

# Entrepreneurship Education and Poverty Alleviation: Impact Analysis of Covenant University Graduate between 2006- 2013

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**Abstract—** Entrepreneurship is central to the economic growth and development of any nation and empirical evidence has shown that economic growth over time is necessary for poverty reduction. Entrepreneurship education is the process that provides trainees with knowledge, skills and attitudes to create wealth for poverty reduction and self-employment. Covenant University from inception has played tremendous role in promoting entrepreneurship education in Nigerian education system. This paper therefore intends to examine the impact of Entrepreneurship Education in alleviating poverty among the graduates of Covenant University. The population of the study comprise of all graduates of Covenant University between 2006–2013. Regression analysis was used to validate the hypotheses raised in the study. The theoretical and managerial implications of the results were discussed. Based on the findings of this study, conclusion and recommendations were made for implication.

**Keywords:** Entrepreneurship Education, Poverty alleviation, Employment creation and Self- employment.

## I. INTRODUCTION

Small business growth have for long been recognized as engines of economic growth and industrialization. Accordingly, evidence is replete from developed countries and developing countries that entrepreneurship contributes to the development of small and medium scale enterprises. Besides, in developing countries of Africa where the rate of population growth oversteps employment growth, the promotion of entrepreneurship is both a desirable tool for employment creation and as a strategy for poverty alleviation. Consequently, given the widespread acceptance of the role of entrepreneurship and new firm formation as engines of growth and innovation, several developing country public policies

pay increasing attention to private sector development [3]. Also, governments in the Euro zone perceive entrepreneurship as a vehicle of job creation and economic growth, and provide supportive policies to foster entrepreneurship development [7]. In a conceptual model, [1] allude to the relationship between government initiatives for entrepreneurship education and the poverty alleviation.

However, graduates of traditional management education systems who reside in countries characterized by high population growth and low level of industrialization are inherently disadvantaged in terms of work prospects, hence their susceptibility to poverty. The defective nature of traditional management education, which has a colonial heritage, necessitates the introduction of entrepreneurship education. The inclusion of entrepreneurship into the education curriculum is perceived as an essential step towards intimating enrollees on the benefits of entrepreneurship and preparing them for economic opportunities. Entrepreneurship education has been viewed as a specialized system of knowledge that inculcates traits of risk-taking, innovation, arbitrage and ability to coordinate factor inputs in order to create new products or services for new and existing users within human communities [16]. Moreover, entrepreneurship education entails the transfer of information and skills germane to investment opportunity identification, entrepreneurial strategies and enterprise management tools to an audience. Thus, entrepreneurship education contributes immensely to the development of an entrepreneurial spirit (rising entrepreneurial self-efficacy, self-employment and risk-

taking tendencies) which is central to economic development [6; 14; 4].

In this paper, we conceptualize entrepreneurship education as a process that provides trainees with knowledge, skills and attitudes necessary to create wealth for poverty reduction and self-employment. The training process is designed to train individuals with innovative and creative enterprise skills required to identify business opportunities and initiate new ventures which can contribute to economic development and poverty reduction.

Effective from 2007/2008, Nigeria's Federal Ministry of Education instituted entrepreneurship education as a compulsory component of tertiary education in Nigeria [20]. Accordingly, Nigerian higher institutions have begun to develop entrepreneurship training systems, and it becomes important to examine the effectiveness of the entrepreneurship education programmes vis-à-vis graduate entrepreneurial activities. While there are several studies that have examined the role of entrepreneurship education on entrepreneurial intentions of secondary and university students, there are fewer studies that embark on tracer studies to check the entrepreneurial activities of graduates. Moreover, it is more common for graduate business schools to carry out tracer studies on their alumni than other tertiary institutions; hence fewer tracer studies which examine the impact of entrepreneurship education on graduate's entrepreneurial activities. This study focuses on analysing the impact of entrepreneurship education on poverty alleviation of Covenant University graduate from 2006-2013set. Covenant University was chosen because Covenant University from its inception has played tremendous role in promoting entrepreneurship education in Nigerian educational system. This institution runs entrepreneurship programmes for all students from their first year to their final year. This study is carried out within a conceptual model which perceives entrepreneurship education as a poverty alleviation strategy, this study examines the impact of entrepreneurship education received on graduates' entrepreneurial key competence (ideas, knowledge, skills and motivation) and on poverty alleviation. The study assesses the contribution of entrepreneurship education of graduates' entrepreneurial activities and on poverty alleviation.

## II. CONCEPTUAL FRAMEWORK/LITERATURE REVIEW

It has been generally said that the development of any economic system is dependent on the development of entrepreneurship within that economy. As such, the role of entrepreneurs in the economic development and wellbeing of the society and the nation have been acknowledged by Policy-makers, industry practitioners, educators and researchers. This has led to the study and assessment of entrepreneurship programs across different economies, regions, nations and economic development of the world [24]. Studies in the literature have revealed that Entrepreneurship education has the capacity to impact positively on the entrepreneurial mindset of young

people by stimulating their creativity/innovative abilities, their intentions towards entrepreneurship, their role in poverty alleviation, employability and finally on their role in the society and the economy [14;4]. Studies in the literature [17; 9; 21] have emphasized that the aim of entrepreneurship education is to provide graduates with the diverse range of skills required to pursue their career as an entrepreneur, help in the identification of innovative ideas/opportunities and transference of such ideas into practical entrepreneurial venture for the benefit of the individual, society and the economy.

The relationship between entrepreneurship education and entrepreneurship intentions is commonly studied among undergraduates' students in the literature. [12] alluded to the importance of students' work experience with established entrepreneurs' and their participation in activities - business plan writing, entrepreneurship clubs - availability of incubation centres, financial support as crucial drivers of students' entrepreneurial intention.

Literature [9, 21] also indicate that entrepreneurship education affects students' intention and propensity to entrepreneurship. Using data on undergraduate students of a tertiary institution in South West Nigeria, [9] found a positive relationship between students' exposure to entrepreneurship education and their entrepreneurial intentions. The authors posited that for intentions to be turned to entrepreneurial activities, other exogenous factors are contributive – in addition to entrepreneurship knowledge and skill acquisition, access to finance, infrastructure, favourable business environments. This shows that entrepreneurship education is intended to impacts on key competencies of an individual leading to the creation of an enterprise culture within the society thereby impacting on the socioeconomic life of a nation. The entrepreneurship key competence is a composition of an entrepreneurial attitude, entrepreneurial skills and knowledge of entrepreneurship [23]

Studies from the African literature have demonstrated that socioeconomic developments of African countries is essentially dependent on creating, promoting entrepreneurial awareness and the establishment of micro/cottage small and medium scale enterprises [MSMEs] through the teaching of entrepreneurship education [15; 4]. Meanwhile [25] noted that the eradication of poverty can be determined by the ability of the economist and industrial practitioners to create job opportunities, business opportunities in a better market competition and also investment opportunity. Based on differing country contexts, some studies also examine the role of entrepreneurship education as a poverty alleviation strategy amongst tertiary graduates

There are several studies on South Western Nigeria on the role of entrepreneurship education and training as tools for poverty alleviation. In an impact evaluation of entrepreneurship education on social welfare of some graduates in Ekiti, Nigeria, [7] found that the acquisition and practice of entrepreneurship skills contributed to providing a standard of living and alleviating poverty. Also, [19] used a stratified random sampling technique to

deduce responses from 250 entrepreneurs and apprentices. The findings of the study indicate formal or informal entrepreneurship training and education were significantly related to youth empowerment and social welfare improvements. Respondents with technical skills felt economically empowered or had such prospects as escape routes from poverty.

In a recent study, [20] using a random sample of unemployed graduates and lecturers employed in Nigerian tertiary institutions, examined the relationship between entrepreneurship education and graduate unemployment in South-South Nigeria. The findings of the study indicate that entrepreneurship education has gained widespread acceptance as a prospective career path choice. [18] found that entrepreneurship education gives an entrepreneurial impetus to enrollees of tertiary institutions and contributes to the restructuring of employment patterns [5].

Mainly, studies in the literature have focused on the impacts of entrepreneurship education on undergraduates' students' entrepreneurial intentions without accessing the impacts on graduates. There are fewer studies that trace the conduct of university alumni and graduate school alumni in Africa. This is owing to the fact that such tracer studies require the maintenance of up-to-date database of Alumni and an effective management information system, which most tertiary institutions in developing countries are deficient. For instance, Davey et al. [2011] compared students from European and African universities found that African students intend to be entrepreneurial than European students. Students with entrepreneurship majors tend to be more entrepreneurial than those with other majors. [8] contains a detailed review of studies which examine perception of alumni toward entrepreneurship education. An alumni gender bias was also observed in some of the studies presented in. [7], such that female alumni were more likely to become entrepreneurs. [13] used data from Alumni of a Turkish University to which survey instruments were distributed via e-mail. The study found the following factors in addition to family/social support to have contributed to the Alumni's entrepreneurship decision: lecture presentations on entrepreneurial success stories, field trips to start ups, interaction with angel investors and venture capitalists as well as biographical notes on successful entrepreneurs. On the other hand, the study found outlying alumni who did not attribute their entrepreneurial activity to the entrepreneurship education received while in school.

Based on the above discussion, the following hypotheses are formulated.

H1: Entrepreneurship education skill contributes significantly to entrepreneurship activities of graduates

H2: Entrepreneurship education knowledge has significant effects on entrepreneurship activity of graduates

H3: Entrepreneurship education through entrepreneurial activity has a significant impact on graduates' poverty alleviation

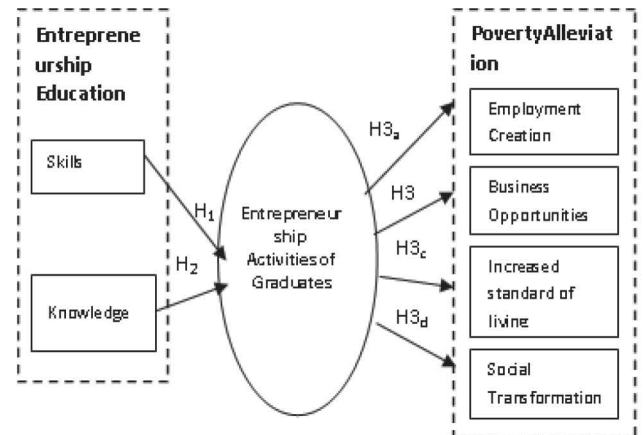


Figure 1: Conceptual model of Entrepreneurship Education and Poverty Alleviation showing the hypothesis formulated

### III. METHODOLOGY

The study examines the impact of entrepreneurship education on poverty alleviation among graduates of Covenant University. The target population for this study comprised of Covenant University graduates [set 2006-2013] entrepreneurs. This study adopts the descriptive cross sectional survey research design. The research questionnaire was administered via Online to graduates entrepreneurs using purposive sampling technique. The list of graduates' entrepreneurs was derived from Covenant University Alumni database. A structured questionnaire containing 26 items of five point Likert scale questions was used in collecting data from the sample respondents. In developing the survey questionnaire instrument, questions were adapted from existing instruments of similar research to suit this study. The Cronbach's alpha was used in validating and testing the reliability of the research instrument used in collecting data for the study. Regression analysis was used in validating the hypothesis raised in the study.

### IV. DATA ANALYSIS AND RESULTS

The response rate of the online questionnaire survey showed that 50 graduates' entrepreneurs responded to the online survey questionnaire. Frequency distribution of sampled respondents in table 1, showed both gender was well represented in the study. The analysis on respondent's age indicates that majority of the graduate entrepreneur, are of ages 30years and above, which constitute over 80% of the respondents. Analysis of respondent's qualification revealed that majority of the graduate entrepreneur is from science and art related disciplines which constitute over 80% of the respondents and analysis of graduation year revealed that there was an adequate representation of graduate entrepreneurs within the period covered in this study. Analysis of respondent's business sector revealed that graduate entrepreneurs are well represented in the major sector of the economy with food and drinks sector taking the lead with 30% followed by fashion and information technology with 24% & 20% respectively. Analysis of people employed by graduate entrepreneurs revealed that over 50% of the respondents employed between 1-5 people in their business.

Cronbach’s Alpha test is used in determining the internal consistency of the items in the questionnaire measuring the constructs. As a rule of thumb, a Cronbach’s alpha value exceeding 0.7 is considered as having adequate internal consistency [11]. The items selected to measure constructs in this research have shown adequate internal consistency with Cronbach’s alpha value of 0.904 which is above the criterion.

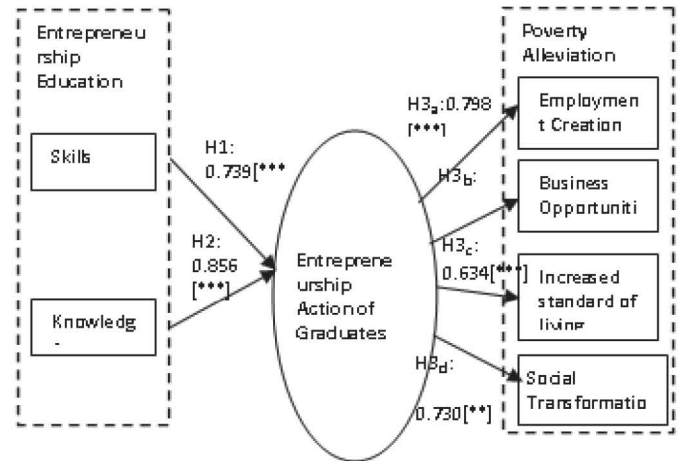
The data analysis for this study was carried out using structural equation modeling (SEM) techniques with the use of analysis of moment structures software (AMOS). This technique was used in determining the nature of dependent relationships between constructs identified in the literature and measured variables [11]. A two-step approach of measurement and structural model was carried out using SEM. The goodness-of-fit indices [such as the following with the rule of the thumb criteria: normed chi-square ( $\chi^2/df$ ) value must be less than 3, GFI value must be greater than 0.9, CFI value greater than 0.95, RMSEA value must be less than 0.08] was used in assessing the fitness of the measurement and structural model. The result showed that the measurement and structural model has adequate fitness with a Normed Chi-square value of 1.892, GFI value of 0.925, a CFI value of 0.966 and RMSEA value of 0.052 which are all within the accepted value range for the indexes. This indicates that the relationships specified in the model are well represented in the sample data gathered and used for this study.

TABLE I. FREQUENCY DISTRIBUTION OF RESPONDENTS

Demographic Categories		Frequency	Percent	Cumulative Percent
Gender	Male	27	54	54
	Female	23	46	100
	Total	50	100	
Age	20-24yrs	2	4	4
	25-29yrs	4	8	12
	30-34yrs	20	40	52
	35-above	24	48	100
	Total	50	100	
Qualification	B.Sc.	20	40	40
	B.A	22	44	84
	B.E.	8	16	100
	Total	50	100	
Year of Graduation	2006-2008	21	42	42
	2009-2011	15	30	72
	2012-2013	14	28	100
	Total	50	100	
Business Sector	Food and Drinks	15	30	30
	Information Technology	10	20	50
	Beauty, cosmetics & fashion	12	24	74
	Chemicals	4	8	82
	Petroleum	2	4	86
	Advertising and Printing	4	8	94
	Services	3	6	100
	Total	50	100	
Number of people employed	1-5	28	56	56
	6-10	12	8	80
	11-15	4	8	88

	16-20	4	8	96
	36-40	2	4	100
	Total	50	100	

The results of SEM analysis as shown Fig.2 revealed that all paths in the structural model are significant and positive. In particular, the support for H1, H2, H3a and H3d is strong with regression weights 0.739 [p<0.001], 0.7856 [p<0.001], 0.798 [p<0.001] and 0.730 [p<0.05] respectively. Comparatively H3b and H3c are moderately supported but still significant with regression weights 0.5344 [p<0.05] and 0.634 [p<0.001] respectively.



\*\*\* indicates p<0.001  
\*\* indicates p<0.05

Figure 2: Structural Model

V. DISCUSSION AND CONCLUSION

The result of the analysis indicated that the hypothesized model showed significant effect of entrepreneurship education on poverty alleviation in terms of employment creation, business opportunities, increased standard of living and social transformation livelihood of graduate entrepreneurs. This research finds strong support to the three hypotheses listed. This result indicates that entrepreneurship education is pivotal to poverty alleviation of an individual which culminates into economic growth and development of a nation. Existing research by [2] and [15] also find similar findings on the importance of entrepreneurship education in employment generation, wealth creation, business expansion, social engagement of the youth and consequently reduction in poverty level and economic growth/development. Furthermore, similar to this research, [18] in their study on Impact of Entrepreneurship Education as a Tool for Self Sustenance also find that entrepreneurship education contributes significantly to graduates employability level and help in alleviating poverty among graduates. This connotes that entrepreneurship education at the University has greatly help graduates to possess entrepreneurial attitude such as personal characteristics in terms of sense of initiative, risk propensity, self-efficacy, entrepreneurial skills and knowledge which enables them

to run a business, create job for people and be self-employed to live above the poverty line, after graduation.

A major objective of entrepreneurship education is to equip individual with skills and knowledge needed to be self-employed and self-reliant by managing small and medium scale enterprises [SME's] that serves as catalyst to economic growth and development. The literature has argued that entrepreneurship education is a driver to the creation and growth of SME's especially in developing countries like Nigeria through the use of entrepreneurial development graduate to generate employment, economically empower people, increase standard of living and social transformation of the society which will culminate into poverty reduction. This study has identified two areas of entrepreneurship education that contributes to the growth of SME's activity which is entrepreneurship skills and knowledge. Improving entrepreneurial skills and knowledge possess opportunities for the development and growth SME's which have become a driver for entrepreneurs in the eradication of poverty. As such, SME's is considered as an emerging component of economic transformation aimed at alleviating poverty through the creation of employment and business opportunities, increasing standard of living and social transformation. Based on the above discussion from the findings of this research, this study concludes that entrepreneurship education impacts on graduates' entrepreneurial key competencies in terms of entrepreneurial skills and knowledge that will result in growth of SME's leading to poverty alleviation through employment creation, business opportunities, better standard of living, transformation of social livelihood and growth in the economy of the nation.

#### VI. RECOMMENDATION FOR POLICY IMPLICATION

In other to build an entrepreneurship culture among entrepreneurs, entrepreneurship education should be integrated into the education curriculum and be made effective at all levels of education. Entrepreneurship programmes should not only focus on the use of entrepreneurial competences in the world of business, but also on the personal and social life of the entrepreneur.

The Nigerian Universities Commission (NUC) and other regulatory agencies for tertiary institutions in Nigeria should ensure that practical vocations are incorporated side by side into the entrepreneurship education curriculum for institutions of higher learning. These vocations will expose students to the practical dimension of entrepreneurship thereby entrepreneurial traits and personality can be developed at an earlier stage making the start-up of entrepreneurial business smooth and feasible for graduates. Also, internship programme should be incorporated into the entrepreneurship education curriculum for tertiary institution students. This will help them relate with the real world of business and expose them to the integrities of small business operation which gives them an experiential opportunity for creative

and innovative thinking and platform to start-up and launch their own business after graduation.

Tertiary institutions and business schools should collaborate with industry practitioners in relevant field of the business sector in other to facilitate town and gown interactions of successful practicing entrepreneurs who will constitute role models for students and entrepreneurial graduates. Also, business incubation centers should be set up in tertiary institutions where business ideas can be transformed into tangible products thereby equipping the students towards the real world of competitive business environment.

For entrepreneurship education curriculum to be properly followed, tertiary institutions must adopt the train the trainers approach. In which tutors/teachers of entrepreneurship studies also participate in entrepreneurship seminars, workshop, industry symposium and internship in other to acquire the relevant skills and knowledge required for teaching problem based entrepreneurial cases.

In addition to the involvement of tertiary institutions in delivering entrepreneurship education, the government at all levels through appropriate agencies should actively create policies that will positively enhance the participation of graduates who are equipped with entrepreneurship competence (skills and knowledge) to actively engage in entrepreneurship business by providing facilities such as accessibility and minimal interest rate on loans, provision of adequate infrastructure and a conducive business environment to operate in.

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