ENTREPRENEURSHIP EDUCATION AND PROFITABILITY OF ENTREPRENEURS IN EBONYI STATE, NIGERIA.

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Abstract

The study examined the effect of entrepreneurship education on entrepreneurs' profitability in Ebonyi State of Nigeria. The study adopted a survey research design. The population of the study was the 1205 registered entrepreneurs in Ebonyi state. Using Raosoft sample size determination formula, at 95% confidence level and margin of error of 5%, a sample size of 295 was determined and used for the study. Questionnaire was the only instrument employed for data collection in the study. Regression was used in analyzing the formulated hypothesis. The findings revealed that entrepreneurship education has a positive and significant effect on the entrepreneurs' profitability in Ebonyi state. It was concluded that entrepreneurship education is an important determinant of entrepreneurs' profitability in Ebonyi state. The study recommended among others that more entrepreneurial opportunities be created by policymakers so as to instill entrepreneurship

confidence in her citizens and rebuild a better entrepreneurial mindset in the people thereby building a productive economy.

Keywords: Ebonyi State, Entrepreneurship Education and Entrepreneurs' Profitability

1. Introduction

According to Annual States Viability Index (ASVI) 2020 report, only six (6) states out of the thirty six states and the Federal Capital Territory in Nigeria are economically viable. These states include; Lagos, Ogun, Rivers, Kwara and Enugu. Without the monthly allocation and disbursement from the federation account, many states in Nigeria including Ebonyi state remain economically unviable and cannot survive without what former Deputy Senate President, Distinguished Senator Ike Ekweremadu described as feeding bottle mechanism, collected mostly from the oil sector. Lagos state generates more internally generated revenue than 20 states in Nigeria combined (Abasi, 2019).

Ebonyi state is one of the five states in the Southeastern party of Nigeria with abundant human and solid mineral resources like salt, lead and large quantity of mining/mines. The state has been in existence for the past twenty two years. Before now nobody knows Ebonyi and none cares to know as the state was tactically deleted from the political and economic map of Nigeria(Okoye,2019). The state was known for guinea worm, poor road network, bad governance, and her active youths dominating and doing all menial jobs and can easily be identified in all traffic jams in major cities in Nigeria (Ikpeama,2020). However, this narrative is currently changing with the developmental stride by the current Governor, Engr David Umahi and the state is gradually taking her rightful position in the political, social and economic map of Nigeria.

Still, the current position of Ebonyi state in Nigeria's economic ranking, 33^{rd out} of 36 states (in GDP ranking) in Nigeria is worrisome (Njoku, 2020). This no doubt necessitated the establishment of the Ministry of Business Development to facilitate the improvement of businesses in Ebonyi state thereby promoting entrepreneurial development, job creation, creativity, innovativeness, nurture, build and promote indigenous entrepreneurs and reposition the state in the economic map not only in

Nigeria but in the world. To achieve this economic stride in the state, entrepreneurship education is seen as a vital vehicle to steer and drive the state to her economic destination.

It has been proven that the supply of active and dedicated entrepreneurs in a society through entrepreneurship education helps in building the economic base of that area. This can be achieved through developing a practical insight about the feasibility and desirability of entrepreneurs through active educational and vocational activities at an early age (Eze, 2019). Entrepreneurship education among the people increases entrepreneurial alertness and willingness. When embedded in solid learning theory, entrepreneurial education enhances the ability of entrepreneurs, by increasing entrepreneurial awareness and promoting psychological attributes associated with entrepreneurs (Maina, 2013).

As the world develops economically in a digital form today, no matter where you rotate to, stories abound of the massive social, economic, and educational profit attached to entrepreneurship and entrepreneurial activities. Consequently, entrepreneurship education and vocational programmes are flourishing in colleges, technical institutions and universities around the globe (Abdul, 2019). Tende (2018) opined that about 25 years ago only a countable number of schools offer entrepreneurship or entrepreneurship related courses, today more than 300 colleges, technical, vocational and universities across Nigeria offer one form of entrepreneurship education the other.

Despite the support from government and policymakers in Ebonyi state aimed at developing new and expanding existing entrepreneurship educational programmes in the state, many entrepreneurial businesses are still not breaking-even in the State. Many still doubt if entrepreneurship education is worth investment in, whether entrepreneurship training increases their profit level. It is on this note that this study seeks to investigate the effect of entrepreneurship education on entrepreneurs' profitability in Ebony state.

The main objective of the study is to determine the effect of entrepreneurship education on the profitability of entrepreneurs in Ebonyi state Nigeria. The study hypothesized that:

Ho₁: Entrepreneurship education has no significant effect on entrepreneurs' profitability in Ebonyi state.

2. Literature Review

Entrepreneurship education is a contemporary issue that captures the attention of developed, developing and underdeveloped nations of the world today. This is because the untapped source of development unlocks the economic potentials of the populace; empowers and equips the active youth in the society to participate in, contribute their quota and benefit from the country's natural and national economy. It equally helps in facilitating economic development and provides the basis for economic revolution (Ikpeama, 2020). Education is generally seen as a catalyst for economic development and sustainability.

In Ebonyi state, the importance of entrepreneurship and entrepreneurship education are not neglected in anywhere. Due to the value attached to this sector, the former Federal House of Representative member, who represented Ohaozara, Onicha and Ivo Federal Constituency in the 7th and 8th National Assembly; Honorable Linus Abbah Okorie campaigned vigorously during his time for Ebonyi youths to be pulled out of the major streets in the country that they were known for and embrace entrepreneurship and entrepreneurship education as this will profit them more than the street trading they were into. He redirected and refocused the mindset of the youths in his constituency through his entrepreneurship programmes like metal work, fishery, and snail rearing and today, he has succeeded in changing the narratives of those who keyed in and harvested from the available opportunities then.

As the world is in economic crises today due to the global pandemic of Covid 19, this implies that the entire world is in a battle between qualitative entrepreneurship education and total collapse. Many are been laid off their jobs, companies are running at lost, but the world is still waiting for the entrepreneurs to help, take the required risk and save the world from economic collapse. (Ubonm, 2017). Abiola (2019) noted that entrepreneurship education has the ability to provide the people with purposeful knowledge and required

skills to build up their personality, attitude, and prepare them for future task. It helps in developing the eco-system that promotes creativity, effectiveness, efficiency, innovation and profit oriented businesses (Alarpe, 2017). Asiama (2017) noted that entrepreneurs have passion for doing things in a clearer and improved way, using the SWOT analysis to navigate through the constraints of current rules and resources.

Brian and Madu (2010) argued that entrepreneurship is not just a business enterprise; its importance goes beyond current issues as it serves as an agent of change and economic development. Nzewi and Ojiagu (2019) noted that entrepreneurial changes allow entrepreneurs to be proactive and have competitive leadership edge while focusing on creating new ideas for the satisfaction of customers, unsettling rival's strong hold and altering the competitive landscape through new models, innovativeness, and creativity. Orogbu, Oyigbo and Onyeizugbe (2015) argued that creativity has emerged as the single most serious economic challenge confronting the globe at present. Creativity as an entrepreneur is a function of mental and physical abilities that entrepreneurs have to learn on how to strategically scrutinize the surroundings for the purpose of identifying urgent needs of the society and possibly provide the required solutions thereby making profit.

As the world consistently opens for profitable business activities, entrepreneurs are thinking, digging deeper and harvesting from such opportunities (Okoye, 2019). Entrepreneurship is one of the economic variables that attract the attention of the policymakers and researchers both in the developed and developing countries in the last three decades. Several efforts and initiatives are being made by government in various states in Nigeria to promote entrepreneurship through entrepreneurship education, increase their profit level in the sector and contribute to the overall economic growth and development of the country. Interests are high in the entrepreneurial development, entrepreneurship activities as well as entrepreneurial alertness of the youth as they continued to dominate the front burner of policy debates in the developed and developing countries like Nigeria. Most economically fragile countries of the world that

paid key attention to entrepreneurs and entrepreneurship education are bouncing back economically (Shema, 2012).

In Ebonyi state, Uche (2020) argued that various entrepreneurs have experienced progressive growth in business in terms of profit making from the inception because such entrepreneurs acquired the required entrepreneurship education and training qualities; put same into practice.

Daniel (2019) argued that if an entrepreneur with zeal to excel work consistently and persistently, putting the square peg in the business square hole, profit is a sure bet. It is on record that some businesses fall short of the desired growth and success today because of heavy reliance on profit making rather than to satisfy customers, forgetting that customers today pay for satisfaction and not product (Okereke, 2019). Therefore, keeping in view the needs and wants of customers, business must be focused on quality products and services thereby making profits on the long run.

In entrepreneurship and profitability, Ezie(2019) noted that millions of people enter new businesses globally annually, less than one quarter of the new entrepreneurially minded individuals actually develop profitable business ventures. Understanding how these insignificant number navigate and successfully make their initial profits, while majority did not has been a major challenge for entrepreneurial scholars and management experts. Treyger(2020) argued that entrepreneurial drive can be exciting if the business is profitable, and the entrepreneur succeeds. It can also be filled with missteps, regrets and discouraging especially when irreversible and unavoidable mistakes occur in business. In a situation like this, the entrepreneur can decrease his learning curve by following wise advice from those that have travelled through the same root and succeeded before. Anoke(2020) opined that an entrepreneur without profitable business is discouraging and will not be able to create jobs and mentor others which is the essence of entrepreneur and entrepreneurship. It is equally difficult to make profit in business as an entrepreneur when he or she cannot create value, facing tough competitors, fickle customers and hostile business environment as currently seen in Nigeria business environment. To succeed in

business as an entrepreneur, one needs to understand and adopt the attitude that your number one job as an entrepreneur is to create value and make profit. To achieve this, sustained entrepreneurial activities, creativity, innovativeness, success and profitability cannot and should not be taken as an optional exercise.

Empirical Review

Resheed(2020) carried out a study to establish the effect of entrepreneurship education on the entrepreneur profitability in Turkey. The study involved the identification of entrepreneurial factors supporting the potency of entrepreneurship education to impact on the profit of entrepreneurial businesses. The study used primary data through questionnaire to source for the required information. Simple regression was used to analyze the collected data. The result revealed that individual and environmental factors are responsible for determining the level of business profit. The study also revealed that entrepreneurs' networking has no relationship with entrepreneurs' profit in business. The study concluded that the profitability of entrepreneurs depends on individual and environmental factors

The study of Rasheed (2020) failed to state the population, the sample size and sample size determination formula used in the study. In addition, the study did not yield any recommendation for future references.

Bertha (2019) carried out a study to investigate the impact of entrepreneurship education on the growth of family businesses in Delta state, Nigeria. The population was 920 registered family businesses in the state. 120 respondents were randomly selected from the total population and used as sample size of the study. Questionnaire was the only instrument of data collection used. Regression was equally used to analyze the collected data. The study found an inverse relationship between entrepreneurship education and family businesses in Delta state. The study concluded that entrepreneurship education does not affect the growth of family businesses in Delta state Nigeria. The study therefore, recommended that better family based business programmes should be

developed and taught in school while families should inculcate entrepreneurial culture in their children and gets them young by building their entrepreneurial mindset.

The study of Bertha (2019), though well-constructed, failed to use the proper statistical tool in determining the sample size from the population and the source of the population was not equally stated. Worst still, the population to the sample size are not proportional. The sample size therein cannot be a representation of the population. Therefore, the finding, conclusion and recommendation emanating therein cannot be relied upon.

Onu (2019) examined the effect of entrepreneurial competencies on women entrepreneurial businesses in Enugu state, Nigeria. The study employed a descriptive survey research design. The population of the study was 911 registered women entrepreneurs in Enugu Metropolis. The study employedYamane (1967) sample size determination to select 278 women entrepreneurs as the sample size for the study. Data for the study were collected through closed-ended questionnaire. Regression was adopted in the analysis of the data. The finding revealed that personal competencies have positive and significant effect on women entrepreneurs in Enugu Metropolis while technical competencies have insignificant and positive effect on women entrepreneurs in Enugu Metropolis. The study recommended that women entrepreneurs should equip themselves with personal entrepreneurial competencies for business success.

The study of Onu (2019), though well-constructed with proper statistical tool of analysis, failed to state the total number of completed and returned questionnaires that were used for the analysis from the 278 administered questionnaires because it will not sound convincing that 278 were administered and all returned.

3. Research Methodology

The study adopted a descriptive research design because the data or information needed for the study required the use of structured questionnaire that was administered to the respondents who are entrepreneurs in Ebonyi state. The population of the study consists of the registered entrepreneurs in the state. According to Enterprise Agency of Nigeria

(EAN) Ebonyi state chapter, there are 1205 registered entrepreneurs in Ebonyi state, which served as the population of the study. Using Raosoft sample size determination formula, at 95% confidence level and margin of error of 5%, a sample size of 295 respondents was obtained and questionnaire was the only data collection instrument employed in the study. The questionnaire was designed in a five (5) point liket style scale to collect data from the respondents. The copies of the questionnaire were self administered to the sampled respondents. However, only 244 copies of the questionnaire administered were returned and used for the analysis.

The choice of Ebonyi state in this study is as a result of the current position of the state in Nigeria's economic ranking through her GDP and per capita income that stands at 33rd position out of 36 states in Nigeria considering her numerous and untapped human and material resources (Njoku,2020).

The questionnaire was subjected to reliability test to ascertain the reliability of the questionnaire and the instruments used were statistically standard. The reliability of the questionnaire was not less than the Alpha value 0.7 as recommended by Nunnally (1978)

1. Summary of the Reliability Measurement (Cronbach's Alpha)

Questionnaire Variables	Cronbach's Alpha
Entrepreneurship Education	0.792
Entrepreneurs Profitability	0.751

Source: SPSS-25, 2021

The Table 1 indicates the reliability of the instruments of the variables; they have Alpha value above 0.70, which means they are reliable.

The statistical tools used are simple regression and simple percentages. The simple regression was used to determine whether there is an effect relationship between the variables.

This study adopted Berta (2019) model with little modification.

The model is expressed in this study as follows:

Where y = dependent variable, $\alpha =$ intercept, β_I is coefficient and x is the independent variable. However, the above model is expressed as:

$$EP = \alpha + \beta_I ENE + +\mu \dots equation 2$$

Where:

EP = Entrepreneurs' Profitability (Business expansion and sales volume)

ß = Coefficient

 α = Intercept

 μ = Error terms

ENE = Entrepreneurship Education (Skills, creativity and innovativeness)

4. Data Analysis and Discussion

Table 2: Descriptive Statistics

Descriptive Statistics

		N	Minimum	Maximum	Mean	Std. Deviation
EP		244	1.00	5.00	3.2190	1.65427
ENE		244	1.00	5.00	3.5111	1.18821
Valid (listwise)	N	244				

Source SPSS version 25.00

The table 2 above revealed that the result of descriptive statistics indicating the mean and standard deviation as well as the minimum and maximum value of the variables. The mean value of entrepreneurs' profitability (EP) is 3.21 and entrepreneurship education (ENE) is 3.51. The table also recorded the standard deviation of the variables of 1.65 and 1.19 respectively.

Table 3. Regression Analysis

Model Summary

Mode	R	R Square	Adjusted R	Std. Error of
1			Square	the Estimate
1	.7693 ^a	.6792	.6691	.32101

a. Predictors: (Constant), ENE

ANOVA^a

Model		Sum of	Df	Mean	F	Sig.
		Squares		Square		
	Regression	90.183	2	44.086	13.114	.000 ^b
1	Residual	24.801	242	.092		
	Total	112.984	244			

a. Dependent Variable: EP

b. Predictors: (Constant), ENE

Coefficients^a

Mod	del	Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		В	Std. Error	Beta		
1	(Constant)	2.755	.057		47.926	.000
	ENE	.511	.046	.325	5.184	.000

a. Dependent Variable: EP

Source: econometric output, 2021

Decision rule: 5%

The F-statistics which is used to examine the overall significant of the regression model equally shows that the result is significant as indicated by the high value of the F-statistic, 13.11 and it is significant at the 5.0 percent level. That is, the F-statistics P-value of .000

is less than 0.05. The coefficient of determination(R-square), used to measure the goodness of the fit of the estimated model indicates that the model is reasonably fit in prediction. The R² value of 0.6792 shows that entrepreneurship education has a great impact on entrepreneurs' profitability in Ebonyi state. It indicates about 67.97 percent of the variation in entrepreneurs profitability is explained by entrepreneurship education, while the remaining unaccounted variation of 32.08 percent is captured by the random variable.

Discussion of Findings

The study found that entrepreneurship education has a positive and significant effect on the entrepreneurs' profitability in Ebonyi state. This implies that the investment in entrepreneurship and entrepreneurial activities by the policymakers in Ebonyi state is yielding the desired result. The study is in line with the findings of Rasheed (2020) who found a strong relationship between entrepreneurship education and profitability of entrepreneurs in Turkey. The study also contradicts the findings of Bertha (2019) who found an inverse relationship between entrepreneurship education and growth of family businesses in Delta state Nigeria

5. Conclusion and Recommendations

In conclusion, the effect of entrepreneurship education on the business profitability of entrepreneurs in Ebonyi state Nigeria was examined in this study with the aim of accessing its effectiveness and significance towards achieving creativity, innovativeness, increased sales volume, expansion, growth and sustainability that are embedded in entrepreneurs' profitability scale. The study hypothesized that entrepreneurship education has no significant effect on entrepreneurs' profitability in Ebonyi state. It was found that entrepreneurship education has a positive and significant effect on the profitability of Entrepreneurs in Ebonyi state and concluded that entrepreneurship education is an important determinant of entrepreneurs' profitability in Ebonyi state.

The study then recommended that more entrepreneurial opportunities be created by policymakers so as to instill entrepreneurship confidence in them and rebuild a better entrepreneurial mindset in the people thereby building a productive economy. Families should also get their kids young by

inculcating entrepreneurial culture in them at the early stage in life as this will help change the narratives positively.

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