at any given location, and to encourage the use of tire derived recycling products.

Research Questions

In order to address the problems stated above, this study will proffer solutions to the following questions:

- To what extent does creative thinking learning affects business growth?
- Does risk taking ability enhances increased in product line?
- What is the relationship between entrepreneurial alertness and customer's growth?
- To what extent does innovativeness affects sales growth?

LITERATURE REVIEW

Concept of entrepreneurial education and training

Entrepreneurship Education According to Tambwe (2015), entrepreneurship education is “the individual ability to turn ideas into action”. It includes creativity, innovation and risk taking, as well as the ability to plan and manage projects in order to achieve objectives and to master one's own life. Entrepreneurship education according to this description is the kind of training given to awaken sense of initiative of individuals and their ability to turn ideas into reality. Entrepreneurship education in a school curriculum ensures that each learner has a chance to become an entrepreneur and each student is the architect of his/ her fortune. Entrepreneurship education is an approach to stimulate students to be curious and creative. Bygrave and Autio (2004) explained entrepreneurship education as pragmatic and meaningful interaction between learner and instructor developing the ability of the learners to identify, evaluate and generate ideas and solving business problems in a unique way.

Entrepreneurship education is the kind of education given to people with a view if developing entrepreneurship qualities properly followed-up with support services

for smooth take-off and successful running of business (Pathak et al., 2013). According to Steve (2010), entrepreneurship education is defined as the process of providing individuals with the ability to recognize commercial opportunities and the knowledge, skills and attitudes to act on them. Adegbite et al., (2007) described entrepreneurship education as a specialized training to the students or trainees to acquire skills, ideas, managerial abilities and capabilities for self-employment than employed for wage pay. In a similar vein, Ekankumo and Kemebaradikumo (2011) stressed that entrepreneurship education seeks to provide students (especially those in tertiary schools) with the knowledge, skills and motivation to encourage entrepreneurial studies in a variety of setting. From these assertions, it is obvious that a well implemented entrepreneurship education will climax in economic empowerment and development. Brown (2000) pointed out that entrepreneurship education is designed to communicate and inculcate competencies, skills, knowledge, and values needed to recognize business opportunity, organize and start new business venture. It is about transforming an idea into reality, rather than talking about how to do it. Garavan and Costine (1995) asserted that entrepreneurship education is the process of or series of activities which aims to enable an individual to assimilate and develop knowledge, skills, abilities, values and understanding that are not simply related to a narrow field of activity but which allow a broad range of problems to be defined, analyzed and solved. It emphasizes on teaching people or citizens with the passion and desired skills needed to create an entrepreneurial firm and guide the firm successfully via its initial stage to maturity stage. It seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings (Muma, 2002).

Entrepreneurship has led to the development and expansion of new industries as well as the existing industries. Entrepreneurship is being controlled and directed by entrepreneurs. Entrepreneurs take bold steps and giant stride to achieve his goals and objectives for the enterprises. Entrepreneurs take risk by creating or transforming thoughts into new ventures and to make the new ventures penetrate the market. Thus, an entrepreneur is the individual that identifies opportunities, gather necessary resources, creates and is ultimately responsible for the performance of the firm (Adegbite, et al., 2007; Oyeniyi & Adeniji, 2010). Schumpeter (1934) as cited in Murad & Al-Damen (2015) defined entrepreneur as the person who creates something new and innovation in existing economy. Entrepreneur is a risk-taker and has been consistent with his

business goals and objectives in singular circumstances. Pathak et al., (2013) said entrepreneurs are individuals who accept risks and who are innovative in terms of their business management skills.

Entrepreneurs is defined as the people who create, manage and lead their own business to success, and being responsible for their decisions and consequent results (Dogarawa, 2011) Moreover the researcher can define entrepreneurship a process of creating, establishing, organizing and managing new venture in the way that lead them to succeed. There has been a continuous debate as to whether or not entrepreneurship can be taught (Khrystyna and Kushnir, 2010). For Muma (2002) it is general believe that ‘entrepreneurs are born and not made’, and while indeed some people are undoubtedly ‘born’ or ‘natural’ entrepreneurs and will display entrepreneurial skills and behaviour without any enterprise education or training, there is a school of thought that believes that entrepreneurship is a skill and thus can be learned. However in the view of Drucker (1985) he had argued that entrepreneurship is neither an art nor a science, but a practice, If Drucker’s version of entrepreneurship is accepted then it implies that entrepreneurship is a practice and if it is a practice it can be learned, and thus it is something that can be taught. But in the view of Etuk et al., (2014), entrepreneurial role can be both culturally and experimentally acquired but it is consistently being influenced by education and training. Strengthening this position Akpan, Effiong, and Ele (2012) observed that Entrepreneurship education is a learning process, starting as early as elementary school and progressing through all levels of education.

Entrepreneurs character and SMEs Performance

Entrepreneurs need to exhibit some specific characteristics in order to success in the entrepreneurial business. Entrepreneurs’ characteristics are personal traits and skills which constitute competency of the entrepreneur which needed to venture success (Dogarawa, 2011). This study sees entrepreneurs’ characteristics as the individuality of entrepreneurs in terms of risk-taking, innovativeness and competitive aggressiveness towards achieving the business goals

Risk Taking and SMEs Profitability

Risk taking encompasses taking courageous steps, measures and commitment of financial and non financial resources by gambling into an uncertain business environment or activities. Adisa, Bygrave and Autio (2016) opined that risk-

taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments. It is the willingness and readiness to commit resources (own or borrowed) to pursue identified market opportunities that have a reasonable possibility of losses. Risk taking in business environments as it is noted by Adisa et al., (2016) is not about taking extreme or uncontrollable risks but taking moderate and calculated risk. According to Ebiringa, (2011) and Tambwe, (2015) as contained in Taylor (2013), risk taking refers to a tendency of an SME to take bold steps such as entering unknown new markets, committing a large portion of the firm's resources to undertakings with uncertain outcomes and/or borrowing heavily. Past studies such as Steve (2010), Arshada, Raslib, Arshadc and Zainc (2013) etc revealed that risk taking has positive relationship and significant effect on business performance. Botha (2006) put it that firms with strong entrepreneurial behavior are attracted to projects of higher level of risk to get higher level of return. On the divergent view, a risk-averse firm or entrepreneurs' will not engage on activities or avoid venture that its outcome is unsure especially in a changing environment. This behavior will result in weaker performance as the firm is not willing to capture market opportunities (Ocloo et al., 2014). Adisa et al., (2016) concluded that there is no positive association with entrepreneurs' financial compensation. Based on this, the hypothesis is therefore formulated that risk taking has no positive effect on SME profitability.

Competitive Aggressiveness and Sales Growth

Competitive aggressiveness is the character, actions or steps taken or displayed by an entrepreneur to outmaneuver his competitors. It is important for entrepreneurs to possess this uniqueness so as to have large market share in the industry they are operating. Competitive aggressiveness requires intense action that is aimed at outperforming industry rivals (Bleeker, 2011). An entrepreneur can outsmart his rivals either by upgrading current product or service or by doing things in a way that is different from others. According to Lumpkin and Dess (1996); Kusumawardhani, McCarthy & Perera (2009), competitive aggressiveness refers to a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position to outperform industry rivals in the marketplace. Entrepreneurs must be responsive to competitors' moves. The studies of Arshada, Raslib, Arshadc, Zainc (2013), Steve (2010); Bleeker (2009) concluded that competitive aggressiveness has positive and significant effect

on organizational performance. It is on this trail that the hypothesis is stated that competitive aggressiveness has positive effect on SMEs sales growth.

Innovativeness and Sales Growth

Innovativeness is the willingness of the entrepreneurs or firms to engage in creativity of ideas in terms of production process and product and service delivery and trialing the new ideas in the market (Adisa, et al., 2016). According to Baker and Sinkula, (2009), innovativeness reflects a fundamental willingness to depart from existing technologies or practices and venture beyond the current state of the art. Lumpkin and Dess (1996); Adisa et al., (2016) stated that innovativeness may take several forms ranging from a willingness to try a new product line or experiment with a new advertising medium, to a focused effort to master the latest products or technological advances. Innovative organizations see things the way others see them but do things differently. It is the ability to translate creative ideas into something concrete, unique, or novel (Adisa et al., 2016). Innovativeness is a vital tool for entrepreneurs and organization to use to penetrate in the operating industry. It is important for start-up entrepreneurs to be innovative if they want to stand up against the industry competition. Thus, it hypothesized that innovativeness does not have positive effect on SMEs sales growth.

Human Capital Development

Human capital refers to organisation's intangible assets that manifest "as competencies and commitment of the people within an organisation i.e. their skills, experience, potential and capacity." (Osagie, (2011) posits that human capital is one of the elements that aid production, which has the same status as the physical means of production like the factory plant and production equipment; however, human capital can be improved by investing massively in education, training and healthcare of a nation's human capital. Outputs of manufacturing establishments depend to a large extent on the efficiency of human capital (that is, rate of return on the human capital). Lumpkin and Dess (1996) reasoned that organisations need to employ quality human capital for the purpose of repositioning their organisations for good. He quoted the late Steve Jobs: "It doesn't make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do" . However, where human capital is found deficient or deteriorating in productivity, fur ther

training of human capital would be necessary, an action that translates to additional investment expected to yield additional output (Baker and Sinkula, 2009). The operational definition of human capital to be adopted subsequently in this paper is all human elements, manpower, employees and all national work force of a nation (Steve, 2010).

Entrepreneurial Skill

Entrepreneurial skills are skills which are acquired by entrepreneurs or prospective business owners in a bid to recognize business opportunities, strength, weaknesses and threat in an environment of business. Entrepreneurial skills are simply business skill, which an individual acquires to enable him function effectively in the turbulent business environment as an entrepreneur of a self-employed (Oyemi and Adeniji, 2010). Adegbite et al., (2007) also define entrepreneurial skills as skills relating to identifying business opportunities and receiving a sustainable income from these opportunities. The acquisition of entrepreneurial skills means combining personal characteristics, financial resources within one's environment and taking advantage of them for rewarding outcome. Baker and Sinkula (2009) opined that the acquisition of entrepreneurial skills means possessing the ability to find and evaluate business opportunities, gather the necessary resources, initiate appropriate action to ensure success; and implement actions to take advantage of the opportunities for rewarding outcome. The entrepreneur according to Steve (2010) is defined as someone who engages in business enterprises, often with some financial risk. Entrepreneur can be defined as a person who always searches for change, response to it and exploit it as an opportunity.

Entrepreneurial skills needed for establishing small and medium scale business

Entrepreneurial skills are best understood as competencies on resourceful skills capable of steering an individual to be self-reliant, independent and productive in meeting life's challenges. Five major skills are identified among others for enterprises establishment based on economic and environmental factors.

Management skills: Management is the art of getting things done through people. It is the process of harnessing the diverse resources (material, finance, people and time) in a manner as to achieve what the organization set to achieve. It equally involve good planning, organizing, directing and controlling of workers and materials to effectively and efficiently meet set objectives of an

enterprise (Garavan and Costine, 1995). Osagie (2011) also pointed out that one of the problems facing entrepreneurs is lack of managerial skills and experience and thus, suggested that entrepreneurs should have good training in the art of management. The entrepreneur especially those in business related areas require managerial skills because they also play the role of managers since they are responsible for the attainment of their organisational goals and objectives. Management skills are required in starting, developing and managing an enterprise. Management skills required for success in entrepreneurship include the ability to;

- * Making long and short term planning;
- * Inventory control and turnover;
- * Acquisition of management and supervisor/skills;
- * Need for employees growth and development;
- * Identify opportunities and generate idea suitable to the opportunities, and
- * Confidence to make a decision and act upon it.

Therefore, management skills is essentially required by entrepreneurs in order that they can effectively achieve their business goals through coordinated efforts of planning, organizing, staffing, directing and controlling.

Accounting Skills: Accounting is defined as the systematic recording of financial transaction. It is a service activity, the function of which is identifying, measuring, recording and communicating quantitative information, primarily financial in nature, about economic entities. Botha (2006) sees accounting as the process of expressing the economic activities of everyday life in money terms, so that we may estimate the cost of creating goods and services, make decision about production on the basis of these estimates, compare the actual cost as they occur with the estimate originally made, and adjust the output and prices of goods and services accordingly. Osagie (2011) as cited by Eniola and Ektebang (2014) sees accounting as a set of themes, concept or (ideas) and techniques by which financial data are processed into meaningful information for reporting, planning, controlling and decision-making purposes, or situation according to him may create some difficulties for the entrepreneur as he may not come to full appreciation of the meaningful relationship between financial activities and results. The however, further, advised that the entrepreneur should make effort to acquire knowledge in basic competencies of financial accounting as success can only come his/her business through such effort. Some of these accounting skills are:

- * Ability to process accounts receivable and account payable;
- * Ability to process inventories;
- * Ability to post trial ledgers and extract the trial balance;
- * Ability to prepare daily cash report;
- * Ability to prepare bank reconciliation statements;
- * Ability to keep sales and purchases records;
- * Ability to keep debtors ledger;
- * Ability to prepare final accounts profit and loss accounts and the balance sheet;
- * Ability to calculate depreciation;
- * Ability to avoid unplanned expenditures and to prepare simple budget.

Marketing/communication skill: Good Communication is very vital in business venture as well as Marketing skills. The activities of marketing are so diverse that it is difficult to say exactly what marketing is. It involves being able to work as a team, sell ideas and persuade people. Communication skill is where a successful manager get things done through people. To accomplish this, a manager should inspire to motivate employees both individuals and group team levels; he should have good leadership quality which is the ability to deal with people. Osemeke (2012) as quoted by Tambwe (2015) opined that the acquisition of marketing skills offers the entrepreneur the unique strategy for succeeding in business. The entrepreneur is able to offer the right product to his targeted customers then cost and determine his product price which will be acceptable to the customers, based on their perception of the value and a cost that allows for profit making. Ademiluyi (2007) also identified the following marketing skills and competencies, which are needed for effective entrepreneurship by SME managers:

- * Salesmanship;
- * Negotiation;
- * Sales record keeping;
- * Sales promotion;
- * Stock record keeping;
- * Pricing;
- * Advertising channels;
- * Advertising media;
- * Consumer behavior appreciation, and

* Transportation.

Creativity Skills: This involves the ability to see situation from a variety of perspective and then come out with the original ideas. It deals with the ability to draw up a business plan for a new venture having a strong will to build new frontiers, determination to vision into reality; and being able to come up with new ideas not seriously employed in order to stay ahead of competitors. Entrepreneurial skill acquisition is a process whereby a person acquires or learns a particular skill or type of behavior needed for business through training or education. Exploitation of entrepreneurial opportunity also depends on the level of the entrepreneur education, skills or knowledge acquired through training, work experience and social network (Dogarawa, 2011; Etuk et al., 2014). Training and / or education produce prior experience which leads to preparedness for entrepreneurial activity (Muma, 2002). The awareness of the need for entrepreneurial skill training and supports in order to stimulate entrepreneurial activity and reduce business failure has been increased among stakeholders in the industry, business and government because entrepreneurs could be born or made (Osagie, 2011). However, numerous studies asserted that skill training and tertiary education could lead to entrepreneurial activity or self employment (Steve, 2010; Bleeker, 2011, Garavan and Costine, 1995).

How do these skills become effective to SME's productivity?

Many studies have established specific entrepreneurial and business skills essential for the success of SME's. According to Botha (2006), the absence or low levels of key skills like motivations, ability to gather resources, financial management, human resource management, marketing and technical skills, may lead to zero performance, while weakness in a particular element would decrease effectiveness in the overalls performance and productivity of the venture. This thus means that the increase in the capacity of any of these skills can lead to an increase in the entrepreneurial performance of the entrepreneur (Botha, 2006). Entrepreneurial skill is seen to help an entrepreneur establish an enterprise, nurses it from its cradle to its matured level (small to large) and consequently contributes to fiscal intensification of a nation's economy. Therefore, if the acquisition of entrepreneurial skills is encouraged and developed, can lead to the effective and efficient performance and productivity of SMEs which will in turn be of great benefit to the nation's economy.

Business Performance

Performance is the end result of activities carried out and for any business it is concerned with the general efficiency or productivity. Two ways to deal with performance has been recognized in literatures: the financial or “sales-based” and the non-financial or “firm-based”. Whereas the financial is measured with dimensions such as profitability, growth, productivity, level of sales revenue, market share and product, return on investments, product added value; the non-financial is measured in terms of employee development, customer satisfaction, job satisfaction and efficient organizational internal processes (Eniola & Ektebang, 2014). Therefore, the practice of strategic management is justified in terms of its ability to improve organizations’ performance (Baker and Sinkula, 2009; Ebiringa., 2011). According to Adegbite et al (2007), measuring performance is needful since it is a means of determining whether or not an organization is achieving its objectives (Osagie, 2011) and it does evaluate the overall health of an organization, hence strategic.

Small and Medium Scale Enterprises (SMEs)

SMEs form the base of industrial structures (Majama & Magang, 2017), therefore very significant to the advancement of any economy. In most countries especially developing ones, they constitute the main force of the economy. For instance, studies have shown that 97% of all businesses in Nigeria are SMEs, compared to 65% in Europe and 99.7% in the United States (Majama and Magang, 2017; Nwankwo et al., 2012). However, each individual country classifies their SME sectors according to parameters such as turnovers, number of employees, profits, capital, market shares and relative sizes within the industry, etc. Even various institutions, as highlighted in Eniola and Ektebang (2014), in Nigeria have at specific times, defined SMEs in different ways, but the definitions have fixed assets, gross output and number of employees as common measures. In Nigeria, SMEs are generally defined as enterprises with a labor size of not more than 100 workers or a total cost of assets not more than N200million, including working capital but excluding cost of land (Ebiringa, 2011; Nwankwo et al, 2012). Ebiringa (2011) went further to state that, a quick look at the features of SMEs in Nigeria reveals that they are either sole proprietorships or partnerships even when they are registered as limited liability companies and have labor-intensive production processes, centralized management and limited access to capital most especially long-term financing. The best way however, as posited by Botha

(2006), to capture the definition of SMEs within the Nigeria context is in their nature of business and magnitude (Ebiringa, 2011).

RESEARCH METHODOLOGY

The study was carried out in Abeokuta in Ogun State. Survey research design was used. The total number of SME's in Abeokuta was two hundred and fifty (250). The researchers considered one hundred and fifty four (154) small and medium scale enterprises in Abeokuta as sample size using Yard's formula. ANOVA was employed in analyzing the stated hypotheses using the SPSS version 23. Cronbach's alpha test of reliability was also conducted on the questionnaires that was used for the pre-test to assess the internal consistency of the entire scale.

RESULTS AND DISCUSSION

Table 1 Analysis of Response Rate

A total number of 154 well-structured questionnaires were distributed among the respondents, out of which one hundred and twenty eight (128) of the administered questionnaires were retrieved. The table below shows the analysis:

Questionnaires	Respondents	Percentages (%)
Returned	150	97.4
Not returned	4	2.5
Total distributed	154	100.0

Source: Field Survey, 2019

Table 2 Demographic Characteristics of the Respondents

The demographic characteristics of the respondents include: Sex, age, marital status, job title, educational qualification and ages of firms.

Table.2a: Distribution of the Respondents' Demographic Characteristics (N=150)

Variables	Categories	Frequency	Percent	Cumulative	Mean
Gender:	Male	69	46.0	46.0	1.54
	Female	81	54.0	100.0	
Marital Status	Married	67	44.7	44.7	2.0
	Single	51	34.0	78.7	
	Divorced	13	8.7	87.3	
	Separated	19	12.7	100.0	

Age (Years)	21 -30	63	42.0	42.0	1.73
	31 -40	64	42.7	84.7	
	41 -50	23	15.3	100.0	
Education	Ssce	40	26.7	26.7	2.53
	Hnd/Bsc	40	26.7	53.3	
	Msc/PhD	21	14.0	67.3	
	Others	49	32.7	100.0	
Age of firm	Less than 5years	54	36.0	36.0	2.17
	5-10	52	34.7	70.7	
	11-15	8	5.3	76.0	
	Above 15	36	24.3	100.0	
Work experience	Less than 5	70	46.7	46.7	1.69
	5-10years	63	42.0	88.47	
	Above 10	17	11.3	100.0	

Source: Field Survey, 2019

Gender

The results on the sex distribution of the respondents from table 4.2 reveals that 46.0 % were male while 54.0% were female. This percentage indicates that the number of female respondents were higher than males, which suggests that small and medium enterprises are female dominated. This is in consonance with the study of Eniola and Ektebang (2014) which posits that small and medium enterprises are dominated by females.

Marital Status

The results from table 4.2 shows that majority (44.7%) of the respondents were married, (34.0%) are single, (8.7%) divorced and (12.7%) separated. This gives an indication that marriage is a valued and important institution. This is also in consonance with the findings of Osemeke, (2012) that posits that marriage is an important factor in the living of individuals in our society, as it is perceived to confer responsibility on an individual.

Age

The age distributions of the respondents shows that 63 (42.0%) are between 21 - 30years, 64 (42.7) are between the ages of 31 - 40years and 23 (15.3%) are either

41years or above. Majority falls between the age range of 21 – 30years and 31 – 40years. This implies that majority of the respondents are still active and agile. This is in consonance with Simon (2009) that more of the middle age people are into one or more business.

Educational qualification

The table shows the educational qualification of respondents. The results reveals that 40 (26.7%) of the respondents are SSCE holders, 40 (26.7%) HND/BSC, MSC/PhD 21 (14.0%) and OTHERS 49 (32.7%). The implication is that education is important in attaining business growth. This agrees with Osagie (2011) that education is an important factor for understanding business and skill competence development.

Age of Firm

Results from table 4.2 shows age of the firm. The results shows that 54 (36.0%) are less than 5years, 52 (34.7%) are between 5 – 10years, 8 (5.3%) are between 11 – 15years and 36 (24.0%) are more than 15years.

Work Experience

Results from 4.2 also show the work experience of the respondents. 70 (46.7%) respondents have less than 5years experience, 63 (42.0%) have between 5 – 10years experience and 17 (11.3%) are either 11years and above. This is implies that experience is an important factor for business growth. This is in line with Osagie (2011) that experience improves performance and competences.

HYPOTHESES TESTING

Table 3 HYPOTHESIS 1

Ho₁: There is no relationship between creative thinking and business growth.

Table 3a Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682 ^a	.465	.461	.64363
a. Predictors: (Constant), Creative thinking				
b. Dependent Variable: Business growth				

The result of regression as contained in Table 3a: model summary, shows that the R Square gave a large value of 46.5 per cent. This means that creative thinking explained about 46.5% of the variance in business growth.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	53.260	1	53.260	128.568	.000 ^b
	Residual	61.310	148	.414		
	Total	114.571	149			

a. Dependent Variable: Business growth

b. Predictors: (Constant), Creative thinking

The result of regression as contained in Table 3b: ANOVA, shows that the F-test was 128.568, significant at 1 percent (< 0.00). This showed that the model was well specified.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.826	.343		2.406	.017
	Creative thinking	.789	.070	.682	11.339	.000

a. Dependent Variable: Business growth

Also, the result of regression as contained in Table 3c regression coefficients, tests the first hypothesis of this study. From the output above, there was positive relationship between creative thinking and business growth such that units increase in creative thinking caused about .789unit increases in business growth which was statistically significant at 1 per cent with the aid of the p value (0.00). Based on the result, the null hypothesis is rejected; thus, there was positive relationship between creative thinking and business growth.

Table 4 HYPOTHESIS 2

Ho₂: There is no relationship between risk taking and increased in product line.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.680 ^a	.462	.459	.50991

a. Predictors: (Constant), Risk taking

The result of regression as contained in Table 4a: model summary, shows that the R Square gave a large value of 46.2 per cent. This means that risk taking explained about 46.2% of the variance in increased product line.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.097	1	33.097	127.292	.000 ^b
	Residual	38.482	148	.260		
	Total	71.579	149			

a. Dependent Variable: Increase product line

b. Predictors: (Constant), Risk taking ability

The result of regression as contained in Table 4b: ANOVA, shows that the F-test was 127.292, significant at 1 percent (< 0.00). This showed that the model was well specified.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.189	.314		3.788	.000
	Risk taking ability	.755	.067	.680	11.282	.000

a. Dependent Variable: Increase product line

Also, the result of regression as contained in Table 4c regression coefficients, tests the second hypothesis of this study. From the output above, there was positive relationship between risk taking and increased product line such that units increase in risk taking caused about .755unit increases in product line which was statistically significant at 1 per cent with the aid of the p value (0.00). Based on the result, the null hypothesis is rejected; thus, there was positive relationship between risk taking and increased product line.

Table 5 HYPOTHESIS 3

Ho₃: Entrepreneurial alertness does not have any effect on customer's growth.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606 ^a	.367	.363	.54935

a. Predictors: (Constant), Entrepreneurial alertness

The result of regression as contained in Table 5a: model summary, shows that the R Square gave a large value of 36.7 per cent. This means that entrepreneurial alertness explained about 36.7% of the variance in customers' growth.

Table 5b ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.946	1	25.946	85.972	.000 ^b
	Residual	44.665	148	.302		
	Total	70.610	149			
a. Dependent Variable: Customer growth						
b. Predictors: (Constant), Entrepreneurial alertness						

The result of regression as contained in Table 5b: ANOVA, shows that the F-test was 85.972, significant at 1 percent (< 0.00). This showed that the model was well specified.

Table 5c Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.651	.333		4.962	.000
	Entrepreneurial alertness	.652	.070	.606	9.272	.000
a. Dependent Variable: Customer growth						

Also, the result of regression as contained in Table 5c regression coefficients, tests the third hypothesis of this study. From the output above, there was positive relationship between entrepreneurial alertness and customers' growth such that units increase in entrepreneurial alertness caused about .652unit increases in customers' growth which was statistically significant at 1 per cent with the aid of the p value (0.00). Based on the result, the null hypothesis is rejected; thus, there was positive relationship between entrepreneurial alertness and customers' growth.

Table 6 HYPOTHESIS 4

Ho₄: Innovativeness does significantly affect sales growth.

Table 6a Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.675 ^a	.456	.452	.62197
a. Predictors: (Constant), Innovativeness				

The result of regression as contained in Table 6a: model summary, shows that the R Square gave a large value of 45.6 per cent. This means that innovativeness explained about 45.6% of the variance in sales growth.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	47.986	1	47.986	124.043	.000 ^b
	Residual	57.254	148	.387		
	Total	105.240	149			

a. Dependent Variable: Sales growth

b. Predictors: (Constant), Innovativeness

The result of regression as contained in Table 6b: ANOVA, shows that the F-test was 124.043, significant at 1 percent (< 0.00). This showed that the model was well specified.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.574	.365		1.572	.118
	Innovativeness	.862	.077	.675	11.137	.000

a. Dependent Variable: Sales growth

Also, the result of regression as contained in Table 6c regression coefficients, tests the fourth hypothesis of this study. From the output above, there was positive relationship between innovativeness and sales growth such that units increase in risk taking caused about .862unit increases in innovativeness which was statistically significant at 1 per cent with the aid of the p value (0.00). Based on the result, the null hypothesis is rejected; thus, there was positive relationship between innovativeness and sales growth.

Empirical Findings

Hypothesis one

These findings were derived from the data analyzed from the questionnaire and were backed up by past findings. These include:

Hypothesis one shows that there exist a significant relationship between creative thinking and business growth (P value . The null hypothesis is rejected and alternative accepted, this implies that the more that creative thinking relates to

business growth. This implies that when the effective thinking process is used it helps business come up with sound business ideas and new ways of doing thing which can translate or relate to business growth on the long run. It therefore becomes important for small and medium enterprises owners and employees to take time and involve in creative thinking if they wish to take the enterprise to their desires level. The study affirmed with (Oyeniya and Adeniji, 2010) which believes that creativity is critical in accelerating business growth.

Hypothesis two

Hypothesis two revealed the effect of risk taking on increased in product line i.e (P value . The null hypothesis was rejected and this implies that risk-taking significantly affects increase in product line. This study affirmed that small and medium enterprises must take calculated risk for which future stream of benefits like increase sales, growth and products are guaranteed (Osagie, 2011). Hence, entrepreneurship education helps shape the ability, capability and potentials of individuals to undertake risks for which economic benefits are ensured.

Hypothesis three

Hypothesis three revealed that entrepreneurial alertness significantly affects customers' growth i.e (P value . Entrepreneurs must be ready to take opportunity that shows up into the business environment. Entrepreneurial alertness therefore helps small and medium enterprises to be conscious of their environment in other to bring about new products offering, ideas and innovation that will enhance customer growth. This result are in agreement with the conclusions made by Steve (2010) where they concluded that training programs led to significant improvement in financial performance of SMEs.

Hypothesis four

Hypothesis four shows that innovativeness does significantly affect sales growth. Innovation is therefore very important for the survival and growth of small and medium enterprises. Small and medium enterprises may innovative using several forms ranging from a willingness to try a new product line or experiment with a new advertising medium, to a focused effort to master the latest products or technological advances (Adisa et al., 2016). Hence, an innovative organization sees things the way others see them but do things differently.

Conclusion

Entrepreneurial education is very important because it inculcates in its recipients, entrepreneurial competencies and skills geared towards focusing their minds towards self-reliance and self-employment. The rate of unemployment in the country has made entrepreneurship to be the only way forward; therefore entrepreneurship education was incorporated into institutions' curricula as a means of stimulating self-reliance and employment in the society. This study has been able to expand the frontier of knowledge by looking at ways small and medium enterprises has benefited from entrepreneurship education in improving their businesses in terms of innovation, alertness. By the analysis it can be concluded that entrepreneurship education through entrepreneurial skills, innovativeness, risk taking and creative thinking helps improve the business practices of small and medium enterprises as well as their number. Conclusively, government must encourage people to go into the tire recycling industry so as to reduce the rate of unemployment and improve the performance of small and medium scale enterprises.

Recommendations

It therefore becomes necessary to provide some measures that would assist in improving the level of entrepreneurship and its contribution to small and medium enterprises performance. The following recommendations were put forward;

- * Entrepreneurship education at Federal, State and Private University as well as other tertiary institutions should be the core of employment generation efforts of government and all those that are concern with solving employment problems among Nigerian youths.
- * Effort should be focused to other sectors like the tyre recycling industry that needs innovative minded people who are ready to venture into the industry for sustenance.
- * Entrepreneurship education, which must be practical oriented, should be assisted and funded by government to assist in building in the nearest future.
- * Since entrepreneurship education enhances successes of entrepreneurs effort should be made to establish those factors that contributes to business sustainability.
- * Effort should be made to increase the awareness of entrepreneurship education as it serves as awareness for employment generation and business growth.

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