

## DOCTOR OF PHILOSOPHY

### Nigerian MSMEs and Transformational Entrepreneurship

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*Award date:*  
2020

*Awarding institution:*  
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# **Nigerian MSMEs and Transformational Entrepreneurship**

**By**

**Odafe Martin EGERE**

**January 2020**



# **Nigerian MSMEs and Transformational Entrepreneurship**

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**January 2020**

*A thesis submitted in partial fulfilment of the Coventry University  
requirements for the Degree of Doctor of Philosophy (PhD).*

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## **AFFIRMATION**

I affirm and acknowledge that the work contained in this PhD thesis “*Nigerian MSMEs and Transformational Entrepreneurship*” is solely that of the author. I can confirm that this thesis has not been previously submitted in part or whole to qualify for any other academic award. The entire content of this thesis is the result of work by the author from the commencement date of the research programme. The author duly acknowledged and referenced all sources of materials.

***Odafe Martin EGERE***

**January 2020.**

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**Appreciation to the following Academics who supported this research.**

**Dr Arun Sukumar.**

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## ACKNOWLEDGEMENTS

With profound gratitude to GOD almighty, without whose Love, Grace, Mercy, and Favour, I am naught. The Financial and Academic debt one incurs in the course of this research and studying for this PhD degree cannot be sufficiently or entirely expressed, therefore, it will not be possible for me to acknowledge fully or completely to whom I am indebted. Firstly, I express my sincere gratitude to my most precious Gift and Lovely Wife: Akpevwe Kristie Egere for her steadfast love, care, support and understanding sustaining the home, whilst I was busy travelling between countries studying for this PhD degree. My profound appreciation to my supervisory team for their relentless advice and counsel, selfless support and understanding, and prompt attention at various stages of the research. My heartfelt gratitude to the contributing academics for their guidance and support. My profound gratitude also to my family and friends in England, Ireland, and Nigeria, too numerous to be named individually for their immense support to acquire this PhD Degree.

This thesis will not be complete without thanking the management, academic and non-academic staff and fellow research students at the ICTE, the Faculty of Business and Law, the Doctoral College, the Centre for Global Engagement and the entire Coventry University Community during my time as a PhD researcher. Finally, I dedicate this thesis to Oghenerunor Mikella Egere, my beautiful daughter and Ogheneruona Mikel Odafe-Egere, my precious son from whom I am overwhelmed with their understanding during the stressful time of travelling away from home so many times in pursuit of this PhD degree.

I sincerely salute and thank you all.

## ABSTRACT

**PURPOSE:** This research focused on Nigerian micro, small and medium enterprises (MSMEs) with a specific focus on the Owners/Managers entrepreneurial competencies alongside the ecosystem support factors for MSMEs, critical in facilitating the systemic development of MSMEs towards achieving transformational entrepreneurship. Transformational entrepreneurship, which is the creation of systemic, ethical, scalable and sustainable businesses with long-term economic and societal impact and the real driver of economic growth, can be the panacea in creating sustainable jobs, wealth and underpinning the economic development of Nigeria. The Nigerian government and stakeholders are focusing on MSMEs to support the creation of sustainable employment, wealth and national economic growth. However, challenges to MSMEs such as corruption, managerial ineptitude, and the inadequate ecosystem support for MSMEs, have constrained these efforts. Accordingly, this thesis investigated essential skills (i.e. adaptability, business ethics, business management, business strategy, commitment, communication and relationship management, conceptual, CSR, financial management, HRM, leadership, marketing, opportunity identification, and planning/organising). Alongside the ecosystem support mechanisms for MSMEs in Nigeria (i.e. Access to Finance, Access to Markets, Access to Resources, Business Support, Capacity Building, Policy & Regulation and Research & Development). This study recognised that the symbiotic association between these skills and the ecosystem factors would facilitate the systemic advancement of MSMEs towards transformational entrepreneurship.

**METHODOLOGY:** The study generated the baseline quantitative data within the Delta State region in Nigeria, from one thousand six hundred (1600) MSMEs Owners/Managers, in 6 months, providing 576 (36 per cent) responses. The research performed Factor analysis to observe the structure of competencies and ecosystem variables. The quantitative analysis, which applied a multiple regression using SPSS software version 25, identified significant associations between MSMEs skills and the ecosystem factors. The evidence revealed that Nigerian MSMEs Owners/Managers have a shortage of these critical skills, and further found the ecosystem support factors for MSMEs to be inadequate.

**CONTRIBUTION:** A pivotal contribution to the literature and knowledge was developing a theoretical framework and empirically testing the structure, which identified MSMEs'



competencies and the ecosystem support mechanisms for MSMEs as drivers in facilitating the systemic development of MSMEs towards transformational entrepreneurship. The theoretical framework provided insight into MSMEs skills alongside the ecosystem support factors for MSMEs.

**ORIGINALITY/VALUE:** The study provides relevant empirical data for future quantitative studies focused on the MSMEs competencies and the ecosystem. The study concluded that academia, policymakers, stakeholders involved with MSMEs should recognise the need for structures to support MSMEs skills development and policies to support the ecosystem in providing adequate support for the MSMEs. Indeed, this study is the first on transformational entrepreneurship to have explored the under-represented Nigerian MSMEs Owners/Managers with the focus on their skills alongside the ecosystem support mechanisms for MSMEs rather than focusing on policymakers. This grounded investigation provided additional strength to the research findings.

#### **KEYWORDS**

Entrepreneur, Entrepreneurship, Entrepreneurial Competencies, Entrepreneurial Ecosystem, MSMEs, Transformational Entrepreneurship, Nigeria.

## RESEARCH OUTPUT

A publication associated with the researcher during this research:

Igwe, P., Egere, O. M., Ogundala, O. M., Amaugo, A. and Amaugo, J. A. (2018). Factors Affecting the Investment Climate, SMEs Productivity and Entrepreneurship in Nigeria. *European Journal of Sustainable Development* 7(1): pp. 182-200.

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## LIST OF ACRONYMS

<b>ACGS:</b>	Agricultural Credit Guarantee Scheme.
<b>ADB:</b>	Africa Development Bank.
<b>APEC:</b>	Asia-Pacific Economic Cooperation.
<b>AU:</b>	African Union.
<b>BOA:</b>	Bank of Agriculture. Nigeria.
<b>BOI:</b>	Bank of Industry. Nigeria.
<b>BPSD:</b>	Barrel per Stream Day.
<b>CAC:</b>	Corporate Affairs Commission, Nigeria.
<b>CACS:</b>	Commercial Agriculture Credit Scheme.
<b>CAMD:</b>	Company and Allied Matters Decree.
<b>CBN:</b>	Central Bank of Nigeria.
<b>CEP:</b>	Corporates Entrepreneurial Programme.
<b>CIA:</b>	Central Intelligence Agency.
<b>CITA:</b>	Companies Income Tax Act.
<b>CNL:</b>	Chevron Nigeria Limited.
<b>DADP:</b>	Delta Agricultural Development Programme.
<b>DSYEP:</b>	Delta State Youth Empowerment Training Programme.
<b>DTSG:</b>	Delta State Government.
<b>EC:</b>	Entrepreneurial Competencies.
<b>ECOWAS:</b>	Economic Community of West African States.
<b>EGTL:</b>	Escravos Gas to Liquid.
<b>EIB:</b>	European Investment Bank.
<b>EPZ:</b>	Export Processing Zone, Delta State.
<b>EU:</b>	European Union.
<b>FCT:</b>	Federal Capital Territory.
<b>FDI:</b>	Foreign Direct Investment.
<b>FGN:</b>	Federal Government of Nigeria.
<b>FIRS:</b>	Federal Inland Revenue Service.
<b>GDP:</b>	Gross Domestic Product.
<b>GEM:</b>	Global Entrepreneurship Monitor.
<b>GSS:</b>	Ghana Statistical Service.
<b>GVA:</b>	Gross Value Added.



<b>HMSO:</b>	Her Majesty's Stationery Office, London.
<b>IMF:</b>	International Monetary Fund.
<b>ISO:</b>	International Organization for Standardization.
<b>JV:</b>	Joint Venture.
<b>KE:</b>	Knowledge Entrepreneurship.
<b>KM:</b>	Kilometre.
<b>KSTE:</b>	Knowledge Spillover Theory of Entrepreneurship.
<b>LGA:</b>	Local Government Area.
<b>MFA:</b>	Ministry of Foreign Affairs, Nigeria.
<b>MLR:</b>	Multiple Linear Regression.
<b>MSE:</b>	Micro and Small Enterprises.
<b>MSME:</b>	Micro, Small and Medium Enterprises.
<b>NACCIMA:</b>	Nigerian Association of Chambers Of Commerce, Industry, Mines, and Agriculture.
<b>NAFDAC:</b>	National Agency for Food and Drug Administration and Control.
<b>NASME:</b>	Nigerian Association of Small and Medium Enterprises.
<b>NBS:</b>	National Bureau of Statistics of Nigeria.
<b>NBSSI:</b>	National Board for Small-Scale Industries, Ghana
<b>NCI:</b>	National Council on Industries of Nigeria.
<b>NERFUND:</b>	National Economic Reconstruction Fund, Nigeria.
<b>NGO:</b>	Non-Governmental Organisation.
<b>NIPC:</b>	Nigerian Investment Promotion Commission.
<b>NIRSAL:</b>	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending.
<b>NNPC:</b>	Nigerian National Petroleum Corporation.
<b>NPC:</b>	National Population Commission. Nigeria.
<b>NSB:</b>	National Small Business, South Africa.
<b>NSE:</b>	National Systems of Entrepreneurship.
<b>NSI:</b>	National Systems of Innovation.
<b>NYSC:</b>	National Youth Services Corps.
<b>OECD:</b>	Organisation for Economic Co-operation and Development.
<b>OPEC:</b>	Organisation of the Petroleum Exporting Countries.
<b>PAIF:</b>	Power and Aviation Intervention Fund.
<b>PDA:</b>	Patent and Design Act.
<b>PPP:</b>	Purchasing Power Parity.

<b>PTDF:</b>	Petroleum Technology Development Fund.
<b>SME:</b>	Small and Medium Enterprise.
<b>SMEDAN:</b>	Small and Medium Enterprise Development Agency of Nigeria.
<b>SMEEIS:</b>	Small and Medium Enterprises Equity Investment Scheme, Nigeria.
<b>SMEGS:</b>	Small and Medium Enterprises Guarantee Scheme.
<b>SON:</b>	Standard Organisation of Nigeria.
<b>SQ:</b>	Square
<b>SSA:</b>	Sub-Sahara Africa.
<b>STD:</b>	Standard Deviation
<b>STEP:</b>	Skill Training Empowerment Programme, Delta State.
<b>TAT:</b>	Thematic Application Test.
<b>TE:</b>	Transformational Entrepreneurship.
<b>TEA:</b>	Total early-stage Entrepreneurial Activity.
<b>TRF:</b>	Textile Revival Fund.
<b>UK:</b>	United Kingdom.
<b>UNDP:</b>	United Nations Development Programme.
<b>UNIDO:</b>	United Nations Industrial Development Organization.
<b>USA:</b>	United States of America.
<b>WRPC:</b>	Warri Refinery and Petrochemical Company
<b>YAGEP:</b>	Youth Agricultural Entrepreneurship Programme
<b>YAGEP:</b>	Youth Agricultural Entrepreneurship Programme. Delta State.
<b>YOUWIN:</b>	Youth Enterprise with Innovation in Nigeria.

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# CHAPTER 1

## THE RESEARCH ARCHITECTURE

### 1.1 INTRODUCTION

The introductory chapter provides a synopsis of the research study and introduction to entrepreneurial competencies and the entrepreneurial ecosystem support factors for MSMEs, which is critical for MSMEs systemic development towards achieving transformational entrepreneurship in Nigeria. Entrepreneurial competencies (see Chapter 2) are the cluster of skills such as adaptability, business ethics, business management, business strategy, commitment, communication/relationship management, conceptual, CSR and financial management. In addition to HRM, leadership, marketing, opportunity identification, and planning/organising required by MSMEs Owners/Managers to be successful (Man et al. 2002, Inyang & Enuoh, 2009, Sarwoko et al. 2013, Oyeku et al. 2014, Hashim et al. 2018). Whereas the ecosystem support mechanisms for MSMEs (see Chapter 3) comprises the systemic, productive, cooperative and dynamic interactions among the various components within the entrepreneurial environment (Drexler et al. 2014, Auerswald, 2015, Cantner et al. 2020). The seven ecosystem support factors for MSMEs in Nigeria are access to finance, access to markets, access to resources, business support, capacity building, policy & regulation and research & development (Fate, 2016, Cao & Shi, 2020).

MSMEs are a sub-sector of commercial enterprises (see Chapter 2) mostly controlled by individuals who own and operate such ventures (Abor & Quartey, 2010, Osamwonyi & Tafamel, 2010, James-Unam et al. 2015). Whilst, transformational entrepreneurship (see Chapter 2) is the building of innovative and significant virtue-based ventures that are ethical, scalable, sustainable, and systemic and the real drivers of national economic growth and development (Miller & Collier, 2010, Schoar, 2010, Ratten & Jones, 2018, Souse, 2019). Widely acknowledged is the significance of MSMEs competencies in achieving performance and success (Inyang & Enuoh, 2009, Oyeku et al. 2014, Bacigalupo et al. 2016, Obschonka et al. 2017). For example, various authors, e.g. Inyang & Enuoh (2009), Solesvik (2012), Sarwoko et al. (2013) and Hashim et al. (2018) suggesting it is a vital prerequisite for attaining MSMEs' sustainability (Solesvik, 2012). Indeed, Inyang & Enuoh (2009) maintained that skills were the essential ingredients required by Nigerian MSMEs for achieving growth and sustainability. Moreover, Inyang & Enuoh (2009), Solesvik (2012)

and Hashim et al. (2018) suggested that competencies were critical for MSMEs in driving and attaining scalability within developing nations such as Nigeria.

Accordingly, a body of knowledge recognised the significance of MSMEs in stimulating prosperity and growth by providing sustainable employment and wealth generation (Oboh, 2004, Inyang & Enuoh, 2009, James-Unam et al. 2015, Igwe et al. 2018). Although conversely, the Nigerian MSMEs sector remains marred by high business failure rates and a myriad of challenges discussed in Chapter 3 (Duru, 2011, Njoku et al. 2014). New evidence has suggested some improvement (James-Unam et al. 2015). Whereas Duru (2011) and Osotimehin et al. (2012) argued that entrepreneurship activities are insufficient and Nigerian MSMEs have under-performed. Moreover, MSMEs have not influenced apprenticeships to facilitate employment and poverty alleviation and accelerate national socio-economic growth and MSMEs systemic development (Duru, 2011, Osotimehin et al. 2012).

Consequently, the fundamental proposition in this research is to investigate Nigerian MSMEs with a focus on the Owners/Managers competencies (Bird, 1995, Man et al. 2002, Inyang & Enuoh, 2009). Alongside their perspectives on the ecosystem support mechanisms for MSMEs (Fate, 2016). This study viewed as critical in facilitating/supporting the systemic advancement of MSMEs towards achieving transformational entrepreneurship (Schoar, 2010, Marmer 2012, Maas et al. 2019). In recognition that the MSMEs skills and the ecosystem support factors are symbiotic (Shane et al. 2003, Suresh & Ramraj, 2012), in facilitating the systemic development of MSMEs towards achieving transformational entrepreneurship (Miller & Collier, 2010, Schoar, 2010, Marmer 2012, Maas et al. 2016, Souse, 2019). Moreover, Shane et al. (2003) and Suresh & Ramraj (2012) emphasised the study of MSMEs' competencies alongside the ecosystem support mechanisms for MSMEs need to be symbiotically examined, as they are relevant and significant components to consider. In support, Ratten & Jones (2018) and Maas et al. (2019) encourage a holistic approach is needed, which comprises the MSMEs, the ecosystem, the public sector, the private sector, and resources to support entrepreneurship activities, which can facilitate/support MSMEs systemic development towards achieving transformational entrepreneurship.

## **1.2 THE RESEARCH FRAMEWORK AND RATIONALE**

The advancement of innovative businesses towards transformational entrepreneurship is essential in supporting the systemic and socio-economic growth and development of developing nations, specifically, in emerging countries such as Nigeria (Miller & Collier, 2010, Schoar, 2010, Marmer, 2012, Maas et al. 2016, Ratten & Jones, 2018). The reason, competencies that are critical for MSMEs Owners/Managers to be successful in business, can be fundamental in facilitating MSMEs systemic progress to transformational entrepreneurship (Lado & Wilson, 1994, Marmer, 2012, Sarwoko et al. 2013). In support, Mitchelmore & Rowley (2010) emphasised the need for research into MSMEs competencies. Whilst Suresh & Ramraj (2012) suggests there is a need for a study, which acknowledges the MSMEs competencies without discounting the ecosystem support factors for MSMEs as these factors can support MSMEs systemic advancement (Fate, 2016, Maas et al. 2016). Thus, the rationale this thesis seeks to investigate MSMEs Owners/Manager's skills alongside the ecosystem support mechanisms for MSMEs.

In terms of transformational entrepreneurship, Schoar (2010) identified two distinctive forms; subsistence and transformational entrepreneurship (see Chapter 2), with the subsistence activities, providing income to the entrepreneur or family members (De Mel et al. 2008, Schoar, 2010, Igwe et al. 2018). While, transformational entrepreneurship, which is the central focus of this study, creates ethical, scalable and sustainable businesses that develop beyond the scope of the subsistence needs of the entrepreneurs. Thereby creating sustainable jobs, secure wages for citizens, improving national standards of living, and reducing poverty that provides long-term societal and economic impact and benefits to the society (Schoar, 2010, Marmer, 2012, Maas et al. 2016, Ratten & Jones, 2018).

In this light, transformational entrepreneurship, although desired, it is not an end goal, which can happen or achieved systematically by chance. Nevertheless, it is a holistic and systemic advancement process supported by the MSMEs in a symbiotic association with an adequate ecosystem, in facilitating the MSMEs systemic development circle towards transformational entrepreneurship (Suresh & Ramraj, 2012, Maas et al. 2016). In context, the MSMEs and ecosystem should be dynamic and symbiotic to facilitate/support transformational entrepreneurship (Marmer, 2012, Maas et al. 2016, Souse, 2019). Thus, to progress to transformational entrepreneurship, the MSMEs should possess the requisite competencies and the ecosystem, providing an adequate support role for the MSMEs (Inyang & Enuoh, 2009, Fate, 2016).

Moreover, the MSMEs should be able to define and shape the market as an ethical entity because the transformational entrepreneur is a social, economic, moral and dynamic individual, with skills to bring systemic development/interventions to disrupt the market with innovative ideas (Schoar, 2010, Maas et al. 2016, Souse, 2019). Furthermore, within transformational entrepreneurship, it is the prospect that the MSMEs shape the market by developing and producing ethical and innovative products/services (Marmer, 2012). More so, the ecosystem mechanisms should be adequate and functional in supporting MSMEs systemic advancement, underpinning an additional rationale to explore Nigerian MSMEs skills alongside the ecosystem support factors.

Additionally, the right skills, and an adequate ecosystem, are not a recipe and guarantee for attaining transformational entrepreneurship. However, these elements in a symbiotic association would offer the platform to support the holistic approach towards transformational entrepreneurship (Schoar, 2010, Suresh & Ramraj, 2012 and Maas et al. 2016). An additional rationale is that entrepreneurship activities and behaviours are present in every society; however, diversely exhibited depending on the environment (Baumol, 1993, Auerswald, 2015). As Baumol et al. (2007) noted that there are three activities of entrepreneurship and state the expansion and creation of new ventures as productive entrepreneurship, unproductive relates to corrupt activities. In contrast, trafficking in prohibited products is destructive entrepreneurship.

Although, Baumol (2010) acknowledged all forms generate economic activities. Auerswald (2015) argues that the economy grows, society develops and institutions advance only when operations and revenues from productive entrepreneurship surpass those of destructive and unproductive entrepreneurship, giving context to Schoar (2010), Marmer (2012), Maas et al. (2016) and Souse (2019). Baumol (2010) further indicates that there is insufficient evidence to support government policies to encourage the supply of entrepreneurs within a nation. However, there are strong indications it can impact/influence how or where entrepreneurs focus their talents, resources, and strategies to support local, regional or national-level development (Baumol, 2010, Acs et al. 2016). Thus, Drexler et al. (2014), Auerswald (2015) and Cantner et al. (2020) proposes that the government should not only consider the quality of the overall ecosystem and market situation/conditions, but more significantly, how their policies impact/influence on the returns on the diverse activities and forms of entrepreneurship (Baumol, 2010).

Additionally, Block (2008) and Rodrik (2008) noted that there had been escalations in the number of government policies initiated, and the level of funding devoted to

entrepreneurship activities. Moreover, Warwick (2013) indicated that there had been recent evolution in the method in which governments approach enterprise and industrial policy in the respective economies. This approach Mason & Brown (2014) argued, is a shift from growth-oriented to traditional enterprise policies, presented in Table 1.1 below. Mason & Brown (2014) submitted that this involves changes within the components of focus, interconnecting and operating with ecosystem policies. The growth-oriented policies can facilitate transformational entrepreneurship (Schoar, 2010, Maas et al. 2016) and therefore, create economic sustainability (Maas et al. 2019), as against traditional enterprise policies that sustain subsistence level activities.

**Table 1.1: Traditional versus Growth-Oriented Entrepreneurship Policy**

<b>Traditional Enterprise Policies</b>	<b>Growth-Oriented Enterprise Policies</b>
The primary unit of focus is on specific actors such as individuals, entrepreneurs, geographic clusters of firms.	The primary unit of focus is about specific types of entrepreneurs, networks of entrepreneurs or ‘temporary’ clusters.
The policy objective is to generate entrepreneurs and new ventures.	The policy objective is to focus on the high potential or ‘blockbuster entrepreneurs’ with the most significant economic potential.
Policy actors targeted by specifically focused interventions aimed at parts of the entrepreneurial systems (i.e. non-systemic)	Policy targeted at connecting components within the ecosystem to enable the system to better function (i.e. Systemic).
Primary forms of assistance are ‘transactional’ forms of support, such as grants, tax incentives, subsidies, etc.	Primary assistance is a ‘relational’ form of support to building a network, developing relationship between entrepreneurial institutions, alignment of priorities, fostering peer-based interactions.
The primary focus of policymakers is to promote entrepreneurial sources of finance aimed at start-ups, particularly in the form of venture capital and business angel funding.	Recognising various businesses have alternative funding requirements such as debt finance, peer-to-peer, crowdfunding, etc. As companies grow and different upscale firms require access to a ‘funding escalator’ and ‘cocktails’ of the various funding circle.
The creation of new firm-based intellectual property and innovation seen as vitally important. The focus was very much on Research, Development, and the protection of intellectual property rights. Strong encouragement of technology and innovation within high-tech firms.	The focus is on developing innovation and facilitating networking with customers, end-users, suppliers, universities, etc. Increasing recognition of unprotected and ‘open’ sources of innovation transcending many sectors and industries – both new and traditional.
The level of policymaking is typically ‘top-down’. The implementation of policy undertaken at the national level, but some initiatives devolved.	The bulk of systemic policies enacted at the regional or local level. The emerging of multi-scalar policy frameworks.

Source: Adapted from Mason & Brown (2014).

### **1.3 PROBLEM STATEMENT**

The contributions of MSMEs to socio-economic development and national economic growth are, for example, sustainable employment and wealth creation (Adisa et al. 2014,

Agwu & Emeti, 2014, James-Unam et al. 2015). However, their failure rates and challenges are still predominant in Nigeria (Duru, 2011, Njoku et al. 2014, James-Unam et al. 2015). Osotimehin et al. (2012) further acknowledged that within Nigeria, MSMEs are under-developed and not contributing to economic development compared with emerging economies, such as Brazil and India, with similar commercial settings like Nigeria. Furthermore, Literature suggests that the dearth of financial support, access to funding, insufficient infrastructures, fragile institutions, shortage of foreign capital inflow from foreign investors, market regulations, market failure, the inadequate ecosystem are some of the challenges to Nigerian MSMEs development (Dean & McMullen, 2007, Schoar, 2010, Anyadike et al. 2012, Adisa et al. 2014, Agwu & Emeti, 2014, Tobora, 2015).

Although, Inyang & Enuoh (2009), Solesvik (2012), and Smith & Chimucheka (2014) further argued that other factors such as corruption, insufficient MSMEs skills, and the inadequate ecosystem had influenced their failure rates and successes. Moreover, in Nigeria, the literature is replete with sufficient evidence, that the government and stakeholders invested considerable financial resources in promoting and supporting MSMEs, but with limited success (Danduara, 2014, Olotu, 2014, Smith & Chimucheka, 2014). Similarly, Schoar (2010) argued that access to financial resources and market regulations are the key challenges to transformational entrepreneurship in emerging economies, such as Nigeria. However, Schoar (2010) acknowledged that these are only parts of the problem, substantiating the argument that competencies/skills and the ecosystem support mechanisms are challenges constraining MSMEs systemic advancement in developing nations (Inyang & Enuoh, 2009, Mitchelmore & Rowley, 2010, Solesvik, 2012). Additionally, Inyang & Enuoh (2009) stress competencies of Nigerian MSMEs are a significant concern to substantiate the rationale for this study. Although, Inyang & Enuoh (2009), Mitchelmore & Rowley (2010), and Solesvik (2012) acknowledged other factors such as ineffective regulations, market failures, and financial constraints and the inadequate ecosystem have also, negatively impacted/influenced MSMEs development (Schoar, 2010, Adisa et al. 2014, Agwu & Emeti, 2014).

Lastly, in Nigeria, the owners, family, and friends typically manage MSMEs but lack the requisite competencies and managerial skills to support these ventures systemically, to produce sustainable socio-economic development (Anyadike et al. 2012, Chidiebere et al. 2014, Maas et al. 2016, Igwe et al. 2018). Similarly, Chukwuemeka (2006) discussed the incompetence of Nigerian MSMEs Owners/Managers, inefficient and limited financing, deprived access and support to markets as essential challenges. For example, Chukwuemeka



(2006) noted that approximately 80 per cent of Nigerian MSMEs have a shortage of skills. Inyang & Enuoh (2009) substantiates Chukwuemeka (2006) and suggests that competencies are of concern within Nigerian MSMEs. Indeed, Fate (2016) acknowledged that ecosystem support for MSMEs is inadequate. Therefore, underpinning the focus of this inquiry.

#### **1.4 THE RESEARCH PROPOSITION AND OBJECTIVES**

This research investigates Nigerian MSMEs with a specific focus on their skills alongside the ecosystem support for MSMEs capable of facilitating transformational entrepreneurship. Specifically, whether Nigerian MSMEs Owners/Managers possess the requisite competencies and whether the ecosystem support factors for MSMEs are adequate in assisting the MSMEs progress to transformational entrepreneurship. Within this proposition comprises the following objectives.

1. Identify and analyse the relevant entrepreneurial competencies required by Nigerian MSMEs Owners/Managers in facilitating the MSMEs' development towards transformational entrepreneurship.

This objective developed from the need to understand the skills critical for Nigerian MSMEs to support transformational entrepreneurship. For example, Huck & McEwen (1991), Man et al. (2002), Sony & Iman (2005) and Hashim et al. (2018) recognised that crucial competencies such as business management, business strategy and financial management are essential for MSMEs development. Whilst, these studies were useful in supporting this study, they did not provide an in-depth analysis of the skills required in underpinning transformational entrepreneurship. Moreover, Inyang & Enuoh (2009) concluded that although competencies are necessary ingredients to become successful, they are the missing link within Nigerian MSMEs. In support, Solesvik (2012), Sarwoko et al. (2013) and Gumusay & Bohne (2018) suggested it was no longer an alternative, but an imperative for achieving business transformation. Consequently, Mitchelmore & Rowley (2010) emphasised the need for research for MSMEs competencies. Thus, the focus of this objective is to assess critical skills for Nigerian MSMEs (Huck & McEwen, 1991, Man et al. 2002, Sony & Iman 2005, Hashim et al. 2018) required in facilitating MSMEs development towards transformational entrepreneurship (Schoar, 2010, Maas et al. 2016, Ratten & Jones, 2018).

2. Examine if Nigerian MSMEs Owners/Managers entrepreneurial competencies positively/negatively impact/influence on the MSMEs development towards transformational entrepreneurship.

Additional evidence was required to understand the positive/negative impact of the MSMEs Owners/Managers competencies in supporting transformational entrepreneurship. Given that, previous research has not examined this relationship within Nigerian MSMEs. Although, studies, including Chandler (1990), Katz (2007), Oyeku et al. (2014), Smith & Chimucheka (2014), James-Unam et al. (2015) and Obschonka et al. (2017) offer some insight on how skills can positively/negatively affect the business development. Whilst informative, these studies provided no in-depth understanding of Nigerian MSMEs' developing towards transformational entrepreneurship. Thus, the purpose of this objective is to evaluate how the Nigerian MSMEs Owners/Manager's skills have influenced transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010, Solesvik, 2012, Maas et al. 2016, Souse, 2019).

3. Identify and analyse if the entrepreneurial ecosystem support factors for MSMEs are providing the support mechanisms to facilitate Nigerian MSMEs development towards transformational entrepreneurship.

There was insufficient understanding regarding the role of the ecosystem support mechanisms for MSMEs towards transformational entrepreneurship. Although Osotimehin et al. (2012), Mason & Brown (2014), Fate (2016) and Cantner et al. (2020) provided an understanding of the role of the ecosystem support factors for MSMEs, there was a failure to examine the MSMEs Owners/Managers in their study. Thus, the focus to investigate Nigerian MSMEs Owners/Manager's perspectives on how adequate the ecosystem support mechanisms to the development of their business is (Osotimehin et al. 2012, Mason & Brown, 2014, James-Unam et al. 2015, Fate, 2016, Cao & Shi, 2020).

## **1.5 RESEARCH QUESTIONS**

This research focused on Nigerian MSMEs with a specific focus on their competencies alongside the ecosystem factors in facilitating MSMEs systemic progress towards transformational entrepreneurship. As indicated, the study defined three objectives to

investigate the research aim. Therefore, this section considers three research questions to support the research proposition and primary data collection for this study.

1. What are the MSMEs Owners/Managers entrepreneurial competencies required to support MSMEs development towards transformational entrepreneurship in Nigeria?
2. How have the Nigerian MSMEs Owners/Managers skills influenced or support the MSMEs' development towards transformational entrepreneurship?
3. What are the Nigerian MSMEs Owners/Managers' perspectives on the ecosystem support factors in facilitating the MSMEs development towards transformational entrepreneurship?

## **1.6 CONTRIBUTION TO LITERATURE AND KNOWLEDGE**

This section highlights the contributions made to the literature and knowledge by conducting this research, discussed further in Chapter 9. This study contributed to the literature and knowledge as follows: Firstly, this study made a theoretical contribution by extending the existing literature on transformational entrepreneurship by developing and empirically testing a theoretical framework (see Chapter 5). This framework identifies MSMEs' competencies alongside the ecosystem support factors for MSMEs. Thus, the study successfully developed a framework to contribute to knowledge and extend previous literature reviewed within this thesis. Since this study focuses on Nigeria, the framework can apply in a developing country context in providing an understanding to the role of MSMEs Owners/Managers skills alongside the ecosystem support factors/mechanisms for MSMEs in supporting the systemic development of MSMEs towards transformational entrepreneurship. This framework further contributes to knowledge and extends the existing literature (e.g. Inyang & Enuoh, 2009, Schoar, 2010, Marmer, 2012, Fate, 2016, Maas et al. 2019, Souse, 2019). In this context, the theoretical framework presented a unique understanding of this research. In addition, the structure recognised the fundamental significance of MSMEs' skills and adequate ecosystem support for MSMEs. Moreover, the structure acknowledged that MSMEs Owners/Managers should possess the appropriate expertise within the framework alongside adequate ecosystem support mechanisms for

MSMEs to support the systemic development of MSMEs towards transformational entrepreneurship. The structure further recognised that the challenges to MSMEs development towards transformational entrepreneurship occurred because the MSMEs Owners/Managers lacked the appropriate skills and the ecosystem support factors for MSMEs are not adequate.

Secondly, this study contributed to knowledge by extending the existing transformational entrepreneurship literature, which has insufficient research attention (e.g. Miller & Collier, 2010, Schoar, 2010, Marmer, 2012, Maas et al. 2016, Maas et al. 2019, Souse, 2019). Although, the previous literature provided insight into transformational entrepreneurship, including definition, challenges and, socio-economic contribution to national growth. However, this thesis extends these previous research projects by investigating the role of MSMEs entrepreneurial skills alongside the ecosystem factors for MSMEs in facilitating transformational entrepreneurship. Therefore, addressing a gap by conducting this research. Moreover, this research focuses on Nigeria a developing country, thus providing an additional contribution to knowledge in this context. In this research, the statistics found a strong, statistically significant association between MSMEs competencies and the ecosystem support mechanisms in supporting the systemic development of MSMEs towards transformational entrepreneurship. Thus, providing a further contribution to knowledge and extending the existing previous literature in this context.

Thirdly, this study made a quantitative contribution by examining Nigerian MSMEs with a specific focus on their entrepreneurial competencies and the ecosystem support factors for MSMEs. In this context, the quantitative data was obtained from the under-represented Nigerian MSMEs Owners/Managers in previous research projects. The survey produced a 36 per cent (i.e. 576 MSMEs) response rate from 1600 surveyed MSMEs Owners/Managers in the Delta State region in Nigeria. This significant response rate attained by this study justifies a quantitative contribution to the literature by obtaining this important baseline data to support future research.

Fourth, this research made a valid contribution to knowledge by extending the existing literature on Nigerian entrepreneurial ecosystem support for MSMEs (e.g. Fate, 2016). Although Fate (2016) study provided insight into the ecosystem support factors for MSMEs in Nigeria, and Cao & Shi (2020) emerging market context. This study develops and extends the previous literature by examining the under-represented Nigerian MSMEs Owners/Managers perspective of the ecosystem. Thus, this study made a valid contribution

to the literature on Nigerian entrepreneurial ecosystem support mechanisms for MSMEs in this context.

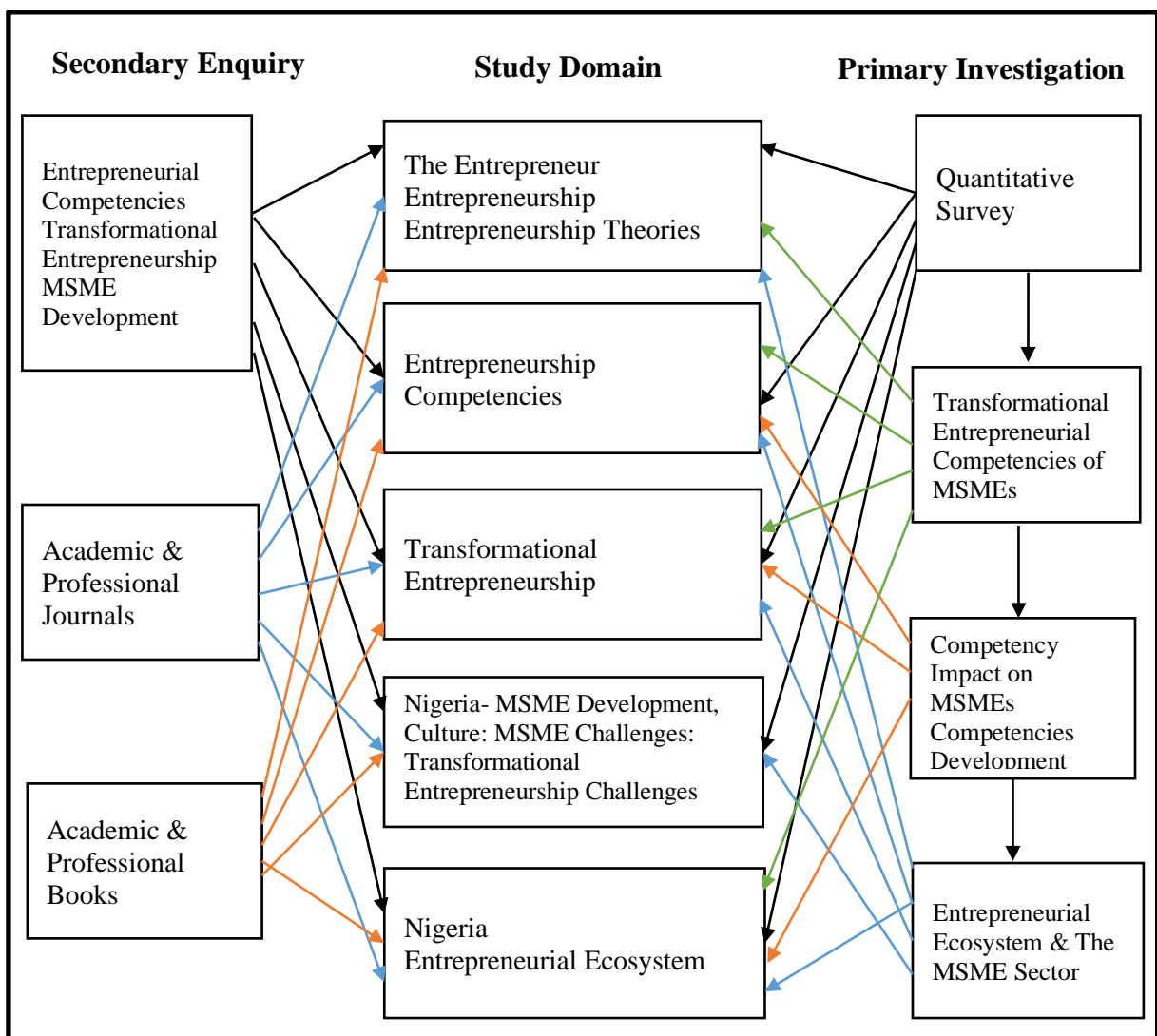
Fifth, this study made a further contribution to knowledge by extending the understanding of MSMEs' entrepreneurial competencies alongside the role of the entrepreneurial ecosystem support for MSMEs in the context of a developing nation. This insight is important for understanding a need for MSMEs development in emerging countries, where there has been efforts and attempt to create sustainable employment, improve socio-economic growth to support national development. Thus, this study contributed to knowledge by extending the existing literature on MSMEs' economic development (e.g. Anyadike et al. 2012, Chidiebere et al. 2014, Maas et al. 2016, Igwe et al. 2018).

Sixth, it is recognised that the theoretical framework developed in this research will support MSMEs Owners/Managers understanding for a need to focus on the prospects for personal development and the role of policymakers in policy formation to develop the ecosystem to support their business development. Moreover, the findings of this study will help the MSMEs to evaluate their competencies' strengths and weaknesses. Furthermore, it will provide the MSMEs' the understanding to assess the ecosystem support factors/mechanisms against their business objectives. For this reason, this study will help support MSMEs Owners/Managers focus on continuous improvement to assist their business development objectives. Thus, this study further contributes to knowledge and the existing literature in this context.

## **1.7 THE RESEARCH PROCESS**

The research drew evidence required to address the research objectives from a range of primary and secondary sources, as illustrated in Figure 1.1. The figure provided a summary of the research knowledge map and highlighted the contribution made by each information source towards the areas of inquiry and investigation within the study. A range of secondary sources collated and analysed, including evidence undertaken within Nigeria, academic and professional journals and books. The relevance of existing competencies from the Entrecomp (2016) framework was considered (Bacigalupo et al. 2016), and the transformational entrepreneurship socio-economic framework (Marmer, 2012). The framework appraised and found to be informative for this study. However, the secondary evidence suggested a limited existing knowledge of the transformational entrepreneurship

competencies of MSMEs. A quantitative methodology discussed in Chapter 6 further investigated the phenomena. The study in chapters 7 and 8, revealed inadequate transformational entrepreneurial skills within Nigerian MSMEs. The review of the extant literature revealed further research was required to explore the reality of transformational entrepreneurship within the MSMEs. Although the map (Figure 1.1) below is not comprehensive, it, however, provides a summary snapshot of the evidence required to address the research propositions.



**Figure 1.1: Summary of the Research Map**

## 1.8 ARCHITECTURE OF THE RESEARCH

The thesis structured the study into chapters. Evidence for the study drawn from extant academic literature underpinned this study. This chapter presented the research introduction, architecture, the research problem, relevance and contribution to knowledge and the study

proposition and objectives within this thesis. Chapters 2 and 3 examined relevant literature, the applicability, relevance of theories and frameworks to underpin entrepreneurial competencies, transformational entrepreneurship and MSMEs. Chapters 4 and 5 discussed the institutional theory, the theoretical framework and hypotheses for this study, respectively. Chapter 6 discussed the philosophy and methodology. Chapters 7 and 8 discussed the primary research, and Chapter 9 presented the conclusions to the primary research and overall study. The contextual framework within the chapter's contents highlighted herewith.

Chapter 2 contextualised and considered the key concepts within this study and discussed the classical entrepreneurship theories, entrepreneurial competencies, and the competency framework, including a discussion of transformational entrepreneurship. The literature discussed the contextual research and framework classifications of MSMEs and the contribution to economic growth and development. Lastly, the concept of knowledge entrepreneurship and entrepreneurship framework policy discussed. Within Chapter 3, the study reviewed relevant studies within Nigeria. The focus of discussions was, the economy and industrial development; Entrepreneurship culture and development; the entrepreneurial ecosystem; entrepreneurship and MSMEs contributions to the economy; challenges to entrepreneurship and MSMEs; challenges to transformational entrepreneurship; prospects and opportunities for entrepreneurship and MSMEs; the conceptualised study mapping for this study.

Within Chapter 4, the theoretical framework to underpin this study was to discuss the Institutional Theory (DiMaggio & Powell, 1983) in the context of Nigeria. Further addressed within this chapter is the coercive, normative and mimetic institutions affecting the activities of Nigerian MSME development (DiMaggio & Powell, 1983, Autio et al. 2015, Acs et al. 2016). Within Chapter 5, the study discussed the theoretical framework and hypotheses to underpin this research. The chapter examined the Nigerian MSMEs owners/managers transformational entrepreneurial competencies and their significance to the entrepreneurial ecosystem support factors for MSMEs, which can facilitate the progress of the MSMEs towards transformational entrepreneurship.

In Chapter 6, the research discussed the methodology for this thesis; the study considered the research philosophy and paradigms, research strategies. In addition to the method of data collection, the research questionnaire strategy, and the data collection process, population, reliability and validity, sampling and ethical issues. Within Chapter 7, the research presented the data processing and analysis for this study, for example, the

structure of the questionnaire and the corresponding questions. Moreover, the chapter provided the structural architecture in the preceding chapters.

Within Chapter 8, the research discussed the findings from the data analysis, which investigated the statistical significance between Nigerian MSMEs Owners/Managers' entrepreneurial competencies and the entrepreneurial ecosystem supporting the systemic advancement of MSMEs towards transformational entrepreneurship. The study evaluates some of the critical reasons why Nigerian MSMEs are failing to progress to transformational entrepreneurship. This chapter further analysed research proposition and objectives and assessed the research questions, the research hypothesis and implications of the research findings. Within Chapter 9, the study conclusions and summary of the research findings was the focus. Including the limitations of the study, suggested direction for further research and crucial suggestions and recommendations.

## **1.9 CHAPTER SUMMARY**

The focus of this study is Nigerian MSMEs with a specific focus on their competencies alongside the ecosystem support for MSMEs. To this end, the study investigated Nigerian MSMEs' Owners/Managers competencies alongside their perspectives of the ecosystem, supporting the systemic advancement of MSMEs towards transformational entrepreneurship. Therefore, within this chapter, the research presented the architectural structure for this study. In addressing this, the chapter served a fundamental purpose for undertaking this research. Although, access to finance and financial support featured mostly as a critical constraint to MSMEs in the literature. However, the insufficient attention/interest attributed to entrepreneurial competencies, and the ecosystem, particularly within developing economies, such as Nigeria, which is the focus of this thesis.

Inyang & Enuoh's (2009) work on Nigerian MSMEs entrepreneurial competencies with the additional study from Solesvik (2012) provided insight into the understanding of entrepreneurial skills as an essential requisite in facilitating MSMEs systemic development, which are crucial factors for MSMEs progression to transformational entrepreneurship. Schoar (2010) work on transformational entrepreneurship with additional reference to Marmer (2012) and Maas et al. (2016) provided further insight into the study proposition. In addressing the research problem, another literature highlighted includes Duru, (2011), Anyadike et al. (2012), Danduara, (2014) and James-Unam et al. (2015). Lastly, the chapter discussed the aim and objectives, the research questions and the architecture of the thesis.



## CHAPTER 2

### THE RESEARCH DOMAIN

#### 2.1 INTRODUCTION

This chapter reviews the extant literature to underpin this study. Accordingly, Baumol (1996) and Desai (2013) argued that most entrepreneurship literature and theory emerged from advanced economies, where research into their activities and behaviours have been encouraged over time. In support, Acs & Virgill (2010) state that contemporary research on entrepreneurship in emerging economies such as Nigeria has integrated macro-economic findings provided by this research (e.g. The Global Entrepreneurship Monitor research) into policy frameworks. However, these policies produced insufficient outcomes from ineffective implementation and bureaucratic bottlenecks (Olotu, 2014, Otisi, 2015). Thus, Osotimehin et al. (2012), James-Unam et al. (2015) and Maas et al. (2019) suggest more action is required within developing countries to drive MSMEs sustainability to create jobs for the citizens to address poverty.

Moreover, Steveson & Gumpert (1985), Njoku et al. (2014) and Olotu (2014) recognised the need to develop entrepreneurship and emphasised that if every nation's business, both large and MSMEs become entrepreneurial; it will improve national productivity and will compete in the global markets effectively. For example, emerging economies such as Brazil, China, India, and Malaysia saw their productivity and global competitiveness surge in the 1970s to the present decade from encouraging and supporting MSMEs (Njoku et al. 2014, James-Unam et al. 2015). Thus, Katz (2007), Nieman & Neuwenhuizen (2009) and Smith & Chimucheka (2014) who acknowledged the significance in underpinning MSMEs development support this.

Furthermore, Lans et al. (2008) and Onakoya et al. (2013) emphasised the need for increased entrepreneurship activities and behaviours to boost MSMEs' start-up and development. Whereas Lans et al. (2008) and James-Unam et al. (2015) view this as the primary reason for investing, financial resources into supporting MSMEs by the government and stakeholders within developing countries such as Nigeria. Additionally, Gartner et al. (2004) recognised that entrepreneurship is dynamic, and there is a need for research to assist policymakers in developing a national framework. Such research would support economic development policies because the factors driving MSMEs are different in every country (Acs & Szerb, 2010, Smith & Chimucheka, 2014). For this reason, Shane & Venkataraman (2000)

and Bloom et al. (2010) state the need for research to support existing knowledge and future research to advance understanding of MSMEs development per country.

Indeed, the literature is replete with studies on MSMEs' competencies and their impact on MSMEs' development (Inyang & Enuoh, 2009, Solesvik, 2012, Igwe et al. 2018). However, the literature on MSMEs' skills and their significance towards transformational entrepreneurship, particularly in developing nations such as Nigeria have not received appropriate attention. Although Chandler (1990), Baum et al. (2001), Solesvik (2012) and Hashim et al. (2018) recognised MSMEs competencies as essential ingredients in MSMEs' development. For this reason, Chandler (1990), Eniola (2014) and Gumusay & Bohne (2018) maintained that MSMEs' skills would positively improve MSMEs' sustainability.

However, Baum et al. (2001) suggest MSMEs' competency training has not received adequate attention in developing nations, particularly in Africa. According to Baum et al. (2001) and Akuhwa & Akorga (2015), this apparent absence of competency training is because of inappropriate policy and regulations and the inadequate entrepreneurial ecosystem. Additionally, Miller & Collier (2010), Schoar (2010) and Ratten & Jones (2018) suggested that adequate ecosystem support for MSMEs would drive MSMEs systemic development towards achieving transformational entrepreneurship, which can support economic growth (Miller & Collier, 2010, Schoar, 2010, Akuhwa & Akorga, 2015). In support, Anga (2014) and James-Unam et al. (2015) argued that industrialisation helps in creating jobs, improve living standards and poverty reduction (Maas et al. 2016). Thus, Anga (2014) and Otisi (2015) argues that these are the fundamental reasons why developing nations support industrialisation.

Accordingly, in post-colonial Nigeria, the pillars of the national economy were large ventures and MSMEs, creating jobs and driving development (Oshagbemi. 1983, Anga, 2014). However, within these periods, Oshagbemi (1983) noted that economists traditionally viewed the transitional cause of MSMEs' continued existence to be the shortage of competencies, managerial and financial capabilities. Moreover, Oshagbemi (1983) argued MSMEs are likely to give way to economic development and superseded by large ventures, which hold the advantages of economies of scale. For this reason, Oshagbemi (1983) argued that the theory of economies of scale, which provides comparative advantages to large-scale ventures due to their capabilities, was a known conviction. Hence, the study views MSMEs as an indication of technological under-development (Njoku et al. 2014, Olotu, 2014). This chapter considers critical studies for this research. For instance, the chapter shall discuss concepts such as an entrepreneur, entrepreneurship, in addition to the classical

entrepreneurship theories and their evolution. Further discussed are entrepreneurial competencies and transformational entrepreneurship. The chapter also discussed MSMEs and its contribution to economic growth.

## **2.2 DEFINITION OF TERMS**

This section defined key terms used within this subject area, which offered useful understanding and informed insight.

### **2.2.1 ENTREPRENEUR**

The word “Entrepreneur” which translates to mean “one who takes between” is of French origin (Inyang & Enuoh, 2009). In contrast, the literature provides many conflicting definitions of the term entrepreneur (Zimmerer & Scarborough, 2008, Inyang & Enuoh, 2009). Seldom have academics had a universal consensus on a consistent definition (Zimmerer & Scarborough, 2008, Inyang & Enuoh, 2009, Anyadike et al. 2012, Smith & Chimucheka, 2014). Consequently, academics view an entrepreneur from diverse perspectives and are the reflection of a particular social environment (Zimmerer & Scarborough, 2008, Inyang & Enuoh, 2009). For instance, Yamada (2004) states that in America, entrepreneurs are people who build networks of businesses and communities. They are not necessarily involved in business start-ups but have a crucial role in establishing societies that support start-ups (Yamada, 2004). For this reason, business growth advocates view the entrepreneur as individuals who create wealth through innovation (Onakoya et al. 2013, Akuhwa & Akorga, 2015). This point of view was also prominent with Schumpeter (1934) who viewed the entrepreneur as innovators.

Although Jean-Baptiste Say (Say, 1803), enlarged the entrepreneur definition to incorporate people with managerial skills. Meredith et al. (1991) defined the entrepreneur as individuals with the expertise to identify opportunities, assemble and allocate resources and further take steps to develop and grow the business successfully. As a result, Jennings (1994) states the economist’s notion of entrepreneurs is that they incorporate resources to satisfy consumers wants. To Jennings (1994), these views of entrepreneurs are distinct, as illustrated in Table 2.1, which shows the views of the economist, such as Schumpeter (1934) and Knight (1921). Within Nigeria, people regard the entrepreneur as individuals who possess the abilities to perceive and evaluate business opportunities, harmonise relevant

resources, and take appropriate action to ensure success (Inyang & Enuoh, 2009, Smith & Chimucheka, 2014).

**Table 2.1: Economist Entrepreneurial Notion**

<b>Economist</b>	<b>Notion</b>
Joseph Schumpeter	An innovator who creates a new economic development, synthesis resulting in novel goods through modern production methods, Sources of Raw Materials, Organisational structure and Market Expansion.
Frank Knight	A decision-maker in a challenging environment. He dictates the consumer wants and allocate resources to produce the products and services.
Francis Edgeworth	A coordinator and intermediary who never fade, even in general equilibrium.
Alfred Marshall	A business leader and head of the venture; taking a risk, coordinating, innovating and profit-minded.
John Bates Clark	Not only a risk bearer but also an arbitrator who moves resources for maximising profits.
Irving Fisher	A risk-taker that decreases the uncertainty of risks and making predictions and deciding future actions from informed assumptions. As a profit benefactor, he is an essential and distinct economic individual.
Frederick Hawley	An individual that takes decisions regarding product and service that need production and a carrier of risks.

Source: Adapted from Jennings (1994).

Zimmerer & Scarborough (2008: 5) definition, which is consistent with Anyadike et al. (2012), Onakoya et al. (2013) and Akuhwa & Akorga (2015), defined the entrepreneur as an individual who creates a new business in the face of risk and uncertainty to maximise profit by identifying valuable opportunities and assembling the resources to achieve them. Zimmerer & Scaborough (2008) suggests that the entrepreneur is an economic architect who forecasts, opportunities and put together the required means of production necessary to maximise the opportunity. Nieman & Nieuwenhuizen (2009) support this, however, Nieman & Nieuwenhuizen (2009) state that entrepreneurs possess distinct features from managers (as illustrated in Table 2.2) which demonstrate some of the distinctive features of an entrepreneur and a manager. For instance, entrepreneurs are innovative, whereas managers have more managerial insight.

**Table 2.2: Features of Entrepreneurs and Managers**

<b>Entrepreneurs</b>	<b>Managers</b>
Creative and Innovative	Use of knowledge and skills with regards to the business and or the use of experts
Commitment	Financial Insight and Management
Perseverance	High Quality work enjoys Priority
Positive Attitude	Planning
Good Human Relations	Knowledge of Competitors
Leadership	Mainly Market Oriented
Risk Orientation	Client Services

Source: Adapted from Nieman & Neuwenhuizen (2009).

Furthermore, Toit et al. (2009) state that theorist's assertions about who exactly is an entrepreneur are different, as illustrated in Table 2.3, which present theorists and their central views. For example, innovation is vital to Joseph Schumpeter and Frank Knight with decision-making.

**Table 2.3: Key Activity of Entrepreneurs by Theorist**

<b>Theorist</b>	<b>Key Activity</b>
Frank Knight	Decision maker
Israel Kirzner	Arbitrator
Joseph Schumpeter	Innovator
Richard Cantillon	Speculator
Jean-Baptiste Say	Coordinator
Frederick Hawler	Product owner

Source: Adapted from Toit et al. (2009).

This research utilised, Zimmerer & Scarborough's (2008) definition. Zimmerer & Scarborough (2008) defined the entrepreneur as an individual who creates a new business in the face of risk and uncertainty to achieve growth and profit by identifying valuable opportunities and assembling the necessary resources to capitalise on them is sufficient and relevant to this research. For example, Zimmerer & Scarborough's (2008) definition encompasses a wide range of corresponding attributes of the entrepreneur (e.g. Allocating resources, creating new ventures, growing the economy, identifying opportunities, making a profit, taking risk and uncertainty). Moreover, Inyang & Enuoh (2009), Anyadike et al. (2012) and Smith & Chimucheka, (2014) contributions support the selection of Zimmerer & Scarborough (2008). For example, Inyang & Enuoh (2009) defined the entrepreneur as individuals who possess the abilities to perceive and evaluate business opportunities and

harmonise resources to ensure success. Whereas Anyadike et al. (2012) defined the entrepreneur as individuals who invest financial resources in innovative ideas. Furthermore, Smith & Chimucheka (2014) described the entrepreneur are hardworking individuals who take risks to ensure success.

### **2.2.2 ENTREPRENEURSHIP**

This section discusses entrepreneurship and highlights any distinction with the term entrepreneur. Entrepreneurship facilitates entrepreneurs to perform as instruments of growth in the market (Venkataraman, 2000, Ketchen & Combs, 2003). Furthermore, Rwigema & Venter (2004) defined entrepreneurship as a method of conceptualising, initiating and organising, and through innovation cultivating a business prospect into a possible high-growth venture in an insecure and challenging environment. For this reason, entrepreneurship functions as an essential hub to innovation, invention, and introduction of new goods and services in the economy (Venkataraman, 2000 and Acs & Virgill, 2010). The critical distinction between the entrepreneur and entrepreneurship is that the former refers to the individual responsible for creating the business and the latter involves the process of creating a business (Nieman & Pretorius, 2004, Zimmerer & Scarborough, 2008, Anyadike et al. 2012, Smith & Chimucheka, 2014).

In addition, the entrepreneurs are synonymous with the founder who starts a new business, and assumes the inherent risks and profit, by coordinating and organising the critical elements of production such as land and capital (Nieman & Pretorius, 2004, Zimmerer & Scarborough, 2008, Anyadike et al. 2012). Moreover, the entrepreneur leads the new enterprise towards its vision (Anyadike et al. 2012). By contrast, entrepreneurship is the process of starting this new business by exploring perceived opportunities. In practice, entrepreneurship is the risk-bearing process that is done by the entrepreneur (Anyadike et al. 2012, Smith & Chimucheka, 2014), as further defined within Table 2.4, which highlights the distinction between the entrepreneur and entrepreneurship. For example, the table shows the entrepreneur as a risk-taker and entrepreneurship as the process of starting a new business.

**Table 2.4: Entrepreneur and Entrepreneurship**

<b>Entrepreneur</b>	<b>Entrepreneurship</b>
The individual who undertakes and operates a new business and assume liability for the inherent risks	Entrepreneurship is the process of starting a new business, most new investments in responses to recognised prospects.
The entrepreneur is often synonymous with the founder.	Entrepreneurship ranges in scale from single projects to major undertakings creating many job opportunities.
The person who starts and operates a business venture is an entrepreneur.	The process in which an entrepreneur starts and operates his business venture in entrepreneurship.
The entrepreneur is a coordinator as he organises the key elements of production, i.e. land, labour, and capital.	Entrepreneurship is the coordination maintained by an entrepreneur.
The individual that innovates a new product is an entrepreneur.	Entrepreneurship is the innovation of something new or the process of change.
An individual who leads an enterprise towards its vision, thorough leadership, and motivation is an entrepreneur.	Entrepreneurship is the process in which an entrepreneur leads employees, motivates them for the achievement of the firm's goal.
Entrepreneur bears the risk of the firm for the sake of making a profit.	Entrepreneurship is the risk-bearing practice carried by the entrepreneur.

Adapted from: Nieman & Pretorius (2004), Zimmerer & Scarborough (2008), Anyadike et al. (2012) and Smith & Chimucheka (2014).

Entrecomp (2016) and QAA (2018) definitions of entrepreneurship offer further clarity. QAA (2018) defined Entrepreneurship as the application of enterprise behaviours, attributes, and competencies in the creation of cultural, social or economic value. In this context, practices and skill sets help specifically in creating and growing organisations to identify and build on opportunities. Similarly, in the Entrecomp 2016 study, Bacigalupo et al. (2016) state that entrepreneurship is when an individual acts upon opportunities and ideas, transforming them into value for others. The primary characteristic of entrepreneurship involves innovation and taking risks and that individuals engaged in economic activities and behaviour regarded as entrepreneurship (Anyadike et al. 2012, Smith & Chimucheka, 2014). Moreover, entrepreneurship loops around initiating, intellectual investigation of opportunities, creating and developing businesses from start-up to growth (Shane & Venkataraman, 2000, Burger et al. 2005, Van Aardt et al. 2008, Zimmerer & Scarborough, 2008, Smith & Chimucheka, 2014).

For this research, Smith & Chimucheka (2014) offers an essential perspective of entrepreneurship. Smith & Chimucheka (2014) defined entrepreneurship as the application

of creativity and innovation to opportunity and demand in the economy because of organised and discipline procedures. Smith & Chimucheka (2014) contribution addressed the key parameters relating to applying creativity and innovation to opportunities for producing goods and services. The insight provided by Smith & Chimucheka (2014) informed the selection, in that the author's definition loops around the tenets of entrepreneurship presented in the literature. For example, Bacigalupo et al. (2016) defined entrepreneurship as when an individual act upon opportunities and ideas, transforming them into value for others, which substantiates Smith & Chimucheka (2014). Furthermore, Entrecomp (2016) and QAA (2018) discussed earlier provided additional context, which validates Smith & Chimucheka (2014) interpretation.

### **2.3 CLASSICAL THEORIES OF ENTREPRENEURSHIP**

This section considers the classical theories of entrepreneurship. How they evolve, their evolution and contribution to entrepreneurship literature. The idea of the entrepreneur started emerging as early as the eighteenth century (Duru, 2011, Bula, 2012). A body of theorists has supported these theories for more than two and a half centuries (Cantillon, 1881, Say, 1803, Knight, 1921, Schumpeter, 1934). In this light, the concept of entrepreneurship itself is multi-dimensional, for example, researchers view the idea from an economic, psychological and sociological perspective. Others perceive it from a managerial perspective, whilst others see it from a social perspective (Toit et al. 2009, Bula, 2012). However, entrepreneurship promotes socio-economic activities and the effective deployment of resources, by creating new values, underpinning socio-economic development and providing employments prospects (Shane & Venkataraman, 2000, Yamada, 2004). Moreover, the concept implies the creation of value through the allocation of resources, taking risks, human creativity, and technology (Rwigema & Venter, 2004, Van Aardt et al. 2008, Zimmerer & Scarborough, 2008).

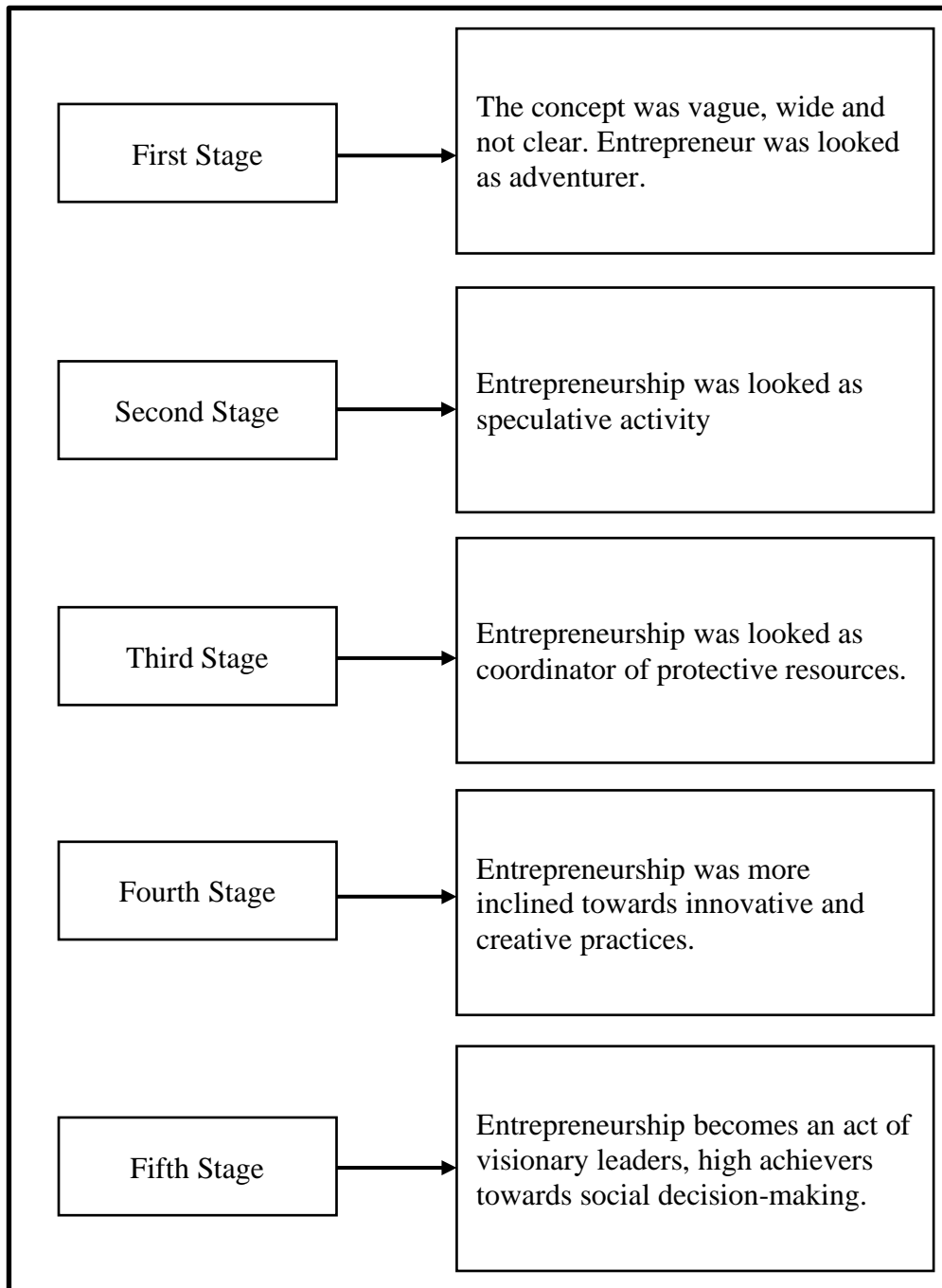
#### **2.3.1 THE EVOLUTION OF ENTREPRENEURSHIP THEORY**

Duru (2011) and Bula (2012) states that early literature views entrepreneurship from diverse perspectives, arguing from the standpoint of entrepreneur activities, which includes, innovator, inventor, and imitator or more applicably as a calculated risk-taker. Given that, the knowledge of the theory of entrepreneurship is a recognised conception among market process theorists, following the embedded research agenda within entrepreneurship (Duru,



2011, Desai, 2013). Again, the literature acknowledged that ethical, religious, and socio-cultural values influence entrepreneurship and economic, psychological, and sociological situations (Arend, 2007, Jennings et al. 2013). For instance, economists and social scientists over the years have presented the phenomenon differently in conformity with their observation, insight, and environment (Sharma et al. 2005, Desai, 2013).

These theories developed over time and influenced by research and the development of practices from the era of a trade by barter consistent with the first stage of industrialisation to the knowledge environment consistent with the fifth stage as highlighted in Figure 2.1. Where in the early stages, the entrepreneurship concept was still vague, therefore, making the entrepreneur look more like an adventurer (Sharma et al. 2005). However, within the latter stage, the entrepreneurship concept has become well defined and viewed as the driver to socio-economic development (Sharma et al. 2005, Desai, 2013). Figure 2.1 further illustrates how entrepreneurship theories evolved over the stages, from their vague concept, viewed as adventurers to its current discussions, regarded as the key driver of economic development (Sharma et al. 2005).



**Figure 2.1: Evolution of Entrepreneurship Theory:** Adapted from Sharma et al. (2005).

There are three primary emergent views to entrepreneurship, categorised into the economist's perspective, psychologist's perspective, and sociologist perspective (Sharma et al. 2005, Desai 2013).

### **2.3.2 THE ECONOMIST PERSPECTIVE**

From an economist's perspective, entrepreneurship and economic growth occur where there are favourable economic conditions and that financial incentives are the drivers for entrepreneurial activities (Hisrich & Peters, 2002, Desai, 2013). Consequently, economists argue that a developed market and competent economic policies will advance and support entrepreneurship behaviour (Desai, 2013, Olotu, 2014). This perspective is consistent with Duru (2011) and Dandura's (2014) views, where the authors argued that the government's economic policies if implemented correctly would support entrepreneurship activities in Nigeria.

Although conversely, Dean & McMullen (2007) suggests that within a developing economy, such as Nigeria, the outcome of market failures has driven entrepreneurial activities and behaviours. For example, where there is market failure and policies and regulations fail to provide the incubation for entrepreneurship to thrive. There are opportunities for entrepreneurship, inspired by poverty and unemployment and the demand for survival within these environments (Dean & McMullen 2007, Anyadike et al. 2012, Olotu 2014). More so, entrepreneurship resulting from policies and market failures is predominantly in emerging markets such as Nigeria (Dean & McMullen, 2007, Schoar, 2010).

The leading proponent of the economist view was Papanek (1967). Papanek (1967) contends that economic motives drive entrepreneurship. Although Papanek (1967) further argues that, this is not apparent in certain instances. Papanek (1967) explained that individual inward motivation is economic profit (Sharma et al. 2005, Toit et al. 2009). Thus, Sharma et al. (2005) and Akuhwa & Akorga (2015) argued that the shortage of entrepreneurship is the result of inefficient economic policies and imperfections in the market. Indeed, Dean & McMullen (2007) explained that market failure would motivate entrepreneurial activities and behaviours.

### **2.3.3 THE PSYCHOLOGIST PERSPECTIVE**

Schumpeter (1934) and McClelland (1973) emphasised the psychological view of entrepreneurship. Schumpeter (1934) argues that the quest for power, drive to create a private empire and conquer motivates entrepreneurs. Given this, psychologists believed that entrepreneurship is the result of when society possesses an adequate supply of individuals having specific psychological attributes such as the need for wealth (Bygrave & Hofer,

1991). McClelland (1973) suggested that it was the desire for success that motivates individuals towards entrepreneurial activities. While this may inform the majority of cases in Nigeria (Duru, 2011, Danduara, 2014, Olotu, 2014). Nonetheless, unemployment, impoverishment and the need for survival within this environment have also driven entrepreneurial activities and behaviours (Anyadike et al. 2012, Chidiebere et al. 2014). Indeed, People with extraordinary attainment motives are inclined to take an extreme interest in high-risk situations, desire for responsibility, and the need for a substantial degree of assignment (Sharma et al. 2005, Desai, 2013).

#### **2.3.4 THE SOCIOLOGIST PERSPECTIVE**

Weber (1905) and Cocharan's (1971) theories were prominent in this context. Cocharan (1971) argues that the entrepreneur symbolises the ideal society personality. Sociologists suggest that cultural values and role prospects are the main reasons for entrepreneurship (Sharma et al. 2005, Adeosun-Familoni, 2015). Sociologists argue that socio-cultural beliefs drive economic activities that result in entrepreneurship (Bull & Willard, 1993). For this reason, Adeosun-Familoni (2015) says that in developing countries such as Nigeria, professional jobs are mainly the focus of prestige. Hence, respect is often on the nature of your work type, for example, academics, attorneys, medical physicians, politicians (Lerner & Schoar, 2010, Adeosun-Familoni, 2015). Accordingly, Adeosun-Familoni (2015) reasoned that this is the reason these societies disrespect entrepreneurs.

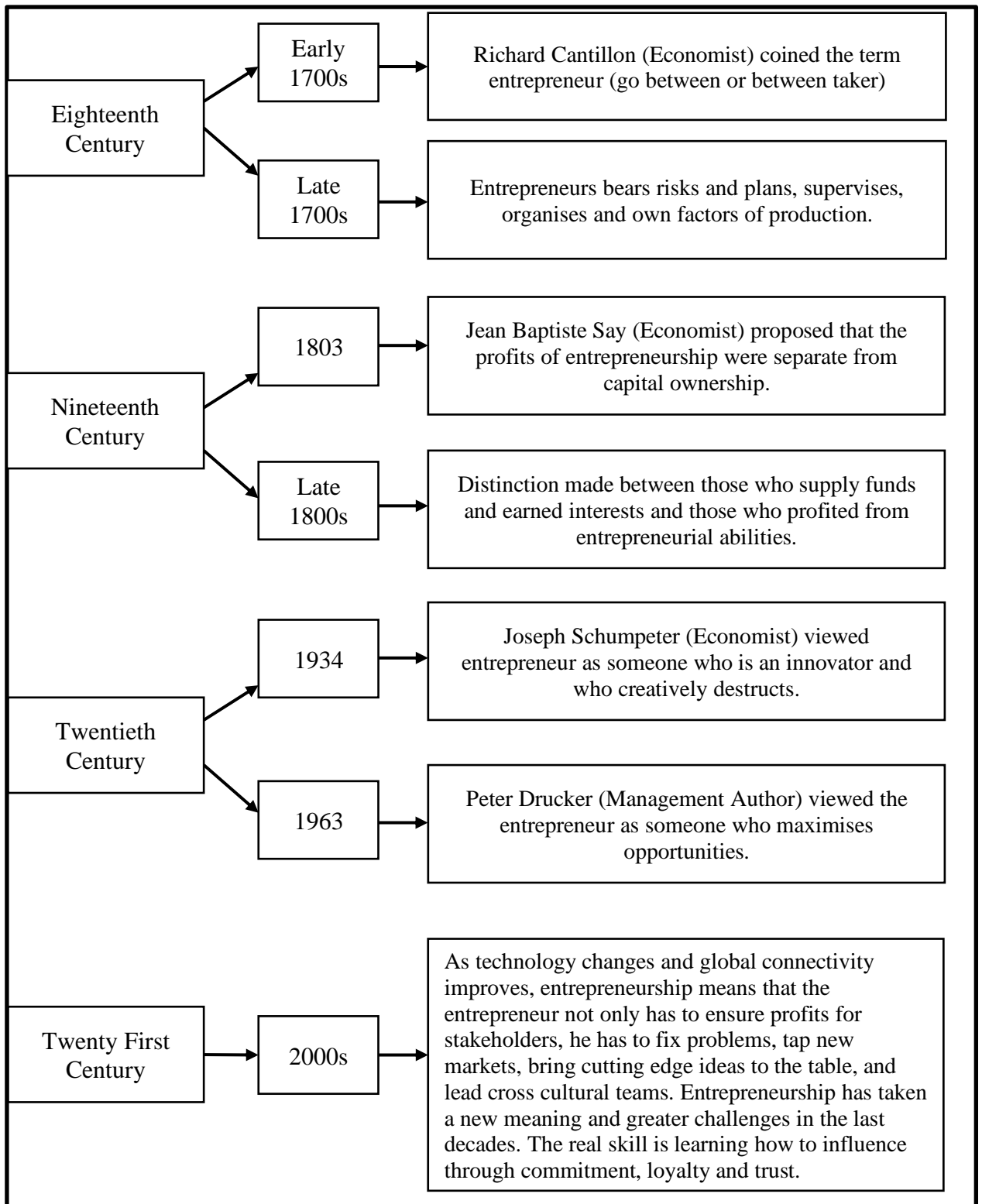
Although, Oduntan (2014) indicates that entrepreneurship in Nigeria is becoming a symbol of personality because the professional engagement that people admired is insufficient. Thus, motivating entrepreneurship activities and behaviours among the youths (Osotimehin et al. 2012, Adeosun-Familoni, 2015, James-Unam et al. 2015). Weber's (1905) suggestion is that religious beliefs will cause intensive effort in pursuit of the occupation, the amassing of wealth and the systematic gathering of a means to an end. For this reason, Weber (1905) states, these beliefs inspire the drive for entrepreneurial activities (Bull & Willard, 1993).

#### **2.3.5 DEVELOPMENT OF CLASSICAL THEORIES OF ENTREPRENEURSHIP**

A harmonised entrepreneurship theory is not present in the literature (Bula, 2012, Desai, 2013). Therefore, the consideration of several opinions by prominent social and economic thinkers within this research. Presently, the attractiveness of entrepreneurship within nations

tends to make the trend a phenomenon of the twenty-first century (Duru, 2011, Desai, 2013). For this reason, countries, such as Nigeria pay adequate attention to entrepreneurship development (Anyadike et al. 2012, Smith & Chimucheka, 2014). To begin with, Say (1803) was the first theorist to inspire an interpretation of the entrepreneur (Van Praag, 2005, Bula, 2012). Say (1803) viewed the entrepreneur as an input in the production process and the principal-agent within the economy (Bula, 2012). Richard Cantillon, Cantillon (1881) support Say (1803) perspective and recognised the entrepreneur as a critical economic factor in society (Van Praag, 2005, Bula, 2012, Desai, 2013). Cantillon (1881) saw the entrepreneur as responsible for all trades within the economy (Bula, 2012, Dedekuma & Akpor-Robar, 2015). The reason the advancement of entrepreneurship in the nineteenth century included risk-takers, planning, organising, and applying the factors of production (Van Praag, 2005, Bula, 2012).

In the early nineteenth century, entrepreneurial activities witnessed a fertile time inspired by technical improvements during the industrial revolution, which motivated continued inventions and innovations (Van Praag, 2005, Desai, 2013). By the close of the nineteenth hundred, the entrepreneurship concept changed marginally to differentiate between those who supplied capital and received interest and those who earned from entrepreneurial capabilities (Van Praag, 2005, Desai, 2013). Within the twentieth century, Schumpeter (1934) first advocated a dynamic entrepreneurship theory, which viewed the entrepreneur as an innovator, and catalysts, which interrupts the steady circular economic flow (Desai, 2013). Whereas the twenty-first century saw the entrepreneur within the context of the knowledge economy, as a problem fixer who creates new markets through the search for opportunities and advancement in technology (Van Praag, 2005, Desai, 2013), as illustrated within Figure 2.2, which show the developmental stages.

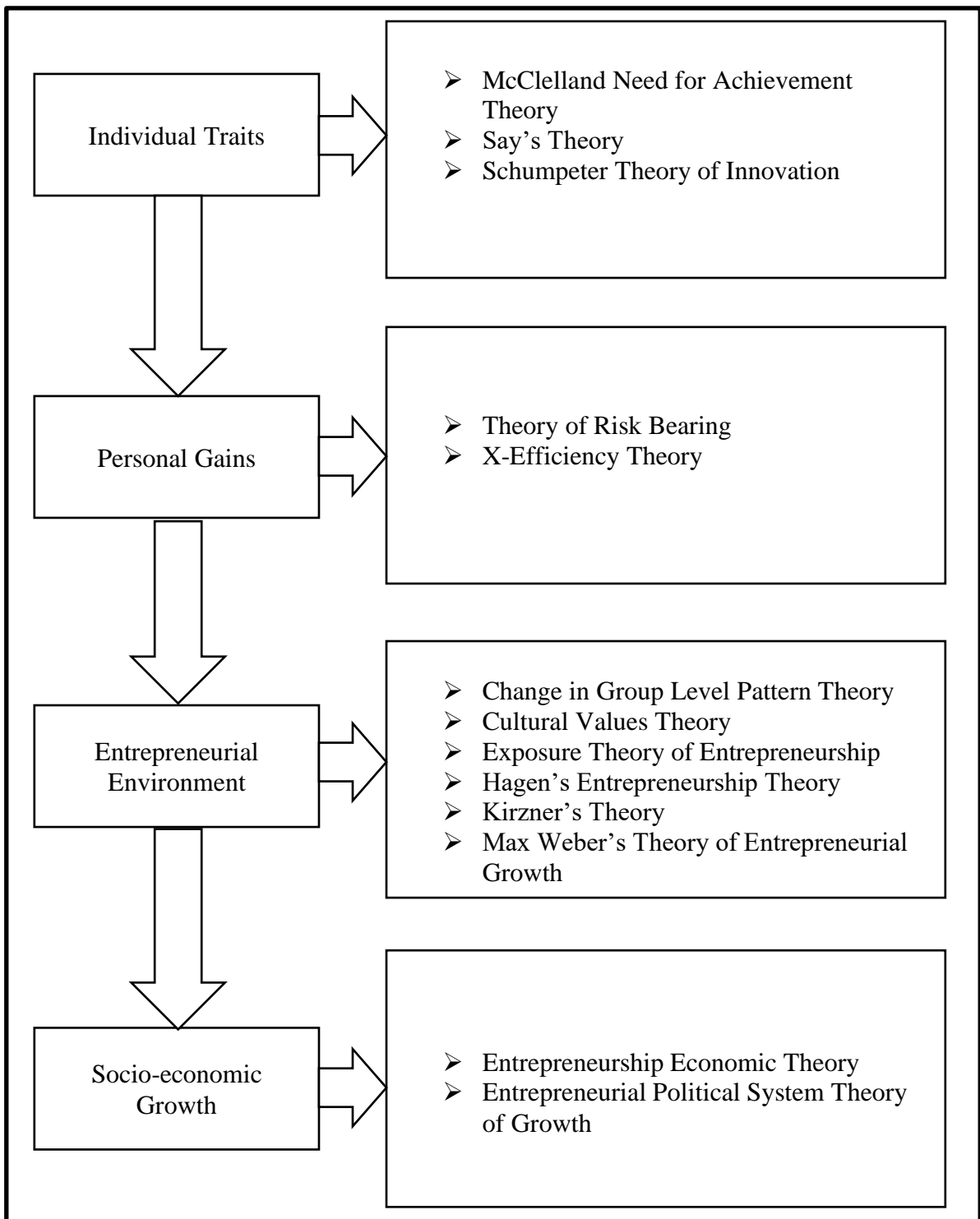


**Figure 2.2: Development of Entrepreneurship Theory:** Adapted from Sharma et al. (2005).

### **2.3.6 CONTRIBUTION OF CLASSICAL THEORIES TO ENTREPRENEURSHIP**

As shown in the preceding paragraph, theorists viewed entrepreneurship from diverse positions, as exemplified in Figure 2.3. For example, Say (1803) theory; Schumpeter (1934) (Innovation); McClelland (1965) (Need for Achievement Theory) was focused on the individual and their competencies. Wherein these perspectives support this research objective to examine the entrepreneurs and their skills. For example, Say (1803) viewed the entrepreneur as a manager. Whereas Schumpeter (1934) sees the entrepreneur as an innovator and chief driving force in economic development and McClelland (1965) suggests personal achievement as the most important factor for entrepreneurs. On the contrary, Richard Cantillon (1881) (Theory of Risk Bearing), advanced by Knight (1921) and Leibenstein (1966) (X-efficiency Theory) focused on personal gains (profit). For example, Cantillon (1881) proposed financial increase as a driving force for the entrepreneur to assume the risk. Leibenstein (1966), who implies that the entrepreneur will act when they perceive financial gains, supports this.

On the entrepreneurial ecosystem, which supports the focus of this research were prominent theorists, such as Weber (1905) (Theory of Entrepreneurial Growth); Cochran (1960) (Cultural Values Theory); Hagen (1962) (Hagen's Entrepreneurship Theory); Young (1970) (Change in Group Level Pattern Theory); Tripathi (1971) (Exposure Theory of Entrepreneurship) and Kirzner (1973). These theorists viewed the entrepreneurial environment such as culture, customs, market dynamics, and entrepreneurial ecosystem as the key to facilitating entrepreneurship activities and behaviour. In addition, to socio-economic growth, such as infrastructures, favourable regulations as drivers for entrepreneurial activities and practices. In support, Boulding (1942) and Hoselitz (1952) (Entrepreneurial Political System Theory of Growth), Papanek (1967) and Harris (1970) (Entrepreneurship Economic Theory) argued that economic incentives were the primary drivers of entrepreneurial activities and behaviours in any nation. These incentives comprise taxation, subsidies, and security, which can motivate people towards entrepreneurship.



**Figure 2.3: Theory Contribution to Entrepreneurship:** Adapted from Sharma et al. (2005), Van Praag (2005), and Bula (2012).



## **2.4 STUDY OF ENTREPRENEURIAL COMPETENCIES**

This section contextualises entrepreneurial competencies, a key focus within this thesis. Ascribed to contemporary competency is Psychologist David McClelland's study (McClelland, 1973). Entrepreneurial competencies apply to all spheres of life, and it facilitates individuals to nurture their ambition and development (Kiggundy, 2002, Bacigalupo et al. 2016). Moreover, it enables people to enter the job market as an employee or as self-employed and to start-up or scale-up businesses, which are motivated commercially, culturally, socially and contributing to socio-economic development (Oyeku et al. 2014, Bacigalupo et al. 2016, RezaeiZadeh et al. 2017, Igwe et al. 2018).

### **2.4.1 BACKGROUND STUDY OF COMPETENCIES**

McClelland (1973) defined competency as the cluster of characteristics, including the ability, skill, knowledge, and behaviour required by an individual to be successful in business. To add context, Boyatzis (1982) define competencies as a wide range of personal features as are necessary for exceptional conduct. In support of McClelland (1973) and Boyatzis (1982), Bird (1995) defined entrepreneurial competencies as distinct knowledge and understanding, purpose, leadership qualities, initiatives, self-image, risk-taking, social position and skills from personality traits that can lead to business success. In recognition, Kiggundy (2002) defined entrepreneurial competency as a cluster of characteristics critical to business sustainability. These include the ability, belief, and culture, management and expert skills (Davis et al. 2004, Oyeku et al. 2014, Obschonka et al. 2017).

Similarly, Man et al. (2002) define entrepreneurial competencies as a cluster of advanced features, including personal attributes, ability, and expertise seen as the set of skills required by the entrepreneur to accomplish their responsibilities, a view consistent with Oyeku et al. (2014). In support of Man et al. (2002) and Sarwoko et al. (2013) defined entrepreneurial competencies as individual features including belief and behaviour, which enable an entrepreneur to be successful in business provided other factors such as the political, socio-cultural environment and the entrepreneurial ecosystem are conducive.

The definition of entrepreneurial competencies offered by Man et al. (2002) is sufficient to underpin this study because it is insightful on the requirement for skills required to become a successful MSME Owner/Manager. Moreover, since literature does not offer a region-specific definition, therefore, Man et al. (2002) definition can apply to every commercial setting, such as developed and developing countries, although the study

considered several perspectives. For example, Kiggundy (2002), and Sarwoko et al. (2013). These definitions provided additional views to Man et al. (2002).

#### **2.4.2 COMPETENCIES CONCEPTUAL FRAMEWORK**

Starting a new venture entails having several diverse resources from knowledge and skill, behavioural resources to financial support (Sarwoko et al. 2013, Barazandeh et al. 2015). Barazandeh et al. (2015) argue an entrepreneur can obtain some resources in the economy to acquire information, social capital, and finance. Even so, there are internal factors, which support starting a venture (Davis et al. 2004, Oyeku et al. 2014). Man et al. (2002) and Barazandeh et al. (2015) defined these internal factors as competency. Additionally, Lans et al. (2008) recognised the importance of concentrating on the competencies rest on the potentials of informing MSMEs Owners/Managers of the significance of specific entrepreneurial skills and creating the path for developing these competencies.

However, Lans et al. (2008) argue that entrepreneurial competencies are not limited to the ability to write a business plan. Lans et al. (2008) and Mojab et al. (2011) state it also calls for recognising and acting on opportunities and taking the initiative. For example, the ability to pitch potential investors to invest in a project or persuade prospective suppliers and buyers (Inyang & Enuoh, 2009). Lans et al. (2008) further stated it entailed the skill to recognise opportunities and utilise the chance to build a sustainable venture. Lans et al. (2008) and Smith & Chimucheka (2014) emphasised entrepreneurial competencies can be practised and developed further through education/training and experience. Additionally, Lans et al. (2008) point out that the concept of skills from an educational perspective has attracted debate in the research. Oyeku et al. (2014) and Hashim et al. (2018) state the competency framework is a cluster of skills required in a job to be effective.

In Bird's (1995) view, competencies are behavioural and suggest they connect to performance than entrepreneurial features, such as personal traits, intentions or motivations. Oyeku et al. (2014) substantiate this and maintain the competency framework is vital in that it advances the strategic plan for the collection of behaviours required for producing a result. Bird (1995) emphasised the importance of education/training, previous experience of working and business experience as factors that can stimulate entrepreneurial competency development (Hashim et al. 2018). Chandler & Jansen (1992) substantiated by Bird's (1995) view and Smith & Chimucheka (2014) that states that education/training, to a degree, have a positive contribution to entrepreneurial competency development for MSMEs. Oyeku et

al. (2014) also substantiated Chandler & Jansen (1992) and Smith & Chimucheka (2014) that previous experiences from work have the potentials to develop an individual ability and skill, especially in perceiving business prospects.

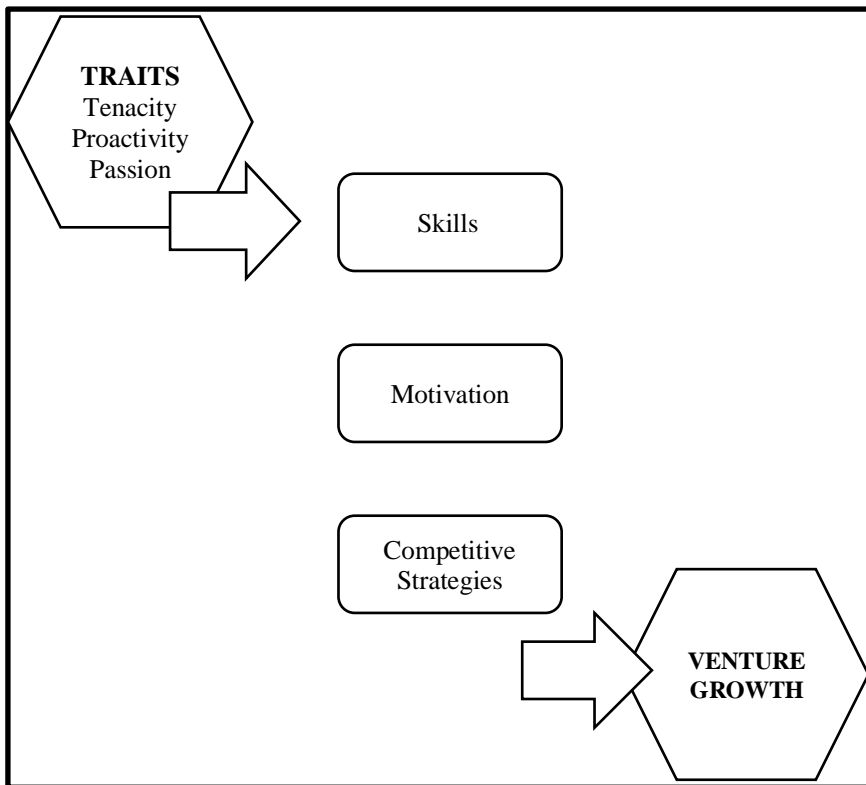
Generally, competencies classify into characteristic’s competencies, skills, competencies and knowledge competencies (Mojab et al. 2011, Barazandeh et al. 2015). Additionally, Barazandeh et al. (2015) state, there are fundamental and artificial competencies. Barazandeh et al. (2015) suggest that the internal skills of an individual are fundamental skills and consist of the person's personality traits, self-esteem, orientation, attitude, culture and social class. Artificial competencies Barazandeh et al. (2015) propose as external or accidental what the individual acquired, and they include personal skills, personal knowledge, and personal experience. Table 2.5 further highlights Barazandeh et al. (2015) entrepreneur’s competencies.

**Table 2.5: Entrepreneur’s Competencies**

<b>Entrepreneurial Competencies</b>	<b>Components</b>
Knowledge	Market, People, Finances, Production.
Motivation	Autonomy, Achievement, Power.
Capability	Manage, Motivate, Organise, Plan, Financial Administration.
Characteristic	Risk-Taking, Affiliation, Tolerance of Uncertainty.

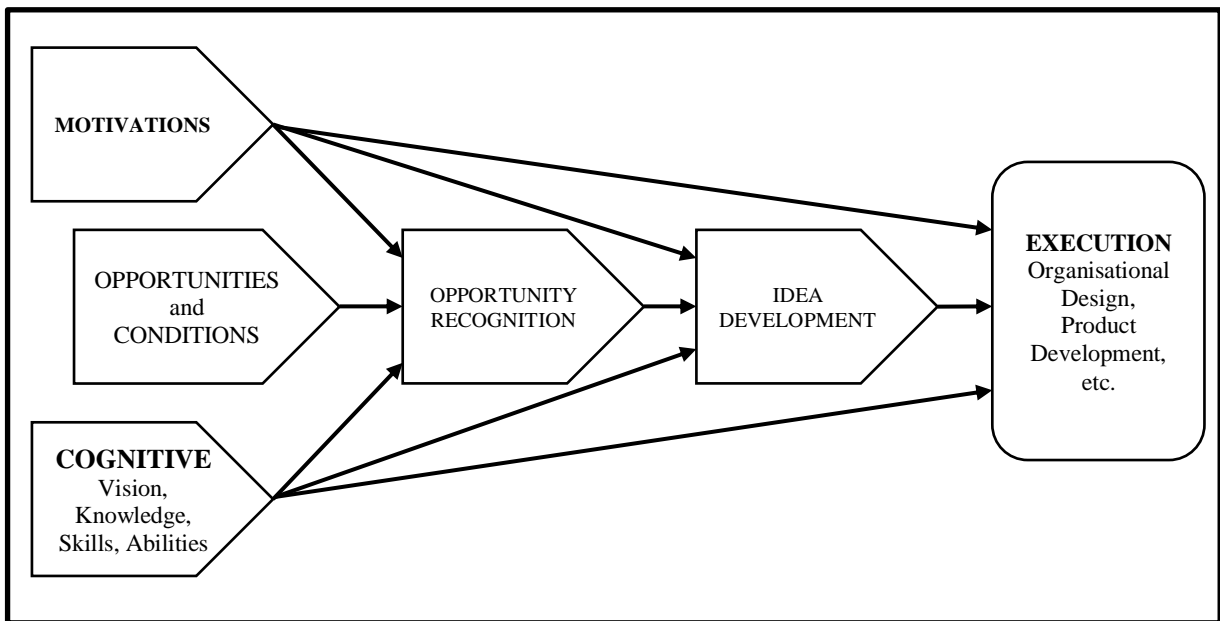
Source: Barazandeh et al. (2015).

Subsequently, A GEM (2015) study analysed entrepreneurial competencies by evaluating total early-stage entrepreneurial activities (TEA), perceived opportunities, perceived capability, entrepreneurial intentions, and fear of failure and role models of entrepreneurs on their yearly report. In evaluating the GEM study, Barazandeh et al. (2015) argued that perceived opportunities and capability relate to entrepreneurial skills and entrepreneur’s role model and fear of failure focus on the personal traits of the entrepreneur. Baum et al. (2001) viewed traits as their features or abilities that are distinct among entrepreneurs, as presented in Figure 2.4 below. Baum et al. (2001) suggest, for example, that passion, proactivity, and tenacity were traits that inspire entrepreneurs to identify the importance of specific competitive strategies that are necessary to enhance MSMEs' development. Baum et al. (2001) and RezaeiZadeh et al. (2017) noted the positive correlation between personality traits and business development and stated these underlines the critical role of the entrepreneur in business ventures.



**Figure 2.4: Entrepreneurial Traits:** Adapted from Baum et al. (2001).

Baum et al. (2001) and Shane et al. (2003) acknowledged there are other essential factors necessary for MSMEs development and emphasised the correct entrepreneurial traits help build a solid background for the creation of a sustainable venture. Baum et al. (2001) also state personal characteristics were the motivating influence behind entrepreneurial competencies, competitive strategies, and motivations that drives MSMEs' development. Shane et al. (2003) and Obschonka et al. (2017) posit that entrepreneurial competencies are a cluster of physiognomies connected with the positive development of new ventures. Shane et al. (2003) highlighted these competencies as the essential ingredients of an individual, which effectively results in producing accomplishment or performance. For example, Mitchelmore & Rowley, (2008) view innovation as a skill component of competency and not a gift competency by nature, which developed through experience and superior knowledge and the essential skill sets development over time. Moreover, competencies consist of a range of personal traits and personal motivation for specific skills and expertise (Mitchelmore & Rowley, 2008). It is clear from the above that individuals, such as Nigerian MSMEs Owners/Managers can develop their competencies through adequate self-motivation, further illustrated in Figure 2.5.



**Figure 2.5: Entrepreneurial Motives:** Adapted from Shane et al. (2003)

Shane et al. (2003) and Mitchelmore & Rowley (2008) state personal traits, which pilot's skills development are crucial for sustainable entrepreneurship. Shane et al. (2003) further recognised that multiple factors had influenced MSMEs development, and that research has not been able to identify the precise entrepreneurial competencies, which always predict organisational sustainability. For instance, current market growth rate, interest rate, networking connections and access to vital resources have also influenced the prospect of sustainable ventures (Shane et al. 2003, Mitchelmore & Rowley, 2008, Oyeku et al. 2014, Obschonka et al. 2017). Shane et al. (2003) argue such research focused on environmental characteristics. The features of entrepreneurial opportunity and academics were persistent in studying the fundamental impact of individual activity attributes and competencies when forecasting what was necessary for making a business sustainable (Shane et al. 2003, Mitchelmore & Rowley, 2008, Gumusay & Bohne 2018).

Shane et al. (2003) and Oyeku et al. (2014) maintain entrepreneurial success will always affect external factors, likewise, individual characteristics of entrepreneurs responsible for decision-making on how to run the business process. Shane et al. (2003) argue research has not been able to identify the specific traits and features, which will always be prognostic of MSMEs' sustainability and further stressed this is likely to remain. However, Shane et al. (2003), Inyang & Enuoh (2009) and Gumusay & Bohne (2018) recognised individual competencies play a vital role in fostering sustainable MSMEs development. Shane et al. (2003) indicated that researchers had developed an innovative competency model, which, advance's creativity, enterprising, integrating perspective,

forecasting and managing change correlates to entrepreneurial sustainability. However, for start-ups, Shane et al. (2003) emphasised not evaluating competencies and ecosystem support mechanisms separately as they are fundamental components to consider, which supports the aim and rationale for this research.

### **2.4.3 INTEGRATIVE MODEL OF COMPETENCIES**

Research on structures to integrate contemporary ideologies on entrepreneurship and competencies exists (Man, 2006, Markman, 2007). Nevertheless, the concept of entrepreneurial skills remains engulfed in uncertainty and complexity (Markman, 2007, Lans et al. 2008). Lans et al. (2008) argue it is because of the diverse elements of entrepreneurial competencies that represent abilities, results, personal traits, tasks and features and the separate stages of study, for instance (individual against the organisation) and also, the diverse cultural and historical perspectives. Lans et al. (2008) mentioned views, which have undoubtedly been most dominant in an attempt to explain and detail entrepreneurial competencies. That is the functional approach (work-focused) to entrepreneurial skills and the behavioural approach (employee-focused) to entrepreneurial competencies (Lans et al. 2008).

Lans et al. (2008) and Neumeyer & Santos (2018) maintained that models of competencies are making a shift from the one-dimensional behavioural or functional typology to a multi-dimensional or all-inclusive typology (Delamare Le Deist & Winterton, 2005, Lans et al. 2008). Fiet, (2001), Markman, (2007) and Lans et al. (2008) acknowledged that the use of competencies is an additional benefit when competencies surpass skills, knowledge or behaviour. Lans et al. (2008) advocate the multi-dimensional models of entrepreneurial competencies and suggest competencies as a mix of essential elements. Moreover, there is a need to integrate these crucial self-standing ingredients from one another (Delamare Le Deist & Winterton, 2005, Lans et al. 2008). Thus, entrepreneurial competencies entail functional competencies (work focused knowledge and expertise), behavioural competencies (behavioural ability) and intellectual competencies (job-focused skills and proficiency) (Delamare Le Deist & Winterton, 2005, Lans et al. 2008). Bird (1995) emphasised the need for developing entrepreneurial competencies through education/training and work experience.

#### 2.4.4 INTERPRETIVE MODEL OF COMPETENCIES

Lans et al. (2008) state contemporary methods that assume a fundamentally diverse stance regarding competencies and the unexpressed expectations for it, defined as an interpretive model of skills. Sandberg (2000) and Lans et al. (2008) view this as the validation and development of competencies designed and dependent on the circumstances. This method argues that employees and their job stick together during their duty assignment, feeling the experience of the connection and understanding the bond (Sandberg, 2000, Lans et al. 2008). Markman, (2007) and Lans et al. (2008) suggest the interpretive concept method was an invaluable addition to the study of the personality traits, behaviours, and motivations of entrepreneurs, for example, by further stating the significance of abilities, skills and understandings, and their development over time (lans et al. 2008).

#### 2.4.5 BOLT-ON MODEL OF COMPETENCIES

The bolt-on approach adopts fixed conditions and defined personal qualities and description of tasks narrowly (Sandberg, 2000, Lans et al. 2008). Lans et al. (2008) opined the bolt-on approach illustrates the reasonable outlook of competencies as attainable through education/training. Table 2.6 summarises the entrepreneurial competencies approach. For example, Lans et al. (2008) argue that the Interpretive and Integrative concept of entrepreneurial competencies, share the same view, with the unified explanation of skills, disregarding the difficulty of work settings. Lans et al. (2008) emphasised that networking, a vital entrepreneurial competency can be distinct in different situations, based on culture, values, customs, and history. For example, specific vocabularies used in western culture may not apply within a cultural setting in Africa.

**Table 2.6: Entrepreneurial Competencies Approach**

<b>Bolt on Model of Entrepreneurial Competencies</b>	<b>Interpretive / Integrative Model of Entrepreneurial Competencies</b>
Objective	Socially designed
Independent of the circumstance	Depend on the circumstance
Indivisible	Integrated
Qualities are the point of departure	Conceptions are the point of departure
Closed	Open

Source: Lans et al. (2008).

#### **2.4.6 TRANSFORMATIONAL ENTREPRENEURIAL COMPETENCIES**

To achieve transformational entrepreneurship, MSMEs Owners/Managers should possess the relevant competencies to support the systemic advancement viewed as prerequisite required for MSMEs success (Inyang & Enuoh, 2009, Sarwoko et al. 2013, Maas et al. 2016, Souse, 2019). In addition, the entrepreneurial ecosystem, support factors for MSMEs should be adequate (Shane et al. 2003, Auerswald, 2015, Fate, 2016, Cantner et al. 2020). The evidence within the literature suggests the attributes/components of entrepreneurial competencies are mostly relevant to achieve transformational entrepreneurship. For example, Marmer (2012) acknowledged that to achieve transformational entrepreneurship; there should be a blending and convergence of the tenets and attributes of social enterprise/entrepreneurship together with those of traditional entrepreneurship and technological entrepreneurship.

Therefore, the cluster of entrepreneurial competencies discussed by Huck & McEwen (1991), Minet & Morris (2000), Baum et al. (2001), Man et al. (2002), Sony & Iman (2005), and Inyang & Enuoh (2009) were justified and sufficient for this study. The Entrecomp (2016) framework (Bacigalupo et al. 2016) validated the use of this body of knowledge. Huck & McEwen (1991) suggest that planning/organising and budgeting, marketing and management are the three most essential competencies' qualities for entrepreneurs and MSME managers. Minet & Morris (2000) added that entrepreneurial competency key component is adaptation. Baum et al. (2001) further differentiated between specific and general competencies, with the former consisting of technical and industry skills, while the latter consists of organisational skills and opportunities identification skills. For this reason, Man et al. (2002) entrepreneurial competency framework centred on the multi-dimensional concept of MSMEs' competitiveness, also comprises the potential dimension, process dimension and performance dimension developed from previous research on competitiveness (Oyeku et al. 2014).

Thus, Man et al. (2002) identified six categories of entrepreneurial competencies, which comprises organising skills, relationship competencies, opportunity competencies, conceptual competencies, business strategy competencies, and commitment competencies. Furthermore, Sony & Iman (2005) listed industry skills, management skills, opportunity skills, and technical skills as entrepreneurial competency skills. For this reason, Lans et al. (2008), and Mitchelmore & Rowley, (2008) state the notion of entrepreneurial competencies in a contemporary research study is a vital practice of entrepreneurship and MSMEs. In



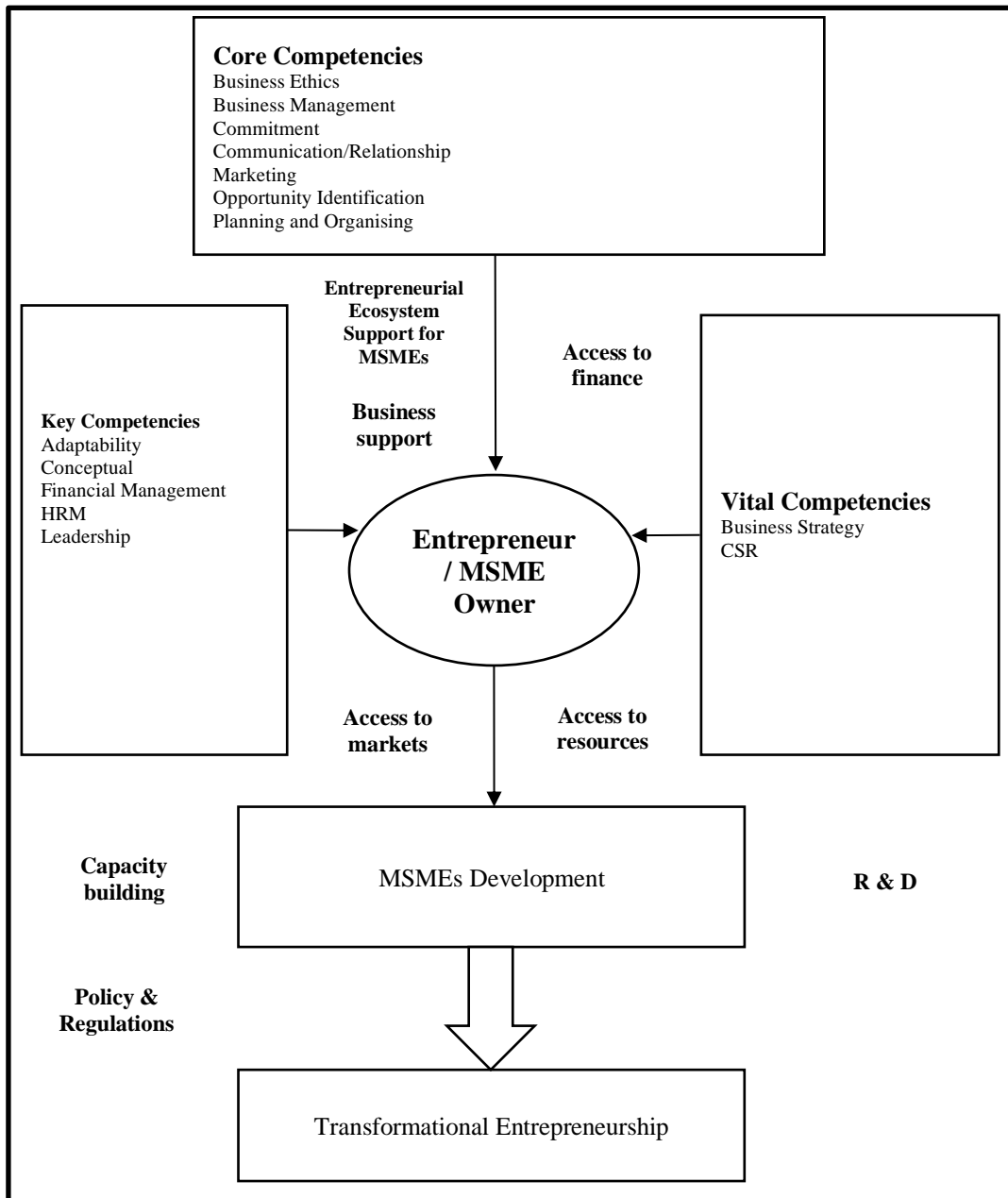
contrast to Man et al. (2002), Inyang & Enuoh (2009) identified nine categories of entrepreneurial competencies namely, business ethics, communication, decision making, financial management, human resources management, leadership, marketing management, corporate social responsibility and time management. These skills Inyang & Enuoh (2009) argued, are necessary for successful entrepreneurship and MSMEs development within Nigeria. However, Inyang & Enuoh (2009) recognised the applied limitation of entrepreneurial competencies in entrepreneurship practice and the ongoing debate in the research.

#### **2.4.7 THIS STUDY CONCEPTUALISED COMPETENCY FRAMEWORK**

The research developed a framework to map the competencies discussed above viewed as a prerequisite for Owners/Managers to make systemic changes in facilitating MSMEs to transformational entrepreneurship. The framework is the cluster of skills alongside the ecosystem support factors/mechanisms for MSMEs, which can facilitate MSMEs development (Wu, 2009, Oyeku et al. 2014, Igwe et al. 2018). The framework considered competencies identified within the literature (e.g. Huck & McEwen, 1991, Minet & Morris, 2000, Baum et al. 2001, Man et al. 2002, Sony & Iman, 2005, Longenecker et al. 2006, Inyang & Enuoh, 2009). Consequently, fourteen critical skills emerged from the literature to support this study. These competencies are adaptability, business ethics, business management, business strategy, commitment, communication and relationship management, conceptual, CSR, financial management, HRM, leadership, marketing, opportunity identification, and planning/organising. Subsequently, the research developed three themes (see chapters 5 and 7) to support these skills, namely core, key, and vital competencies viewed as ingredients to support MSMEs development.

Within the core emerged seven skills (see factor analysis in Chapter 7), which are business ethics, business management, commitment, communication/relationship management, marketing management, opportunity identification and planning/organising. Within the key emerged five skills (see factor analysis in Chapter 7), which are adaptability, conceptual, financial management, human resource management and leadership. Within the vital emerged two skills (see factor analysis in Chapter 7), which are business strategy and CSR skills. The framework illustrated in Figure 2.6 comprised the cluster of the three themes with the fourteen skills and the seven ecosystem support mechanisms for MSMEs in Nigeria (Fate, 2016). These competencies, alongside the ecosystem support factors in a symbiotic

association, can support MSMEs progression to transformational entrepreneurship. Shane et al. (2003), Suresh & Ramraj (2012), Maas et al. (2016) and Ratten & Jones (2018) who maintained a blending of all the stakeholders comprising the MSMEs and the ecosystem factors further support this framework.



**Figure 2.6: Entrepreneurial Competencies Framework:** Adapted from Man et al. (2002), Inyang & Enuoh (2009), Schoar (2010), and Fate (2016).

## **2.5 STUDY OF TRANSFORMATIONAL ENTREPRENEURSHIP**

The world economy typified by several phenomena highlighted by deepening income inequality, persistent unemployment growth, a dearth of leadership and rising geostrategic challenges, are mainly evident in Nigeria (Maas et al. 2016, Igwe et al. 2018). Although Maas et al. (2016) acknowledged entrepreneurs are socially productive; they struggle to address significant challenges such as income inequality and unemployment, which are the two essential factors to address to eradicate poverty (Smith & Chimucheka, 2014, Maas et al. 2016, Souse, 2019). To address these universal situations such as poverty, unemployment, limited growth, which are predominantly evident in Nigeria. Ratten & Jones (2018) and Maas et al. (2019) emphasised a systemic transformation as the prerequisite in the method of underpinning entrepreneurship as part of a holistic system, comprising MSMEs, the community, the public sector, the private sector, the natural resources symbiotically with the ecosystem to facilitate these changes into transformational entrepreneurship. Although, policymakers assume subsistence entrepreneurship can lead to transformational entrepreneurship. Research does not substantiate Schoar's (2010) claims.

### **2.5.1 BACKGROUND STUDY OF TRANSFORMATIONAL ENTREPRENEURSHIP**

Schoar (2010) defined transformational entrepreneurship as the creation of large ventures, which are systemic, ethical, scalable and sustainable and the real drivers of economic growth and development, whereas Miller & Collier (2010) defined transformational entrepreneurship as the building of a virtue-based enterprise that is innovative to move resources into an area of greater purpose and higher significance from an area of lower importance under situations necessitating a universal perspective. Table 2.7 below provides a highlight to these definitions. For example, transformational entrepreneurship is the building of innovative, ethical enterprise. In contrast, traditional and transactional is the building of commercial businesses. Although innovative, it does not necessarily comprise ethics, which is critical to transformational entrepreneurship.

**Table 2.7: The Definitions in Perspectives**

<b>Transformational</b>	<b>Traditional</b>	<b>Transactional</b>
The building of an innovative, ethical establishment	The creating of an innovative economic establishment	The forming of an innovative establishment
To shift resources out of an area of lower and into an area of higher purpose and greater yield	For shifting resources out of an area of lower into an area of higher productivity and greater value	For shifting resources out of an area of lower into an area of higher productivity and greater value
Under conditions of risk and uncertainty, requiring the entire perspective	Under conditions of risk and uncertainty	Under conditions of risk and uncertainty

Source: Miller & Collier (2010:85).

In support, Schoar (2010) and Marmer (2012) acknowledged that there are increases for entrepreneurs, emerging to the prospect of blending the components of scalability and technological entrepreneurship methodology with the world-centrism value institutions of social entrepreneurship and traditional entrepreneurship. The authors view transformational entrepreneurship as the new type of entrepreneurship required to shape our new socio-economic value system. For example, Gompers et al. (2008) state that innovative entrepreneurs pioneered many large new ventures in the US, although Gompers et al. (2008) acknowledged that these creative entrepreneurs had previous experiences and requisite competencies from large firms or had previously built large companies.

Additionally, Maas et al. (2016) and Ratten & Jones (2018) suggest that new transformational perspectives are required to develop and sustain entrepreneurship. Thus, Maas et al. (2019) proposed a systemic change and approach that are investigative and universal to accommodate both individualistic and societal attitudes in supporting entrepreneurship. Ratten & Jones (2018) and Maas et al. (2019) further argued that the potential for socio-economic development would stay limited and only benefit a few individuals, businesses, and nations without transformational entrepreneurship. As, an entrepreneurial activity which centres mainly on the individual entrepreneur or local environment will perhaps not have the desired positive impact on domestic socio-economic growth and development (Schoar, 2010, Maas et al. 2016, Souse, 2019).

Accordingly, balancing the focus on individual entrepreneurial activities and behaviours and systemic ecosystem, extensive changes that will positively influence socio-economic growth should be paramount (Marmer, 2012, Maas et al. 2019). Marmer (2012)

asserted that for a move to a socio-economic era of information technology. MSMEs should be competent in understanding the influence and proficiency of the free market on global challenges that entails evaluating and integrating the ethical tenet of social entrepreneurship with technological and traditional entrepreneurship (Schoar, 2010, Marmer, 2012). Furthermore, Marmer (2012), Maas et al. (2016) and Ratten & Jones (2018) argue there is a need to search for a new idea of economic growth following the steady decrease of industrial manufacturing in industrialised countries and contemporary disasters of the free-market financial system globally. In this light, Marmer (2012) and Souse (2019) suggests solutions through innovative inventions to the significant socio-economic challenges of the world that are sustainable, systemic, ethical and scalable to substantiate Schoar (2010), Miller & Collier (2010) and Maas et al. (2016).

Maas et al. (2019) view systemic changes and transformational as the key concepts and suggest the system within this context represents multiple factors, which work together to create system performance. Furthermore, it is implicit that the sub-elements of the ecosystem harmonise together perfectly, which is not evident in developing markets such as Nigeria (Maas et al. 2016, Souse, 2019). Moreover, weaknesses can be in the ecosystem, which requires definite consideration to re-establish the balance of the complete ecosystem (Dean & McMullen 2007, Maas et al. 2016, Cao & Shi, 2020). Systemic entrepreneurship within this context signifies the process of supporting entrepreneurship and harmonising the individual and other sub-systems such as society and institutions within the ecosystem interrelating and co-operating to produce a positive framework for opportunities (Miller & Collier, 2010, Schoar, 2010, Maas et al. 2016).

As previously mentioned, the entrepreneur needs the entrepreneurial ecosystem to support them in attaining this systemic development. The ecosystem should encourage and offer tools to support systemic advancement (Fate, 2016). In addition, the systemic entrepreneurship should be legal and socially and economically productive. It should go beyond the national scope for it to positively impact on socio-economic growth and development (Schoar, 2010, Maas et al. 2016). Maas et al. (2016) and Ratten & Jones (2018) were of the view that this process emphasises the need for universal re-orienting that shifts the notion of the entrepreneur from the individual to the general society or ecosystem where the individual resides and interacts. Maas et al. (2019) and Souse (2019) suggestions were not to undermine the existence of locally focused, entrepreneurial activities or subsistence ventures, as they are critical in facilitating wealth in the society (Maas et al. 2016, Maas et al. 2019). Thus, Maas et al. (2019) emphasised the need for a re-think of supporting

entrepreneurship be considered, and the focus of this drive should be systemic, which produces transformational entrepreneurship.

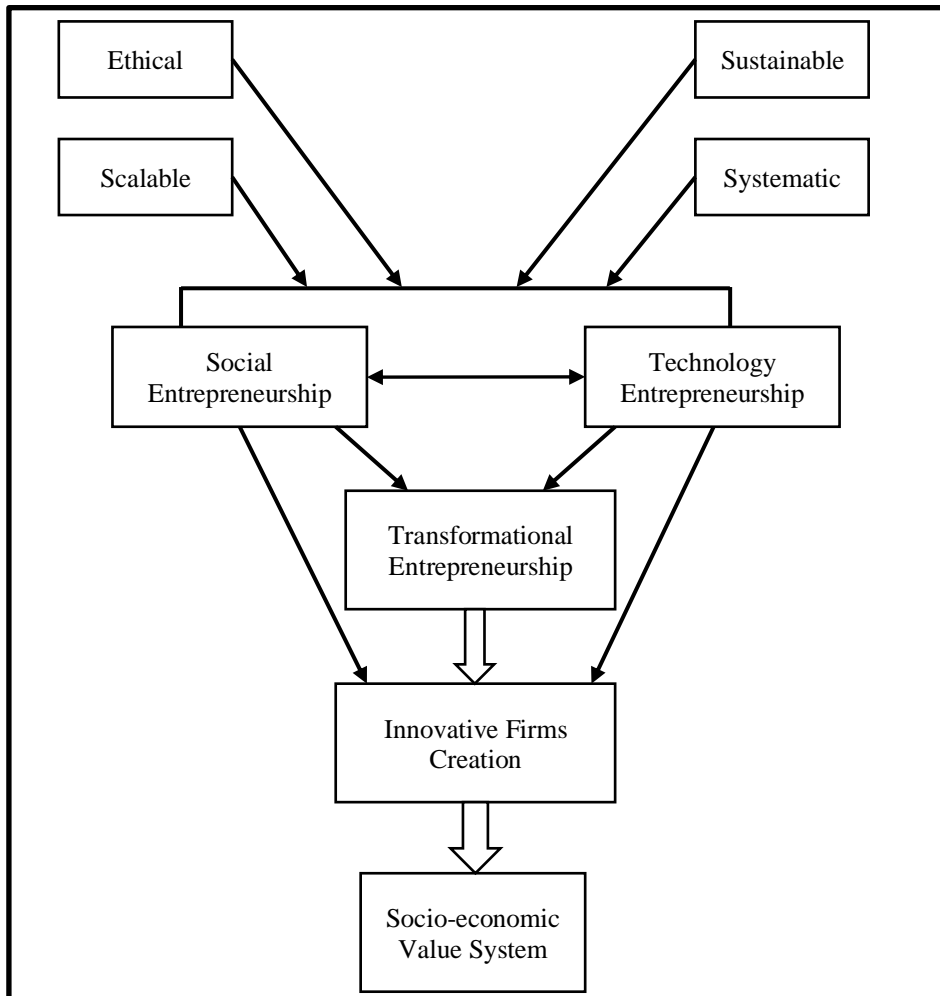
Marmer (2012) argued that although, the USA is grounded in creating technology start-ups and incubating existing ventures. However, they are yet to work out the ethical bearing to fathom the enterprises worth creating (Marmer, 2012). Marmer (2012) states that the undesirable hunger for profit that drives much of this wealth generation needs scrutiny to avoid these talented technology entrepreneurs to perpetuate the frequent blunder of the economic challenges caused by the financial crisis in recent times. Within this study, the definition offered by Miller & Collier (2010) is sufficient to underpin this study in the context of Nigeria. The authors defined transformational entrepreneurship as the building of a virtue-based establishment that is innovative for moving resources to the area of significance from an area of lower importance under situations necessitating a universal perspective.

The definition captures the essence of the developing economy's settings, where the innovative movements of resources to transform these societies are long overdue. Maas et al. (2016) asserted that this transformation should comprise all the players within the ecosystem to make it holistic. Moreover, Miller & Collier (2010) can be utilised within the developing economy's context because literature did not offer definitions specific to economic or national settings. More so, other sources, namely Schoar (2010), Marmer (2012), and Maas et al. (2016) substantiated and justified the use of Miller & Collier (2010).

### **2.5.2 CONCEPTUALISED THEORY OF TRANSFORMATIONAL ENTREPRENEURSHIP**

Schoar (2010) and Marmer (2012) were a prominent advocate of the theory of transformational entrepreneurship. The theory argues that ethics, scalability, sustainability and systematic tools and technology entrepreneurship methodology, combining with the global centric value system of traditional and social entrepreneurship together, would create a new socio-economic value system. This new system refers to transformational entrepreneurship that would develop innovative firms to address the world's most significant challenges, such as unemployment and under-development (Marmer, 2012, Maas et al. 2016, Ratten & Jones, 2018, Souse, 2019). Figure 2.7 presents the illustration to highlight the theory, which supports the notion of transformational entrepreneurship. In that the idea of ethics, scalability, sustainability and systematic tools and technology entrepreneurship combining with the global centric value system of traditional and social entrepreneurship.

This system will create a socio-economic value system to support the development of transformational entrepreneurship (Marmer, 2012, Maas et al. 2016, Souse, 2019).



**Figure 2.7: Transformational Entrepreneurship Theory:** Adapted from Schoar (2010), Marmer (2012).

For the evolution of the new socio-economic value system to be successful, the focus needs to be on the control and effectiveness of capitalism on the most critical problems in the world (Marmer, 2012). Transformational entrepreneurship would accomplish this by uniting the ethical tenet of social entrepreneurship and the scalability mechanism of technology and traditional/economic entrepreneurship (Marmer, 2012). As discussed within the classical theories, transformational entrepreneurship theory draws on the Schumpeter (1934) innovation ideology into the modern-day socio-economic value system, where innovation is the central focus to support development, not just at enterprise levels, but also, at national economic growth. Furthermore, to achieve a new socio-economic value system, transformational entrepreneurship should be innovative, and MSMEs should have sufficient

entrepreneurial skills, create ventures, which can combine technology with the social and traditional entrepreneurship value system (Marmer, 2012).

Overall, the transformational entrepreneurship theory validates Schumpeter (1934) innovation theory into contemporary world challenges (Marmer, 2012). Knight (1921) and Schumpeter (1934) emphasised the transformational task entrepreneurs perform in creating market competitiveness, and to progress to transformational entrepreneurship. MSMEs should positively influence the economy and society in the long-term, where their contributions are relevant (Schoar, 2010, Marmer, 2012, Maas et al. 2016).

### **2.5.3 TRANSFORMATIONAL ENTREPRENEURSHIP THEORETICAL FRAMEWORK**

The rapid rise of emerging markets, such as China and India, has ignited interest in understanding the fundamental role of MSMEs in driving the transformation of emerging economies such as Nigeria (Schoar, 2010, Ratten & Jones, 2018, Souse, 2019). Thus, Schoar (2010) states that statistics highlight an unprecedented increase in business activities and new entrepreneurial start-ups in emerging markets over the previous decade, and the pivotal role of entrepreneurship in underpinning economic development (Schoar, 2010, James-Unam et al. 2015, Igwe et al. 2018). Acs & Audretsch (1998), Kortum & Lerner (2000) and Igwe et al. (2018) further acknowledged the critical role of MSMEs in stimulating advancement in new technology. During these periods, the market capitalisation of multi-national corporations that created in developing economies also grew, to 25 per cent from a modest 5 per cent as a proportion of the total market capitalisation between the top one thousand multi-nationals (Schoar, 2010). This swing contributes to the increasing widespread awareness that entrepreneurship and MSMEs are the key catalysts of development, which are transforming these markets (Schoar, 2010, Onakoya et al. 2013, Souse, 2019).

Indeed, Schoar (2010) clarified the two distinctive groups of entrepreneurs, capable of facilitating this development. In that, the subsistence entrepreneurs who became entrepreneurs as a means of providing subsistence income and the transformational entrepreneurs who create large ventures that grow beyond the scope of subsistence needs of an individual to create sustainable employment, and secure wages for citizens (Gries & Naude, 2010, Maas et al. 2019). Miller & Collier (2010) and Ratten & Jones (2018) acknowledge this and argue that transformational entrepreneurship goes beyond economic terms and underlines the value of people and their significance. For example, their abilities



and skills, and stages of the social activities concerning entrepreneurship, in addition to the practical aspects of the organisation. Moreover, Schoar (2010) and Igwe et al. (2018) acknowledged that subsistence entrepreneurs are vast in developing countries such as Nigeria and operate on a smaller scale and provide alternative employment opportunities to the entrepreneurs and in most cases' family members. Nevertheless, they do not create substantial job opportunities in the economy (James-Unam et al. 2015, Igwe et al. 2018).

By contrast, Schoar (2010) and Maas et al. (2019) suggests transformational entrepreneurs are the real drivers of economic growth and development and are fewer in number and harder to identify for investors and policymakers. Transformational entrepreneurs build larger enterprises that expand and achieve rapid growth with the right policies and entrepreneurial competencies (Schoar, 2010, Maas et al. 2019). They create sustainable employment opportunities (Gries & Naude, 2010, Ratten & Jones, 2018). Thus, Marmer's (2012) and Souse (2019) assertion that they offer innovative inventions that are sustainable, systematic, ethical and scalable. Although there are various research interests (e.g. Miller & Collier, 2010, Schoar, 2010, Marmer, 2012, Maas et al. 2016, Souse, 2019), only a limited effort and attention were dedicated to the study of the attributes of entrepreneurs who are the real elements of this transformation and the diverse qualities and characteristics of these individuals.

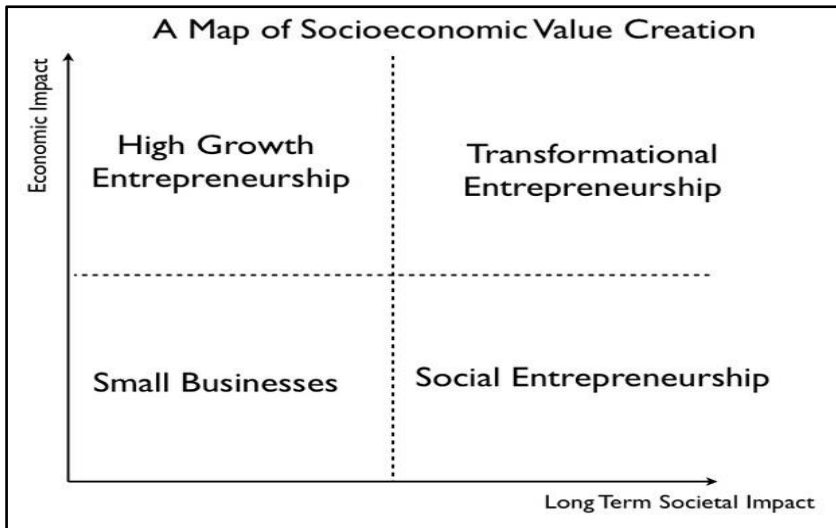
Consequently, Gompers et al. (2008) and Maas et al. (2019) argue that economists, as well as policymakers, have treated entrepreneurs as identical groups of players, which succumb to economic situations or policy interventions. This perspective causes oversight to the differentiation between the categories of entrepreneurs who are critical to the economy (Gompers et al. 2008, Schoar, 2010, Maas et al. 2019). As indicated, transformational entrepreneurship has high human capital and a greater inclination to risk-taking (Miller & Collier, 2010, Schoar, 2010). By contrast, subsistence entrepreneurship has a modest human capital and a strong drive for survival and supporting family (De Mel et al. 2008, Schoar, 2010, Maas et al. 2019). In certainty, the transition to transformational entrepreneurship from subsistence entrepreneurship is minimal (Schoar, 2010, Maas et al. 2019), which provides substantial evidence for the distinction between the two and the conventional notion that subsistence progress to transformational entrepreneurship (De Mel et al. 2008, Schoar, 2010, Souse, 2019).

Moreover, transformational entrepreneurs are likely to expand and employ more workers, are highly motivated, willing to explore unfamiliar environments and risk-takers that are more significant. In contrast, the subsistence entrepreneurs are reluctant to trend into

unknown situations and are content with their current business consistent with the situation in Nigeria (Schoar, 2010, Maas et al. 2019, Souse, 2019). In support, Miller & Collier (2010) and Maas et al. (2019) state that the transformational entrepreneurial investor would pursue a holistic venture instead of seeking only economic benefits. Thus, Miller & Collier (2010) state that the transformational entrepreneur perceives entrepreneurship from the perspective of the co-creation together with the divine creator. The co-creation provides several contiguous ends, for which the creation of wealth is among them (Onakoya et al. 2013, Maas et al. 2019, Souse, 2019). Within this context, co-creation comprises the understanding of shared trust and selflessness, concern for mutual good and solidarity. It offers the eventual personal fulfilment and sustainability more than subsistence entrepreneurship (Schoar, 2010, Marmer, 2012) where the focus is on development for all and presents the possible emancipation of everyone involved within the organisation (Miller & Collier, 2010, Sako, 2018).

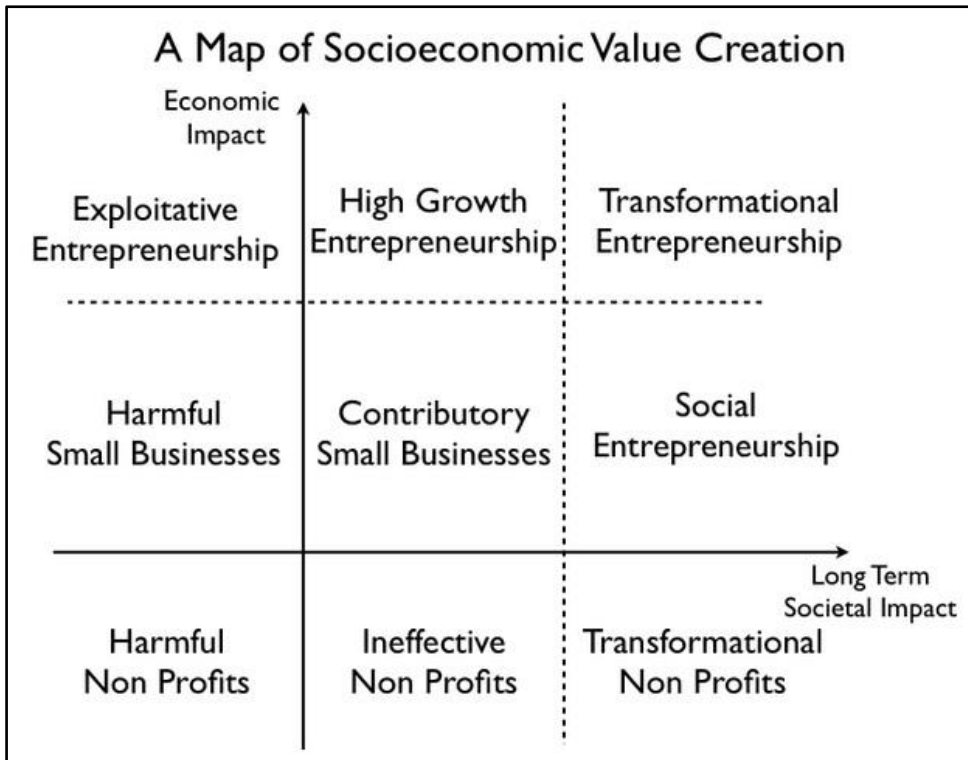
#### **2.5.4 TRANSFORMATIONAL ENTREPRENEURSHIP SOCIO-ECONOMIC VALUE SYSTEM**

Transformational Entrepreneurship earns the name by building businesses that are innovative, ethical, scalable, sustainable and systematic to solving challenges, such as unemployment (Miller & Collier, 2010, Schoar, 2010, Marmer, 2012, Ratten & Jones, 2018). Marmer (2012) applied a matrix (Figure 2.8) of a socio-economic value system that places transformational, technology, social, and economic entrepreneurship on a graphical scenery of a socio-economic value system. On the Y-axis (economic/financial impact) presents a simple gauge of income, profit, market capitalisation and return on investment (ROI).



**Figure 2.8: Grid of Socio-economic Value System:** Source Marmer (2012).

Scalable businesses, which produce goods and services that many people are enthusiastic about paying to have the highest impact. The more subjective Y-axis (societal impact) where organisations move on the scale of long-term societal impact relies on the world's significant challenges and problems they can solve. For MSMEs to achieve transformational entrepreneurship, their activities and operations should be converging at the high end on the economic impact and long-term societal impact spectrum at the same time (Marmer, 2012, Maas et al. 2016). However, this is not the situation with MSMEs in Nigeria. Marmer (2012) expanded Figure 2.8, further, to comprise six levels, as shown in (Figure 2.9).



**Figure 2.9: Expanded Grid of Socio-economic Value System:** Source Marmer (2012).

The expanded axes include a negative domain to illustrate non-profit ventures, which cannot support their operations without donations and establishments with harmful social impacts, such as businesses in industries with significant creation of health and environmental hazards (prominent in Nigeria) (Marmer, 2012). A non-profit enterprise such as Wikipedia falls deep into the negative economic impact spectrum because to support their operation; they rely on donations, which do not create or add new jobs to the economy (Marmer, 2012).

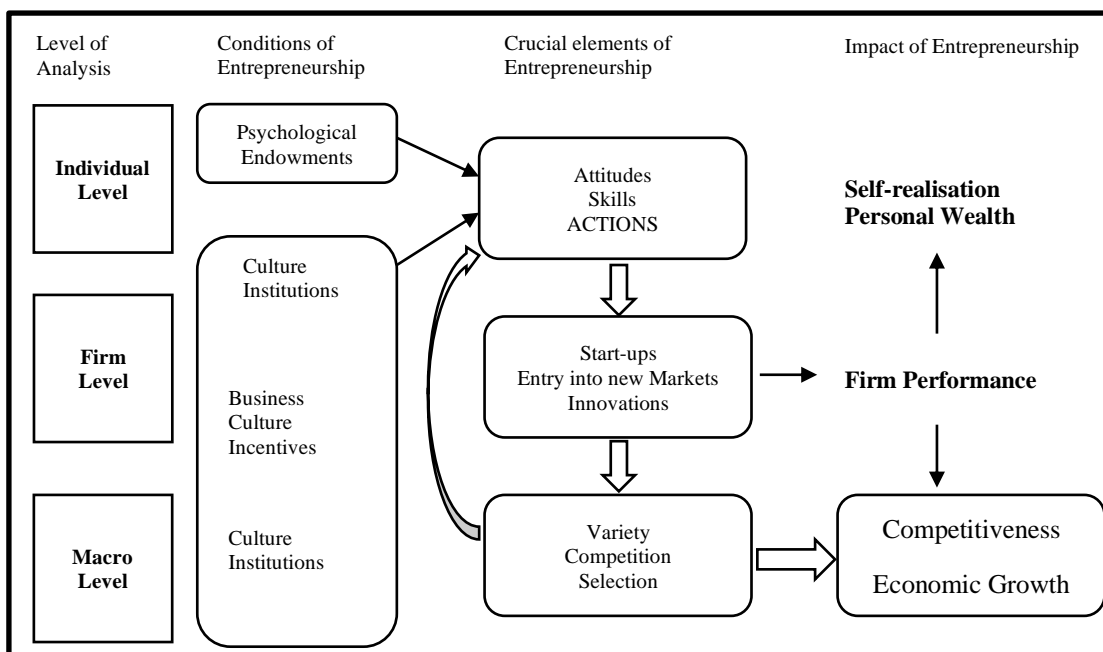
### **2.5.5 TRANSFORMATIONAL ENTREPRENEURSHIP ON ECONOMIC GROWTH**

Gries & Naudes (2010) state that structural market entrepreneurship that facilitates start-ups were the key driver for growth and economic transformation. In support, Schoar (2010) acknowledged that transformational entrepreneurship creates large enterprises, which drives economic development (e.g. Miller & Collier, 2010, Onakoya et al. 2013, Sako, 2018). While Carree & Thurik (2010) suggest that economic growth relates to entrepreneurship activities when measured in terms of venture size and age (Igwe et al. 2018). Marmer (2012) acknowledged the surge in the number of entrepreneurs, emerging that are blending the ingredients of scalability and technological entrepreneurship methodology within the world-centrism value institutions of social entrepreneurship, which enhances a new socio-

economic value system for development. Schoar (2010) also states that the extraordinary increase in entrepreneurial activities and behaviour in markets over the last decade play a fundamental part in driving economic growth. Additionally, Knight (1921) and Schumpeter (1934) emphasised the developmental role entrepreneurs performed in transforming market competitiveness. Furthermore, Acs & Audretsch (1998) and Kortum & Lerner (2000) acknowledged the transformational role of entrepreneurs in facilitating new technological advancement, which drives economic growth and development. In support, Schoar (2010) noted that the market capitalisation of firms has increased in recent times and that this phenomenon justifies transformational entrepreneurship as a critical facilitator of development within the economy (Onakoya et al. 2013, Sako, 2018, Maas et al. 2019).

In contrast to subsistence entrepreneurship, transformational entrepreneurs are the real drivers of economic development, which create sustainable employment (Schoar, 2010), which the GEM (2015) empirical study supports and argued that sustain entrepreneurship drive employment and per capita GDP growth (Gries & Naude, 2010). Furthermore, Gries & Naudes (2010), Sako (2018) and Maas et al. (2019) indicated that attaining a modern economy is realisable through entrepreneurial and economic development. The shift to an advanced from the traditional low-income economy requires substantial modifications to the production methodology, a process in which Gries & Naude (2010) suggest that entrepreneur played the fundamental roles, by building new businesses external to the traditional household enterprises. Moreover, the concentration of extra work from the conventional sector is by using an innovative intermediate system to a firm's final goods production and by allowing superior manufacturing specialisation.

Lastly, the notion of economic growth and development is vital for regions, firms, and industries, by elevating employment and productivity in the traditional and modern sectors (Gries & Naude, 2010, Neumeyer & Santos, 2018). While the focus of entrepreneurship (whether subsistence or transformational) are on the activities and behaviours of individuals (Carree & Thurik, 2010, Cao & Shi, 2020). Connecting entrepreneurship to economic growth and development requires weaving the aggregate to the individual level. (See Figure 2.10).



**Figure 2.10: Entrepreneurship to Economic Growth:** Adapted from Carree & Thurik (2010).

Employment and growth generation are a central focus of public policies that are common between nations and the arguments to generate jobs and growth have been dependent on macro-economic policy (Carree & Thurik, 2010, Cantner et al. 2020). Furthermore, Carree & Thurik (2010) states that economies that experienced more significant development and growth rates also experienced rises in entrepreneurship activities. Although, the real mechanisms, for instance, the intermediary connections that entrepreneurship generated the growths were not apparent. However, entrepreneurship drives development (Gries & Naude, 2010, Neumeyer & Santos, 2018), and it assists as an instrument for innovation (Zimmerer & Scarborough, 2008, Smith & Chimucheka, 2014), it also serves as a channel for knowledge spillovers (Akuhwa & Akorga, 2015). Therefore, within the contemporary economy of increased market globalisation, where the comparative advantage of modern economics is moving nearer knowledge-based economic activity (Drucker, 1998, Carree & Thurik, 2010, Kanellos, 2013). Entrepreneurship and MSMEs are not only playing a very significant role, but they also are influencing the creation of development (Carree & Thurik, 2010).

As a result, Carree & Thurik (2010) and Maas et al. (2019) argues that it is essential to establish all policy recommendations on economic development on the analysis, which integrates entrepreneurship and MSMEs as the vehicle of economic growth and development (Holcombe, 1998, Carree & Thurik, 2010, Neumeyer & Santos, 2018). Similarly, Holcombe (1998) suggested that by incorporating entrepreneurship into the

architecture of economic growth, is not just to fill in the institutional details that can facilitate the process of growth to be further comprehensible. It also moves towards additional promising economic policy recommendations for encouraging economic growth and development (Carree & Thurik, 2010, Maas et al. 2019). Additionally, Nieman & Pretorius (2004) state that entrepreneurship and MSMEs contribute largely to all economies. In support, Smith & Chimucheka (2014) state, that entrepreneurship and MSMEs within both advanced and under-developed nations are the most vital solution to low economic growth, poverty eradication and unemployment (Maas et al. 2016). Moreover, entrepreneurship and MSMEs create significant spillovers, which in the long-term affect employment rates and affect economic growth and development (Nieman & Pretorius, 2004, Smith & Chimucheka, 2014, Souse, 2019).

## **2.6 KEY CHALLENGES TO TRANSFORMATIONAL ENTREPRENEURSHIP**

In developing economies, there is an increasing amount of subsistence entrepreneurship compared to transformational entrepreneurship (Schoar, 2010, Igwe et al. 2018), due to the insufficient progress to be transformational from subsistence entrepreneurship. In support of Schoar (2010) argument that the majority of ventures in developing economies only operate at a micro and small-scale. Notably, transformational entrepreneurship is a stimulus for innovation, productivity, job creation, competitiveness, and secure employment providers to citizens (Gries & Naude, 2010, Maas et al. 2016); that boost long-term societal and economic impact (Marmer, 2012, Ratten & Jones, 2018), real drivers of economic growth and development (Schoar, 2010, Maas et al. 2019). However, several constraints are inhibiting transformational entrepreneurship (Schoar, 2010) and despite challenges, there are strong belief and desire by policymakers and stakeholders in encouraging entrepreneurship in developing economies (Lerner & Schoar, 2010, Cao & Shi, 2020).

Certainly, transformational entrepreneurship is fundamental to venture development and growth (Onakoya et al. 2013, Maas et al. 2019); the argument remains if the minimal number of start-ups that evolved to medium-scale or large ventures in developing economies is because of the shortage of talented entrepreneurs in these markets. However, no evidence supports the absence of an active systematic entrepreneurial gene (Klapper et al. 2010). More so, there is the possibility in place in several countries; social prestige or motivations in a way that encourages intelligent individuals to favour working for the government, in high esteem careers such as university professorship, attorneys or surgeons, than venturing

into entrepreneurship. If the society fails to value entrepreneurship highly, there is the risk of endogenously having a limited supply of innovative individuals going into entrepreneurship (Lerner & Schoar, 2010). For this, Lerner & Schoar (2010) suggest, that politicians, particularly enjoy a higher social prestige in countries that are mainly disadvantaged and with more business restrictive regulations such as Nigeria.

Moreover, Lerner & Schoar (2010) emphasised that there are only a limited number of successful entrepreneurs in these countries that stand as role models in the societies, or that they may be because of economic rent in these environments. For this reason, Schoar (2010) identified as the two main constraints responsible for the limited growth of transformational entrepreneurship in developing countries are (1) Access to financial resources and (2) Market regulation. However, Schoar (2010) and Maas et al. (2019) indicated that they represent only part of the problem.

### **2.6.1 ACCESS TO FINANCIAL RESOURCES**

The literature suggests start-ups and existing businesses in developing economies have financial challenges (Kiggundy, 2002, Osamwonyi & Tafamel, 2010, Onakoya et al. 2013). Such that Schoar (2010) argues, it is a challenge to determine the magnitude of these financial constraints and the total cost of funds for a business. Udry & Anagol (2006) evaluated the real return to capital in sub-Saharan Africa (SSA) country's informal business sector. Udry & Anagol (2006) measure whether MSMEs experiences financial constraints. Udry & Anagol (2006) analysed the return to capital in well-established technologies (traditional crop cultivation) against farming for new technologies (cash crop cultivation). Udry & Anagol (2006) argue farmers using a new technology receive yearly returns ranging from over 200 per cent to more than 300 per cent and well-established technologies having only a modest range of over 25 per cent to more than 40 per cent annual returns.

Udry & Anagol (2006) conclusion was that the wide gap in return disparity is only sustainable in the market, for a number of the households, were not able to move to the most profitable cash crop cultivation primarily due to the underlying financial constraints. However, Schoar (2010) argued that the move to the most lucrative cash crop from traditional farming is not due to inadequate funding alone. Schoar (2010) acknowledged other factors are likely to be responsible, consistent with Inyang & Enuoh (2009) and Solesvik (2012). Additionally, Bertrand et al. (2007) and Banerjee & Duflo (2008) analysed the impact of credit supply to MSMEs and their growth implication. They argued that if a



business is already on their optimum funding structure and capital level, supply shock with an eased constraint on credit should only experience a minimal impact. Bertrand et al. (2007) findings support Banerjee & Duflo's (2008) and Schoar's (2010) arguments that the banking misrepresentation is capable of causing artificial bottlenecks to entry into industries that are incredibly dependent on banks.

Overall, this body of work on the architecture of industry (Udry & Anagol, 2006, Bertrand et al. 2007, Banerjee & Duflo, 2008, Schoar, 2010) supported the Schumpeterian notion of creative destruction (Schumpeter, 1934). It suggests that a competent financial market facilitates a crucial component that improves market dynamics, the field of play for entrepreneurial businesses and accelerates creative disruption (Schoar, 2010). Lastly, the literature recognised that in developing markets, there are financial constraints and access to capital to new and existing businesses and that it is challenging to evaluate the magnitude of these challenges (Osamwonyi & Tafamel, 2010, Schoar, 2010, Onakoya et al. 2013). Thus, it is essential that lending to businesses can support their performance and development (Bertrand et al. 2007, Cao & Shi, 2020).

## **2.6.2 MARKET REGULATIONS**

Ardagna & Lusardi (2008) state that regulation of the labour market and new business entrant to the market plays a critical part in decision making to venture into starting a business, which is not proportionate for transformational entrepreneurship. The more regulation of companies in the market, the less individual abilities matter of selecting the talented into entrepreneurship because control on the market hurts the capability of individuals with entrepreneurial abilities to express their talents or expand their business (Ardagna & Lusardi, 2008, Obschonka et al. 2017). Specifically, Lerner & Schoar (2010) argue that market regulations decrease the effects of business capabilities and social networking and substantiate risk aversion. Rigid rules of the labour market, for instance, increases the importance of social networking and risk behaviour, which also plays a significant part that affects the taking of a decision to venture into business (Ardagna & Lusardi, 2008, Lerner & Schoar, 2010). In support, Duru (2011) states tighter and ineffective regulations, in some instance, discourage entrepreneurship. Ardagna & Lusardi (2008) also propose that market regulation affects the skills of people with entrepreneurial capabilities to expose their abilities.

The importance of social networking without flexibility with the re-allocation of funds across organisations can lead to favouritism, causing the allocation of funds to individuals with lesser talents for the assignment (Desai et al. 2005). This Lerner & Schoar (2010) argue can drive owners of a business to favourably choose their relatives or children to start a new business, even if they are less competent because they can impose the investment on them more comfortably than with non-relatives. Again, Desai et al. (2005) argue that legal, political and regulatory factors significantly influence entrepreneurial activity and behaviour. Desai et al. (2005) further indicated that fund constraint prompted by institutional dynamics had influenced firm entrant and the capability of businesses to grow and develop.

Accordingly, Klapper et al. (2010) substantiate the notion that particularly in the environment of business, factors that include the relative simplicity of starting a new venture and corruption in the political system are vital in describing entrepreneurial success and business growth. Subsequently, Klapper et al. (2010) argue that, most importantly, an administrative bottleneck in starting a new business, also the associated cost to register a new venture, is remarkable and negatively interconnected with the density of business and the rate of the entrant. These arguments are consistent with Desai et al. (2005) that pointed out the relationship between the legal and regulatory environment on a new business entrant (Botero et al. 2004).

Lerner & Schoar (2010) and Klapper et al. (2010) highlighted the micro-channels by which entrepreneurs affected by regulations and their preparation, scope and including the risks of the regulatory environment. Which substantiates Klapper et al. (2010) that in streamlining rules, it decreases the bureaucratic bottlenecks and reduces the opportunity for officials in government to engage in rent-seeking and therefore, reduces entry barriers for new businesses and existing businesses to develop (Schoar, 2010, Obschonka et al. 2017). Thus, Klapper et al. (2010) argue it affected the ease at which firms should grow and develop because it eliminates the uncertainty of changing the requirement for extortion when the business becomes more successful. Regulation becomes destructive, for transformational entrepreneurs when bureaucrat's demands on successful businesses are more likely to surge higher. While MSMEs that are less profitable remains underneath detection (Klapper et al. 2010). Hence, Lerner & Schoar (2010) argues that this irregularity justifies the reason more significant market regulations negatively influence transformational entrepreneurship more than subsistence entrepreneurship.

## 2.7 STUDY OF MSMEs

This section reviewed extant literature on MSMEs from different regional and economic perspectives and their contribution to economic development. The classification of MSMEs in the various economic backgrounds provided an informed insight of MSMEs' definition within these environments. For example, in the 1970s, the Bolton (1971) Committee for Her Majesty's Stationery Office (HMSO) in London methodically framed and defined MSMEs under two terms (as illustrated in Table 2.8).

**Table 2.8: Bolton Committee Small Business Definition**

<b>Economic Frame</b>	<b>Statistic Frame</b>
It has a rather small share of their marketplace.	The size of the SME sector and its contribution to GDP, employment, exports, and economic development
Owners or part owners manage it in a personalised way, and not through the medium of a formalised management structure.	The extent to which the SME sector's economic contribution has changed over time.
It is autonomous, in the sense of not forming part of a large firm.	Applying the statistical definition in a cross-country comparison of the small firms' economic contribution

Source: Bolton (1971).

The Bolton (1971) Committee adopted diverse classifications of SMEs to separate sectors. For example, in construction, manufacturing, and mining, the committee used employee numbers to qualify SMEs that have less than two hundred workers. Within the retail sector, wholesale and services sector, the committee adopted revenue generated to classify SMEs. Critics of the Bolton committee definitions based their arguments primarily on the discrepancies between defining one industry on employee numbers, and another based on revenue and management methodology (Abor & Quartey, 2010). Abor & Quartey (2010) states that, what constitutes MSMEs are of primary contention within literature and that academics have stated diverse views in classifying this sector of businesses. Abor & Quartey (2010) argue that the definition of enterprises by their scale of operation differs between academics. Few endeavours to define MSMEs based on the business total asset portfolio, some others try basing their definition on the expertise of the business workforce and revenue level.

In both developed and developing nations, the definition of MSMEs was in terms of their employee numbers, revenue, assets, production methods and legal status (Xiangfeng,

2007, Abor & Quartey, 2010, Osamwonyi & Tafamel, 2010, James-Unam et al. 2015). Abor & Quartey (2010) stressed the risks in defining MSMEs on the scale of their operation by acknowledging that in specific market settings, several companies may pass as small enterprises. In another economy setting, there is the possibility of not having businesses regarded as small enterprises. For example, in China employee numbers, ranging from less than 100 employees to less than 400 classifies micro and small enterprises (Xiangfeng, 2007).

By contrast, South Africa micro and small business have less than 5 and 10 to 20, respectively (Abor & Quartey, 2010). Whereas in Nigeria, micro-businesses have less than 10 and small 10 to 49 (SMEDAN, 2010). Osamwonyi & Tafamel (2010) that state the concept of MSMEs as a sector has no universally accepted definition substantiated Abor & Quartey's (2010) study. The classification of ventures into micro-scale, small-scale, and medium-scale enterprises are relative and different with each economy and policymakers, and their policy perspectives reflect their economic situation (Xiangfeng, 2007, Abor & Quartey, 2010, Osamwonyi & Tafamel, 2010, James-Unam et al. 2015). Osamwonyi & Tafamel (2010) states that governmental agencies, policymakers and stakeholder's consensus definition as to what constitutes MSMEs vary for every economy. Osamwonyi & Tafamel (2010) indicates that the United Nations Industrial Development Organization (UNIDO) defined MSMEs on the specific market, equity contribution by the individual investor or group of investors, participation of the business promoters in the daily operations, decision making, strategy and policy of the business. Furthermore, Osamwonyi & Tafamel (2010) states that UNIDO defined MSMEs based on the business workforce numbers in advanced and underdeveloped nations (Table 2.9).

**Table 2.9: UNIDO Classification of MSMEs**

<b>Category</b>	<b>Developing Nations</b>	<b>Developed Nations</b>
Micro Enterprises	Less than 5 Employees	Less than 10 Employees
Small Enterprises	5 to 19 Employees	10 to 99 Employees
Medium Enterprises	20 to 99 Employees	100 to 499 Employees
Large Enterprises	More than 100 Employees	More than 500 Employees

Source: Adapted from Osamwonyi & Tafamel (2010).

In contrast to UNIDO, the EU threshold (Table 2.10) applied staff numbers, turnover and balance sheets and different employee cut off figures.

**Table 2.10: EU SMEs Thresholds (Effective 1<sup>st</sup> January 2005)**

<b>Enterprise</b>	<b>Staff</b>	<b>Turnover €</b>	<b>Balance Sheet €</b>
Micro	<10	≤2 Million	≤2 Million
Small	<50	≤10 Million	≤2 Million
Medium	<250	≤50 Million	≤43 Million

Source: Adapted from EU Publication (2003).

Within SSA countries, Abor & Quartey (2010) state, several definition's propositions exist for MSMEs. However, widespread use, classify businesses based on the number of employees. Abor & Quartey (2010) noted flaws with the many challenges arising from the cut off numbers and arbitrariness used by different official sources. For example, Abor & Quartey (2010) state that the Ghana Statistical Service (GSS) considers businesses with ten workers or less to be small enterprises. While businesses with ten or more employees as medium and large-scale enterprises. However, the GSS also regarded companies with nine employees or less as MSMEs (Abor & Quartey, 2010). Moreover, Abor & Quartey (2010) stated using the asset portfolio as an alternative benchmark in classifying small businesses in Ghana. For instance, the National Board for Small-Scale Industries (NBSSI) in Ghana ranks firms based on employees and asset portfolio.

The NBSSI defined small businesses as enterprises with nine employees, have plant and machinery (Land, Buildings, and Vehicles excluded) not exceeding 10 million Ghana Cedis (Abor & Quartey, 2010). Abor & Quartey (2010) noted using asset portfolios to classify small businesses has challenges because the value of the Ghana Cedis is unstable. In Nigeria, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), an agency of the Government established in 2003 were responsible for promoting the development of the MSMEs sector. SMEDAN (2010) classified MSMEs on the number of employees and asset portfolio. SMEDAN (2010) (Table 2.11) classified MSMEs as an enterprise with total employees ranging from 1 to 199 and total assets of less than 5 million Nigerian Naira to 500 million Nigerian Naira (Land and Building excluded).

**Table 2.11: MSMEs Classification in Nigeria**

<b>Enterprise Type</b>	<b>Total Cost + Working Capital (₦) Naira</b>	<b>Number of Employees</b>
Micro	< 5 million	< 10
Small	> 5million but < 50 million	10 - 49
Medium	> 50 million but < 500 million	50 - 199

Source: SMEDAN (2010). (Figures exclude land and building).

Section 351 sub-section 1 of the company and Allied matter decree (CAMD) of Nigeria 1990 defined MSMEs based on the satisfactory conditions of the following:

- It should be a privately held business with an authorised share capital.
- The yearly turnover should not be more than two million Nigerian Naira (2 million).
- The net asset value should not be more than one million Nigerian Naira (1 million).
- The owners are not alien.
- None of the owners is a government corporation or agency or its nominees.
- The directors hold not less than 51 per cent of the authorised share capital between them (Osamwonyi & Tafamel, 2010).

From the discussion in this paragraph, one can conclude that there is no consensual definition for MSMEs (Xiangfeng, 2007, Abor & Quartey, 2010, Osamwonyi & Tafamel, 2010, James-Unam et al. 2015). Different institutions and agencies defined MSMEs to reflect their perspectives and policy direction in different countries. However, this study domain is Nigeria and therefore, the SMEDAN framework constitutes the definition and criteria to identify MSMEs.

### **2.7.1 MSMEs AND ECONOMIC DEVELOPMENT**

The literature recognised MSMEs are critical driving factors for economic development across the developed economies (Adejumo, 2001, Njoku et al. 2014, James-Unam et al. 2015). Similarly, Mayrhofer & Hendriks (2003) and Kuratko (2005) indicated that MSMEs play an essential role in the process of economic development of advanced and developing countries. Although MSMEs make up the majority of businesses in many of the developing countries, their impact is far below that of developed countries (Eniola, 2014, Oduntan,

2014) because they are not making substantial contributions to socio-economic development as expected (Njoku et al. 2014, James-Unam et al. 2015). The critical socio-economic objectives of any nation are creating employment and driving her economy to sustainability, especially developing economies where poverty and unemployment are still in double digits (Eniola, 2014, Oduntan, 2014). For this reason, Njoku et al. 2014 and James-Unam et al. (2015) stressed that policymakers and stakeholders in both advanced and emerging economies had acknowledged the dynamic contribution of MSMEs to sustainable economic development.

More so, Danduara (2014) and James-Unam et al. (2015) further stated that MSMEs constitute the most crucial section of ventures in both advanced and developing countries (Siyanbola et al. 2012, Igwe et al. 2018). For this reason, James-Unam et al. (2015) claim that about 90 per cent of enterprises in the developed economies belong to the MSMEs sub-sector, which they state, accounted for over 55 per cent of GDP within these countries. Furthermore, James-Unam et al. (2015) reported over 70 per cent of businesses in Ghana are small-scale, and over 90 per cent of registered companies in South Africa are MSMEs and contribute over 50 per cent to GDP. In support of this, SMEDAN claimed in 2016 that over 90 per cent of MSMEs in Nigeria were micro-enterprises. Anyadike et al. (2012) and James-Unam et al. (2015) state that MSMEs in Nigeria accounted for over 90 per cent of manufacturing in 2005 and have the potential to create jobs and facilitate entrepreneurship.

Indeed, MSMEs contributed over 65 per cent of all employment in developed economies, in Ghana and Nigeria, for example, MSMEs accounted for over 70 per cent of industrial jobs (Siyanbola et al. 2012, James-Unam et al. 2015). Moreover, Siyanbola et al. (2012) and James-Unam et al. (2015) stressed their significance to technology acquisition and transferred through innovation, their flexibility, and adaptation to dynamic market conditions. Smith & Chimucheka (2014) and James-Unam et al. (2015) states are key reasons government, stakeholders and policymakers were interested in MSMEs as essential tools for sustainable socio-economic development and technological advancement (Siyanbola et al. 2012).

However, Duru (2011) and James-Unam et al. (2015) acknowledged MSMEs in developing countries have underperformed compared with industrialised nations. Day (2000) and Normah (2006) state MSMEs are recognised globally as critical catalysts to sustainable economic development. In that, they boost per capita income, improved raw material supply values, increased export earnings and boost capacity utilisation in strategic industries (Normah, 2006). Similarly, James-Unam et al. (2015) state that MSMEs are vital

in facilitating the transformation from agriculture-led economy to technology and industrial driven economy that sustain economic development and growth.

MSMEs play several roles in the economic growth of nations (Anyadike et al. 2012, Siyanbola et al. 2012, James-Unam et al. 2015). For example, MSMEs create employment; provide income for the owners and their family member. MSMEs help in the recycling and repair of essential goods that might otherwise become waste; and they provide restaurants, clothes making and transportation for lower-income people, who cannot afford imported goods (Anga, 2014). In support, Anga (2014) who states that there is increased knowledge in the global market community regarding the potential roles of MSMEs in facilitating socio-economic development. Anga (2014) and James-Unam et al. (2015) view this as the primary reason why nations support MSMEs. Anga (2014) further indicates that a critical evaluation of national economies shows the future of economic growth, and developments are dependent on the MSME sub-sector because of their significance in the distribution, production, and consumption of goods and services (Mayrhofer & Hendriks, 2003, Normah, 2006).

MSMEs contribution varies significantly among countries and areas. Nonetheless, they mainly play a vital part in industrialised economies, and significant in emerging markets, making a substantial contribution to GDP as well as employment (Fjose et al. 2010, Dalberg 2011, Wymenga et al. 2012). They also contributed to innovation in collaboration with large corporations (Dalberg, 2011). More so, MSMEs integrated into the supply chain of large firms move on to develop their human and own technology capabilities (Ghatak, 2010, Ayyagari et al. 2011). For example, within South Africa and Ghana, over 90 per cent of formal businesses contribute more than 55 per cent to GDP and some 92 per cent of companies account for about 70 per cent of GDP respectively (Abor & Quartey, 2010, James-Unam et al. 2015).

Whereas, within the SSA, more than 98 per cent of all businesses are MSMEs, and they play a significant role in growth and development in the region (Abor & Quartey 2010, Siyanbola et al. 2012). With the vast majority of MSMEs operating within the informal sector and representing 60 per cent of GDP. The informal sector mainly consists of micro-businesses such as traders of merchandise, producing and selling essential goods and services, small-scale manufacturing and food processing at a subsistence level (e.g. Schoar, 2010). Notwithstanding, these GDP figures, these developing nations still have significant unemployment figures, which undermines these traditional measures of success presented by Literature, which has not necessarily translated into higher employment figures and



socio-economic development (Danduara, 2014, Olotu, 2014). More so, market failures and insufficient policy implementations within developing countries undermined the potentials of MSMEs in contributing positively (Duru, 2011, Eniola, 2014, Oduntan, 2014).

## **2.8 CHAPTER SUMMARY**

This chapter serves several purposes for this research. Firstly, the chapter defined concepts, for example, entrepreneur, entrepreneurship, entrepreneurial competencies, transformational entrepreneurship and MSMEs. Secondly, the chapter discussed the research focus, namely entrepreneurial competencies and transformational entrepreneurship and MSMEs, to present an informed insight. The evidence emerging from this chapter suggested that entrepreneurial skills were crucial for attaining successful entrepreneurship, MSMEs development, and transformational entrepreneurship. The review acknowledged that entrepreneurial competencies involve the internal, personal traits and attributes of individuals required to accomplish tasks that drive systemic change and facilitate business success, to which Man et al. (2002) were significant. The review emphasised the importance of understanding the distinction between the two primary forms of entrepreneurship (subsistence and transformational) (e.g. Schoar, 2010). The study further pointed out that individuals engaged in either of this entrepreneurship have different capabilities, and only a proportion of them develops to transformational from subsistence entrepreneurship. However, this has not been successful in Nigeria.

The theory of transformational entrepreneurship evaluated the views of Schoar (2010) and Marmer (2012) that transformational entrepreneurship can solve global challenges by thinking ways to unite the ethical tenet of social entrepreneurship and the scalability mechanism of traditional and technology entrepreneurship. It is important to note that transformational entrepreneurship not only creates large ethical, scalable, sustainable and systematic organisations. They are the real drivers of growth and development and generate sustainable employment in the economy (e.g. Schoar, 2010, Marmer, 2012, Onakoya et al. 2013, Maas et al. 2019). However, achieving transformational entrepreneurship has not been successful in Nigeria. Finally, the study acknowledged the colossal financial effort that governments and stakeholders have invested in MSMEs and entrepreneurship support activities and programmes (Lans et al. 2008). Although, with insufficient impact and success in Nigeria. This extensive consideration not directed towards realising increased start-ups or spin-offs, and thereby facilitating entrepreneurship that is

more nascent. They also require developing entrepreneurship, hence encouraging business owners as well as employees to be competent (Lans et al. 2008, Hashim et al. 2018, Souse, 2019).

## CHAPTER 3

### ENTREPRENEURSHIP AND THE ECOSYSTEM IN NIGERIA

#### 3.1 INTRODUCTION

This chapter reviews literature relevant to this research and Nigeria, the region of focus within this study. In Nigeria, the desire of people to elevate themselves from poverty motivates them into starting a business, and also, the hunger for wealth (Dedekuma & Akpor-Robaro, 2015, James-Unam et al. 2015, Amalu & Ajake, 2019), and also, as a result of economic hardship from market failures (Dean & McMullen, 2007). Individuals with a strong desire for wealth tend to take more interest in entrepreneurship, which can lead to wealth creation (Anyadike et al. 2012, Olotu 2014, Dedekuma & Akpor-Robaro, 2015). For example, the Igbo ethnic group from eastern Nigeria perceived to have a high inclination for wealth, and these groups have shown more entrepreneurial behaviours and business ownership of various kinds (Desai et al. 2005, Dedekuma & Akpor-Robaro, 2015, Amalu & Ajake, 2019). Even within a given tribe or ethnic group, a section might have a greater inclination towards financial achievement. Thus, they display more desire for business ownership as a means of achieving their objective (Desai et al. 2005, Dedekuma & Akpor-Robaro, 2015).

Entrepreneurship under-development and failure and the shortage of subsistence progress to transformational entrepreneurship within the developing economies such as Nigeria are still of concern to stakeholders (Schoar, 2010, Anyadike et al. 2012). Notwithstanding, the Nigerian government through the CBN, the BoI, the Bank of Agriculture of Nigeria (BoA) and Rural Development Bank (NACRDB), the National Economic Reconstruction Fund of Nigeria (NERFUND) had established lending schemes to encourage and boost MSMEs. For example, the Central Bank of Nigeria yearly MSMEs Fund, the Central Bank of Nigeria SME equity investment scheme (SMEEIS), and the Bank of Industry of Nigeria graduate, entrepreneurship fund, Bank of Industry of Nigeria youth entrepreneurship support scheme and the federal government of Nigeria (FGN). In addition to the Youth Enterprise with Innovation Scheme (YOUWIN), and a host of States support programmes and funds by local and regional governments to encourage and promote entrepreneurship activities and behaviours within their respective domain. For example, within the Delta State region of Nigeria, the provincial government established the youth agricultural entrepreneurship programme (YAGEP), Delta State skill training

entrepreneurship programme (STEP). In addition to several stakeholders and private sector support initiatives.

These initiatives did not produce the desired results in developing sustainable growth and creating jobs (Njoku et al. 2014, Olotu, 2014, Otisi, 2015, Amalu & Ajake, 2019). However, the situation is of concern to the Nigerian government and stakeholders (Danduaara, 2014, Olotu, 2014). To address this, Osotimehin et al. (2012) state that the government introduced support programmes to drive the potentials of entrepreneurship and MSMEs. However, there are constraints on government efforts through corruption, insufficient policy implementation, and the shortage of developmental infrastructures and the inadequate ecosystem support for MSMEs (Danduaara, 2014, Njoku et al. 2014, Otisi, 2015, Amalu & Ajake, 2019). Similarly, the Global Entrepreneurship Monitor (GEM) (2012) report on Nigeria highlighted the government, and stakeholders face challenges of finding an improved financing model that puts resources and not cash on MSMEs. These resources include education/ training, raw materials, equipment, skilled human capital, and access to markets. The GEM (2012) noted that improvement in the provision and maintenance of infrastructures in Nigeria would lead to entrepreneurial opportunities and enhance entrepreneurial growth and MSMEs development.

Furthermore, the 2012 GEM study highlights enablers in Nigeria for entrepreneurship and MSMEs as the internal market dynamics, access to infrastructures and cultural and societal norms are favourable. However, the study observes challenges confronting Nigerian MSMEs, such as unfavourable government policies for start-ups and existing businesses, with widespread public procurement corruption, bureaucracy, hostile business ecosystem, multiple tax burdens, a low inflow of foreign direct investments (FDI), and unsatisfactory support at both national, state and local government level for entrepreneurs. In addition to an unstable political structure, insufficient infrastructures and insecurity across Nigeria that threatens sustainable socio-economic growth and development.

Hisrich et al. (2005) and Amalu & Ajake (2019) acknowledged that the reasons why entrepreneurship and MSMEs have been seeing growing attention from academics, national government, and other stakeholders are the perceived opportunity recognition and the contribution of entrepreneurship to socio-economic development and growth. For instance, within Nigeria, the perceived opportunity for the 2012 GEM study was high and encouraging at 82 per cent as illustrated in Table 3.1, which shows the GEM 2012 key indicators report for Nigeria. However, the entrepreneurial intentions are modest at 44 per cent.

**Table 3.1: GEM 2012 key indicators for Nigeria**

Total early-stage Entrepreneurial Activities (TEA)	35%
Established Business Ownership	16%
Perceived Opportunities	82%
Perceived Capabilities	88%
Entrepreneurial Intentions	44%
Fear of Failure	21%

Source: GEM (2012).

### **3.2 NIGERIA: OVERVIEW AND ECONOMY**

Nigeria is a developing republic and regional power located in the West Africa sub-region in Africa. Presently, there are 36 states and a federal capital territory (FCT) in Abuja as the capital, as shown in Figure 3.1.



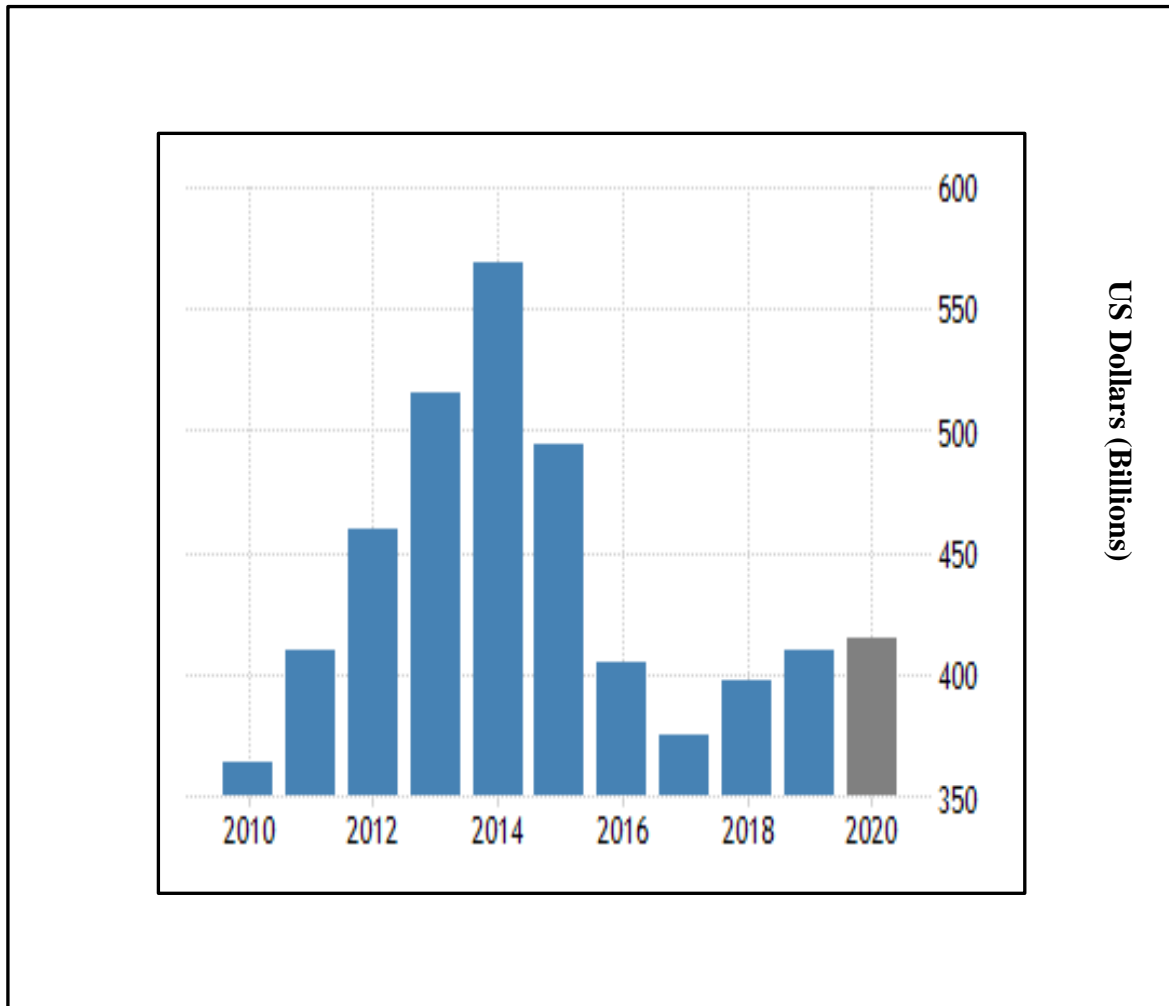
**Figure 3.1: Nigerian Map with States:** National Bureau of Statistic Nigeria 2018 (NBS).

The country is a multi-cultural and multi-ethnic with over 500 indigenous languages (Dandaura, 2014, Ajekwe, 2017). However, English is the official language for government, business and education, adopted following the British colonial rule until self-rule in 1960 (Agwu & Emeti, 2014). Nigeria is a member of the African Union (AU), ECOWAS (Economic Community of West African States), Commonwealth of Nations and OPEC (Organisation of the Petroleum Exporting Countries) (Squalli, 2007). In addition, it maintains several Bi-Lateral trade agreements with many countries, e.g. Brazil, China, India, Japan, the EU, Russia, the UK, and the USA (Ademola et al. 2009).

### 3.2.1 ECONOMY OF NIGERIA

The World Bank (Tobora, 2015) classifies Nigeria as an emerging market economy. World Bank ranked her as the 26<sup>th</sup> largest world economy and largest economy in Africa in terms of 2016 World Bank GDP Data with a GDP of \$415.089 billion as illustrated in Figure 3.2 (World Bank Data, 2016). The figure shows the progress of the GDP growth over time, for example, in 2010, the GDP was \$370 billion, and up until 2014, the GDP was over the \$550 Billion value. Between the years 2014 and 2016, the GDP shows a decline from over \$500 to \$400 Billion. However, between 2016 and 2018, the GDP dropped further to under \$400

billion because of contraction in the Nigerian economy (Knoema, 2019). Economic recovery started as early as 2019, where the GDP showed progress above the \$400 billion value, and this increase is projected to remain steady for the year 2020, where the GDP figures are expected to move above \$420 billion (CBN, 2019).



**Figure 3.2: Nigeria GDP:** Knoema (2019).

It is ranked 23<sup>rd</sup> world largest economy and 2<sup>nd</sup> in African behind Egypt in terms of 2018 World Bank PPP (Purchasing Power Parity) figure with a PPP valuation of \$1.089 Trillion (Knoema Data, 2019). Nigeria's GDP grew by 4.2 per cent in the second quarter of 2014 over the earlier quarter (Tobora, 2015, Knoema, 2019). GDP rate of growth averaged about 0.3 per cent between 2013 and 2014 and climbing an all-time high in the third quarter of 2014 by 8.9 per cent and a record decline in the first quarter of 2017 by 9.9 per cent (Knoema, 2019).

Public enterprises were predominant in the economy in the 1980s, constituting more than 50 per cent of GDP and over 60 per cent of all sector employment (Mohammed et al. 2013). These enterprises and their operations transcended the conventional sphere of social services and utilities to an unconventional domain, such as commerce and industry, agriculture, banking and mining (Mohammed et al. 2013). Mohammed et al. (2013) further stressed that these establishments were sustained and floated using revenue from petroleum, which accounted for more than 80 per cent of government income and additional funding from internal and external loans (Duru, 2011, Olotu, 2014). Such that public enterprises became unsustainable and a burden on the national budget. Moreover, loan repayment to lenders was hurting public resources. Therefore, affecting the running of these enterprises (Hodges, 2004, Mohammed et al. 2013). Nigeria has vast deposits of Natural and Solid Mineral Resources (Duru, 2011, Njoku et al. 2014, Olotu, 2014, Amalu & Ajake, 2019). These resources include Crude Oil & Gas, Bitumen, Iron Ore and Natural Gas and more than 20 other mineral resources (Duru, 2011, Njoku et al. 2014, Olotu, 2014). However, foreign exchange earnings and the majority of government revenue came from Crude Oil & Gas only (Duru, 2011, Olotu, 2014, Amalu & Ajake, 2019).

Historically, agriculture and farming activities dominate the economy, and around 70 per cent of the workforce still engage in agriculture and farming activities, but mainly on subsistence farming (Adisa et al. 2014). Dandaura (2014) suggests that since the colonial era, farming and traditional cottage industries provided sustenance for the majority of citizens across all social classes. Dandaura (2014) emphasised that this helped to shape economic development and growth. Presently these MSMEs offer investment opportunities, wealth creation and employment (Dandaura, 2014). NIPC 2016 study shows Arable Land constitutes 31.29 per cent, while 2.96 per cent constitutes permanent crops, and 65.75 per cent accounted for others (NIPC). Several industries were engaged in the processing of agricultural products, carved woods, chemicals, construction materials, fertilizers, foot wares, manufacturing, textiles, metal products, pottery and many smaller products (Dandaura, 2014). Small-scale commercial boat building, repairs, maintenance, and other allied marine activities typical in the coaster cities (Onuoha, 2008).

The country is the world's sixth-largest exporter of crude oil with 2.231 million barrels/day and the 10<sup>th</sup> world most significant crude oil proved reserves with 37 billion barrels (CIA Data, 2016). The world's 13<sup>th</sup> largest exporter of Natural Gas at 25 billion cubic meters (CIA Data, 2014) and world 9<sup>th</sup> in terms of proven reserves at 5.111 trillion cubic meters (CIA Data, 2016). Crude Oil and Natural Gas reserves dominate the Niger Delta



regional economy (Onuoha, 2008). Onuoha (2008) and Dandaura (2014) recognised that the growing petroleum industry had attracted internal migration to urban cities to the detriment of the agricultural and farming sector. Indeed, the World Bank indicated, enormous revenue from petroleum export has led to widespread corruption and mismanagement of government resources (Njoku et al. (2014, George et al. 2016).

Globalisation and declining Oil & Gas revenue encouraged the government to re-focus and increase participation in other sectors of the economy, with more emphasis on Agriculture, entrepreneurship, and technology to curb rising unemployment, poverty, and declining government revenues (Njoku et al. 2014, Amalu & Ajake, 2019). However, World Bank 2017 medium-term outlook projections remain positive, assuming there is stability in petroleum production and petroleum prices recover (World Bank Data, 2016). World Bank Data for 2015 show FDI net inflow amounted to some \$3.128 billion. Aina & Salako (2008) and Dandaura (2014) further indicate that agriculture, services, and telecommunications are the key drivers of the national economy in the last decade and despite this and the diversification of the economy and steady economic growth projections, the impact on poverty alleviation stay marginal (Onakoya et al. 2013, Hashim et al. 2018).

The World Bank indicated that the young and dynamic urbanising population with its abundant natural resources and a growing middle class provides a positive outlook with all the necessary ingredients for growth and development (Dandaura, 2014, Njoku et al. 2014). However, regulatory constraints and insecurity, a dearth of infrastructure, under-developed consumer market and widespread corruption have constrained potential new investments in petroleum and natural gas and other sectors (Duru, 2011, Dandaura, 2014, Njoku et al. 2014, Olotu, 2014, George et al. 2016). Conversely, Dandaura (2014) claims that more than 75 per cent of the overall trade volume of licensed products in the West African sub-region originates from Nigeria. Given Dandaura's (2014) claim, the Nigerian economy has had its relative challenges and gone through a substantial transformation in the past decades to petroleum-based from an agriculture economy (Tobora, 2015). Presently, the economy drifted to the service-based economy through the rise in telecommunication and technology, to pursue the government's vision and become a developed economy by 2020 (Tobora, 2015).

In Nigeria, the services sub-sector dominates the present economy, representing some 50 per cent of total GDP, while, information and communication technology, accounted for about 10 per cent of total output, was the fastest-growing sections of the services sub-sector (Tobora, 2015). Agriculture, the largest sector in the past, now only

accounts for about 23 per cent, natural gas and petroleum weigh around 11 per cent, and the remainder of about 16 per cent of total GDP relates to industry and other essential vital export sectors (Tobora, 2015, Hashim et al. 2018). The implementation of the public enterprise privatisation in Nigeria is another witnessed incident in economic development in recent years (Hodges, 2004). Although the privatised economy did not result in functionality and effectiveness as expected because privatisation deteriorated the economy instead of revamping it (Mohammed et al. 2013).

### **3.3 ENTREPRENEURSHIP CULTURE IN NIGERIA**

Luthans (2002) argues that among the multiple factors that influence attitude, culture makes the most substantial contribution to character. Moreover, Luthans (2002) and Adeosun-Familoni (2015) suggests that family and social group contribution to personality development has the most significant influence on entrepreneurial skills and mind-set development. Given that, it is the family primarily, and later the social groups that interpret, select and imposes the culture (Luthans, 2002). The domestic environment and the immediate, individual community play a significant role in developing beliefs (Luthans, 2002). Thus, Adeosun-Familoni (2015) suggests that the local climate facilitates developing entrepreneurship tendencies, and the social platform shapes the foundation of entrepreneurs. For instance, Adeosun-Familoni (2015) argues that in the industrialised countries, society admires entrepreneurs are encouraged and cultivates ideas and innovation.

Thus, several institutions and universities investing in research, for example, most ivy-league universities in the United States, investing in the Silicon Valley projects and other venture programmes, which fund and evaluate ideas for development (Adeosun-Familoni, 2015). Moreover, the culture within these societies prides itself on cultivating the views of students through research and designing developmental policies in an attempt to nurture entrepreneurial growth (Onakoya et al. 2013, Amalu & Ajake, 2019). By contrast, within the under-developed countries such as Nigeria, professional jobs were the focus of prestige (Adeosun-Familoni, 2015). The curriculum of universities and other tertiary institutions were responsible, for placing much emphasis on professional jobs inclined training (Adejimola & Olufunmilayo, 2009, Adeosun-Familoni, 2015). The respect was often on the nature of your work type, i.e. Academics, lawyers, medical doctors, politicians (Lerner & Schoar, 2010, Adeosun-Familoni, 2015). Thus, Adeosun-Familoni (2015) argues this is the reason entrepreneurs until lately have not been admired.

Furthermore, Adeosun-Familoni (2015) indicates that the focus was different where the culture respect individuals who were privileged to secure work with multi-national establishments. In contrast to developing innovative ideas, an essential ingredient required for achieving transformational entrepreneurship, which creates sustainable corporations (Schoar, 2010, Marmer, 2012). However, Oduntan (2014) suggests that entrepreneurship was rapidly becoming an alternative in Nigeria because of the white-collar employment that people aspire to, are limited and unavailable. Again, Adeosun-Familoni (2015) indicates that the external factors affected the inclination of individuals, which contributes to entrepreneurial endeavour such as the economic policy, education system, infrastructure, and technology. These factors contributed to shaping the perspectives of youths, which were vital in facilitating entrepreneurship (Kiggundy, 2002, Adeosun-Familoni, 2015).

Ajekwe (2017) suggests that there were several reasons why certain ethnic groups and nations demonstrate more entrepreneurial tendencies. Ajekwe (2017) argues that one of the justifications for this is cultural differences in beliefs and values. Thus, Ajekwe (2017:4) identified four cultural forces about Nigeria, namely, belief in destiny, communal spirit, religion, respect for seniority and authority, and the paradox of plenty. Halliru (2013) noted that the Nigerian culture was highly dependent, where privileged individuals were inclined to supporting the less fortunate. Thus, Halliru (2013) argues that individuals do not have the opportunity to develop their abilities and become successful entrepreneurs themselves because the culture discourages independence. Adeosun-Familoni (2015) say that a culture that celebrates a white-collar job to entrepreneurship and skills would influence the mind-set of entrepreneurship. Whereas the Europeans and Americans imbibe the lifestyle to start a business, with the wherewithal to fail, retry, and start all over again, the culture in Nigeria, on the other hand, encourages working for established ventures and business failures viewed as humiliation (Adeosun-Familoni, 2015).

Consequently, Adeosun-Familoni (2015) suggests the entrepreneur's cultural environment needs to influence them to develop their passion and stimulates change in behaviour to entrepreneurship. To further, understand the entrepreneurial behaviour of a country or ethnic group. Hofstede (1984) proposed that it is proper to evaluate their culture and its underpinning value systems. Hofstede (1980) suggested five dimensions of national cultural values as follows: power distance, individualism or collectivism, uncertainty avoidance, masculinity or femininity, and long-term vs short-term orientation. Hofstede (1984) asserted that societies that scored high on individualism, and low on power, have higher economic growth and greater inclination to innovate. To Hofstede (1984) high

individualism plus moderate power distance and uncertainty avoidance would encourage entrepreneurship and innovation culture, a critical driver in achieving transformational entrepreneurship. Furthermore, Hofstede (1984) indicated that as cultures become less individualistic and more collectivists, people were more likely to identify with the group to which they belong, weakening the degree of control that they feel over their environment. For example, the more entrepreneurial ethnic group from eastern Nigeria weave more together in underpinning their aspiration than the group from other parts of Nigeria (Amalu & Ajake, 2019).

### **3.3.1 ENTREPRENEURSHIP DEVELOPMENT IN NIGERIA**

In Nigeria, several policy intermediaries, directed at stimulating and facilitating entrepreneurship development through MSMEs, failed or were inappropriately designed (Olotu, 2014) because of insufficient policy implementation, the fragile political environment and the shortage of a continuum in policy agendas between successive governments (Olotu, 2014, Otisi, 2015). Olotu (2014) maintained that instead of building domestic entrepreneurial capabilities, entrepreneurs transformed to become distributors of foreign goods and services. Although entrepreneurship prospects are high in Nigeria (Njoku et al. 2014), however, the implementation of unsustainable and misguided industrialisation policies has inhibited realising the full potential of these opportunities (Olotu, 2014).

Nigeria traces entrepreneurship to the pre-colonial era when villagers made products more than they can consume, prompting the exchange of goods with their neighbours within the immediate community and other communities (Oyelola et al. 2013). Olotu (2014) states that these early exchanges follow on trade by barter, before the advent of money. This trade by barter encouraged specialism between the villagers when they realised and discovered that they could specialise in the parts of manufacturing in which they hold a comparative advantage (Olotu, 2014). Thus, developing the culture of entrepreneurship among them (Oyelola et al. 2013, Olotu, 2014). Olotu (2014) states that modern-day entrepreneurship development only became substantial after the 1967-1970 civil war in Nigeria. The early era witnessed an economic developmental architecture for industrialisation as a vital structure for economic growth (Oyelola et al. 2013, Amalu & Ajake, 2019). Moreover, manufacturing became the creation of investment and technical progress, Olotu (2014) observed this capital growth, and technological developments were the result of entrepreneurial effort. Specifically, Ebiringa (2012) argued that economic growth indication of the industrialised

countries, suggests that it is entirely due to the quality and proficiency of the entrepreneur. Thus, after independence from Britain in 1960, the Nigerian government recognised the need to support indigenous entrepreneurs (Olotu, 2014). Moreover, the Nigerian government kept sight of the mutual inter-relationship between economic growth, entrepreneurship development, and industrialisation, since the 1960s (Oyelola et al. 2013, Olotu, 2014).

With entrepreneurship primarily sustained by the MSMEs and with the establishment of SMEDAN in 2003, the emphasis shifted to supporting the development of MSMEs (Oyelola et al. 2013). SMEDAN integrates and coordinates MSMEs' activities with the primary aim to develop their potentials and competitiveness (Oyelola et al. 2013, Olotu, 2014). Similarly, Chidiebere et al. (2014) argue that entrepreneurship development in Nigeria was vital in boosting employment and growth, also, helping in reducing poverty among youths. Anyadike et al. (2012) maintained that well-developed entrepreneurship and MSMEs in Nigeria were capable of addressing youth unemployment, reducing poverty and stimulating the national economy.

Anyadike et al. (2012) maintained that this is the reason, the government established agencies such as BoA, BoI, NERFUND, SMEDAN, SMEEIS, YouWIN in collaboration with the CBN and federal ministry of finance. In addition to the federal ministry of industry, trade, and investment and the federal ministry of labour and productivity, to provide technical and financial support to MSMEs. However, Anyadike et al. (2012) and Otisi (2015) acknowledged that these institutions had not supported entrepreneurship and MSMEs because corruption and bureaucracy, nepotism, favouritism and ineffective policy implementations and governance framework have marred their activities (Duru, 2011, Anyadike et al. 2012, Dandaura, 2014, Otisi, 2015, Amalu & Ajake, 2019).

### **3.3.2 CLASSICAL ENTREPRENEURSHIP THEORIES IN THE CONTEXT OF NIGERIA**

As discussed within Chapter 2, the concept of entrepreneurship is multi-dimensional, and that contributing scholars have focused on different aspects of entrepreneurship. Onakoya et al. (2013) and Dedekuma & Akpor-Robaro (2015) states that the realities about entrepreneurial activities and behaviours vis-à-vis the postulations of these classical theories, it is apparent they are relevant and valid within the Nigerian environment. However, the emergence of entrepreneurial in Nigeria is a combination of factors and not a single factor provided by theories (Bula, 2012, Dedekuma & Akpor-Robaro, 2015). For

example, the application of the Weberian approach to many developing countries such as Nigeria (Bula, 2012, Pawar, 2013).

The argument is that Nigeria, for instance, not only lacks the economic prerequisites for growth, but that a number of them preserve values, which nurture activities and behaviours hostile to the systematic accumulation of capital (Klapper et al. 2010, Pawar, 2013). Notwithstanding the criticisms against the Weberian theory, Samuelsson (1964) argues that in communities where Protestants' values were not prevalent, capitalism also developed. However, for a shortage of merit, Weber's (1905) theory cannot be abandoned (Dedekuma & Akpor-Robaro, 2015) because Dedekuma & Akpor-Robaro (2015) suggests that in Nigeria, there is a relationship between business and religion. Thus, several religions and religious leaders in Nigeria now present a business dimension in their teaching as a way of serving God and humanity (Dedekuma & Akpor-Robaro, 2015). For example, many religious bodies and leaders now own various businesses, which include hospitals, real estates, schools (Akpor-Robaro, 2012, Dedekuma & Akpor-Robaro, 2015).

Within Nigeria, the disparity between the dominant tribes attributed to their diverse values is apparent (Adeosun-Familoni, 2015 and Dedekuma & Akpor-Robaro, 2015). The conventional view is that the Igbos from the eastern part of the country are more entrepreneurial, starting and owning businesses, predominantly, family and MSMEs ventures (Desai, 2013, Dedekuma & Akpor-Robaro, 2015, Igwe, 2018). Perhaps, their historical experience of the civil war and the aftermath is a factor (Oyelola et al. 2013, Olotu, 2014), which subjected them to severe economic hardship and emergency. Making them creative, innovative, and risk-taking, giving context to Schumpeter's (1934) theory of innovation and Cantillon (1881), and Knight's (1921) theory of risk bearing. Moreover, the need for survival and achievement consistent with McClelland's (1965) achievement orientation as the most significant factor for driving entrepreneurship.

However, Dedekuma & Akpor-Robaro (2015) suggests the need for achievement within Nigerians is pseudo because they are more inclined towards the opportunities presented by financial gains. Kirzner (1973) emphasised that entrepreneurs are more willing to exploit profit opportunities (Van Praag, 2005, Toit et al. 2009). McClelland (1965) emphasis on the psychological factors as determinants of entrepreneurial activity and behaviour does not negate the impact of the sociological factors on entrepreneurship (Kiggundy, 2002 and Acs & Szerb, 2010). Within the context of Nigeria, the validity of the McClelland's contribution to entrepreneurship, motivation, and emergence was never in doubt (Dedekuma & Akpor-Robaro, 2015, Fritsch & Wyrwich, 2014).

In Nigeria, McClelland (1965) explains the entrepreneurship situation within the country. Dedekuma & Akpor-Robaro (2015) acknowledged that individuals across the tribes vis-a-vis McClelland's (1965) need for achievement showed that Nigerians mostly satisfy restrictedly the defined requirements and characteristics, both in terms of its key drivers and its contents. Indeed, they are more inclined towards the volume of financial gains than the social benefits, which their activities and behaviours can produce for them (Akpor-Robaro, 2012, Anyadike et al. 2012). Therefore, except there are opportunities for financial reward in the immediate term, they will be unwilling to engage in such activity even when they possess the capabilities to allocate the resources (Dedekuma & Akpor-Robaro, 2015).

In context, financial gains motivate Nigerians more than they need for achievement (Adisa et al. 2014, Dedekuma & Akpor-Robaro, 2015). In this context, the shortage of performance among Nigerians as against the need for financial gains explains why entrepreneurship stay under-developed and has under-achieved (Akpor-Robaro 2012, Osotimehin et al. 2012) and despite the input and support of the government, NGOs and private sector stakeholders to promote entrepreneurship activities amongst the citizens (Anyadike et al. 2012, Olotu 2014). Dedekuma & Akpor-Robaro (2015) argued that reliance on financial reward, which is limited in many types of ventures, were responsible for the low appetite for a sustaining entrepreneurship drive among Nigerians (Olayinka & Adebisi, 2013, Adisa et al. 2014, Tobora, 2015).

Schumpeter (1934), who emphasised the significance of innovation in entrepreneurship, is prominent in this context. The focus of Schumpeter (1934) and McClelland (1965) were on the primary importance of the individual, while Schumpeter (1934) emphasised innovation and creativity as the key determinant for entrepreneurship. The criticism of the Schumpeter (1934) theory is that it equates entrepreneurship with innovation (Bula, 2012, Pawar, 2013, Dedekuma & Akpor-Robaro, 2015). Critics hold the view that entrepreneurship goes beyond innovation (Pawar, 2013, Dedekuma & Akpor-Robaro, 2015).

Although, innovation is a crucial ingredient of entrepreneurship, however, it is not all that entrepreneurship involves (Akinlabi et al. 2012, Akpor-Robaro, 2015). While Schumpeter (1934) critics might be germane; however, it is not enough to negate the informed content of the theory (Bula, 2012, Dedekuma & Akpor-Robaro, 2015). Nigerians, being idiosyncratic people, provided Schumpeter's theory (Schumpeter, 1934) relevance within the country's economic context (Akpor-Robaro, 2012). Although Bula (2012) suggests that it can be challenging to apply Schumpeter's theory of innovation to developing

countries such as Nigeria. For example, Bula (2012) argument is that within Nigeria, entrepreneurs are not indeed innovators in the traditional sense of the term. For instance, entrepreneurs in Nigeria replicate products invented in developed countries, and rarely produce novel products (Bula, 2012, Olotu, 2014).

Such that, Drucker (1998) defined the production process, within Nigeria as creative imitation in some instances. Drucker (1998) appears seemingly descriptive of the process of innovation that occurs within the context of the developing market (Bula, 2012, Ebiringa, 2012). Drucker (1998) suggested that imitation was by understanding how innovation can be utilised or sold in their specific market niche than the original innovators that created or discovered the products. Thus, the innovation process in Nigeria was mostly of imitating and adapting, rather than, the traditional concept of innovative product development (Bula, 2012, Olotu, 2014).

Cantillon's theory view risk as a fundamental task of entrepreneurs. Cantillon's theory fits well with Nigerians in this regard, as Dedekuma & Akpor-Robar (2015) indicated that the average Nigerians are risk-takers, particularly with the Igbos predominant in the eastern part, where entrepreneurial activities and behaviours are high. The theory proposes financial gain as the benefit of an entrepreneur's hard work of taking non-insurable risks and uncertainties, and the value of the profits depends on the weight of the riskiness (Zimmerer & Scarborough, 2008, Njoku et al. 2014).

As with Weber (1905) and McClelland (1965). Cochran's (1960) statement also was different, but very clear on socio-cultural values and structure, which play an active part in economic growth and development, particularly in developing country context, also entails social sanction and role expectations (Desai, 2013, Pawar, 2013). It is important to note that theorists view the entrepreneur and entrepreneurship to their insight, which at best can only provide a limited outlook of entrepreneurial phenomena (Desai, 2013, Njoku et al. 2014). Numerous influences, which inspired the development of entrepreneurship, are integral, were connected, mutually reliant and emphasising (Sharma et al. 2005, Desai, 2013).

### **3.4 ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

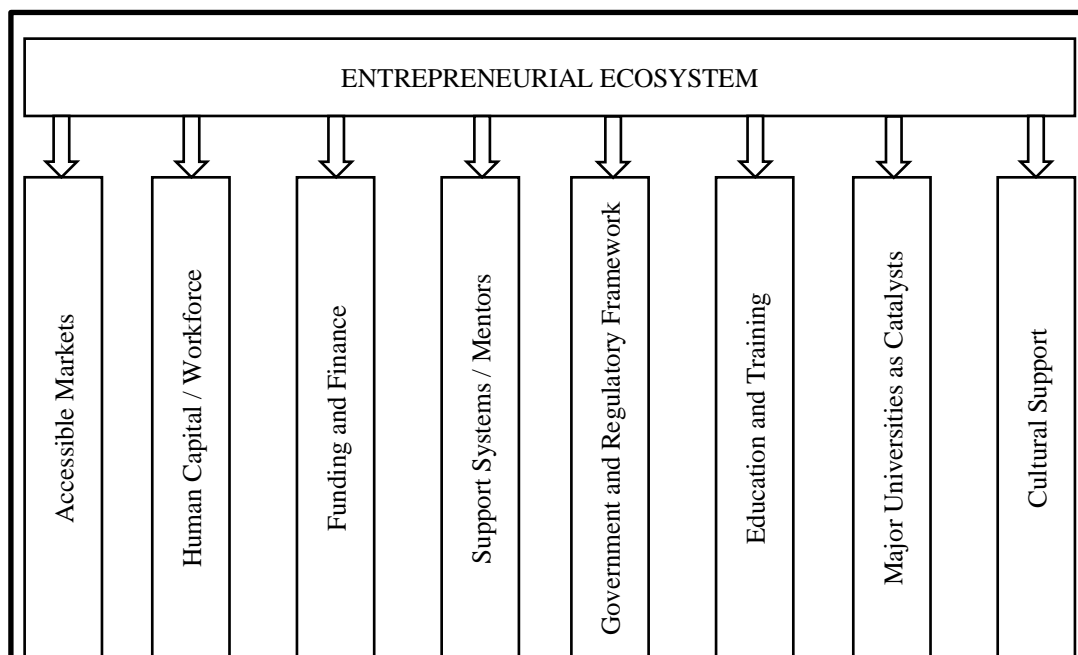
The entrepreneurship ecosystem involves the vibrant, productive and cooperative interactions among the various components and organisations within the environment, which support entrepreneurship activities and behaviours (Isenberg, 2014, Auerswald, 2015, Spigel, 2017, Cao & Shi, 2020). Figure 3.4 shows the interaction, which is between start-



ups, established corporations, universities, government agencies, and research institutions (Nigeria Entrepreneurial Ecosystem Design) and Tables 3.3 and 3.4 (Nigeria entrepreneurial ecosystem determinants and key players respectively (Auerswald, 2015). In a dynamic ecosystem, individuals and ideas interact between these establishments, new venture start-ups, joining existing and traditional businesses, and the organised linkage of innovation (Auerswald, 2015, Spigel, 2017, Sako, 2018), which Maas et al. (2016) suggest should be holistic to drive transformational entrepreneurship.

### 3.4.1 KEY ECOSYSTEM SUPPORT FACTORS

Drexler et al. (2014) framed eight critical factors of the entrepreneurial ecosystem, as indicated in Figure 3.3 and Table 3.2, respectively and discussed below. Figure 3.3 below shows the key factors underpinning MSMEs in the ecosystem, for example, finance, markets, and regulations.



**Figure 3.3: Eight Pillars of the Entrepreneurial Ecosystem: Drexler et al. (2014).**

Table 3.2 below explains the key factors supporting the ecosystem, including the domestic and foreign markets, friends and families’ components and the private and public sector agencies.

**Table 3.2: Entrepreneurial Ecosystem Key Pillars and Components**

Accessible markets	<b>Domestic market:</b> Large companies as customers; Small/medium-sized companies as customers; Governments as customers. <b>International market:</b> Large companies as customers; Small/medium-sized companies as customers; Governments as customers.
Human Capital/Workforce	Management talent; Technical talent; Entrepreneurial company experience; Outsourcing availability; Access to immigrant workforce
Funding and Finance	Family and friends; Angel investors; Private equity; Venture capital; Access to debt
Support Systems / Mentors	Mentors/advisers; Professional services; Incubators/accelerators. A network of entrepreneurial peers
Government and Regulatory framework	Ease of starting a business; Tax incentives; Business-friendly legislation/policies; Access to necessary infrastructure; Access to telecommunications/broadband; Access to transport
Education and Training	Available workforce with pre-university education; Available workforce with university education; Entrepreneur-specific training
Major Universities as Catalysts	Promoting a culture of respect for entrepreneurship; Playing a pivotal role in the idea-formation of new companies; Playing a crucial role in providing graduates for new companies.
Cultural Support	Tolerance of risk and failure; Preference for self-employment; Success stories/role models; Research culture; Positive image of entrepreneurship; Celebration of innovation

Source: Drexler et al. (2014).

Mason & Brown (2014) argue that there are bounds to the process of identifying a suitable generic structure of the ecosystem because each ecosystem has emerged under a distinctive set of conditions and circumstances reflecting their domestic economy. Open markets with income-paying consumers were the essence of all for-profit businesses (Drexler et al. 2014). Indeed, the availability of market accessibility is critical for business growth in a region (Drexler et al. 2014). Moreover, the quality and number of its human capital (Drexler et al. 2014), enhanced the scalability of a start-up. Thus, markets with a greater depth of potentially relevant workforce produce a freer background for the scaling of early-stage ventures (Drexler et al. 2014, Sako, 2018).

With funding and finance, ventures with deep financial assets benefit from the flexibility of procuring, many of the resources required in sustaining their growth (Mason & Brown, 2014). Funds are vital for this, as they enable the hiring of employees, procurement and lease of buildings and equipment, investments in marketing and sales, and delving into consumer research (Drexler et al. 2014). Businesses have multiple alternatives to build their

financial capital from customers and partner's income (Drexler et al. 2014). In the support systems, environments vary significantly in the depth and breadth of people and other enabling mechanisms, which assist businesses to connect with the entrepreneurial architecture and scale their venture (Drexler et al. 2014).

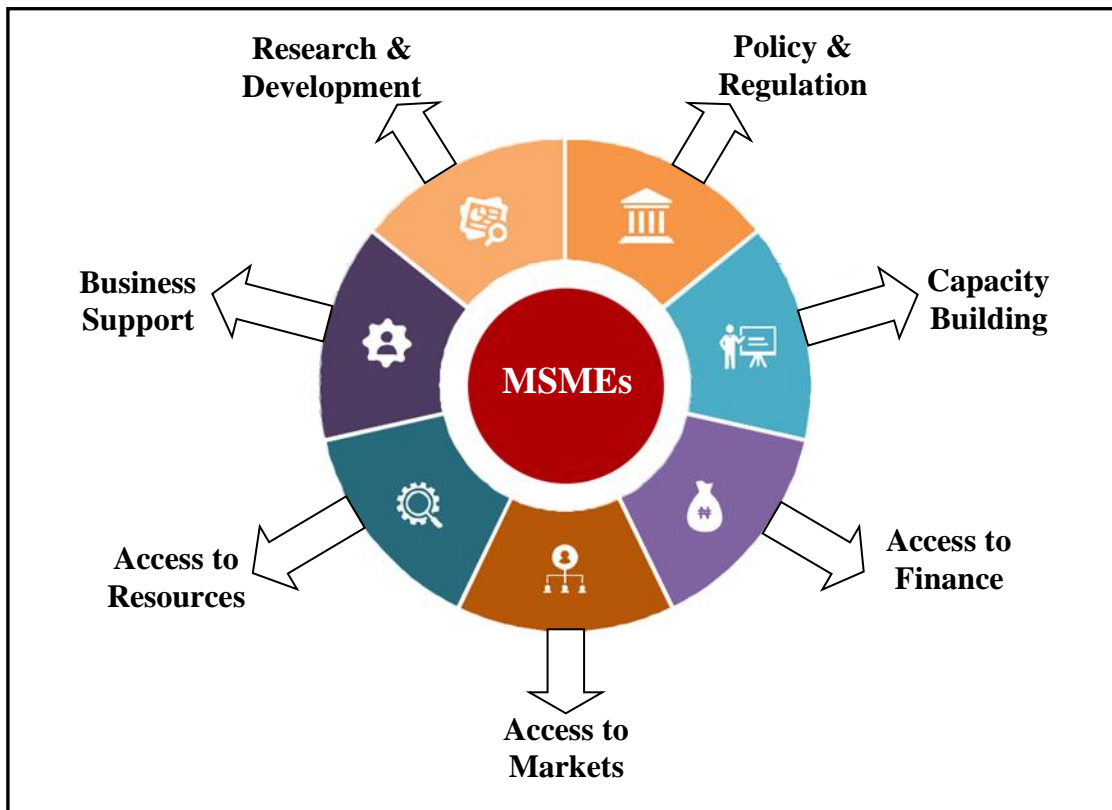
Regarding government policy and regulatory framework, there were substantial differences across markets on how to accelerate or inhibit the creating and scalability of ventures (Drexler et al. 2014, Mason & Brown, 2014). With education and training, businesses benefit significantly from the availability of trained and educated individuals (Drexler et al. 2014, Mason & Brown, 2014). Indeed, education viewed to facilitate the capacity to learn novel skills and to have a better appreciation of prospects and challenges in the market and work environment (Mason & Brown, 2014). Moreover, educational institutions such as universities have from the outset and continue to play a vital role in the growth of entrepreneurship (Drexler et al. 2014). Lastly, Drexler et al. (2014) and Mason & Brown (2014) pointed out the importance of the strength of social support for entrepreneurship across regions in the contributions made to growth and development.

### **3.4.2 ECOSYSTEM SUPPORT FACTORS FOR MSMEs IN NIGERIA**

The entrepreneurial ecosystem support factors for MSMEs' architectural structures in Nigeria are consistent with the eight-element framework discussed above. More so, the situation in Nigeria maps into the framework cluster by Drexler et al. (2014). The ecosystem support mechanisms for MSMEs comprise a group of interconnected ingredients and players who ensure the functionality of actors within the economy, such that they were mutually reinforcing in underpinning entrepreneurial activities and behaviours and MSMEs development.

These actors consist of the holistic system of individuals, the community, public sector, private sector, non-profit sector performing diverse ecosystem functions that impact and determine the outcomes of entrepreneurship and MSMEs development (Maas et al. 2016, Stam & Spigel, 2016, Sako, 2018). Within the ecosystem, culture influences the entrepreneurs towards entrepreneurship activity, for instance, individuals from a cultural group with a high inclination for wealth were likely to venture into entrepreneurship (Adeosun-Familoni, 2015, Dedekuma & Akpor-Robaro, 2015). The interconnected ingredients external to the cultural environment become the defining factors that determine the outcome for the MSMEs, as illustrated in Figure 3.4 below, which shows the architecture

in Nigeria. The figure shows the influences on the MSMEs as culture, and the ecosystem support factors.



**Figure 3.4: Ecosystem Architecture in Nigeria:** Adapted from Fate (2016).

Within the key factors and players in the entrepreneurial ecosystem, the government and large corporations frequently play a fundamental role in the growth and development of early-stage ventures. However, working with them is challenging for new start-ups, and the level of development across countries in the way to structure these linkages differs remarkably (Drexler et al. 2014, Cantner et al. 2020). Drexler et al. (2014) emphasised the critical and dynamic role of the entrepreneurial ecosystem. It is evolutionary and not a stagnant phenomenon, which a photograph can capture at a certain period (Drexler et al. 2014, Mason & Brown, 2014). Drexler et al. (2014), Stam & Spigel (2016) and Cantner et al. (2020) further stressed the significance of observing the broader entrepreneurial ecosystem in which the MSMEs operates.

From a policy perspective, the ecosystem aims at creating more high-growth ventures (Drexler et al. 2014, Mason & Brown, 2014), which requires developing the entrepreneurial ecosystem, such that it assists the aspirations and objectives of the MSMEs. Moreover, it is realistic to cultivate the needs of the ecosystem to improve a distinct

architecture that sympathetically works with a nation’s current entrepreneurial asset (Drexler et al. 2014, Stam & Spigel, 2016, Cao & Shi, 2020). This policy approach requires a substantial drift from the dominant emphasis on conservative transactional motives, which carry, on dominating most policy agendas (Mason & Brown, 2014). The following Tables 3.3 and 3.4 illustrate the factors and key players within the entrepreneurial ecosystem in Nigeria.

**Table 3.3: Ecosystem Support Factors for MSMEs in Nigeria**

<b>Determinant</b>	<b>Default</b>
Research and Development	Foster a culture of innovation in Nigeria by supporting various investigative activities through knowledge and skills creation, research and development, new process and method innovation.
Policy and Regulations	Institutions set up by the Nigerian government to foster an enabling and competitive environment for doing business through policy and regulatory Frameworks.
Business Support	Nurture Nigerian entrepreneurs through mentoring, coaching, consulting and support services required for developing an enterprise, operate optimally and deliver maximum impact.
Capacity Building	Varying degrees of entrepreneurship programmes and activities through training, workshops, boot camps and vocational skill acquisition activities.
Access to Resources	Provide entrepreneurs with access to data, information, tools and infrastructural resources such as technology, workspace, etc.
Access to Finance	Institutions and structures to provide direct and indirect funding for entrepreneurs throughout the business lifecycle via grants, debt/loans, and equity.
Access to Markets	Structures that link entrepreneurs with integration into large distribution networks by providing access to facilitate trade (customers, distributor channels, suppliers, large corporates, etc.).

Adapted from Fate (2016).

Table 3.4 shows the key players in the ecosystem in Nigeria. The key players include the government, private and public sector agencies.

**Table 3.4: Ecosystem Key Players in Nigeria**

<b>Determinant</b>	<b>Key Players</b>
Research and Development	Government; Corporate bodies; Academic Institutions; Incubators/Accelerators
Policy and Regulations	Ministries, Departments, and Agencies (MDAs); Parastatals; Regulatory Bodies; State Government; Local Government
Business Support	Business Development Service Providers; Entrepreneurship Development Centres; NGOs/Foundations; Professional services; Incubators/Accelerators; Mentoring/Coaching Programmes
Capacity Building	Entrepreneurship Development Centres; Government; NGOs/Foundations; Business Management Organisations; Vocational/Education Training Centres; Incubators /Accelerators; Faith-based Organisations; Financial Institutions; Trade Associations
Access to Resources	Government; Corporate bodies; NGOs/Foundations; Incubators/ Accelerators; Industry Clusters; Media
Access to Finance	Commercial Banks; Microfinance Banks; Development Financial Institutions; Angel Investors; Venture Capitalist; Private Equity; Donor Agencies/Multilaterals; Government; NGOs/Foundations; corporate bodies; Leasing Companies; Faith-based Organisations
Access to Markets	Government; Donor Agencies/Multilaterals; corporate bodies; NGOs/Foundations; Accelerators; Industry Clusters

Adapted from Fate (2016).

### **3.5 CHALLENGES TO MSMEs IN NIGERIA**

According to SMEDAN (2010), over 90 per cent of businesses in Nigeria are micro; similarly, Siyanbola et al. (2012) and Igwe et al. (2018) indicated that MSMEs constitutes the primary sector of ventures in the developed and developing countries. Moreover, Tobora (2015) stated that about sustainability and survival, small businesses experienced familiar challenges in the advanced and emerging nations, as shown in Table 3.5.

**Table 3.5: SMEs in Developed versus Developing Countries**

<b>SMEs in the Developed Countries</b>	<b>SMEs in Developing Countries</b>
SMEs firms have a high reliance on short-term financing through the banking sector	SMEs firms rely on formal and informal sectors for short-term finance
Shareholders finance a low proportion of their assets, so debt to equity ratios are relatively high compared to larger firms	Family and friends contribute a high percentage towards the funding of small firms' assets
Fixed assets are relatively unimportant in the balance sheets of smaller firms	Unestablished
Trade credit and trade debt are relatively important	Unestablished
In recent years, leasing and hire purchase and venture capital have become more important	Relatively less significant
SMEs firms have higher transaction costs than multinational firms	Confirmed
SMEs firms have more significant information imperfections than larger firms	Confirmed
SMEs firms have inadequate business planning, shortage of inter-firm cooperation between small firms weakens relations with financial institutions	More significant in developing countries, particularly for financial accounting and management. Networks have shown to be essential but little research on relations with financial institutions

Adapted from Tobora (2015).

Agwu & Emeti (2014) argue that only less than 10 per cent of MSMEs survive and develop in Nigeria, with most of them collapsing before their fifth year and a few becoming extinct just after their sixth and before their tenth year. Moreover, Tobora (2015) argues that over 50 per cent of MSMEs in Nigeria fail within their fifth anniversary, and some 25 per cent become bankrupt and close up shop. A body of work, including Osotimehin et al. (2012), Adisa et al. (2014), Agwu & Emeti, (2014), James-Unam et al. (2015), Tobora, (2015) and Amalu & Ajake (2019) identified several challenges to MSMEs in Nigeria. However, these were only parts of the problem (Tobora, 2015, Amalu & Ajake, 2019). Some of the challenges considered include bureaucracy and corruption, financial management, inconsistent policies, infrastructures, management ineptitude, and socio-cultural.

### **3.5.1 BUREAUCRACY AND CORRUPTION**

Njoku et al. (2014) argue that there is widespread corruption in Nigeria, and this critically hurts the smooth procurement of permits and licences because it is difficult to get services from government agencies without the payment of bribes to officials (Njoku et al. 2014). Danduara (2014) noted that government agencies were responsible for the regulations and supervising of MSMEs. Thus, Danduara (2014) argued that no business could escape meeting with officials for services such as registration, export, and import licences, etc. Moreover, Danduara (2014) and Njoku et al. (2014) acknowledged that this exposes these businesses to outright corruption and bureaucracy devastating effects, commonly in practice by these officials. Thus, Tobora (2015) stressed a challenge to companies because of these bureaucratic bottlenecks, which facilitate additional business risks. Indeed, Tobora (2015) maintained that this administrative inefficiency discourages MSMEs growth instead of encouraging them.

### **3.5.2 FINANCIAL MANAGEMENT**

The majority of MSMEs in Nigeria do not use an effective system of accounting, which threatens their business growth, as they are unable to evaluate their performance (Olatunji, 2013, Agwu & Emeti, 2014). In addition to the challenges resulting from the inability to differentiate personal cash from working capital (Olatunji, 2013). Olatunji (2013) argued that an overwhelming number of businesses have collapsed because of this problem. Indeed, Adisa et al. (2014) explain that business owners fail to maintain a different bank account for personal and company purposes. Thus, spending business money on private expenses (Adisa et al. 2014). Moreover, the blame in Nigeria is the mentality of the owner's attitude in this situation. Hence, Olatunji (2013) and Agwu & Emeti (2014) maintained that cash management is among the challenges confronting MSMEs in Nigeria.

### **3.5.3 INCONSISTENT POLICIES**

Njoku et al. (2014) argue that for businesses to survive in Nigeria, they should be able to tackle inconsistent government policies, and this is a challenge (Agwu & Emeti, 2014). Companies have no control over government policies (Agwu & Emeti, 2014, Njoku et al. 2014). They can only influence the government to enact favourable enterprise laws (Agwu & Emeti, 2014, Njoku et al. 2014). However, for this to happen, they must have enormous resources and political lobby (Njoku et al. 2014). MSMEs lack the financial strength and



political influence to lobby government policies (Agwu & Emeti, 2014). Thus, they should consider strategies in confronting the inconsistent policies of government by adjusting swiftly and aligning with such systems, which in most cases are discouraging (Njoku et al. 2014).

#### **3.5.4 INFRASTRUCTURES**

Nigeria's social and physical under-developed infrastructures are a binding challenge (Agwu & Emeti, 2014). Agwu & Emeti (2014) states that infrequent and unreliable power supply, deficiency in water supply, insufficient roads are some of the infrastructural challenges to MSMEs. MSMEs lack the capital strength to develop alternatives and have to rely heavily on the available and inadequate amenities from the Government (Adisa et al. 2014). Danduara (2014) argues that insufficient facilities such as electricity and roads are a severe challenge to MSMEs. Thus, Olotu (2014) argues that the fragile energy sector is a constant challenge. The unstable electricity supply makes businesses source alternatives like generators, and this cost is overbearing on their operation. Moreover, the majority cannot afford it (Agwu & Emeti, 2014). Thus, Tobora (2015) acknowledged these challenges and emphasised that this has pushed MSMEs to the provision of private amenities, and this tends to increase their operational costs.

#### **3.5.5 MANAGEMENT INEPTITUDE**

Agwu & Emeti (2014) argue that a significant challenge to MSMEs' survival and development is the shortage of management skills and a qualified workforce. Furthermore, Agwu & Emeti (2014) indicate that more than 80 per cent of MSMEs failures relate to insufficient expertise and requisite skills. Rogers (2002) suggests that ineptitude in business management is a crucial challenge for MSMEs. The shortage of critical and relevant capability in marketing, procurement, and misapplication of the fund has led to harmful decision-making (Agwu & Emeti, 2014).

Adisa et al. (2014) suggest that a trained and experienced workforce is critical to MSMEs' success. Moreover, Adisa et al. (2014) stressed these provide ventures to achieve a gainful competitive advantage in the market. Didonet et al. (2012) suggest that if the owners/managers have outstanding human resource management skills, the business has the potential to be successful. Therefore, managers with improved training and relevant knowledge and self-confidence, achieve greater success (Didonet et al. 2012). Adisa et al.

(2014) argue that managerial skill plays a significant part in explaining differences in the performance of a business. That skill and understanding can develop through experience in the industry.

Furthermore, Adisa et al. (2014) and Smith & Chimucheka (2014) noted the attainment of management skills through formal education. Analoui (1995) argues that customer service skills are critical to MSMEs. Adisa et al. (2014) identified these skills like communication, negotiation, networking, conflict resolution, and decision making and emphasised that the shortages of such capabilities are primarily responsible for losing customers. Adisa et al. (2014) argue that several MSMEs owners in Nigeria possess education below the bachelor's degree level. Thus, Adisa et al. (2014) suggest that the majority of owners are not competent to manage and run the business successfully. Indeed, Agwu & Emeti (2014) indicated that most owners always engage managers that are not highly skilled and that crucial management decisions taken irrespective of their knowledge.

### **3.5.6 SOCIO-CULTURAL CHALLENGES**

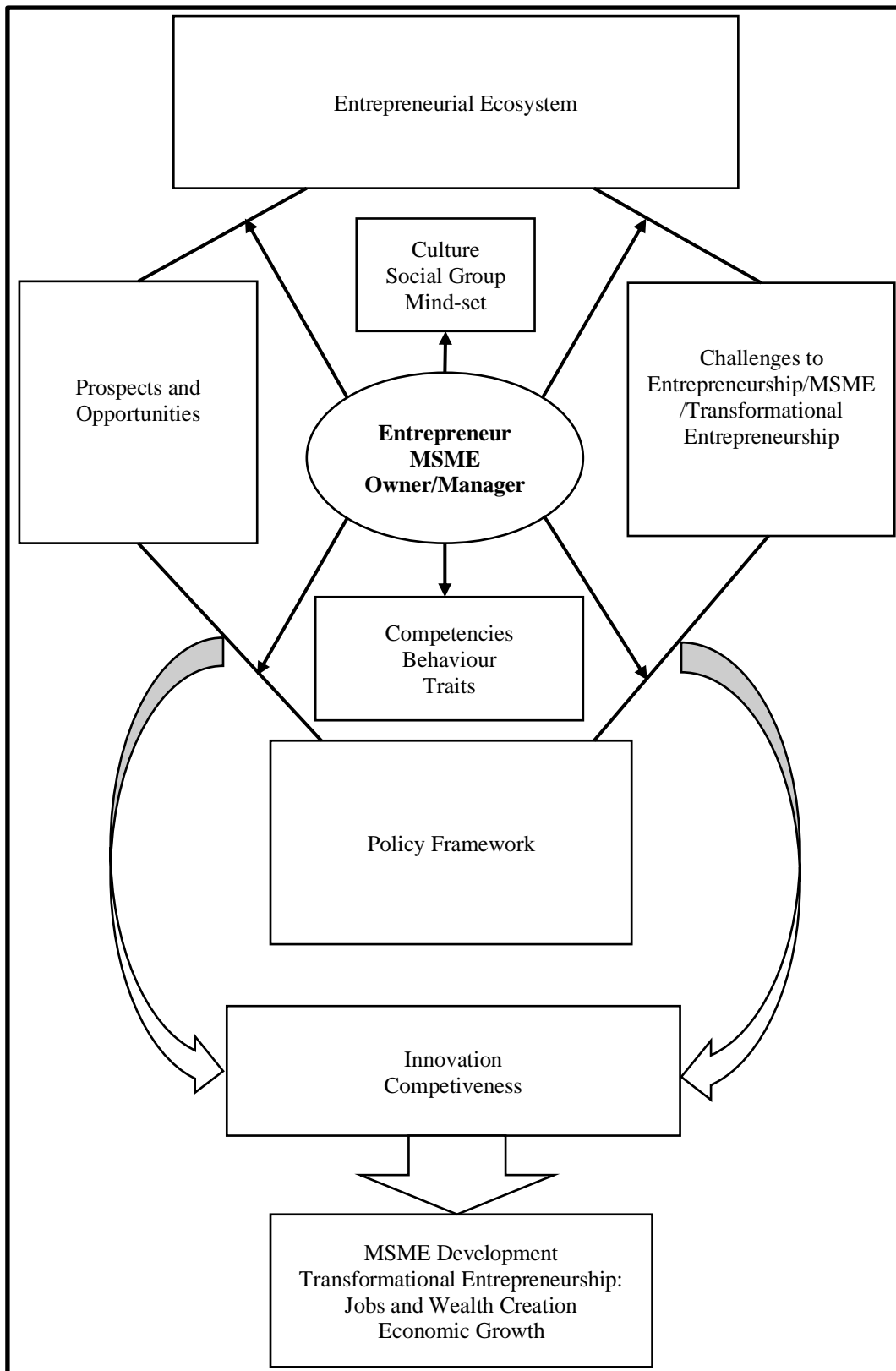
Agwu & Emeti (2014) argue that business owners in Nigeria lack the investment culture of re-investing and do not plough back profit into their businesses to expand. Tobora (2015) view this as invest and reap attitude with most business owners. The socio-political and socio-cultural ambition of several business owners can lead to valuable resources diverted to human waste (Agwu & Emeti, 2014). Moreover, there is a social bias towards locally made goods for western products (Tobora, 2015). There is a high propensity to consume imported goods in favour of local substitutes (Adisa et al. 2014, Agwu & Emeti, 2014, Tobora, 2015).

## **3.6 THE STUDY FRAMEWORK MAPPING WITHIN NIGERIA**

This research focused on Nigerian MSMEs with a specific focus on their competencies and the entrepreneurial ecosystem support mechanisms for their business. To achieve this, the researcher mapped a framework presented in Figure 3.5 below, which shows the interaction of the Nigerian MSMEs and ecosystem support mechanisms for their business. Auerswald (2015), Stam & Spiegel (2016) and Neumeyer & Santos (2018) suggest that in a dynamic, entrepreneurial ecosystem, MSMEs Owners/Managers and their ideas, institutions, stakeholders and the government interacts in the economy. The successful interaction and relationship are critical to MSMEs development, which can facilitate in the success of

achieving transformational entrepreneurship (Kiggundy, 2002, Adeosun-Familoni, 2015, Maas et al. 2019, Souse, 2019).

This section map into a framework the Nigerian MSMEs and their support factors and players alongside ecosystem support mechanisms, which presents the interaction and significance between the Nigerian MSMEs, the ecosystem factors influencing their development. Within Chapter 2, the research discussed entrepreneurial competencies and transformational entrepreneurship, in addition to the critical challenges to transformational entrepreneurship in developing nations, such as Nigeria. Within Section 2.4.7, this study mapped the entrepreneurial competency framework for this thesis. Within Chapter 3, section 3.3, this study considered the cultural influence on entrepreneurship. Section 3.4 reviewed the entrepreneurial ecosystem support mechanisms for MSMEs in Nigeria, while sections 3.5 reviewed several critical challenges to MSMEs.



**Figure 3.5: Framework Mapping in Nigeria:** Adapted from Inyang & Enuoh (2009), Schoar (2010), Tobora (2015) and Ajekwe (2017).

### 3.7 CHAPTER SUMMARY

As discussed in Chapter 1, the central proposition within this study investigates the Nigerian MSMEs Owners/Manager's competencies alongside the effectiveness of the ecosystem factors in facilitating the systemic development of MSMEs towards transformational entrepreneurship in Nigeria. To this end, this chapter served several purposes by discussing some relevant entrepreneurship topics to Nigeria and the entrepreneurial ecosystem support factors for MSMEs in Nigeria. Firstly, the chapter discussed key parameters about Nigeria to provide insight into the country and its economy. Secondly, the chapter provided key demographic parameters that gave further insight into Nigeria. The evidence within this chapter suggested that the entrepreneurial ecosystem was not conducive and supportive of entrepreneurship and MSMEs. It thereby inhibits the MSMEs in attaining transformational entrepreneurship.

This chapter identified challenges to MSMEs, which have influenced the economy negatively. Thus, weakening jobs and wealth creation, national economic growth and development. This chapter defined culture as the mind-set orientation, which differentiates the followers of one group of individuals from another (Ajekwe, 2017). It acknowledged the most significant influence on entrepreneurial skills and mind-set development comes from the family and social group contribution to the development of personality (Adeosun-Familoni, 2015, Ajekwe, 2017). The review noted within the ecosystem that the government and large corporations frequently play a critical underpinning role in driving growth and development of early-stage ventures, by providing financial supports and policies (Drexler et al. 2014, Spigel, 2017, Neumeyer & Santos, 2018). From a policy perspective, the ecosystem aims at creating high-growth ventures (Drexler et al. 2014, Mason & Brown, 2014, Sako, 2018), which requires developing the entrepreneurial ecosystem, such that it assists the development of MSMEs.

However, this has not recorded sufficient success within Nigeria. Entrepreneurship and MSMEs are the engines of economic growth, considered the primary driver of decentralisation, economic reform and drive in the direction of the market economy (Nwachukwu, 2012, Hashim et al. 2018). Moreover, entrepreneurship and MSMEs occupy a place of pride because of their vital contribution to the development and growth of the national economy (Onakoya et al. 2013, Akuhwa & Akorga, 2015, Amalu & Ajake, 2019). Although evidence in this chapter suggested in Nigeria, the situation is different, primarily due to the inadequate ecosystem and a myriad of challenges to MSMEs.

Moreover, the chapter acknowledged several MSMEs in Nigeria, constitutes an obstacle to monopoly, and the importance of a competitive market to the consumer. In particular, the economy is positive (Nwachukwu, 2012) because the relative simplicity with which MSMEs start and the alertness of entrepreneurs to innovations is a critical factor for their pre-dominance in the economy (Nwachukwu, 2012, Hashim et al. 2018). However, these small businesses have not performed well (Onakoya et al. 2013, Akuhwa & Akorga, 2015) because policy intervention, which intends to encourage entrepreneurship development and advancement through the transfer of technology strategy, has been futile (Oyelola et al. 2013).

Duru (2011) argued that the focus on the national economy has declined due to poverty and unemployment, inadequate infrastructures, fragile governance framework, corruption and bureaucracy, insecurity, ineffective macro-economic management, instability in the polity and political uncertainty (Duru, 2011, Nwachukwu, 2012, Oyelola et al. 2013). Lastly, further evidence within the chapter suggested that Nigeria, although gifted with entrepreneurship and MSME prospects (Njoku et al. 2014, Olotu, 2014), and that there have been several policy interventions initiated to stimulate entrepreneurship advancement and MSME development. However, these MSMEs have under-performed and are mostly unsuccessful in realising the anticipated results (Oyelola et al. 2013, Amalu & Ajake, 2019).

## CHAPTER 4

### THE INSTITUTIONAL THEORY

#### 4.1 INTRODUCTION

This chapter considers the institutional theory applied to underpin this study. Within Chapter 2, section 2.3, the study discussed classical entrepreneurship theories, including their evolution, development, and contribution to entrepreneurship and MSMEs development over time. Further explained were the economist, psychologist and sociologist perspectives to entrepreneurship, while, in section 2.5.1, the study conceptualised the theory of transformational entrepreneurship. Within Chapter 3, section 3.3.2, the study discussed the implication of the classical entrepreneurship theories in the context of Nigeria. Within chapters 2 and 3, the literature shows that Nigerian MSMEs are less competent and the ecosystem support mechanisms for MSMEs are inadequate, in facilitating MSMEs' progress to transformational entrepreneurship.

Moreover, the argument is that to facilitate Nigerian MSMEs development to achieve transformational entrepreneurship. MSMEs should possess the critical entrepreneurial competencies alongside the adequate support of the ecosystem for MSMEs (Inyang & Enuoh, 2009, Solesvik, 2012, Maas et al. 2019). Given that, the acquisition of requisite skills can equip Nigerian MSMEs Owners/Managers to manage their enterprises successfully (Inyang & Enuoh, 2009, James-Unam et al. 2015, Obschonka et al. 2017). In addition to the ecosystem, providing adequate support for MSMEs (Fate, 2016, Cavallo et al. 2019). The focus of this chapter is to provide a discussion on the institutional theory to Nigeria (DiMaggio & Powell, 1983).

#### 4.2 INSTITUTIONAL THEORY

The use of institutional theory demonstrates to be particularly helpful within entrepreneurial research (Bruton et al. 2010). Furthermore, the institutional approach establishes to be an essential theoretical groundwork for exploring a wide variety of studies in diverse domains (DiMaggio & Powell, 1991). Moreover, institutional theory applied to study how enterprises develop over the years in chase of their organisational objectives and the nature of the various ecosystem factors, which affect their development (Meyer & Scott, 1992, Sambharya & Musteen, 2014). Thus, the institutional theory provides researchers with the opportunity to study how different institutional backgrounds affect organisational activities

and behaviours within diverse market settings and how these institutions themselves transform over time in these environments (Bruton et al. 2010, Cantner et al. 2020). Given this, an emerging economy such as Nigeria offers an interesting context to study the effect and relationship of the environment (ecosystem support factors) and the Nigerian MSMEs' transformational competencies in their development towards transformational entrepreneurship.

As discussed in Chapter 3, a myriad of factors influences Nigerian MSMEs' development, which is likely to change their focus and intervention strategies (Agwu & Emeti, 2014, Njoku et al. 2014, Tobora, 2015). Therefore, an integrated and dynamic framework is necessary to analyse the entrepreneurial ecosystem conditions that are conducive and adequate for MSMEs and their peculiar socio-cultural reasoning, which can support their development (Gnyawali & Fogel, 1994, Njoku et al. 2014). Typically, institutional factors influence Nigerian MSMEs, particularly in achieving their objective of development (Danduara, 2014). DiMaggio & Powell (1983) categorised these institutions into three isomorphic types and defined them as coercive, normative and mimetic discussed below. DiMaggio and Powell (1983) state that the three institutional mechanisms affect the way changes happens within an organisational setting and each with its backgrounds. Scott (2005) further classified these institutions into regulatory, normative and cognitive.

This study adopted the views of DiMaggio & Powell (1983); the rationale for this is in two folds. Firstly, Nigerian MSMEs seem to go through different changes in policy, approach due to various ecosystem influences relating to coercive, normative, and mimetic institutions. Such impacts are likely to affect their development and effect on attaining transformational entrepreneurship. For instance, institutionalised corruption inherent within the Nigerian ecosystem can impact/influence the systemic advancement of MSMEs (Danduara, 2014, Njoku et al. 2014).

Secondly, MSMEs across Nigeria should understand the various institutional laws and regulatory frameworks for their business activities because there can be differences between coercive, normative and mimetic structures across different states in Nigeria, and this demands peculiar adaptations within these localised regions (Agwu & Emeti, 2014). The institutional theory key objective is to inform how institutions, which are external to the MSMEs, enforce standards of desirable, proper, and appropriate behaviour within certain socially constructed norms, values, and beliefs (Meyer & Scott, 1992, Kanellos, 2013, Akuhwa & Akorga, 2015). Although, the tenets within the internal structures such as the MSMEs Owners/Managers entrepreneurial competencies are essential. However, the focus



in analysing the entrepreneurial ecosystem support for MSMEs under which the MSMEs interaction and development is critical (Shane et al. 2003, Bruton, 2010, Suresh & Ramraj, 2012, Fate, 2016).

More notably, studies focus on the type of institutions that can trigger systemic changes in the operation, focus, objectives, and strategy of the MSMEs. Thus, it is common to see coercive, normative and mimetic institutions affecting the activities and development of MSMEs in countries such as Nigeria (DiMaggio & Powell, 1983, Autio et al. 2015, Acs et al. 2016). Referring to the three isomorphic categories mentioned above, King et al. (2015) suggested that they might overlap to some level. However, its specific emphasis lies in the implementation of gaining legitimacy through the various institutional isomorphic categories. Acs et al. (2014) and Autio et al. (2015) further argue that the MSMEs also influence various socio-cultural factors such as beliefs, values, and attitudes of a given society, which ultimately determines organisational strategy. Meyer & Scott (1992) identified trade associations, cultural dynamics, age, gender, social norms, educational institutions, professional associations, and markets as some of the environmental factors, which are likely to impact/influence organisations such as MSMEs.

The coercive dimension relates more to the implementation of government regulation and laws such as tax and levy on Nigerian MSMEs. Both the normative and mimetic aspects relate more to the delivery of business support and capacity development to Nigerian MSMEs because Nigerian MSMEs are legally required to pay taxes and levy with various thresholds defined by the federal and state revenue services. However, when it comes to the provision of business support to MSMEs, normative and mimetic issues than coercive mechanisms bind the regulatory institutions (See sections 4.2.1 to 4.2.3 below).

#### **4.2.1 COERCIVE ISOMORPHIC INSTITUTIONS**

In terms of tax and levies on Nigerian MSMEs, for example, coercive institutions influence the MSMEs, which are demanding and enforcing in nature (DiMaggio & Powell, 1983, Njoku et al. 2014). Coercive isomorphic institutions bring both formal and informal pressures on Nigerian MSMEs in conformity to their legitimate expectations, which can impact/influence their development (Pawar, 2013, King et al. 2015, Adeosun-Familoni, 2015). Hoffer et al. (2014) discussed the enforcement of two types of coercive power. The first relates to the top-down imposition of rules where regulatory institutions apply force on Nigerian MSMEs to conform to the policy guidelines to gain legitimacy for their actions. A

typical example of coercive power on Nigerian MSMEs is the regulatory mechanisms, which enforce the government make MSMEs observe and comply with specific tax and levy, and licensing requirements without which the MSMEs may risk losing their business operating licenses.

The second relates to the voluntary acceptance of rules where Nigerian MSMEs agree to regulations that constrain their activities, behaviours, and choices. A typical example is a fact that MSMEs are mandated to register with the CAC, SMEDAN, and NACCIMA, which serves as the umbrella body for their activities. This coercive power, which is mainly political, can come from both formal and informal state institutions, which mandate the regulatory system in Nigeria to exercise such pressures on MSMEs for conformity. Therefore, coercive institutions work mainly through the legal framework of a country where compliance with laws, rules, and regulations becomes the yardstick for acceptance (Njoku et al. 2014). The existence of a legal environment in a country affects the creation, activity, behaviour, and management of small businesses and their development (Agwu & Emeti, 2014, Hashim et al. 2018). It implies that Nigerian MSMEs, which do not conform to specific laws such as CITA, CAC, for example, which directly affects and regulates their performance, run the risk of closure, whereas the majority of these levies and taxes are not lawful and questionable (Njoku et al. 2014).

Dandura (2014) points out that coercive power dimensions in a country may also include market entry rules, product regulation, and labour market regulations all of which affect the operation of MSMEs in meeting their double-bottom line objectives (Nwabueze, 2015). More importantly, financial rules from the CBN can streamline the MSMEs in receiving foreign currency to fund the acquisition of new machines from abroad for expansion (Ihyembe, 2000, Amalu & Ajake, 2019). DiMaggio & Powell (1983) maintained that organisations could experience coercive power as a force or persuasion to gain legitimacy for their existence. Legitimacy refers to the perspectives of an organisation's activities as acceptable, proper and appropriate based on a well-defined regulatory framework in a country (Hoffer et al. 2014, Hashim et al. 2018).

King et al. (2015) further view legitimacy as involving an implicit process that is concerned with applying the expectations of the immediate society to gain acceptance. Gaining legitimisation for services is, therefore, an important step, which all Nigerian MSMEs need to take. For example, the Federal Inland Revenue Service (FIRS) has instituted requirements, which require MSMEs to submit VAT returns monthly. They achieve legitimacy for their activities on MSMEs when they comply with the mentioned

requirements. However, the inability of MSMEs to meet with these requirements can lead to various forms of sanctions, which may hurt the MSMEs. Within the overall environment and ecosystem, Hoffer et al. (2014) and Autio et al. (2015) acknowledged that state institutions apply the most coercive power, which has a significant consequence on the existence, continuity of operation and performance and development of enterprises.

Lastly, SMEDAN, which is the umbrella body under which Nigerian MSMEs are supposed to operate, may sometimes be able to bring a coercive power on who does not comply with the rules and regulations through litigations. Equally, traders' associations, farmer organisations and other types of organisations can exercise coercive pressure, which can affect their operations. Therefore, they must comply with and adapt to a myriad of coercive institutional challenges for the Nigerian MSMEs to develop, which can impact/influence their attaining transformational entrepreneurship.

#### **4.2.2 NORMATIVE ISOMORPHIC INSTITUTIONS**

Normative isomorphic institutions, which seek to impose socially accepted behaviours, driven by societal morals, values, and obligations (Adeosun-Familoni, 2015, Ajekwe, 2017), also influence regulatory agencies in deployment of support to MSMEs. The use of normative isomorphic institutions refers to the type of external burden applied to encourage conforming to conventional and professional ethics by regulatory agencies (Mizruchi & Fein, 1999). Brundin & Wigren-Kristoferson (2013) state that the normative institutions exercise the desired actions and appropriate methods that regulatory agencies should behave according to specific expectations, which are either task or objective defined or even specified by societal duties. As a result, the process of isomorphism causes the regulatory institutions to adhere to appropriate norms, values, and beliefs, which are concerned with bureaucratic legitimacy in the attainment of acceptance (McQuarrie et al. 2013, Adeosun-Familoni, 2015). To achieve this is by demanding the regulatory institutions perform specific tasks to obey to certainly acceptable ethics (DiMaggio & Powell, 1983, Ajekwe, 2017).

Nigerian regulatory institutions expect to attain legitimacy through compliant to relevant norms, values, and beliefs, which are dominant in the communities in which they operate (McQuarrie et al. 2013, Ajekwe, 2017). Adeosun-Familoni (2015) indicates that for governmental institutions in Nigeria to be successful in the deployment of support to MSMEs, they need to consider the values and the normative framework, which exists in Nigeria. Therefore, it is fundamental that practices of governmental agencies within Nigeria

are consistent with the value system and cultural norms, which forms and underpins business practices in the country. For example, some communities where the government provides financial assistance to MSMEs may have values, standards and practices relating to age, gender, trade, and the government agencies will have to conform to such community values and norms if they have to be acknowledged (Ajekwe, 2017).

Socio-cultural practices, therefore, play a significant role, particularly in a developing country like Nigeria where individuals and businesses attach sentiments to activities and behaviours, which are not consistent with valued norms and ethics (Adeosun-Familoni, 2015, Ajekwe, 2017). Onakoya et al. (2013) and Adeosun-Familoni (2015) indicated that the non-devotion to these cultural and societal norms and ethics might result in opposition from locals and social groups. Furthermore, normative institutions refer to socio-cultural structures, practices, and standards, which affect how government agencies deploy support to MSMEs (Onakoya et al. 2013). For example, within Nigeria, there are community entry practices such as going through traditional kings, chiefs and community leaders, and by not observing such protocols; there is resistance to government agencies. Nigeria has vast socio-cultural differences across various regions, which government agencies and other support institutions need to know the value and practice in the deployment of support to MSMEs.

For instance, the Northern part of Nigeria, which predominantly has Muslim worshippers, does not allow the training of women by men from non-Muslim faith. Thus, for government agencies and other support institutions to deliver training and support to MSMEs within this region, personnel need to understand the various structures and practices, which are consistent with Muslim traditions (Adeosun-Familoni, 2015, Ajekwe, 2017). Similarly, Alexander (2012) espoused that normative institutions do not only define set goals, but instead, they identify appropriate, conducts to chase such goals to meet societal expectations, which implies that the systems set their own rules of conformity. The components of normative institutions may also include trade associations and professional associations that can use social obligation requirements to encourage certain desirable behaviours for compliance (DiMaggio & Powell, 1991, Adeosun-Familoni, 2015). Lastly, the normative isomorphism drives government establishments critically reflect their choice of support method, selection of trainers as well as the use of mechanisms, which may not be invasive to MSMEs beneficiaries due to their conventional ethics, values, and norms.

### **4.2.3 MIMETIC ISOMORPHIC INSTITUTIONS**

The mimetic isomorphic institution's dimension that occurs in organisations relates to the adherence and adoption of values, culture, and technologies that are external and foreign to the organisation, but has the potential to facilitate systemic change, process and structures and benefits of the organisation (DiMaggio & Powell, 1991, Bula, 2012). Meyer & Scott (1992) also state that, for an institution to achieve legitimacy with its constituents, they are supposed to adapt to social set standards, which are mainly external to the organisation. Thus, government agencies in the deployment of support to Nigerian MSMEs may draw to imitate, adapt or learn from other foreign government agencies (DiMaggio & Powell, 1991). For example, government establishments may learn operational practices from commercially oriented international institutions, which may affect their deployment of support to MSMEs. Typically, this imitation happens between agencies and institutions with similar objectives, which they encounter (DiMaggio & Powell, 1991, King et al. 2015).

Ang et al. (2015) acknowledged that mimetic institutions might not always produce a positive change in organisational structures and strategy. However, the adoption and importation of procedures, which do not weave properly with internal structures, may provide a vast internal distinction in organisational activities and behaviours. Thus, DiMaggio & Powell (1991) suggest that organisations should be precisely clear and focused on their objectives to avert the wrong adoption of external instructions and practices. Furthermore, King et al. (2015) maintained that mimetic isomorphism might cause uncertainties because government agencies may, by circumstances, mimic other institutions and abandon their policies. For example, when providing support to MSMEs, new changes in the production process and operational regulations, and even demand from the MSMEs themselves may invite the institution to imitate external strategies and policies from other establishments, which may be inconsistent with the principles of local practices. These borrowed policies may negatively/positively affect organisational growth and development (Mizruchi & Fein, 1999). Given that the higher the uncertainty of regulatory agencies about their strategy, the more a need for these agencies to imitate other governmental agencies, which they perceive to be more productive.

### **4.3 CHAPTER SUMMARY**

The discussion within this chapter covers the use of the institutional theory. The institutional theory has implications for this study because in the process of dealing with Nigerian

MSMEs; elements of coercive institutions influence government support agencies, which causes isomorphic changes in their operations, strategy, and structures (DiMaggio & Powell, 1983, King et al. 2015). Thus, hurting MSMEs development. Additionally, in the deployment of support to MSMEs, various normative and mimetic institutions within Nigeria also influence government agencies within the support mechanisms of the ecosystem. Such that, the general framework of the Institutional Theory has implications for the deployment of support to MSMEs by government agencies in Nigeria.

In the provision of support to Nigerian MSMEs, for instance, coercive, normative and mimetic institutions due to various reasons can impact/influence government agencies. Such as the introduction of new regulations, the presence of multiple norms or values across regions in Nigeria, or even the presence of uncertainties, which may inform them to imitate strategies, policies and guidelines from other government agencies (DiMaggio & Powell, 1983, Ang et al. 2015). Indeed, changes in the structure and strategy of government agencies influence from the discussed isomorphic institutions; there are compromises to the deployment of support to MSMEs and consequently, hurting the development of MSMEs towards transformational entrepreneurship.

## **CHAPTER 5**

### **THE THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT**

#### **5.1 INTRODUCTION**

In Chapter 2, the study discussed entrepreneurial competencies and transformational entrepreneurship. Within Chapter 2, the research developed a framework for Nigerian MSMEs Owners/Managers association with the entrepreneurial ecosystem support mechanisms for MSMEs. In Chapter 3, the study discussed entrepreneurship in the context of Nigeria, the ecosystem support factors for Nigerian MSMEs, and the research developed a framework to map the study's key parameters together. Within Chapter 4, the study discussed the institutional theory in this research. This chapter focuses on the theoretical framework and hypotheses for this research.

#### **5.2 JUSTIFICATION FOR THE STUDY THEORETICAL FRAMEWORK**

The reviewed literature within chapter 2 and 3 indicates the shortage of any coherent, consistent and integrated theoretical framework for examining Nigerian MSMEs Owners/Manager's competencies and the adequacy of the ecosystem supporting the systemic development of MSMEs towards transformational entrepreneurship. Given this, this chapter shall propose and discuss a theoretical framework and develop hypotheses for this study. This framework shall provide the empirical and theoretical evidence on the significance of this approach between MSMEs' Owner/Managers competencies and the ecosystem support mechanisms for MSMEs in facilitating MSMEs development in achieving transformational entrepreneurship.

Evidence in the literature shows that skills are the essential ingredients required by MSMEs Owners/Managers to achieve business sustainability in Nigeria (Inyang & Enuoh, 2009, Solesvik, 2012, Hashim et al. 2018). The literature further recognised the significance of the entrepreneurial ecosystem support for MSMEs, which can facilitate the systemic changes in MSMEs' development towards transformational entrepreneurship (Schoar, 2010, Auerswald, 2015, Fate, 2016, Stam & Spigel, 2016, Maas et al. 2019). However, the literature, acknowledged the Nigerian MSMEs Owners/Managers lack the requisite competencies required to achieve MSMEs development (Inyang & Enuoh, 2009, Anyadike et al. 2012, Olotu, 2014). Furthermore, the literature recognised the entrepreneurial

ecosystem support for MSMEs in Nigeria remains a challenge with insufficient support to MSMEs to develop (Danduara, 2014, Njoku et al. 2014, Otisi, 2015).

This shortage of requisite competencies and the ecosystem challenges can be a result of Nigerian MSMEs Owners/Manager's unacceptable attention to personal training to develop their business skills (Baum et al. 2001, Lans et al. 2008, Smith & Chimucheka, 2014). More so, the inadequate ecosystem support for MSMEs are due to insufficient policy implementation, institutionalised corruption, the shortage of infrastructures, and market failure (Dean & McMullen 2007, Danduara, 2014, Njoku et al. 2014, Otisi, 2015, Fate, 2016). The insufficient entrepreneurial competencies among Nigerian MSMEs Owners/Managers and the inadequate ecosystem for MSMEs had constrained innovation and competitiveness. Thus, inhibiting MSMEs developing towards transformational entrepreneurship (Inyang & Enuoh, 2009, Solesvik, 2012, Njoku et al. 2014, Gumusay & Bohne 2018). Moreover, the ecosystem support factors for MSMEs face a myriad of coercive and fragile market regulatory mechanisms, ineffective policy implementations, insecurity, market imperfection and insufficient infrastructure also impact/influence negatively on the MSMEs development (Duru, 2011, Anyadike et al. 2012, Otisi, 2015).

MSMEs Owners/Managers should acquire sufficient training to develop their business skills (Neuwenhuizen, 2004, Eniola, 2014, Oyeku et al. 2014) because the acquisition of essential competencies is vital for MSMEs Owners/Managers to steer the venture successfully (Iandoli et al. 2007, Zimmerer & Scaborough, 2008). Accordingly, training programmes that focus on providing competencies such as business ethics, business strategy, conceptual skills, leadership skills, management, marketing, corporate social responsibility should receive attention (Inyang, 2002, Mitchelmore & Rowley, 2010, Solesvik, 2012).

MSMEs transformational entrepreneurial competencies should aim at boosting the managerial capacity of the Business Owners/Managers using structured courses to enlighten train and educate on essential business competencies (Mitchelmore & Rowley, 2010, Smith & Chimucheka, 2014). Similarly, Inyang & Enuoh (2009) and Smith & Chimucheka (2014) emphasised that entrepreneurial competency training programmes for MSMEs should be encouraged, and such programmes tailored to produce the optimum result. Maas et al. (2016) discussed a holistic system comprising the actors within the entrepreneurial ecosystem supporting each other to achieve a systemic change as relevant to attain transformational entrepreneurship. Indeed, the ecosystem should be adequate and conducive for the MSMEs to develop. For example, they are balancing the focus on individual entrepreneurial activities



and behaviours and a systemic ecosystem extensive changes that will impact/influence positively on socio-economic growth (Marmer, 2012, Maas et al. 2016).

Moreover, Shane et al. (2003) and Suresh & Ramraj (2012) emphasised competencies and other critical entrepreneurial ecosystem support factors for MSMEs evaluated symbiotically, as they are fundamental components to study. The above evidence indicates that entrepreneurial skills and the ecosystem support for MSMEs are critical to MSMEs progression to transformational entrepreneurship (Ratten & Jones, 2018, Maas et al. 2019). As indicated above, the theoretical framework underpinning this study comprises three themes developed within the entrepreneurial competency framework in Chapter 2, namely, Entrepreneurial Competencies relating to core MSMEs skills, Entrepreneurial Competencies on key MSMEs skills and Entrepreneurial Competencies on vital MSMEs skills.

The expectation is that the combination of core, key and vital entrepreneurial competencies by Nigerian MSMEs Owners/Managers and the ecosystem support for MSMEs providing adequate support, would facilitate the systemic changes, which can expedite MSMEs systemic development towards transformational entrepreneurship (Inyang & Enuoh, 2009, Marmer, 2012, Solesvik, 2012, Fate, 2016, Sako, 2018). The reviewed literature indicates both the entrepreneurial competencies and the ecosystem should be symbiotic to advance MSMEs progress to transformational entrepreneurship. Referring to Inyang & Enuoh (2009), Marmer (2012) and Maas et al. (2019), there exists a significant association between MSMEs' entrepreneurial competencies and the ecosystem support for MSMEs in attaining transformational entrepreneurship. Although, this relationship has not received attention in previous research, and, in the context of Nigeria, which this study investigated. Therefore, there is a need to adopt a coherent approach to develop MSMEs Owners/Managers skills alongside the ecosystem providing adequate support, which can facilitate transformational entrepreneurship. Thus, creating sustainable employment, poverty eradication, and long-term societal and economic impact on the national economy (Schoar, 2010, Maas et al. 2016, Ratten & Jones, 2018).

There is no evidence within literature, which has proposed any theoretical framework establishing the significant association between Nigerian MSMEs competencies and the ecosystem support for MSMEs, which can drive the systemic changes required for MSMEs progress to transformational entrepreneurship. However, the evidence within the literature established a theoretical framework relating to MSMEs' competencies and MSMEs performance and productivity in Nigeria (Inyang & Enuoh, 2009, Eniola, 2014,

Oyeku et al. 2014). Although Inyang & Enuoh (2009) discussed business transformation and growth, however, Inyang & Enuoh's (2009) framework do not discuss achieving transformational entrepreneurship. In terms of the theoretical frameworks relating to entrepreneurial competencies and its relationship with the ecosystem support mechanisms for MSMEs, this research made the following observations and contributions offered by this study in the development of a framework of transformational entrepreneurship.

In Inyang & Enuoh (2009), the study attempts to ascertain the extent to which Nigerian MSMEs' competencies have influenced entrepreneurship and MSMEs' development. Inyang & Enuoh (2009) concluded that entrepreneurial skills play a significant role in MSMEs' performance, competitiveness, and transformation in Nigeria. Similarly, in the theoretical framework of Solesvik (2012), the study indicated that there exists a strong relationship between entrepreneurial competencies and MSMEs development. The apparent exceptions within the Inyang & Enuoh (2009) and Solesvik (2012) frameworks are the exclusion of the ecosystem underpinning the systemic development of MSMEs towards transformational entrepreneurship within Nigeria. In, Inyang & Enuoh (2009) and Solesvik (2012) frameworks, this study observed weaknesses, which makes the theoretical framework presented within this study unique and novel. For example, Inyang & Enuoh (2009) and Solesvik's (2012) frameworks failed to address the entrepreneurial ecosystem, which this study seeks to fill this gap by discussing the role of the entrepreneurial ecosystem support factors for MSMEs in Nigeria.

Lastly, given that Inyang & Enuoh (2009) and Solesvik's (2012) frameworks discussed the entrepreneurial competencies of MSMEs. The authors failed to investigate MSMEs Owners/Managers' entrepreneurial skills in-depth, which this study considered. The assumption that entrepreneurial competencies have a desirable impact/influence on MSMEs is not sufficient. Moreover, the entrepreneurial ecosystem support factors for MSMEs lending the support for the MSMEs development are essential (Shane et al. 2003, Schoar, 2010, Maas et al. 2016). Thus, this study included the entrepreneurial ecosystem support mechanisms for MSMEs in the proposed framework. Following the review of Inyang & Enuoh's (2009) and Solesvik's (2012) frameworks, this study acknowledged and expanded further by investigating the Nigerian entrepreneurial ecosystem support factors for MSMEs, to substantiate Shane et al. (2003). They suggested the examination of MSMEs skills in harmony with the ecosystem. Following this, the research discussed the hypotheses below.

### **5.3 THE CORE COMPETENCIES AND THE ECOSYSTEM**

Within Chapter 2, section 2.4.6, the research discussed the transformational competencies viewed as critical for MSMEs development. In section 2.4.7, the study developed a competency framework for MSMEs, with three themes to support it (See section 2.4.7). Furthermore, in Chapter 3, section 3.4.2, the study discussed the seven ecosystem support factors for Nigerian MSMEs viewed as the key to supporting the systemic changes to facilitate MSMEs development.

This section discussed what the research refers to as core competencies (See section 2.4.7) and the ecosystem support factors for MSMEs, which can support MSMEs developing towards transformational entrepreneurship. The core component has seven competencies namely, business ethics; business management; commitment; communication/relationship management; marketing management; opportunity identification and planning/organising, discussed below. These sets of entrepreneurial competencies remain core ingredients necessary for Nigerian MSMEs Owners/Managers to be successful in managing and developing their enterprises (Man et al. 2002, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012, Neumeyer & Santos, 2018).

McClelland (1965) studied the personal abilities like intelligence, lifestyle, personality traits and talents of entrepreneurs. Whilst Gartner et al. (2004), in addition to the individual characteristics of the entrepreneurs, studied the entrepreneurial ecosystem surrounding the business. Accordingly, Suresh & Ramraj (2012) state that the ecosystem enables the individuals, enterprise and the society to weave together effectively for generating economic wealth and prosperity. Maas et al. (2019) also recognised Suresh & Ramraj (2012) assertions. Again, Suresh & Ramraj (2012) maintained that the remarkable quality of the entrepreneurial ecosystem is the blending of all the stakeholders together, mostly driven by different goals and expectations. Thus, without discounting the business and cultural association of stakeholders and the ecosystem (Suresh & Ramraj, 2012).

Therefore, there is a need for a study, which acknowledges the MSMEs entrepreneurial competencies without discounting the entrepreneurial ecosystem support mechanisms for MSMEs, which are beyond the control of the Owners/Managers. As a result, necessitating a dynamic framework interweaving the individual entrepreneurial competencies, activity and behaviour, the political and legal framework of the ecosystem, the socio-cultural ethics with the national culture and structure from which they emerge (Gartner et al. 2004, Suresh & Ramraj, 2012, Obschonka et al. 2017). As, Isenberg (2011)

mooted that MSMEs entrepreneurial competencies not only have their place within the entrepreneurial ecosystem, but they play a critical role in shaping how the ecosystem support factors facilitate the MSMEs. Isenberg (2011) assertion implies the MSMEs' entrepreneurial competencies have a symbiotic relationship with the ecosystem support mechanisms for MSMEs in driving MSMEs development (Man et al. 2002, Gartner et al. 2004, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012, Obschonka et al. 2017).

### **5.3.1 BUSINESS ETHICS**

Velasquez & Velazquez (2002) indicate business ethics as the applicable ethics, which analysed ethical standards and ethical challenges that can arise within the business ecosystem. It relates to all phases of business conduct comprising the individuals and the overall organisations. These ethics originate from the business leaders, the corporate statements or the legal environment. These ethics, standards, values and immoral activities, are the principles that guide the business venture, and they facilitate the enterprises to develop and maintain a healthier interaction with investors and the entrepreneurial ecosystem (Velasquez & Velazquez, 2002, Marmer, 2012, Cantner et al. 2020).

For transformational entrepreneurship to happen, the MSMEs Owners/Managers should be able to define and shape the market as an ethical entity, for the reason that the transformational entrepreneur who is a social, economic and the ethical change person effects systemic changes in the market (Schoar, 2010, Maas et al. 2019). Inyang & Enuoh (2009) identified business ethics as a core to successful MSMEs' development. Schoar (2010) defined transformational entrepreneurship as the creation of ethical ventures. Thus, Marmer (2012) state that accomplishing transformational entrepreneurship is by uniting the ethical tenet of entrepreneurship, providing the MSMEs possesses sufficient entrepreneurial competencies.

### **5.3.2 BUSINESS MANAGEMENT**

The literature identified business management skills as a requisite to managing a venture successfully, and it is a core skill requirement for MSMEs Owners/Managers (Man et al. 2002, Sony & Iman, 2005, Inyang & Enuoh, 2009, Smith & Chimucheka, 2014). Business management is the coordination and administration of the activities of a venture to accomplish defined goals (Inyang & Enuoh, 2009, Didonet et al. 2012). Rogers (2002) suggests that ineptitude in business management is a crucial challenge for the majority of

MSMEs. In support, Agwu & Emeti (2014) stressed that a vital problem to MSMEs survival and development is the shortage of business management skill. Agwu & Emeti (2014) further indicate that more than 80 per cent of MSMEs failures relate to management skills.

Didonet et al. (2012) suggest that if the MSMEs Owners/Managers have outstanding management skills, the business has the potential to be successful. Thus, managers with improved training and relevant knowledge and self-confidence, achieve greater success (Didonet et al. 2012). Adisa et al. (2014) argue that managerial skill plays a significant part in explaining differences in the performance of a business and that managerial expertise can develop through experience on the job. Furthermore, Adisa et al. (2014) and Smith & Chimucheka (2014) indicate that management skills can develop through formal education. Adisa et al. (2014) argue that several MSMEs Owners/Managers in Nigeria possess training below a degree level. Thus, Adisa et al. (2014) suggest that the majority of MSMEs Owners/Managers are less competent to manage and run the business successfully. Indeed, Agwu & Emeti (2014) indicated that most MSMEs owners always engage managers that are not highly skilled and that crucial management decisions taken irrespective of their knowledge.

### **5.3.3 COMMITMENT**

Man et al. (2002) identified commitment as an integral quality to achieve performance. Longenecker et al. (2006) and Nieman & Neuwenhuizen (2009) further suggests that commitment is an entrepreneurial feature that is required and has a definite link to business success. Commitment is the ability or state of dedication to a cause or activity with a dedicated focus on purpose, such as business activities (Man et al. 2002, Longenecker et al. 2006). As with other skills, commitment is an integral and indispensable quality. Thus, MSMEs requires an exceptional commitment to their business to enhance the development of the company (Man et al. 2002, Inyang & Enuoh, 2009). This skill set enables the dedication of Owners/Managers to the aim and objectives of the business. The MSMEs Owners/Managers should be committed to the development of the company at all stages (Man et al. 2002, Longenecker et al. 2006, Inyang & Enuoh, 2009).

### **5.3.4 COMMUNICATION/RELATIONSHIP MANAGEMENT**

Effective communication and relationship management is core to MSMEs' success, such that Inyang & Enuoh (2009) and Man et al. (2002) indicate the importance of

communication and relationship building as among the competencies required to be successful in business. Communication and relationship management involves the ability to convey the business vision to workers, professional presentation to investors, written and oral pitching of investors, and networking (Nwachukwu, 2012).

Inyang & Enuoh (2009) state that communication and relationship management is an indispensable management tool. Thus, MSMEs require effective communication and relationship management skills to pitch, network and building relationships with investors (Man et al. 2002, Inyang & Enuoh, 2009). This skill set enables Owners/Managers to communicate and build networks viewed as resourceful to businesses. In carrying out this managerial responsibility, the MSMEs Owners/Managers should learn to relate well to workers and investors, and developed relationships (Man et al. 2002, Inyang & Enuoh, 2009).

### **5.3.5 MARKETING MANAGEMENT**

The literature identifies marketing management as one of the requisite skills, which affects MSMEs in Nigeria (Inyang & Enuoh, 2009, Adisa et al. 2014, Agwu & Emeti, 2014). For instance, Huck and McEwen (1991) suggest that marketing management is among the most critical competencies for MSMEs Owners/Managers. Chukwuemeka (2006) discussed marketing management, among others, as MSMEs' major challenge within Nigeria. Kotler & Levy (1969) define marketing as the process of developing products, including the pricing, distribution and communication. This process can also go further to involve the process of paying constant attention to the changing needs of customers as well as continuous product development, adapting and changing to meet those needs.

Wilson & Gilligan (2012) contend that the concept of marketing went beyond organisations dealing with customers and expanded to include transactions between an organisation and stakeholders because they do not exist in isolation, therefore, are bound to sell their product. Wilson & Gilligan (2012) state marketing involves planning, organising, and leading, controlling and communicating and constitutes an integral part of an organisation's strategic plan. A good marketing strategy ensures an organisation can inform both current and potential customers about the benefits of its products. Persuade potential customers about the desirability and suitability of their product as well as strengthening customer experiences of the product and differentiating it from those of competitors

(Chukwuemeka, 2006, Wilson & Gilligan, 2012). For an organisation to continue to exist, thrive and develop, it should successfully market and sell products (Kotler & Levy, 1969).

### **5.3.6 OPPORTUNITY IDENTIFICATION**

Drucker (1985) viewed the entrepreneur as someone who identifies and acts on opportunities. Fayolle & Klandt (2006) and Lans et al. (2008) mooted that entrepreneurship typically deals with defined abilities connected to entrepreneurial behaviour such as identifying and exploring opportunities. Cope & Watts (2000) state that entrepreneurial competence also suggests that you can identify opportunities and act on them. While Mehta (2012) states that entrepreneurship is the ability to create or identify opportunities in the market and, Baum et al. (2001) indicates that MSMEs skills such as opportunity identification are significant to business success.

Identifying opportunities and assembling the necessary resources to capitalise on them are core for MSMEs Owners/Managers to develop their business (Zimmerer & Scarborough, 2008). Thus, Smith & Chimucheka (2014) suggests that the act, to think, reason and act on an identified opportunity and managerial balance is imperative. Opportunity identification skill helps MSMEs to explore market opportunities and be competitive. Therefore, this skill set can facilitate MSMEs to expand beyond their scope into large global entities, which is core to MSMEs development and transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010).

### **5.3.7 PLANNING AND ORGANISING**

Huck & McEwen (1991) and Man et al. (2002) suggested that planning and organising are among the three essential competencies qualities for entrepreneurs and MSMEs Owners/Managers. Planning and organising are the ability to plan and organise resources to achieve set goals for the business, involving the creative process of managing transaction (Inyang & Enuoh, 2009). Without sufficient planning and organising, companies can fail because it is a constituent skill set, which can affect businesses positively or negatively (Inyang & Enuoh, 2009, Zimmerer & Scarborough, 2008, Anyadike et al. 2012). Thus, making this skillset fundamental and integral for MSMEs Owners/Managers. As a result, the research developed the following hypotheses to underpin the core competencies:

H1: There is a significant association between MSMEs business ethics and the ecosystem support factors for MSMEs.

H2: There is a significant association between MSMEs business management skills and the ecosystem support factors for MSMEs.

H3: There is a significant association between MSMEs commitment and the ecosystem support factors for MSMEs.

H4: There is a significant association between MSMEs communication/relationship management skills and the ecosystem support factors for MSMEs.

H5: There is a significant association between MSMEs marketing management skills and the ecosystem support factors for MSMEs.

H6: There is a significant association between MSMEs opportunity identification skills and the ecosystem support factors for MSMEs.

H7: There is a significant association between MSMEs planning and organising skills, and the ecosystem support factors for MSMEs.

#### **5.4 THE KEY COMPETENCIES AND THE ECOSYSTEM**

Within Chapter 2, section 2.4.6, the research discussed the transformational competencies viewed as critical for MSMEs development, and in section 2.4.7, developed a competency framework for MSMEs, with three themes (See section 2.4.7). Furthermore, in Chapter 3, section 3.4.2, the study discussed the ecosystem support mechanisms for Nigerian MSMEs viewed as key in supporting the systemic changes to facilitate MSMEs development.

This section discussed what the research refers to as crucial competencies (See section 2.4.7) and the ecosystem support factors for MSMEs, which can facilitate MSMEs progress to transformational entrepreneurship. The key component has five competencies, namely, adaptability skill; conceptual skill; financial management skill; human resource management skill and leadership skill, discussed below. These competencies are vital and relevant for Nigerian MSMEs Owners/Managers to be successful in developing their



business (Man et al. 2002, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012, Hashim et al. 2018).

McClelland (1965) studied individual abilities such as intelligence, lifestyle, personality traits and talents. Gartner et al. (2004) explored the entrepreneurial ecosystem, in addition to the characteristics of the entrepreneurs. As indicated, Suresh & Ramraj (2012) state that the entrepreneurial ecosystem enables the individuals, enterprise and the society to weave together effectively to generate economic wealth and prosperity. Suresh & Ramraj (2012) further recognised the remarkable quality of the entrepreneurial ecosystem is the blending of all the stakeholders together, who have different aim aspirations. Moreover, Suresh & Ramraj (2012) noted the business and cultural association of stakeholders, and the ecosystem should receive attention. Therefore, there is a need for a study, which acknowledges the MSMEs entrepreneurial competencies without discounting the entrepreneurial ecosystem support mechanisms for MSMEs, which are beyond the control of the MSMEs.

Therefore, a dynamic structure is required to weave the MSMEs' entrepreneurial competencies and legal framework of the entrepreneurial ecosystem with the national culture and architecture from which they emerge (Gartner et al. 2004, Suresh & Ramraj, 2012). This, Isenberg (2011) argues that MSMEs' entrepreneurial competencies do not only have their place within the entrepreneurial ecosystem. However, they play a growing role in shaping how the entrepreneurial ecosystem support factors affect MSMEs. The evidence implies that the MSMEs' entrepreneurial competencies are associated with the entrepreneurial ecosystem support mechanisms for MSMEs in facilitating MSMEs development (Man et al. 2002, Gartner et al. 2004, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012, Hashim et al. 2018).

#### **5.4.1 ADAPTABILITY**

Minet & Morris (2000) suggest a crucial component of entrepreneurial competency is adaptation. In support, Longenecker et al. (2006) indicate that a critical characteristic of entrepreneurs is adaptability. Such that, James-Unam et al. (2015) stressed the significance of the MSMEs to be flexible and adaptable to dynamic market conditions. In today's business world, MSMEs need to be flexible and adaptable to the surge in political uncertainty, global challenges and market failures (Dean & McMullen, 2007). Thus, adaptability skill to market conditions is a necessary factor in business success, and MSMEs Owners/Managers must be

proactive and study the political and economic environment (Longenecker et al. 2006, James-Unam et al. 2015).

#### **5.4.2 CONCEPTUAL**

Man et al. (2002) matrix of competencies comprised conceptual skill, which enables the individual to visualise, analyse the whole business, and works out ideas and the interactions between intellectual concepts by providing logical solutions and creating alternatives. The conceptual skill is a significant competency for MSMEs Owners/Managers should have to drive business success (Inyang & Enuoh, 2009, Smith & Chimucheka, 2014).

For MSMEs to develop and in achieving transformational entrepreneurship, a universal perspective with a new creative and analytical thinking is necessary, which involves the individual with conceptual skills to take centre stage (Miller & Collier, 2010). The universal perspective, Maas et al. (2016) argue, should form part of a holistic system comprising the MSMEs Owners/Managers and the ecosystem. Marmer (2012) substantiates this and acknowledges that to achieve transformational entrepreneurship. There should be a blending and the convergence of the attributes of social enterprise competencies together with those of traditional entrepreneurship competencies.

#### **5.4.3 FINANCIAL MANAGEMENT**

An essential requirement for Nigerian MSMEs is financial management (Inyang & Enuoh, 2009, Nwachukwu, 2012, Adisa et al. 2014). Inyang & Enuoh (2009) acknowledged that every business enterprise requires capital with which to start its operations. Indeed, funds are vital to start and operate the business, and the capital requirement determined before a start-up sourcing for capital (Inyang & Enuoh, 2009). Thus, Nwachukwu (2012) stressed that one of the characteristics of the business owner is the ability to source for funds. In addition to managing the fund properly to ensure that, there would be adequate money for the operational needs of the business (Agwu & Emeti, 2014). Inyang & Enuoh (2009) define financial management as the ability to plan, organise, invest and manage the business financial resources. Consequently, the business Owners/Managers need to acquire knowledge of financial management to enable them to anticipate the financial needs for the enterprise, funds acquisition and allocation of funds to produce an optimum result (Inyang & Enuoh, 2009).

Indeed, the business owner/manager should be able to maintain the correct proportion of the firm's finances in critical areas, such as savings, insurance, and investments. Inyang & Enuoh (2009) suggest that the majority of MSMEs' failure rate is due to the inability to manage the business finances. Financial management, therefore, is a necessary factor in entrepreneurial success (Nwachukwu, 2012, Agwu & Emeti, 2014). Financial management ensures that there is sufficient funding to meet the required current and capital expenditures as well as to assist in maximising growth and profits (Nwachukwu, 2012, Agwu & Emeti, 2014).

#### **5.4.4 HRM**

Inyang & Enuoh (2009) state that the MSMEs Owners/Managers find it challenging to attract the right talents and maintain them. Capital, human resources and materials are of equal importance to the company (Didonet et al. 2012, Drexler et al. 2014). Inyang & Enuoh (2009) note that enterprise activities are determined by the person who manages the business. For example, computers, equipment's and other assets the firm uses are unproductive except for human effort and direction (Inyang & Enuoh, 2009). As a result, Inyang & Enuoh (2009) view human resources as the most dynamic of all the firms' resources that need considerable attention from the owner/manager if they are to be successful. Management needs to put in place both human resources (labour) and capital resources (machinery, materials, methods, and money) to achieve the overall aim and objectives of the business (Inyang & Enuoh, 2009).

Acquiring the right human resource management skills is vital because the financial resources discussed earlier cannot be useful without this skill (Inyang & Enuoh, 2009, Didonet et al. 2012). As Inyang & Enuoh (2009) stressed that, the effective management of the human resources of the business determines the success or failure of the company because the utilisation of other resources depends on the human element. Thus, the apparent justification for MSMEs to give attention to human resources management function since this contributes significantly to entrepreneurial success (Inyang & Enuoh, 2009, Didonet et al. 2012, Drexler et al. 2014).

#### **5.4.5 LEADERSHIP**

Leadership form part of Inyang & Enuoh's (2009) nine competency framework, viewed as the tools required to build and transform MSMEs to sustainability because leadership is a

process of influencing a group's activities and driving their efforts to achieve the defined objectives (Puccio et al. 2010). Leadership involves the skills to define set goals and the expertise to attract followers who share these same goals. Leadership skill is crucial in building and managing a business to sustainability (Inyang & Enuoh, 2009). For MSMEs to develop beyond subsistence and achieve transformational entrepreneurship. The leader is required to drive and create scalable and sustainable firms as Schoar (2010), and Marmer (2012) suggested that the leader should be innovative by creating innovative businesses alongside the ecosystem lending the tools and support that are required (Inyang & Enuoh, 2009, Marmer, 2012). Based on the above discussion and evidence from the literature, the research developed the following hypotheses for the key competency components:

H8: There is a significant association between MSMEs' adaptability skills and the ecosystem support factors for MSMEs.

H9: There is a significant association between MSMEs conceptual skills and the ecosystem support factors for MSMEs.

H10: There is a significant association between MSMEs financial management skills and the ecosystem support factors for MSMEs.

H11: There is a significant association between MSMEs HRM skills and the ecosystem support factors for MSMEs.

H12: There is a significant association between MSMEs leadership skills and the ecosystem support factors for MSMEs.

## **5.5 THE VITAL COMPETENCIES AND THE ECOSYSTEM**

Lastly, within Chapter 2, section 2.4.6, the research discussed the transformational competencies viewed as significant for MSMEs development, and in section 2.4.7, developed a competency framework for MSMEs, with three themes (See section 2.4.7). Furthermore, in Chapter 3, section 3.4.2, the study discussed the ecosystem support mechanisms for Nigerian MSMEs viewed as key in underpinning the systemic changes to facilitate MSMEs development.

This section discussed what the research refers to as vital competencies (See section 2.4.7) with the entrepreneurial ecosystem support factors for MSMEs, which can facilitate MSMEs development towards transformational entrepreneurship. The core component has two competencies, namely, business strategy skills and CSR skills, which discussed below. As indicated, these competencies are pivotal and relevant for Nigerian MSMEs Owners/Managers to develop their business (Man et al. 2002, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012, Hashim et al. 2018). As previously indicated, McClelland (1965) studied individual abilities such as intelligence, lifestyle, personality traits and talents. Gartner et al. (2004) explored the entrepreneurial ecosystem, in addition to the characteristics of the entrepreneurs.

Referring to Gartner et al. (2004), Isenberg (2011) and Suresh & Ramraj (2012) the entrepreneurial ecosystem enables the individuals, enterprise and society weave together expertly to generate economic wealth and prosperity. Therefore, there is a need for a study, which acknowledges the MSMEs entrepreneurial competencies without discounting the entrepreneurial ecosystem support factors for MSMEs, which are beyond the control of the MSMEs. Gartner et al. (2004), Isenberg (2011) and Suresh & Ramraj (2012) further mooted that a dynamic structure is critical to weave the MSMEs entrepreneurial competencies and legal framework of the ecosystem with the national culture and a system from which they emerge. Isenberg (2011) argues that MSMEs' entrepreneurial skills do not only have their place within the entrepreneurial ecosystem. They further play a growing role in shaping how the entrepreneurial ecosystem support mechanisms affect MSMEs. The evidence implies that the MSMEs' entrepreneurial competencies are associated with the entrepreneurial ecosystem support factors for MSMEs in facilitating MSMEs development (Man et al. 2002, Gartner et al. 2004, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012, Hashim et al. 2018).

### **5.5.1 BUSINESS STRATEGY**

Business strategy is a business wide-range practice, which integrates analysis, decision making, planning and several aspects of a venture culture, mission and value system (Rauch et al. 2009). Man et al. (2002) and Inyang & Enuoh (2009) identified business strategy as a potential skill set for Business Owners/Managers and discussed widely in the literature. Thus, substantiating the importance of this skill set. A body of research focusing on entrepreneurship, MSMEs development, economic growth, ecosystem, and transformational

entrepreneurship has always referenced the importance of having a sound business strategy skill and strategic plan to be successful (Man et al. 2002, Inyang & Enuoh, 2009, Rauch et al. 2009, Schoar, 2010, Marmer, 2012, Onakoya et al. 2013).

However, Inyang & Enuoh (2009) stressed that the under-development and failure of MSMEs in Nigeria is due to the shortage of the requisite entrepreneurial competencies among MSMEs Owners/Managers. Although a body of work acknowledged, this is only part of the challenges (Duru, 2011, Anyadike et al. 2012, Danduaara, 2014, Olotu, 2014). In a dynamic ecosystem, individuals, ideas, and the organised linkage of innovation and potent business strategy should interact to create new venture start-ups, develop existing and traditional businesses, (Auerswald, 2015). This blended interaction should be holistic to drive transformational entrepreneurship (Maas et al. 2016).

### **5.5.2 CSR**

Inyang & Enuoh (2009) discussed a cluster of entrepreneurial competencies, which they argue are necessary for successful entrepreneurship and MSME development in Nigeria. Inyang & Enuoh (2009) defined entrepreneurial competencies included corporate social responsibility as a fundamental skill required by Nigerian MSMEs Owners/Managers to build and manage their ventures successfully. CSR is an internal business policy, which can have a negative or positive implication within the entrepreneurial ecosystem (Isenberg, 2011). The CSR ensures ethically conducting business activities, which considers their socio-cultural and socio-economic impact/influence on the ecosystem (Inyang & Enuoh, 2009 and Isenberg, 2011).

A key argument within the domain of transformational entrepreneurship is the building of ethical ventures (Schoar, 2010, Marmer, 2012). Another notion is that of the holistic blending of the ingredients within the overall ecosystem (Maas et al. 2016). Thus, suggesting the importance of CSR as a requisite skill required by MSMEs Owners/Managers in developing MSMEs in attaining transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010, Marmer, 2012). Based on the above discussion and evidence from the literature, the research developed the following hypotheses for the vital competencies:

H13: There is a significant association between MSMEs business strategy skills and the ecosystem support factors for MSMEs.

H14: There is a significant association between MSMEs CSR skills and the ecosystem support factors for MSMEs.

**Table 5.1: Summary of Formulated Hypotheses**

Hypotheses		
1	H1	There is a significant association between MSMEs business ethics and the ecosystem support factors for MSMEs.
2	H2	There is a significant association between MSMEs business management skills and the ecosystem support factors for MSMEs.
3	H3	There is a significant association between MSMEs commitment and the ecosystem support factors for MSMEs.
4	H4	There is a significant association between MSMEs communication/relationship management skills and the ecosystem support factors for MSMEs.
5	H5	There is a significant association between MSMEs marketing management skills and the ecosystem support factors for MSMEs.
6	H6	There is a significant association between MSMEs opportunity identification skills and the ecosystem support factors for MSMEs.
7	H7	There is a significant association between MSMEs planning and organising skill and the ecosystem support factors for MSMEs.
8	H8	There is a significant association between MSMEs adaptability skills and the ecosystem support factors for MSMEs.
9	H9	There is a significant association between MSMEs conceptual skills and the ecosystem support factors for MSMEs.
10	H10	There is a significant association between MSMEs financial management skills and the ecosystem support factors for MSMEs.
11	H11	There is a significant association between MSMEs HRM skills and the ecosystem support factors for MSMEs.
12	H12	There is a significant association between MSMEs leadership skills and the ecosystem support factors for MSMEs.
13	H13	There is a significant association between MSMEs business strategy skills and the ecosystem support factors for MSMEs.
14	H14	There is a significant association between MSMEs CSR skills and the ecosystem support factors for MSMEs.

## 5.6 CHAPTER SUMMARY

This chapter focus on the theoretical framework, which underpins this study. Specifically, the chapter discussed the relationship between MSMEs' entrepreneurial competencies and the entrepreneurial ecosystem underpinning the systemic development of MSMEs towards transformational entrepreneurship (Man et al. 2002, Inyang & Enuoh, 2009, Rauch et al. 2009, Schoar, 2010, Marmer, 2012, Onakoya et al. 2013, Hashim et al. 2018). Indeed, transformational entrepreneurship can generate employment, reduce poverty and support the

long-term societal and economic development of Nigeria. Thus, it implies that MSMEs should possess the requisite competencies alongside the entrepreneurial ecosystem supporting the systemic advancement of MSMEs towards transformational entrepreneurship.



## CHAPTER 6

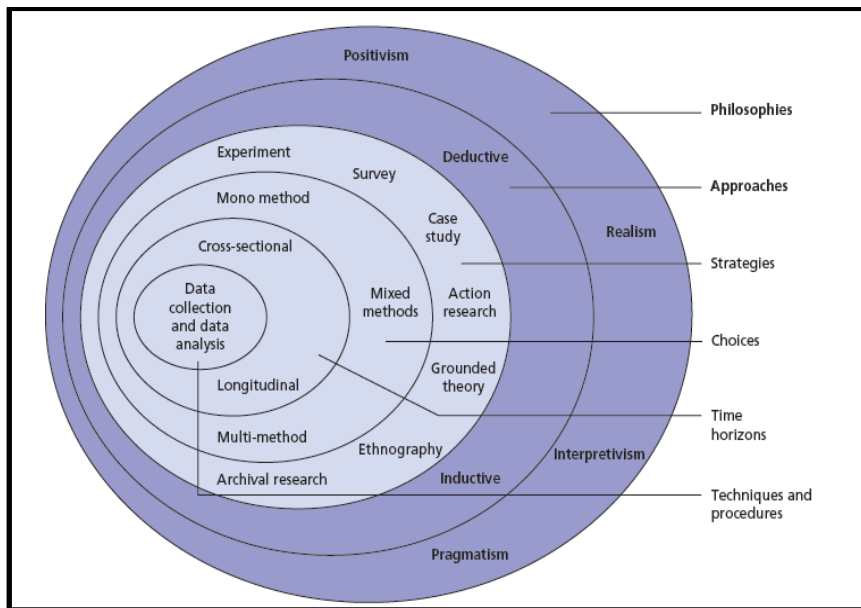
### THE RESEARCH METHODOLOGY

#### 6.1 INTRODUCTION

Chapters 2 and 3 reviewed the extant literature to underpin the study's aim and objectives. The study outlined the research questions in Chapter 1. Chapter 4 discussed the institutional theory, and Chapter 5 considered the theoretical framework and hypotheses development, whilst this chapter examines the methodology for this research, including the research paradigm. Further discussed is the research strategies, the approach adopted, in addition to the method of data collection from the sample frame. Discussed is the research questionnaire strategy, which the researcher finds suitable in addressing the research aim and objectives and answers to the research questions. Further explained were the data collection process, population, reliability, validity, and sampling.

There is debate about the nature of research in the literature; for example, Kothari (2004) defined research as an art of scientific investigation and systematic evidence on a specific study to establish facts. Thus, research is the search for knowledge (Kothari, 2004, Denscombe, 2010). Indeed, research involves the definition and redefinition of problems and formulating suggested solutions (Woody, 1916). Furthermore, it comprises collecting, organising, making deductions, analysing data, reaching conclusions, and subsequently, evaluating the outcome to determine if it fits the proposed objectives (Woody, 1916, Kothari, 2004, Wahyuni, 2012).

Additionally, Slesinger & Stephenson (1930) view research as the process of manipulating concepts, things or symbols with the aim and objectives of pushing forward, correcting or substantiating knowledge. More so, if the experience supports the creation of a theory or with the practice of art (Kothari, 2004). Thus, research is an original contribution to knowledge consistent with this study's aim (Kothari, 2004, Mason & McBride, 2014). Kothari (2004) and Wahyuni (2012) indicates that research methods are essential for researchers because it assists them in researching a way that highlights and provides critical training in collecting materials and arranging and putting them together for carrying out investigations. Figure 6.1 further highlights the research onion, which illustrates the stages that covered the research consistent with this study (Saunders et al. 2007).



**Figure 6.1: The Research Onion Model:** Saunders et al. (2007).

## 6.2 RESEARCH PHILOSOPHY

Mason & McBride (2014) view philosophy with the notion that different opinions exist in the world. Indeed, philosophy is the perspectives on how the world functions, and as an academic discipline, the focus is on realism, knowledge, and existence (Mason & McBride, 2014, Creswell & Poth, 2017). Such that our distinct views of the world closely connected to what MSMEs Owners/Managers, for example, observe as reality (Mason & McBride, 2014). Daily, external to our academic engagement, it is unusual to reflect about the way MSMEs, for example, identify reality and the ecosystem (Mason & McBride, 2014, Creswell & Poth, 2017). However, in terms of research, and how MSMEs perceived reality, it is vital to this study (Mason & McBride, 2014).

Additionally, MSMEs' Owners/Managers view of reality affects how they comprehend the knowledge of the ecosystem and how they function within it (Creswell & Poth, 2017). Moreover, MSMEs' view of the fact, and how the MSMEs attain knowledge, would influence the way research such as this is conducted (Mason & McBride, 2014, Creswell & Poth, 2017). The two critical philosophical dimensions to differentiate existing research paradigms (quantitative and qualitative) are ontology (discussed within section 6.2.3) and epistemology (discussed within section 6.2.4) (Wahyuni, 2012, Mason & McBride, 2014).

### **6.2.1 RESEARCH PARADIGMS**

Paradigm refers to the way we view the world (Mason & McBride, 2014, Creswell & Poth, 2017). Thomas Kuhn introduced the concept of the existence of different paradigms (Kuhn, 1970). The principal purpose this concept is important is because the model we apply in viewing the world affects the way research such as this is conducted (Denscombe, 2010, Mason & McBride, 2014, Creswell & Poth, 2017). Mason & McBride (2014) further state paradigms are the pre-requisite of insight, and our views depend on what and how we perceive events.

Qualitative and Quantitative research, for example, are the most recognisable research paradigms (Kothari, 2004, Denscombe, 2010). These paradigms indicate the significance of research within business and management study (Flowers, 2009, Wahyuni, 2012, Creswell & Poth, 2017). In terms of how they originate or advance, paradigms are diversely defined, but related, due to similarity in methods applied by researchers (Flowers 2009, Denscombe, 2010). Moreover, paradigms support researchers within a specific study domain and offer logical phenomena (Denscombe, 2010, Creswell & Poth, 2017).

Additionally, paradigms define the appropriate architecture and methodology for collecting data (Kothari, 2004, Denscombe, 2010). More so, Kothari (2004) and Denscombe (2010) state that the paradigm relates to principles and practices that are connected to a specific method of research. It also represents the idea of conducting research symbiotically with a particular philosophy (Denscombe, 2010). Researchers conducting a study within each paradigm commonly share insight on the best tools for business and social research (epistemology) and social reality (ontology) (Denscombe, 2010, Mason & McBride, 2014). Indeed, social research and fact, which are linked to interpretivism, are crucial in understanding epistemology and ontology (Goldkuhl, 2012, Wahyuni, 2012).

### **6.2.2 QUALITATIVE AND QUANTITATIVE RESEARCH PARADIGMS**

Qualitative research is the accumulation, examination, and the gathering of reasonably unquantifiable data (Kothari, 2004, Diggins & Wiid, 2009, Denscombe, 2010). The measurement of a quantity refers to quantitative research (Kothari, 2004, Mason & McBride, 2014); whilst qualitative research relies upon the assembling of subjective data that are open to several interpretations (Johnson & Christensen, 2012). Although individuals view the world from a diverse perspective (Denscombe, 2010, Mason & McBride, 2014), however, Denscombe (2010) and Mason & McBride (2014) state there is an infinite number of views.

In research, there are two significant perspectives (Kothari, 2004, Mason & McBride, 2014, Creswell & Poth, 2017). The quantitative paradigm views the world objectively and with only one truth or a limited number of universal truths and quantifiable to the use of figures, which is consistent with this study (Johnson & Christensen, 2012, Mason & McBride, 2014). Qualitative paradigm suggests truths are subjective and open to numerous interpretations, and numeric quantifications are impossible. The following sections (6.2.3 and 6.2.4) discussed the two vital philosophical dimensions to differentiate existing research paradigms (ontology and epistemology) within the context of this study.

### **6.2.3 ONTOLOGY FOR THE STUDY**

Ontology relates to the nature of knowledge and the question of what is real (Wahyuni, 2012, Mason & McBride, 2014). How Nigerian MSMEs Owners/Managers view their competency level and the ecosystem support factors affect their business is fundamental to this research. From the perspectives of the quantitative (positivism) paradigm, truths are objective (Denscombe, 2010, Mason & McBride, 2014: 51). From the insight of qualitative (interpretivism) paradigm, everything is relative and subjective, and not objective (Wahyuni, 2012, Mason & McBride, 2014). Positivists view the truth as objective (Mason & McBride, 2014, Creswell & Poth, 2017) (discussed within section 6.2.5). Mason & McBride (2014) and Creswell & Poth (2017) view interpretivism as those who trust there are no realities other than what MSMEs Owners/Managers, for example, create in their heads (discussed within section 6.2.6). These individuals believed that there is no objective reality but subjective (Mason & McBride, 2014 and Creswell & Poth, 2017).

In social research, ontology views the existence of reality as external and independent of social players and their interpretations (Wahyuni, 2012, Creswell & Poth, 2017). Wahyuni (2012) and Mason & McBride (2014) defined these individuals as objectivist or realist. By contrast, Wahyuni (2012) describes the individuals who believe the reality of being dependent on social players as subjectivist or nominalist and that these individuals contribute to social events.

To address the research questions defined in Chapter 1. This study adopted and consented to the notion that Nigerian MSMEs Owners/Managers represent reality through their experience. Various factors influence their skills such as their gender, age, level of education/training, experiences in business, their competency level, and their perspective of how the entrepreneurial ecosystem support mechanisms for MSMEs affects their business.

#### **6.2.4 EPISTEMOLOGY FOR THIS STUDY**

Epistemology refers to how MSMEs Owners/Managers, for example, develop and gain experience (Wahyuni, 2012, Mason & McBride, 2014). Moreover, epistemology is the belief in the method to understand and practice the knowledge, which we consider acceptable, and valid (Wahyuni, 2012, Creswell & Poth, 2017), and how experience influences the answer to ‘What is real?’ (Mason & McBride, 2014: 51). In terms of the question, how do MSMEs discern their business environment (Mason & McBride, 2014), or what the Nigerian MSMEs perceive as reality has consequences for the understanding of the entrepreneurial ecosystem support factors on MSMEs? Thus, quantitative and qualitative paradigms not only have a different view of reality but a different insight of knowledge about the business environment (Wahyuni, 2012, Mason & McBride, 2014). Which imply that, what the MSMEs perceive as real, can affect the MSMEs' understanding (Wahyuni, 2012).

This study viewed the ecosystem as having several universal truths, and by conducting objective research with the Nigerian MSMEs, these truths were uncovered (Wahyuni, 2012, Mason & McBride, 2014). From this perspective, gaining impartial knowledge was through a neutral and objective analysis (Wahyuni, 2012, Mason & McBride, 2014). To develop and gain insight with this research (epistemology) to address the research aim. The study conducted objective research through a structured questionnaire to Nigerian MSMEs Owners/Managers to gain understanding. In addition to ontology and epistemology, the other methods to examine reality are axiology and methodology (Wahyuni, 2012).

Wahyuni (2012) emphasised axiology as the ethics, incorporating the roles of values in the research and the researcher’s position. Indeed, the researcher assessed the consequences of participants’ sensitive information. Thus, the study received ethical approval from Coventry University before collecting data, and each participant’s views respected, and information collected held in strict confidence. The latter was consistent with the strategy employed in undertaking this research (Wahyuni, 2012). This study applied the quantitative strategy to address the research questions. The approach facilitated the construction of the basis for investigation and explored the context and the perspectives of Nigerian MSMEs (Reynolds & Kamphaus, 2003 and Denscombe, 2010) deeply. Table 6.1 shows these basic philosophies as they relate to research paradigms for insight and further discussed below.

**Table 6.1: Fundamental Beliefs of Research Paradigms in Social Sciences**

<b>Fundamental Beliefs</b>	<b>Research Paradigms</b>	
	<b>Positivism</b>	<b>Interpretivism</b>
Ontology refers to the position on the nature of reality	External, objective and independent of social actors	Socially constructed, subjective may change, multiple
Epistemology: the view of what constitutes Acceptable knowledge	Only observable phenomena can provide credible data, facts. Focus on causality and law-like generalisations, reducing phenomena to simplest elements	Subjective meanings and Social phenomena. Focus upon the details of the situation, the reality behind these details, subjective meanings and motivating actions

Adapted from: Wahyuni (2012).

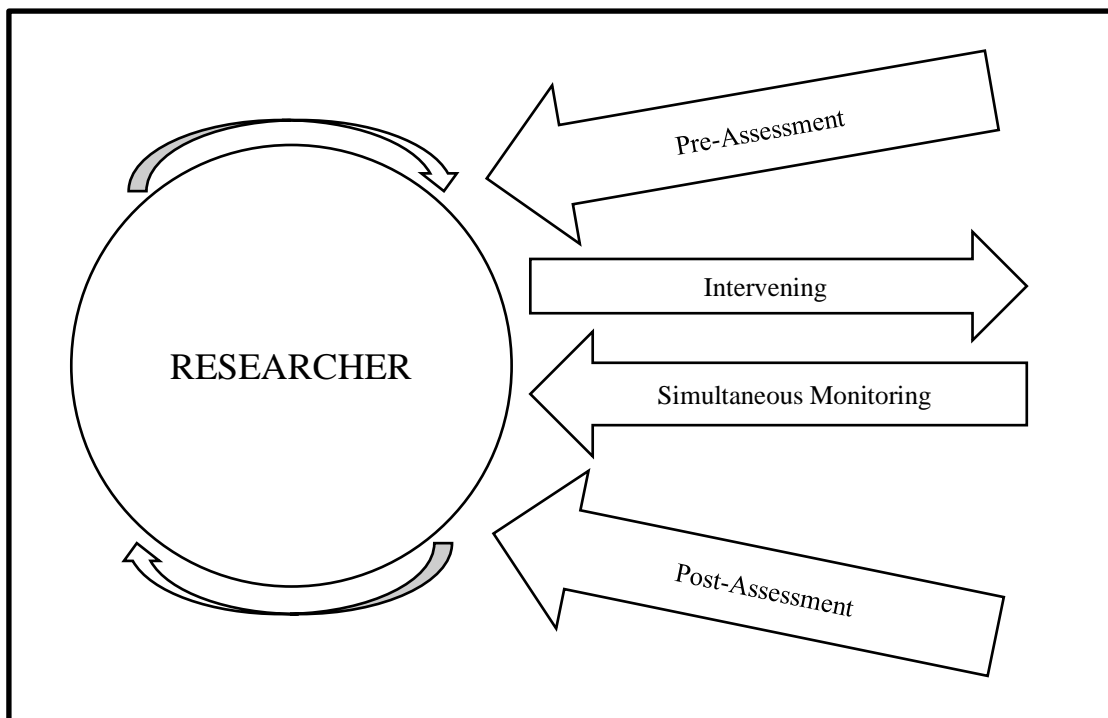
### **6.2.5 POSITIVISM**

Prominent advocates to positivism were Auguste Comte (1855), John Mill (1972), and Emile Durkheim (1974), who viewed the empirical analysis of social issues from similar perspectives and that only scientific knowledge revealed the truth about reality (Kaboub, 2008, Mason & McBride, 2014, Creswell & Poth, 2017). The positivist paradigm affirms that the perceiving of real events as empirically and can be logically analysed (Kaboub, 2008). The criteria for appraising the validity of a scientific theory is whether our claims (theory-based forecasts) are consistent with the information, we can acquire applying our intellects (Kaboub, 2008, Denscombe, 2010).

Additionally, positivism is symbiotic with Quantitative research, employed by this study that produced numerical data, with the understanding that they are independent and are not the result of undue influence on the part of the researcher (Denscombe, 2010). In theory, the numerical data were viewed as the result of the research instruments, verified for validity and reliability to ensure that the data accurately reflect the situation and not the preference of the researcher (Denscombe, 2010). The internal inconsistencies that ordered events are interrelated to undermine the validity of positivism, and that reality is methodical and deducible (Kaboub, 2008, Denscombe, 2010). Section 6.2.7 discussed the application of the positivism approach to this study.

### 6.2.6 INTERPRETIVISM

A prominent philosopher linked to interpretivism was Immanuel Kant (1970). Wilhelm Dilthey (1979) later advanced Kant's work. Other advocates of interpretivism were Max Weber (1905) and Heinrich Rickert (1962), who advances the same beliefs and views that the social environment of individuals is, nonetheless, full of meaning built upon subjective and shared understanding (Goldkuhl, 2012). Goldkuhl (2012) suggests that interpretivism was not an integrated and unambiguous tradition. The purpose of understanding the subjective meaning of individuals is vital within the interpretive paradigm (Goldkuhl, 2012), and was the central claim by Max Weber's (1905) suggestion of subjective interpretivism (Denscombe, 2010, Goldkuhl, 2012). The fundamental knowledge of interpretivism is to work with the individual who is already available within the social environment (Goldkuhl, 2012). This process, illustrated in Figure 6.2, indicates the cyclic model of human action, in which the researcher revolves around the activities within the social research environment.



**Figure 6.2: A cycle Model of Human Action:** Adapted from Goldkuhl (2012).

Interpretivism is associated with Qualitative research and in contrast to quantitative; qualitative research puts importance on the role of the researcher in the creation of data (Denscombe, 2010, Goldkuhl, 2012). In most instances, there is a minimum application of

standardised research instruments in qualitative research (Denscombe, 2010). Instead, it recognises that the researcher is the vital measurement instrument and that the background, belief, identity and values of the researcher have substantial compoment on the nature of the data collected and analysed (Denscombe, 2010).

### **6.2.7 JUSTIFICATION FOR POSITIVISM AND INTERPRETIVISM**

In terms of the emergent discussion of positivism and interpretivism paradigms, this study employed both approaches. This research considered both paradigms attributes, involving deductive and inductive methods enhanced the reported phenomena within this study because both approaches eliminated any likely bias by relying on a single procedure. Although qualitative research is associated with interpretivism (Denscombe, 2010, Goldkuhl, 2012). Goldkuhl (2012) acknowledged that quantitative research had been conducted by utilising interpretivism and positivism. Thus, this study applied interpretivism and positivism to underpin this study. Moreover, explanations are crucial to positivism and understanding of interpretivism, and both are relevant to quantitative research and this study (Denscombe, 2010, Goldkuhl, 2012).

Goldkuhl (2012) states that it is understandable that interpretivism is an elaborate, established and adapted research paradigm for qualitative research. However, positivism had used quantitative studies as well (Goldkuhl, 2012). Wicks & Freeman (1999) and Goldkuhl (2012) acknowledged the application of interpretivism and positivism to quantitative studies. Goles & Hirschheim (2000) also share similar views of applying interpretivism and positivism in quantitative business research such as this. Goldkuhl (2012) suggested a methodological research framework of three epistemological orientations comprising: providing explanation and prediction; aiming for interpretation, understanding, and seeking intervention and change. The first approach located within positivism and the second within interpretivism (Goldkuhl, 2012). Within this thesis, the research provided sufficient explanation and prediction. Furthermore, the study provided an elaborate interpretation of evidence in ensuring an informed understanding of the investigated phenomenon. Moreover, the study further seeks policy intervention and changes to develop MSMEs competencies.



### **6.3 DATA TYPES FOR THIS STUDY**

This section discussed the primary and secondary data types applied in this study. Hair (2015) and Best & Kahn (2016) state that studies investigating a specific area of study are required to consider existing data in that area to answer the research questions to save time. In light of Hair's (2015) and Best & Kahn's (2016) assertions, and based on extant literature, the collection of data, therefore, required answering the research questions because the literature had insufficient data to address the dynamics of this study. Researchers are also constrained to affirm or be clear about the type of data required, and the intended strategies for data collection and analysis, involving the choice between primary versus secondary data; qualitative versus quantitative research; objective versus subjective (Wahyuni, 2012, Hair, 2015). The task of collecting data started after considering the research problem and objectives outlined in Chapter 1, and the research design discussed above (Kothari, 2004, Boeije, 2010). In deciding the method of data collection applied in this study, the researcher kept in mind the two data types, i.e. Primary and secondary data (Kothari, 2004, Hair, 2015). For this study, secondary data came from published literature and primary data from a structured survey through a questionnaire.

#### **6.3.1 PRIMARY DATA FOR THIS STUDY**

Primary data are those collected anew for the first time and are unique (Kothari, 2004, Denscombe, 2010, Best & Kahn, 2016). More so, collected during conducting research (Kothari, 2004, Hair, 2015). However, Notable in the primary data collection is survey and interview methods (Kothari, 2004, Boeije, 2010, Best & Kahn, 2016). In the survey method, popular with studies such as this, a structured questionnaire consisting of questions printed and given to Nigerian MSMEs Owners/Managers (Kothari, 2004, Denscombe, 2010). The author personally distributed the questionnaires and collected them from the participants after completion, referred to as drop and pick type (Hair, 2015). Key challenges with primary data are that they are time-consuming to obtain and costly (Kothari, 2004 and Hair, 2015). The primary data advantages and disadvantages further presented in Table 6.2 below.

**Table 6.2: Advantages and Disadvantages of Primary Data**

<b>Primary Data</b>	
<b>Advantages</b>	<b>Disadvantages</b>
They are collected first-hand, applying carefully selected methods. Consideration given to collecting data in general, primary data should be valid because the study designs and carried out for the primary purpose of the research.	Costly to obtain because each researcher must begin from the start of a study and follow the entire review through, locating participants, organising materials, etc.
They are reliable because they have greater validity than secondary data. If collected objectively, with careful planning and sampling, controls in place and other features of methodology adhered to, and then they are likely collected scientifically for the stated purpose of the study. Thus, they are more credible.	Limited to the place, time and number of participants, etc.

Adapted from: Kothari (2004) and Hair (2015).

### **6.3.2 SECONDARY DATA FOR THIS STUDY**

Secondary data are information already available, obtained and analysed by a different person. Researchers seeking secondary data delve into several mediums to source for them (Kothari, 2004, Hair, 2015). In this instance, the researcher is undoubtedly not constrained by the difficulties associated with the collection of primary data (Denscombe, 2010, Hair, 2015, Best & Kahn, 2016) as shown within Table 6.3 because secondary data are readily available in catalogue libraries and, the internet with open and free access.

Published or unpublished data are typically secondary data (Kothari, 2004, Denscombe, 2010). Published data are available in; books, historical documents, journals, and several publications, while unpublished data sources include diaries, letters, unpublished research with academics and scholars (Kothari, 2004, Denscombe, 2010). Referring to Kothari (2004) and Denscombe (2010) this study scrutinised and was very cautious with the secondary data used, to mitigate against unsuitability or inadequacies in the context of the study under investigation. Moreover, the researcher perceives the data addresses the following features: reliability and suitability of the data. In this context, the researcher carefully scrutinised various terms and units of collection used in collecting the data from the original primary source; adequacy of the data: their degree of accuracy considered for this study (Kothari, 2004, Hair, 2015, Creswell & Poth, 2017).

Key challenges with secondary data are that in many instances, the researchers are not directly involved in collecting these data. In contrast, and other cases, the collected data

may have been for specific objectives and different purposes not consistent or relevant to the researcher current study (Boeije, 2010, Denscombe, 2010, Hair, 2015). For this study, the author collected reliable, suitable, and well-cited literature, in instances where the literature is relatively new; the insight of these papers and their relevance to this study informed their selection. Table 6.3 below presents the advantages and disadvantages of the secondary data discussed above.

**Table 6.3: Advantages and Disadvantages of Secondary Data**

<b>Secondary Data</b>	
<b>Advantages</b>	<b>Disadvantages</b>
The use of secondary data saves time, and in this era of the internet, this fact is more than apparent. Previously, secondary data collection requires many hours of tracking on the extensive library shelves. The process simplified by new technology. Precise information accessed via search engines on the internet.	Shortage of control over data. Government and other official institutions are mostly sources of credible and quality data; however, this is not always the case. Quality informed their use.
Accessibility of secondary data confined to libraries or other institutions in the past and the Internet has mainly been revolutionary in this sense. Having internet access is often a critical requirement for most data. A simple click is sometimes more than enough to access a large amount of information. However, the data verified for validity.	Inappropriate or unsuitable. Primary data collected with the notion to address a research question or meet specific objectives. However, secondary data may provide you with a large amount of information. Still, quantity does not necessarily guarantee the appropriateness because they collect them to answer a different research question or objective. The unsuitability may be, for example, that the data was collected many several years ago, and becomes inappropriate to the current circumstances, which may only answer your research question partially with not enough validity. In this case, you may need to apply an alternative method to collect data, such as interviews or surveys.
Strongly linked to the other advantages is cost saving. Overall, it is less costly than other methods of data collection. One can analyse more data set like those collected by government surveys without incurring additional cost.	

Adapted from: Kothari (2004), Denscombe (2010) and Hair (2015).

### **6.3.3 RATIONALE FOR PRIMARY AND SECONDARY DATA**

The fundamental elements, mostly considered by researchers, are the accuracy, cost, reliability, time and validity, and the anticipated outcome of their research (Kothari, 2004, Hair, 2015). Hair (2015) and Best & Kahn (2016) suggested these factors considered and addressed before progressing with the research. More so, it is also an essential determinant in making the ultimate decision regarding the methods required to gather data (Hair, 2015, Best & Kahn, 2016). Considering Kothari (2004) and Hair (2015) statements and aligning with the research objectives, this study employed both the primary and secondary sources of data collection discussed above to address the research aim and questions. Cooper & Schindler (2011) suggest that existing data, which are primary and secondary, collected externally harmonise well together, thereby generating a new set of data at the end. Cooper & Schindler (2011) apply to this research. However, this study significantly relied more on primary data by conducting an in-depth structured survey through a questionnaire.

The rationale for secondary data from literature was to review scholarly materials to develop informed insight and understanding, which connects the research to the objectives of this study. Thus, this study reviewed relevant literature. The primary data collection method based on survey questionnaires to Nigerian MSMEs Owners/Managers was necessary because of its sustainability in describing the present circumstances of fact (Kothari, 1990, Creswell & Poth, 2017).

### **6.4 RESEARCH METHOD FOR THE STUDY**

As previously indicated, in conducting this research, the author applied the quantitative investigation method. The rationale for this approach was to enable the construction of a basis for an investigation to address the views of MSMEs realities, as illustrated in Table 6.4, which provided the criteria for quality research within both quantitative and qualitative research methods. Thus, the study applied the objectivity and neutrality required to support this study, which provided this research with both the internal and external validities.

**Table 6.4: Criteria for quality in Research**

<b>Criteria for Quantitative Research Quality</b>	<b>Criteria for Qualitative Research Quality</b>	<b>Descriptor</b>	<b>Strategies</b>
Objectivity or Neutrality	Confirmability	The extent to which the findings are the product of the inquiry and not the bias of the researcher	Audit trail of the process of data analysis, Triangulation, Member checking, Reflexive research journal
Reliability	Dependability (consistency, auditability)	The extent of repeating a study and variations understood	Audit trail of procedures and processes, Triangulation, Reflexive research journal
Internal validity	Credibility (truth value)	The degree of trusting the findings or believed by the participants of the study.	Prolonged engagement, Persistent observation, Referential adequacy materials, Peer debriefing, Member checking, Triangulation, Negative case analysis, Reflexive research journal
External validity	Transferability (applicability, fittingness)	The extent to which the findings can be applied in other contexts or with other participants	Thick description, Purposive sampling, Reflexive research journal

Source: Petty et al. (2012).

## **6.5 RESEARCH STRATEGIES FOR THIS STUDY**

Denscombe (2010) states there is no singular route to researching because there are always options and alternatives. Researchers are required to make judgments and take decisions and apply discretion to accomplish their projects (Denscombe, 2010). Thus, Denscombe (2010) suggests the choice of a research strategy as the most significant and most profound decision-making. A plan of action intended to accomplish specific objectives defined as a strategy (White & Sabarwal, 2014, Best & Kahn, 2016). There are distinctions in research

strategy from the research method (Denscombe, 2010). Research methods are the mechanisms for collecting data, such as surveys applied in this study (Denscombe, 2010, Creswell & Poth, 2017). Research methods are the tools that enabled the collection of data by the researcher towards completing this study (Denscombe, 2010).

In research, specific methods connect to certain strategies (Denscombe, 2010). For instance, the use of a survey strategy mostly associated with questionnaires (White & Sabarwal, 2014) because the approach and the method often work well together (Denscombe, 2010). However, the research strategy selected does not usually dictate the choice of any research method and, in theory; researchers apply a range of techniques with any specific approach (White & Sabarwal, 2014). The chosen strategies are contingent on identifying with the intended research project (Wahyuni, 2012).

### **6.5.1 SURVEY STRATEGY**

This study applied the survey strategy by administering structured and standardised questionnaires to Nigerian MSMEs Owners/Managers to collect data. Surveys are widespread among business and management researchers; moreover, it is deductive in approach (Boeije, 2010, White & Sabarwal, 2014). The key reason was for the survey to gather essential data within the substantial population in a reasonable way (Creswell & Poth, 2017), which allowed the researcher to take control of the research process (Boeije, 2010, Wahyuni, 2012). The quantitative survey was with Nigerian MSMEs Owners/Managers in the Delta State region. The research questions, aim, and objectives of the study discussed in Chapter 1 informed the critical issues within the questionnaire.

### **6.5.2 JUSTIFICATION FOR SURVEY STRATEGY**

The strategy discussed above underpinned this research. This study adopted the survey with a structured questionnaire approach. This method enabled the study to address the objectives and answer the research questions for this thesis. The use of quantitative surveys was a rapid and inexpensive method of discovering the characteristics and beliefs of a population through a representative sample (Wahyuni, 2012), widely utilised by the government, academia and the private sector (Boeije, 2010, Denscombe, 2010). Previously, no evidence to suggest the use of surveys in measuring Nigerian MSMEs' competencies and their perspectives on the ecosystem support mechanisms for MSMEs. However, Denscombe (2010) maintained that the survey strategy possesses vital advantages for use in social and

business research such as this. Denscombe (2010) noted that as an approach to business research, the emphasis was on producing data based on real-world observations. The survey suggests the researcher went to the field (Boeije, 2010, Denscombe, 2010, Creswell & Poth, 2017).

Denscombe (2010) argues that the key advantage of using survey research strategy relates to its direct observation through fieldwork, rather than relying on secondary data or reports made by research subjects. Moreover, within this research, it involves direct contact with the Nigerian MSMEs Owners/Managers (Denscombe, 2010). Denscombe (2010) further argued that this strategy provides for small-scale research where the budget is marginal, and the primary resource is the researcher, consistent with this study. Furthermore, Denscombe (2010) argued that since every study has more than one research objective, this strategy becomes relevant as it seeks understandings into questions and evaluates phenomenon in new lights.

Boeije (2010) suggested the timesaving approaches were searching the literature (Literature review), conducting a survey, and or conducting interviews. Ben-Elia et al. (2010) and Wahyuni (2012) views substantiated Boeije (2010) and Denscombe's (2010) positions and suggested that quantitative research had substantial advantages, such as flexibility and adaptability, which leads the researcher to investigate the unknown. Creswell & Poth (2017) views further substantiates this argument. Boeije (2010) and Denscombe (2010) suggested considering assuming the survey approach to save time and resources. The researcher considers the selected strategy was flexible and primarily applied in the real-world case scenarios as with this study.

## **6.6 RESEARCH DESIGN FOR THIS STUDY**

This study focuses on Nigerian MSMEs Owners/Managers in the Delta state region. A structured survey questionnaire was the research instrument employed. Collis & Hussy (2014) suggest establishing the research design strategy after knowing the research paradigm. Kothari (2004) and Collis & Hussy (2014) state that researchers are required to prepare a research design, having framed in clear terms the research problems discussed within Chapter 1. Indeed, the author stated the conceptual structure within which this research was conducted (Denscombe, 2010).

Moreover, the research design was critical in connecting the methodology, and the selected set of research methods utilised to address the research questions and meeting the

overall research aim and objectives (Wahyuni, 2012, Collis & Hussy, 2014). The research design involves the use of methods drawn from diverse paradigms, and the sequence applied. This study employed a quantitative method of investigation (Denscombe, 2010). The rationale for this was that the quantitative survey informed the study of the profile of the Nigerian MSMEs Owners/Managers and further investigated their competencies, in addition to their perspectives of the ecosystem support factors for MSMEs in facilitating their business development.

Within this study, the key driver for the investigation was the structured survey questionnaire (Boeije, 2010, Denscombe, 2010). Boeije (2010) and Denscombe (2010) statements of a research strategy as an overall plan designed to produce answers to a set of questions from individuals, applied by this study to answer the research questions. This strategy was a conclusive methodology that underscored investigation into Nigerian MSMEs' competencies and their perspectives of the ecosystem support to their business development. Within this context, the strategy was appropriate in answering the research questions, and addressing the research aim and objectives as emphasised by Kothari (2004), Denscombe (2010), Mason & McBride (2014) and White & Sabarwal (2014).

## **6.7 SAMPLE REGION**

The Delta State Region in Nigeria was the selected region for this study. The focus on the Delta State was due to its socio-economic and socio-cultural importance to the economic development and economy of Nigeria. The national population commission of Nigeria (NPC) 2006 census figures recorded 4.1 million populations in Delta State, ranking it the 12<sup>th</sup> largest state of Nigeria 36 states by population (NPC, 2006 data). Delta state is a significant oil and gas producing and coastal state in Nigeria, with vast reserves of oil and gas and several other solid minerals and natural resources (Okpara, 2014). The region has seen an unprecedented surge in internal economic migration from other Nigerian states in contemporary times (Ajuyah, 2013).

Moreover, Delta state region attracted foreign investors, indigenous entrepreneurs, and small businesses from other states. Therefore, creating a rising number of MSMEs start-ups across every industry group within its significant economic resources, which includes, agriculture, construction, financial services, information and communication technology, manufacturing and industry, oil and gas, retail, services, and a host of others (Ajuyah, 2013, Okpara, 2014).



The focus of Delta State's economy is on Agriculture and Petroleum and Natural Gas production (Okpara, 2014). Most of the world's major oil and gas multinational companies and a host of indigenous oil and gas companies are present or have an operation in the region (Okpara, 2014). The economy of Delta State is the third largest in Nigeria in terms of GDP with \$24.870 billion (Okpara, 2014).

The State Government, in the past few years, initiated various programmes aimed at promoting and supporting Entrepreneurship and MSMEs (Ajuyah, 2013). They include Agricultural Loan Schemes to small-scale farmers, Delta Agricultural Development Programme (DADP), Delta beyond Oil, Delta State Skill Training Entrepreneurship Programme (STEP). Furthermore, Delta State Youth Agricultural Entrepreneurship Programme (YAGEP), others is the Delta State Youth Empowerment Training Programme (DSYEP), Fishermen Farm Settlement Scheme and Task Force on Communal Farming, and is the support of livestock productions (Ajuyah, 2013, Okpara, 2014).

#### **6.7.1 SAMPLE POPULATION**

The population is comprised of the participants from the sample region, from which the researcher collected data for this research (Denscombe, 2010, Collis & Hussey, 2014). Sampling conducted with established sub-population through the non-probability strategy. The research used the feedback gathered for necessary corrections and a clear understanding of how the participants perceived each question. Furthermore, the study established the research location, the size and sampling method through the sample. This study aims to investigate the Nigerian MSMEs Owners/Manager's competencies and their perspectives on the ecosystem support factors for MSMEs. The total population of MSMEs within the Delta State region in Nigeria is approximately 1,530,000 (SMEDAN, 2013). The study recognised the need to undertake a representative survey of MSMEs Owners/Managers, which the study did by contacting MSMEs operating within the study region to draw up a list of MSMEs (see section 6.7.2 below). The rationale for targeting MSMEs Owners/Managers is because; these are the individuals with the responsibilities of making decisions and managing the business. The research used the business sector classification by the Nigerian Stock Exchange (NSE) for this study (see Table 6.5). The rationale is because the NSE classification is sufficient and covers the sectors of businesses within Nigeria.

**Table 6.5: Business Sector Classification**

S/N	Industry Sector	Sub-Sector
1	Agriculture	Crop Production; Fishing/Hunting/Trapping; Livestock/Animal Specialties
2	Construction/ Real Estate	Building Construction; Non-Building/Heavy Construction; Property Management; Real Estate Development; Real Estate Investment Trusts (REITs); Building Structure/Completion; Site Preparation Services; Other Construction Services
3	Consumer Goods	Automobiles/Auto Parts; Beverages-Brewers/Distillers; Beverages-Non-Alcoholic; Consumer Electronics; Food Products; Food Products- Diversified; Household Durables; Personal/Household Products; Textiles/Apparel; Tobacco Products; Toys and Games
4	Financial Services	Banking; Insurance Carriers, Brokers and Services; Mortgage Carriers, Brokers and Services; Non-Depository Credit Institutions; Other Financial Institutions
5	Healthcare	Healthcare Providers; Medical Equipment; Medical Supplies; Pharmaceuticals
6	Industrial Goods	Building Materials; Electronic and Electrical Products; Packaging/Containers; Tools and Machinery
7	Information & Communications Technology (ICT)	Computers and Peripherals; Computer-Based Systems; Computer Software; Diversified Communication Services; Electronic Office Equipment; Internet Service Providers; IT Services; Processing Systems; Scientific and Technical Instruments; Semiconductors; Telecommunications Carriers; Telecommunications Equipment; Telecommunications Services; Other ICT Products and Services
8	Natural Resources	Chemicals; Metals; Precious Metals; Precious Stones; Paper/Forest Products; Non-Metallic Mineral Mining; Mining Services
9	Oil & Gas	Coal Extraction; Coal and Coal Products Distributors; Crude Oil and Natural Gas Extraction; Petroleum Refining; Petroleum and Petroleum Products Distributors; Petroleum Bulk Stations and Terminals; Gasoline Stations; Energy Equipment and Services; Field Services; Integrated Oil and Gas Services
10	Services	Advertising Agencies; Employment Solutions; Printing/Publishing; Waste Management; Airlines; Courier/Freight/Delivery; Rail Transportation; Road Transportation; Water Transportation; Storage/Warehousing; transport-related Services; Hospitality; Hotels/Lodging; Education/Training; Media/Entertainment; Repair/Maintenance; Travel and Tourism; Miscellaneous Services; Apparel Retailers; Automobile/Auto Part Retailers; Electronics/Appliances Retailers; Food/Drug Retailers and Wholesalers; Specialty Retailers
11	Utilities	Electric Power Generation; Electric Power Transmission; Electric Power Distribution; Water Treatment and Distribution

Source: Nigeria Stock Exchange.

To select a sample, which meets the conditions of randomness and in a relatively large population, this study took a random sampling of the business sector activities, to ensure that the sample analysed in this study was representative. Nigeria's business sector activities were, categorised according to their business sector activities to enable the distribution of the questionnaires. Therefore, the sample was equally, determined using a statistical formula with a 95 per cent confidence level of significance (See section 6.7.4 below) (Burns & Burns, 2008), indicating that the confidence level contains the realistic mean of the population.

### **6.7.2 SAMPLE FRAME**

This section provides details of the target population known as the sampling frame. The sampling frame contains information about the research population (Denscombe, 2010, Collis & Hussey, 2014). Moreover, Kothari (2004) defined the sample frame as the target population where the researcher has access to a realistic number of participants. The frame takes the form of a list of details that includes participants from the target population from which the sampling was selected (Collis & Hussey, 2014). For instance, a study involving industries and trade may find their trade directories, and memberships of professional associations provide suitable sampling frames.

Additionally, surveys targeting the public may be able to use the electoral registers of citizens (Denscombe, 2010, Collis & Hussey, 2014). The research drew the sampling frame from a list of the MSMEs through SMEDAN, which keep a directory of active MSMEs operating in Nigeria, which helped the study adhered to the definitions for the MSMEs provided within Chapter 2, in deciding the participants. The research further narrowed the sample frame to the Delta State region in meeting with the research objectives.

### **6.7.3 SAMPLING DESIGN**

Denscombe (2010) and Hair (2015) suggests determining the sampling design before collecting data. The sampling design is a definite plan for managing a sample from the sampling architecture (Denscombe, 2010). Denscombe (2010) states sampling design refers to the technique or the process the researcher will adopt in selecting some sampling units in making conclusions about the population. Kothari (2004) states that all elements in the field of inquiry constitute the population. Kothari (2004) further states that a complete listing of all items in the population refers to a census inquiry. When all items are covered, the

assumption is that in such an investigation, no element of chance omitted and maximum accuracy achieved (Kothari, 2004, Hair, 2015).

However, Kothari (2004) and Denscombe (2010) suggests this not always accurate in practice as the least element of bias in the inquiry will get bigger and bigger as the number of observations rises. Furthermore, there are no methods of checking the item of bias or its magnitude except through a re-survey or use of sample checks (Denscombe, 2010, Hair, 2015). Moreover, this type of inquiry involves a great deal of energy, financial resources and time (Kothari, 2004, Hair, 2015). Sampling consists of obtaining a small sample from the population subset by using probability or non-probability (purposive) measures (Denscombe, 2010, Hair, 2015).

Probability sampling depends on the use of random selection (Denscombe, 2010). It refers to probability sampling because it relies on statistical theory to involve the normal distribution of events (Denscombe, 2010, Hair, 2015). The concept that supports its application indicates the best method to obtain a representative sample is to ensure that the research has entirely no influence on the choice of participants or elements included in the sample (Kothari, 2004, Denscombe, 2010, Hair, 2015).

Non-probability or purposive sampling does not depend on the use of random selection and applies when researchers find it challenging to choose their sample on pure chance (Denscombe, 2010). Moreover, non-probability sampling comprises a degree of preference on the part of the researcher at some stage in the selection process (Hair, 2015). However, non-probability sampling can still maintain the purpose of producing a representative sample (Sandelowski & Barroso, 2002, Denscombe, 2010).

To save costs, however, the sample selection involves a component of practicality and established best practice instead of a strict commitment to the ethics of random selection (Denscombe, 2010, Hair, 2015). Non-probability sampling applies where the goal is to generate an exploratory sample instead of a representative cross-section of the population (Denscombe, 2010). Indeed, the sampling process assists the researcher to answer the following: which method is suitable? Should the sample be big or small? Alternatively, the use of a census or sample. Considering the above, this study, adopted probability sampling, to eliminate bias in the sampling (Hair, 2015). A comprehensive table scheduling all aspects of data collection is in Table 6.6.

**Table 6.6: Data Collection Process**

Stage	No	Study Type	Purpose	Analysis Method	Sampling Size	Duration
Stage 1	1	Literature	To explore key study area	Expert Opinion (Supervisory Team)	N/A	N/A
	2	Measuring Instrument Design	To evaluate the accuracy of the measuring instrument	Target Population	TBA	TBA
	3	Sampling	To help select the target population	Evaluation	TBA	TBA
Stage 2	4	Survey Questionnaire	To study and validate the research domain	SPSS	N/A	N/A

Source: Author.

#### 6.7.4 SAMPLE SIZE DETERMINATION

As indicated, the research applied probability sampling to determine the MSMEs for the study. The sample size is the number of items selected from the population to constitute the sample (Kothari, 2004). Kothari (2004) and Denscombe (2010) acknowledged the size of the sample is a significant challenge before a researcher. Denscombe (2010) states that in practice, social research often involves surveys with comparatively small numbers, ranging from 30 to 250. Denscombe (2010) further suggests that when assessing the required size of the sample, such studies tend to depend on non-probability sampling methods. Kothari (2004) suggests the sample size should not be unreasonably much or little. It should be optimum (Kothari, 2004, Denscombe, 2010). The optimum sample should satisfy the requirements of efficiency, flexibility, reliability, and representativeness (Kothari, 2004, Creswell & Poth, 2017). To determine the sample size, the researcher considered the sample size formula developed by Yamane (1967):

$$S = \frac{N}{[1+N(e^2)]}$$

Where: S = sample size, N= target population, e = marginal of error (degree of freedom).

Given that, the mean and standard deviation of the population is not available. Furthermore, the parameters of interest in the research were in view, and variances considered (Kothari, 2004, Denscombe, 2010, Creswell & Poth, 2017). Indeed, costs considered also because budgetary constraints are significant when deciding the Sample size (Kothari, 2004, Denscombe, 2010, Creswell & Poth, 2017). Thus, to calculate the desired sample size, that represents the population size of 1,530,000 MSMEs within the sample region as precisely as possible at a 95 per cent confidence level, with a 2.5 per cent margin of error applied and a population of 1,530,000. Therefore, in applying the above formula:

$$S = \frac{1530000}{[1+ 1530000 (0.025^2)]} = \frac{1530000}{[1+ 1530000 (0.000625)]}$$

$$S = \frac{1530000}{957.25} = 1598$$

Therefore, the calculated sample size was 1598. Consequently, one thousand six hundred (1600) MSMEs surveyed from the sample population, providing sufficient size and quality to yield credible results in terms of accuracy and consistency and findings. The sample meant that this study was the most extensive survey undertaken to investigate Nigerian MSMEs Owners/Manager's competencies and their perspectives on the effectiveness/role of the ecosystem support mechanisms for MSMEs. Given no evidence within the literature to suggest any previous study of this magnitude. Researchers mostly face the challenge of defining the acceptable size of sampling needed for qualitative and quantitative research that would have weighty variances or interactions statistically (Boeije, 2010, Collis & Hussey, 2014).

Indeed, while, several researchers employ the non-random sampling to prevent any generalisation in any defined population (Kothari, 2004, Hair, 2015). However, researchers still face a challenge with the issues of capturing events as they emerge (Denscombe, 2010).

The quantitative research approach underpins this study. Moreover, the research aim applied the phenomena opposed to predictions (Denscombe, 2010). Choosing the size of sampling for an accurate representation to generate a methodical study was the primary aim of this research to be compatible with the measuring instrument (Denscombe, 2010, Yeasmin & Rahman, 2012).

A body of work suggests a sampling size of 100 or more, subject to the population (Kothari, 2004, Costello & Osborne, 2005, Hair, 2015), while Denscombe (2010) suggests a sample size of between 30 and 250 depending on the population. Hair (2015) supported an ad hoc selection method, based on previous studies and cost implications. The selection of MSMEs guarantees the population under investigation represents the boundaries of the definition offered for MSMEs by SMEDAN (2010) in Chapter 2. To satisfy a widespread representation of the population under investigation and consistent with Denscombe (2010) and Hair (2015) sampling size suggestions, the researcher conducted a pilot study with a smaller size of participants to determine the accuracy of the instrument and its reliability through purposive approaches for a professional opinion. Moreover, to ensure accurate representation for a realistic response from the participants.

## **6.8 THE RESEARCH SURVEY QUESTIONNAIRE**

A Questionnaire is a written set of questions designed to collect information, use as data for analysis to gain insight, knowledge, and reality (Denscombe, 2010, Collis & Hussey, 2014). The questionnaires depend on written information provided directly by participants in response to questions, requested by a researcher (Denscombe, 2010, Collis & Hussey, 2014). This type of data is distinct from those collected from documents or observations, and interviews (Kothari, 2004, Hair, 2015). Moreover, Denscombe (2010) states that the information from questionnaires typically is categories into facts and perspectives. The former, Denscombe (2010) state does not require much in the way of personal judgment or attitudes on the part of participants. It only requires people to disclose their personal information, such as age, education, managerial position, gender, etc. (Denscombe, 2010). While, with perspective, participants reveal information about feelings, beliefs, preferences, views, etc. to express values and to consider choices in a way that calls for a judgment about things other than telling of facts (Denscombe, 2010). This study questionnaire sought information about facts and perspectives, as indicated by Denscombe (2010) and Hair (2015).

Participants answered some information about their business, i.e. Employee numbers and their company business sector. In addition to their perspectives on the subject matter to address the research questions. In practice, questionnaires are structured or unstructured (Kothari, 2004 and Creswell & Poth, 2017). However, as indicated, the research employed the format of the structured questionnaire, which had concrete, definite, and pre-determined questions (Kothari, 2004, Collis & Hussey, 2014). Participants received the survey in the same order with the same wording (Kothari, 2004).

A structured questionnaire defines questions, answers, and participants' comments held to the minimum (Kothari, 2004, Hair, 2015). Moreover, they are relatively economical to analyse and simple to administer (Kothari, 2004). In business research, adapting a survey from a former research questionnaire is not out of place (Boeije, 2010, Collis & Hussey, 2014). The questionnaire can be changed and modified to generate new questions, which are at times not possible to address or mention during the research cycle distinctively. Thus, researchers adapt and modify items to meet new requirements, and these modifications can result in improved or more standardised research instruments (Boeije, 2010, Collis & Hussey, 2014). With this study, no previous research survey questionnaire already exists investigating the Nigerian MSMEs Owners/Manager's competencies and their perspective of the ecosystem support factors for MSMEs on their business from which the author can adapt and modify. Thus, this study developed a unique but appropriate research survey questionnaire to answer the research questions.

### **6.8.1 THE SURVEY QUESTIONNAIRE INSTRUMENTS**

Hair (2015) state that instruments for collecting data are essential for any research and involve rigorously developed questions and scales. Thus, generating a valid and reliable questionnaire measurement for this study was an issue of importance for the researcher to help eliminate or avoid any likely mistake the researcher has examined in the literature necessary for designing the questionnaire that reflects on the research objectives. The scales' Hair (2015) mentioned includes Checklists scale, which provides the respondent with a list of items to select from by circling or ticking the relevant one; Likert or summated scale, which offers statements to either agree or disagree, and typically contains five (5) points, but can be more or less with the middle category usually offering a neutral opinion.

This scale helps to generate ordinal data for statistical analysis (Kothari, 2004, Denscombe, 2010). Ranking scale, provide respondents with a list to select from in order of



importance, merit, and preference without revealing the ranking and can be up to ten items; Semantic differential scale, respondents are provided with a scale having a pair of diametrical adjectives to respond to by placing a between both extremes. Goodenough & Waite (2012) noted a self-completed questionnaire and questionnaire administered by an interviewer as another survey method. Interviewer administered surveys involve direct communication with the respondent (Goodenough & Waite, 2012).

Hair (2015) indicated that the interviewer-administered survey involves one on one contact. Whereas, the self-completed study consists of the drop, pick afterwards type, internet type, and mail type (Goodenough & Waite, 2012). Goodenough & Waite (2012) states the use of a survey questionnaire supports the research. Moreover, it helps in facilitating the understanding of the respondent's views (Hair, 2015). This study adopted the drop, pick afterwards type survey, and because it enabled the researcher to gather a reasonable number of samples, considering the culture and the altitude of the research region. Furthermore, this study adopted the checklists and Likert scales due to their simplistic approach (Hair, 2015). Moreover, analysing the data collected is convenient with minimal difficulties (Denscombe, 2010, Goodenough & Waite, 2012).

## **6.8.2 THE SURVEY QUESTIONNAIRE QUESTIONS**

The questionnaire used for the survey has four main sections with structured questions and a sample of the questionnaire attached to this study as Appendix 1.

Section A: Investigated the MSMEs Owners/Managers' demographic data such as gender, age, education, and previous experience.

Section B: Investigated the MSMEs' Owners/Managers competencies.

Section C: Investigated the MSMEs Owners/Managers' perspective on the ecosystem support factors for MSMEs.

Section D: Investigated the MSMEs Owners/Managers preferred training methods to develop competencies.

The survey investigated Nigerian MSMEs Owners/Managers competencies and their perspective of the effectiveness/role of the entrepreneurial ecosystem support factors for MSMEs on their business. As suggested by Denscombe (2010), an introductory letter explaining the purpose of the questionnaire, to assure the participants of the motivations for the research and includes statements of confidentiality and anonymity. Each participant received a copy of the survey informed consent (see Appendix 2), followed by the

instruction to answer the questions in each section and, finally a note of thanks to participants in the research. The research administered the questionnaires over six months, with an initial target of ten (10) pilot surveys (See section 6.10 below) to determine the reliability, readability understanding of the instrument. Subsequently, one thousand six hundred (1600) surveys administered. All one thousand six hundred (1600) questionnaires surveyed MSMEs Owners/Managers. The research drew the target population from the sample frame and the sample population discussed above. This approach adopted gave the participants time to complete the questionnaire without the researcher's influence (Kothari, 2004, Denscombe, 2010). Given the technical nature of the study, the research kept the wording of the questionnaire straightforward, with non-technical language for a clear understanding of the subject matter (Denscombe, 2010). Furthermore, there was the need to construct the questions without bias or prejudicial language, or imprecision, avoiding ambiguity or leading questions (Kothari, 2004, Denscombe, 2010).

### **6.8.3 VALIDITY MEASUREMENT**

Validity means that the data and the methods are right (Denscombe, 2010, Yeasmin & Rahman, 2012). Validity considered as a utility, indicating the degree to which variations found with a measuring instrument represent actual differences between the participants (Kothari, 2004). The concept of validity centres on whether the data represent reality, the truth, and addressed the crucial problems, aims, and objectives within this study (Denscombe, 2010). Moreover, validity is the most critical benchmark and indicates the degree to which an instrument measures what it wants to measure (Kothari, 2004, Hair, 2015). Denscombe (2010) further suggests that in terms of the approach applied in data collection, validity addresses the measuring suitability indicators and the notion that the anticipated results are accurate. Thus, the concept of validity focuses on the degree to which research data and the methods for collecting the data were reliable, honest and on point (Kothari, 2004, Hair, 2015).

Kothari (2004) defined three types of validity in research, content validity, criterion-related validity, and construct validity. Content validity is the degree to which a measuring instrument provides sufficient cover to the research topic. The skill to forecast some result or evaluate the existence of any current situation refer to criterion-related validity (Kothari, 2004). This type of validity reflects the success of measures used for some estimated practical purposes (Denscombe, 2010). The concerned criterion must be available, free from

bias, relevant and reliable. In broad terms, criterion-related validity refers to the predictive and concurrent validity (Kothari, 2004). The former relates to the effectiveness of a test in predicting some future conditions. At the same time, the latter refers to the helpfulness of a check-in closely linking measures of known validity (Kothari, 2004).

Lastly, Kothari (2004) suggests that the most abstract and complex is construct validity. A measure viewed as construct validity to the extent that it confirms predicted correlations with other theoretical suggestions (Kothari, 2004). For example, construct validity is the extent to which results in a test rated by the explanatory constructs of a sound theory (Kothari, 2004, Denscombe, 2010). Indeed, various methods and forms exist that help to address reliability and validity in quantitative and qualitative research. As previously mentioned, this study employed the construct validity, and to ensure reliability, by pretesting the research instrument with a pilot survey of 10 MSMEs participants to assess suitability before administering the questionnaires. The approach was to enhance validity and ensure reliability (Kothari, 2004, Denscombe, 2010).

## **6.9 SURVEY CONSTRAINTS**

The completion of the survey was constrained by time and cost, considered in the following sections.

### **6.9.1 TIME**

Travelling to Nigeria to administer the questionnaires meant limited time was a significant constraint on the completion of the survey because Coventry University can only guarantee a limited amount of stay in Nigeria to complete the survey. A vital impact of this constraint was the decision not to undertake a follow-up strategy, for non-respondents of the initial study as the further time required for such a practice was not available and not cost-effective, to keep within the Coventry University research period (Cooper & Schindler, 2011).

### **6.9.2 COST**

Another critical constraint in the design of the survey methodology is cost. The author bore the cost of the survey. The cost was a crucial factor in travelling to Nigeria. Other expenses included items such as local transportation within Nigeria when visiting MSMEs, paper, electricity, and telephone and computer facilities for the production and recording of

questionnaires. Additional costs incurred were accommodation and unanticipated expenses, while in Nigeria. Considering the above, the next section considers the pilot study.

## **6.10 THE SURVEY PILOT STUDY**

Kothari (2004) suggests the pilot study as a small version of the full-scale survey, and Denscombe (2010) refers to it as a feasibility study. The pilot study is a vital process of a research study, as it raises the expectations for the primary research (Denscombe, 2010, Hair, 2015). Thus, conducting a pilot trial before the main study is significant (Denscombe, 2010). Indeed, the pilot study is to test the reliability and consistency, accuracy, wording, and research instrument design, reliability, and validity and improve the research methods (Boeije, 2010, Collis & Hussey, 2014).

Moreover, a pilot study helps to enhance accuracy in research instruments, establish errors, determine the sample population represented correctly, and investigate the reliability and validity (Goodenough & Waite, 2012, Hair, 2015). The principal aim of the pilot process is to assess the questionnaire questions that are appropriate to the objectives of this study, unambiguous and clear wording (Denscombe, 2010). Furthermore, to examine the clarity, grammar oversight, spelling, and how participants understood the instructions (Denscombe, 2010). The pilot test verifies the architecture and comprehension of the research instrument and evaluates the effectiveness of the data collection approach (Denscombe, 2010, Goodenough & Waite, 2012, Hair, 2015). Before piloting, the research supervisors reviewed the questionnaire and subsequently, made relevant edits and amendments where necessary to improve readability (Boeije, 2010).

Gray (2013) suggests that a pilot study should comprise between 10 to 40 participants. As discussed above, ten (10) pilot survey was conducted with Nigerian MSMEs Owners/Managers in the Chamber of Commerce, Industry, Mines and Agriculture in the Delta State region. The use of a personal self-administered delivery method for the piloting of the questionnaire proved an effective mechanism to ensure any irregularities or confusion in completing the survey were eradicated (Oppenheim, 1992). Additionally, it provided crucial additional information regarding the time duration required to complete the questionnaire, the clarity of instructions, removal of ambiguity, issues of confidentiality, omissions, and layout (Bell, 1999).

The research excluded the results of the ten (10) pilot survey from the study of one thousand six hundred (1600) for analysis because of additional changes made to the

questionnaire after the pilot survey. Another purpose of the pilot study was to test the internal consistency of the quantitative research instrument. The results of the pilot study checked for internal consistency using Cronbach's alpha in SPSS version 25. The results obtained from the pilot study revealed that all the constructs were above the Cronbach's  $\alpha > 0.7$  thresholds, as shown in Table 6.7 below, which provides the reliability test for the pilot study.

Table 6.7: Reliability Test for Pilot Study

Reliability Statistics	
Cronbach's Alpha	N of Items
.748	34

## 6.11 METHOD OF ANALYSIS OF THE SURVEY DATA

Descriptive Statistical Analysis (DSA) using multiple linear regression (MLR) was applied to interpret the data. The statistical and MLR approach enabled the coding of the questionnaires for statistical analysis through SPSS (Version 25). The rationale for this was that the DSA enabled the author to define and summarise the data for easy understanding (Burns and Burns 2008, Boeije, 2010). Burns and Burns (2008) state that DSA describes how the collected data were organised and presented for interpretation and that helped with reducing extensive data to reasonably ease for readability. For instance, averages, count and percentage (Boeije, 2010, Pallant, 2010).

Moreover, researchers mostly use DSA to compare samples between studies (Denscombe, 2010). Indeed, it helped identify sample characteristics, which influenced decisions and conclusions in the study (Burns and Burns 2008). Although, it is a significant task to analyse quantitative data because of the bulk of the data in some cases, consistent with this study, by summarising into themes, which this study adopted (Sapsford & Jupp, 2006, Ayres, 2008). For this study, the DSA compared concepts against the data. Identify and scrutinise the research data.

### **6.11.1 RATIONALE FOR EMPLOYING DESCRIPTIVE STATISTICAL ANALYSIS**

Kothari (2004) and Pallant (2010) described statistics as a tool to explore the research questions and data interpretation. Burns and Burns (2008) indicated statistical analysis allows the researcher to describe the characteristics of the research sample, which answers a particular research question. The rationale for statistical analysis, therefore, was the ease of understanding and interpreting data. The ease in analysing the Nigerian MSMEs Owners/Managers competencies and their perspective of the ecosystem support mechanisms for MSMEs helped in categorising and assessing the contribution of each data component that enhanced decision-making.

Moreover, since the data for this study was optimum, the DSA approach enabled a fundamental understanding of the pattern during summarising to address the research questions (Miles et al. 2013). Miles et al. (2013) state that qualitative analyst interprets what things mean through flows, patterns, and propositions. However, conclusions are not present until the completion of data collection (Miles et al. 2013).

### **6.12 ETHICAL CONSIDERATION**

Researchers are obliged to approach their tasks in an ethical manner (Denscombe, 2010). For this study, ethical consideration was paramount to the researcher during and after data collection from participants. Robson (2011) argued that there are ethical concerns when conducting research involving human beings in the real world. Miles et al. (2013) maintained that researchers should highlight the quality of knowledge generated from their study without overlooking misconduct. Ethics is the rules of conduct, typically conformity to a set of principles (Israel & Hay 2006, Denscombe, 2010). There are several approaches to ethics, and these approaches relate to decision making on the consequences or outcomes in research participation (Israel & Hay 2006, Denscombe, 2010).

For this study, the researcher appraised the magnitude of all sensitive information from participants and the effect it can have on the research and the investigation. Thus, in addressing these challenges, the study got ethical approval and clearance before data collection with Coventry University (see Appendix 3); participant's opinion and suggestion respected, and information collected held in confidentiality. Israel & Hay (2006) and Denscombe (2010) argued that the dilemma in business research also includes a commitment to participants. Thus, an informed consent form presented to each participant explaining the

purpose of the researcher conducting the study. Moreover, for the drop and pick later enabled person-to-person to contact and offered the opportunity for more collaboration and clarification on ethical guidelines.

### **6.13 CHAPTER SUMMARY**

This chapter served several purposes. Such as the methodology applied to carry out the study, the quantitative method of data collection, the primary data-gathering instrument employed. Within the philosophical discussion of positivism and interpretivism paradigms, this study used both approaches. The critical form of positivism is an explanation and interpretivism as understanding, and both are relevant to quantitative research applied within this study (Goldkuhl, 2012, Mason & McBride, 2014). This chapter further discussed the data types utilised in this study. The sampling size of one thousand six hundred (1600) structured surveys within the sample population.

Furthermore, the statistical method the study applied in analysing, organising and interpreting the collected data consistent with practices involving investigations discussed within the chapter. Lastly, the study appraised the sensitivity of information from participants and the effect of the researcher and the research. Hence, laid down ethical steps by Coventry University was maintained, by undergoing ethical approval and clearance before data collection with the University. More so, participant's opinions and suggestions fully respected, and all data collected were held in confidentiality.

## CHAPTER 7

### THE DATA ANALYSIS

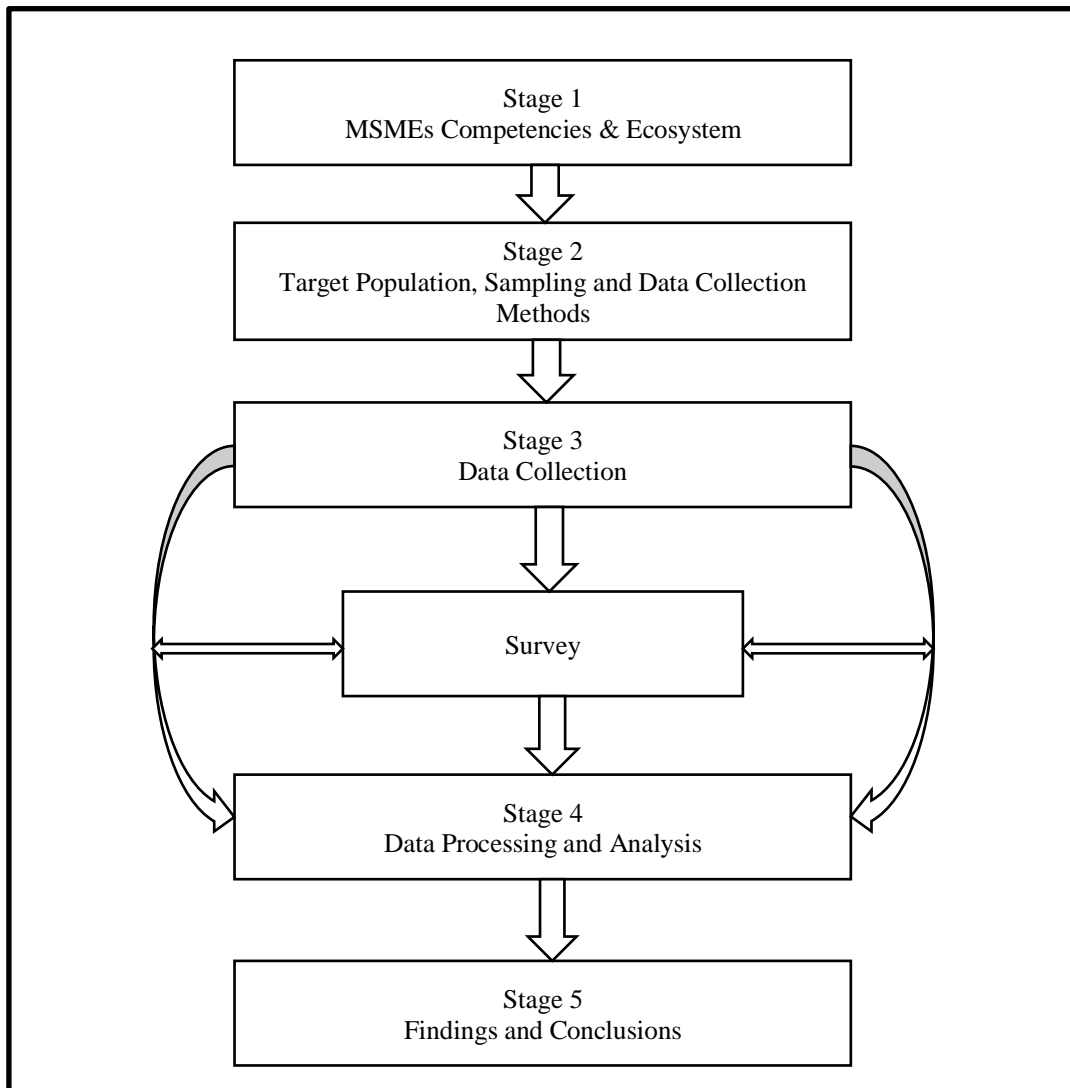
#### 7.1 INTRODUCTION

Having discussed the research methodology and data collection in Chapter 6, the focus of this chapter is the research data analysis. Moreover, this chapter lays the architectural frameworks, which gave context to the literature chapters and provides the frame for chapters 8 and 9, which focused on the research findings and conclusions and recommendations. The body of fact produced within this chapter provides evidence for the research aim and questions defined in Chapter 1. The chapter further presents contributory evidence towards the challenges inhibiting Nigerian MSMEs' development towards transformational entrepreneurship. It is a detailed presentation of the data analysis. The critical part of the data analysis for this study is coping with the vast amount of data and organising the data into building the case for this research (Wahyuni, 2012). Yin (2004) states that data analysis is the process of examining, categorising and tabulating data, providing answers to the research question.

As indicated within Chapter 1, the rationale for this research is to investigate Nigerian MSMEs with a specific focus on their competencies alongside the ecosystem support factors for MSMEs in supporting the systemic development of MSMEs towards transformational entrepreneurship. The research achieved this through the reviewed literature and by conducting primary quantitative research, involving the use of a survey. The study coded the collected data into SPSS software version 25 for analysis by executing a multiple linear regression to answer the research aim questions (Stevens et al. 2012).

The regression analysis is useful because it enabled the researcher to develop and gain knowledge with this study and to address the research aim (Hair, 2015). More so, the use of the SPSS software is because of its versatile capabilities and flexibility in analysing data and generating sufficient statistical results, including linear regression, ANOVA, cumulative frequencies, frequency distribution tables, graphs, percentages, pie charts, histograms, polygons, and other distributions. Figure 7.1 below indicate the stages involved in the data processing, which begins with the MSMEs Owners/Managers competencies and their perspectives of the ecosystem support mechanisms for MSMEs; The target population and the sampling method applied; the collection of with the survey strategy; analysing of the data and findings and conclusions' discussions.





**Figure 7.1: Data Processing and Analysis framework:** Adapted from: (Kothari, 2004, Saunders et al. 2007, Denscombe, 2010, Hair, 2015).

Within this chapter, the research conducted both descriptive and inferential statistics to analyse and interpret the data using SPSS. Thus, to observe statistical significance, the study performed descriptive frequency and multiple linear regression.

## 7.2 THE RESEARCH DATA ANALYSIS AND PROCESS

This section focused on the research process applied in analysing the data, which involves the use a statistical method to identify trends of significance, frequency counts to identify individual responses (Hair et al. 2015). In addition, the tabulations allow comparison between variables, including percentages (Montgomery & Vining, 2012). Furthermore, and to contrast data, was the use of central tendency and dispersion, consistent with Montgomery

& Vining (2012). These measures identified averages and percentages in evaluating trends in the data (Hair et al. 2015). In addition to the measures of dispersion, to evaluate standard deviation and degree of variance from the mean (Leys et al. 2013). The research employed the multiple linear regression to assess the statistical significance between variables, for example, between MSMEs Owners/Managers competencies and the MSMEs Owners/Managers perspectives of the ecosystem support factors for MSMEs. In addition to the MSMEs Owners/Managers characteristics (control variables) and their perception of the ecosystem support factors for MSMEs.

A more sophisticated statistical technique of analysis, for example, structural equation modelling was restricted due to the nature of the data collected. Moreover, the execution of multiple linear regression and advanced statistical analysis procedures provided sufficient values in the evaluation of the data. Whereby the research considers Nigerian MSMEs competencies and their perspectives of the ecosystem support mechanisms for MSMEs the most critical elements in capturing the reality of MSMEs development towards transformational entrepreneurship.

As indicated within Chapter 6, data were quantitative (numerical form), and these were all text defined by source (Denscombe, 2010, Collis & Hussey, 2014). There were fourteen competencies identified in the literature that can support MSMEs development, in addition to the seven ecosystem support mechanisms for MSMEs in Nigeria, which affects the MSMEs development cycle (Fate, 2016) (see Chapter 3). Given this, the study divided the questionnaire into four sections. Each section methodically addressed and analysed in-depth. Thus, ensuring more structured and plausible results, findings and conclusions.

### **7.3 THE STRUCTURE OF THE RESEARCH ANALYSIS**

The research structured the data analysis so that the study shall begin by analysing each section and proposition individually and shall separate the analysis and findings to reflect this format. The MSMEs Owners/Managers received the same questionnaire, in the same order and architecture (see Appendix 1). The survey was structured, and the corresponding questions laid out in sequential order, each question relates, underpins a research proposition, and answer the research questions. The research shall briefly outline the architecture of the analysis of the sections. As indicated, the study shall deal with the sections as a separate entity and analyse their responses to reflect this format. After that, the research shall provide a summary of the participant's response to gain an in-depth

understanding of specific patterns. Within the next chapters, for example, Chapter 8 shall present a detailed analysis of the research findings and results on the sections and their propositions. Subsequently, Chapter 9 shall provide the study informed/insight conclusion of the study.

#### **7.4 THE RESEARCH TECHNIQUE APPLIED**

Denscombe (2010) and Hair (2015) presented several ways in which a researcher can obtain data from their work. The authors further acknowledged that it is critical that data collected from the population under examination. Thus, as discussed in Chapter 6 and consistent with Denscombe (2010) and Hair (2015), the study applied the probability sampling method to define the sample population (Sandelowski & Barroso, 2002). Consistent with Sandelowski & Barroso (2002) and Hair (2015), this technique is appropriate when undertaking research involving a pilot study and survey and to contribute to current knowledge or understanding within the study domain. Given the outlined data process above, the subsequent sections shall discuss each stage of the data analysis and the approaches applied in analysing the surveys. As stated in Chapter 6, 36 per cent was the rate of return for this research.

#### **7.5 OVERVIEW OF THE KEY RESEARCH VARIABLES**

Preceding chapters discussed the research instrument, and the key variables, which were sufficient and relevant in investigating Nigerian MSMEs Owners/Managers competencies alongside their perspectives of the ecosystem support factors for MSMEs. The results of the factor analysis discussed below within section 7.8.2, loaded the tested fourteen skills, which measured Nigerian MSMEs Owners/Managers competencies and presented within Table 7.1 below. The competencies are the critical skills for Nigerian MSMEs to support their systemic development (Inyang & Enuoh, 2009, Solesvik, 2012). In addition to the Seven ecosystem support factors for MSMEs (see Table 7.2 below), relevant in underpinning the MSMEs development circle (Fate, 2016). The four MSMEs characteristics (control variables) (see Table 7.3 below), were MSMEs Owners/Managers Gender; MSMEs years in business; MSMEs Owners/Managers education level, MSMEs Owners/Managers previous experience. These variables identified in the literature as factors that can affect MSMEs' competencies, and thus, substantiate their inclusiveness to underpin this study's aim and objectives. Table 7.1 shows the tested fourteen variables, which measured Nigerian MSMEs Owners/Managers' competencies.

**Table 7.1: Entrepreneurial Competencies Variables**

1	Adaptability	This measure, for example, how MSMEs change with a positive attitude and a willingness to learn new methods to undertake work activities and new opportunities.
2	Business Ethics	Which measure, for example, the moral standard, ethical business practices, taking responsibility, Set targets and deadlines, being proactive.
3	Business Management	This measure, for example, the MSMEs interpersonal and relationship-building skills, Problem-solving, Administrative, technical, and business analysis skills, use of technology.
4	Business Strategy	Which determines, for example, the MSMEs' ability to identify long-term goals for the business, and think and act in achieving the goals, merger, and acquisition.
5	Commitment	Which determine, for example, how dedicated, and self-motivated to their business.
6	Communication /Relationship	For example, this determines MSMEs' ability to network and convey business vision, professional presentation, written and oral pitching of investors.
7	Conceptual	For example, this measure MSMEs' ability to visualise the entire business, integrate information, and make judgments of complex abstract data to facilitate the definite conclusion and creative alternatives.
8	CSR	For example, this measure MSMEs' ability to balance profit-making activities with activities that benefit society long-term.
9	Financial Management	For example, this measure MSMEs' knowledge of financial reporting, cash flow, taxation, knowledge of the financial markets, understanding of equity and debt financing options, use of business software.
10	HRM	For example, this measure MSMEs' knowledge of recruiting, talent hunt, managing, and nurturing employees.
11	Leadership	Which determines MSMEs' ability to maximise resources, ability to identify opportunities, creativity, and innovation, passion, team building, coaching.
12	Marketing	Which determines MSMEs' abilities to create and develop product and pricing strategies, branding skills, create and optimise effective marketing campaigns, use of marketing data and technology for marketing.
13	Opportunity Identification	For example, this determines MSMEs' ability to identify market gaps, the ability to disrupt and create new markets, the ability to identify investors, the ability to allocate resources.
14	Planning and Organising	For example, this determines MSMEs' ability to manage and coordinate tasks, develop project plans, monitoring performance to achieve project goals in line with business approved parameters and principles.

Table 7.2 shows the ecosystem support factors for MSMEs, critical to the systemic advancement of MSMEs towards transformational entrepreneurship (Fate, 2016).

**Table 7.2: Entrepreneurial Ecosystem Support factors Variables**

1	Access to Finance.	For example, financial institutions, which provide direct and indirect funding for entrepreneurs throughout the business lifecycle via grants, debt/loans, and equity.
2	Access to Markets.	For example, structures that link entrepreneurs with integration into large distribution networks by providing access to facilitate trade (customers, distributor channels, suppliers, large corporates, etc.).
3	Access to Resources.	For example, provide entrepreneurs with access to data, information, tools and infrastructural resources such as technology, workspace, etc.
4	Business Support.	For example, nurture Nigerian entrepreneurs through mentoring, coaching, consulting and support services required for developing an enterprise, operate optimally and deliver maximum impact.
5	Capacity Building.	For example, varying degrees of entrepreneurship programmes and activities through training, workshops, boot camps and vocational skill acquisition activities.
6	Policy and Regulations.	For example, institutions set up by the Nigerian government to foster an enabling and competitive environment for doing business through policy and regulatory frameworks.
7	Research and Development.	For example, foster a culture of innovation in Nigeria by supporting various investigative activities through knowledge and skills creation, research and development, new process and method innovation.

Table 7.3 shows the four MSMEs characteristics (control variables), identified in the literature as factors that can affect MSMEs' competencies.

**Table 7.3: Control (MSMEs characteristics) Variables**

1	MSMEs Owners/Managers Gender
2	MSMEs Years in Business
3	MSMEs Owners/Managers Education Level
4	MSMEs Owners/Managers Previous Experience

## 7.6 SURVEY OF MSMEs OWNERS/MANAGERS

To underpin the theoretical framework in Chapter 5. The study measured Nigerian MSMEs Owners/Managers competencies recognised as critical ingredients in facilitating the systemic development of MSMEs. In addition to the Nigerian MSMEs Owners/Managers perspectives of the ecosystem support factors for MSMEs, which symbiotically can support the systemic advancement of MSMEs towards transformational entrepreneurship. The entrepreneurial competencies applied to gauge the development of MSMEs underpins a body of knowledge from the literature (Inyang & Enuoh, 2009, Solesvik, 2012, Smith & Chimucheka, 2014), see Appendix 1 for the complete list of questionnaires. The surveys completed were 576, presented within Table 7.4 below. The overall respondents represent 36 per cent as the total number of completed questionnaires.

**Table 7.4: Completed Survey Frequency Distribution**

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	413	71.7	71.7	71.7
	Female	163	28.3	28.3	100.0
	Total	576	100.0	100.0	

Within completed and returned questionnaires, male participants were 413 and female participants were 163, representing 72 per cent and 28 per cent, respectively.

## 7.7 DETERMINING ADEQUACY OF THE COMPETENCIES

This section discussed the adequacy of the competency variables for this research to meet the research objectives. Kothari (2004), Denscombe (2010) and Petty et al. (2012) ground rules for proper research played a significant role in guiding the researcher in addressing the research questions such as its accuracy, format, and architecture. Kothari (2004) and Denscombe (2010) concepts adopted by this study, demonstrated through modifying and accommodating components of a body of work on competencies discussed within Chapter 2 (e.g. Man et al. 2002, Inyang & Enuoh, 2009) and work on the ecosystem support mechanisms for MSMEs within Nigeria as indicated in Chapter 3 (e.g. Drexler et al. 2014, Fate, 2016).

The assumption is that Nigerian MSMEs' competencies in a symbiotic association with the ecosystem support mechanisms for MSMEs can provide the tools and platform in driving the systemic changes critical for MSMEs development towards transformational entrepreneurship. Therefore, following good research practice, the study tested the completed questionnaires for sampling adequacy to enable the study to perform exploratory factor analysis. Therefore, the research conducted the Kaiser-Meyer-Olkin (KMO) Test of the competencies variables to determine the adequacy of the sample size.

### 7.7.1 THE KAISER-MEYER-OIKIN (KMO) TEST OF COMPETENCIES VARIABLES

The KMO test performed to measure the sampling adequacy of the MSMEs competencies with the fourteen variables based on Table 7.5 below. The test reveals the KMO is 0.848, Bartlett Test of Sphericity:  $\chi^2 = 6901.136$ ,  $df = 91$ ,  $p = 0.000$ ). The KMO value obtained was greater than 0.6, which exceeded the recommended minimum value (Hair et al. 2015). Thus, substantiating the sampling adequacy to be sufficient and valid to perform factor analysis. Moreover, from the results, the Bartlett Sphericity Test show that there were sufficient correlations ( $sig = 0.000$ ,  $df > 0.7$ ) existing among the variables (Burns & Burns, 2008).

**Table 7.5: KMO of the Entrepreneurial Competencies Variables**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.848
Bartlett's Test of Sphericity	Approx. Chi-Square	6901.136
	df	91
	Sig.	.000

Considering the adequacy of the sample size, the next section provides the exploratory factor analysis of the entrepreneurial competencies variables to observe their loading construct.

### 7.7.2 EXPLORATORY FACTOR ANALYSIS FOR COMPETENCIES

The principal component analysis (PCA) with varimax rotation performed to observe the structure of the entrepreneurial competency constructs based on Table 7.6 below. Referring to Anderson & Gerbing (1988), factor analysis is to check the construct of the factorial

structure, and factors with loadings (< 0.50 for new models) deleted (Hancock et al. 2010). The study factored the fourteen competencies variables to observe the factor construct loading of items. Thus, the rotated components matrix Table 7.6 below shows the exploratory factor analysis of the competency's variables with values. The research considered variables to have loaded appropriately if loading of 0.500 or above on a factor and the difference between the main loading and other cross-loadings of 0.300 (Howell et al. 2005).

**Table 7.6: Summary of Factor Analysis for Entrepreneurial Competencies Components**

Rotated Component Matrix <sup>a</sup>			
	Component		
	1	2	3
AdaptabilitySkill	.243	.588	.022
BusEthicsSkill	.798	.294	-.099
BusMgtSkill	.822	.337	-.119
CommitmentSkill	.720	.288	-.208
CommRelationshipSkill	.649	.314	-.143
ConceptualSkill	.122	.865	-.198
FinancialMgtSkill	.238	.851	-.165
HRMSkill	.557	.558	.033
LeadershipSkill	.185	.907	-.063
MarketingMgtSkill	.840	-.200	.231
OpportunityIdentificationSkill	.764	.284	.059
PlanningOrganisingSkill	.887	.171	.082
CSRSkill	.003	-.108	.941
BusStrategySkill	-.035	-.101	.942

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 4 iterations.

From the PCA with varimax rotation based on Table 7.6 above. Three constructs of variables loading well together to justify the theoretical framework, namely:



- Construct 1: Core Entrepreneurial Competencies.
- Construct 2: Key Entrepreneurial Competencies.
- Construct 3: Vital Entrepreneurial Competencies.

As shown on Table 7.6, within construct 1: seven variables loaded well together (i.e. business ethics, business management, commitment, communication/relationship management, marketing, opportunity identification, and planning/organising). Construct 2: five variables loaded well together (i.e. adaptability, conceptual, financial management, HRM, and leadership). Construct 3: the remaining two variables loaded well together (i.e. business strategy and CSR). As a result, all fourteen variables loaded. The PCA visibly shows the number of factors to be included in the analysis (Weaver & Maxwell, 2014). From the results of the factor analysis, only items that had significant loadings used in the regression analysis in testing the hypotheses (Parasuraman et al. 2004). Table 7.7 below further shows the Eigenvalues, and total variance explained, which presents the variance accounted for by each variable/component.

**Table 7.7: Total Variance Explained for Construct**

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.389	45.638	45.638	6.389	45.638	45.638	4.805	34.321	34.321
2	2.428	17.340	62.978	2.428	17.340	62.978	3.506	25.041	59.362
3	1.490	10.646	73.625	1.490	10.646	73.625	1.997	14.263	73.625
4	.934	6.669	80.294						
5	.758	5.412	85.706						
6	.497	3.552	89.258						
7	.355	2.537	91.795						
8	.275	1.963	93.759						
9	.212	1.514	95.273						
10	.191	1.362	96.634						
11	.159	1.139	97.773						
12	.128	.916	98.689						
13	.102	.725	99.414						
14	.082	.586	100.000						

Extraction Method: Principal Component Analysis.

Following proper academic and research practice, the study tested the loaded construct for reliability and internal consistency.

### 7.7.3 RELIABILITY MEASUREMENT OF THE COMPETENCIES FACTORED CONSTRUCTS

Reliability refers to the replicability of research design to obtain the same results (Kothari, 2004, Hair, 2015). Moreover, reliability includes the consistency of research findings or results in repeated research throughout the same study (Boeije, 2010, Denscombe, 2010). Reliability within this study measured the internal consistency of the factored variables used in measuring the core, key and vital competencies. Statistically, reliability analysis tested the internal consistency of the constructs. Consistent with Kothari (2004) and Hair (2015), the study conducted a reliability test on the core, key and vital competencies construct variables. The study utilised the Cronbach Alpha test (Cronbach’s  $\alpha$ ) to test the reliability and internal consistency of the variables using SPSS version 25. The Cronbach Alpha results obtained showed that:

- The core entrepreneurial competencies with seven items have 0.915 Cronbach Alpha.
- The key entrepreneurial competencies with five items have 0.845 Cronbach Alpha.
- The vital entrepreneurial competencies with two items have 0.917 Cronbach Alpha.

Thus, the constructs had Cronbach’s alpha greater than 0.70 indicating higher reliability (Hair et al. 2015). Tables 7.8 to 7.13 below shows the summary of the reliability test and item-total statistics for the core competency construct, with Cronbach Alpha of 0.915.

**Table 7.8: Summary of Reliability Test for Core Competencies Variables**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.915	.915	7

Table 7.9 shows the item-total statistics for the core competency construct, which shows the reliability of the measured components in the core competency construct.

**Table 7.9: Summary of Item-Total Statistics for Core Competencies Variables**

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
BusEthicsSkill	16.71	24.138	.805	.828	.895
BusMgtSkill	16.61	23.055	.846	.859	.890
CommitmentSkill	16.35	25.038	.726	.626	.903
CommRelationshipSkill	16.44	25.245	.649	.542	.912
MarketingMgtSkill	16.98	27.200	.627	.654	.913
OpportunityIdentificationSkill	16.66	24.231	.714	.661	.905
PlanningOrganisingSkill	16.82	24.502	.830	.831	.893

Tables 7.10 shows the summary of the reliability test for the key competency construct, with Cronbach Alpha of 0.845.

**Table 7.10: Summary of Reliability Test for Key Competencies Variables**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardize d Items	N of Items
.845	.870	5

Table 7.11 shows the item-total statistics for the key competency construct, which shows the reliability of the measured components in the key competency construct.

**Table 7.11: Summary of Item-Total Statistics for Key Competencies Variables**

	Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
AdaptabilitySkill	9.27	4.984	.499	.302	.882
ConceptualSkill	9.63	5.520	.718	.732	.799
FinancialMgtSkill	9.66	5.532	.771	.693	.790
HRMSkill	9.46	5.445	.603	.421	.826
LeadershipSkill	9.59	5.254	.825	.766	.773

Tables 7.12 shows the summary of the reliability test for the vital competency construct, with Cronbach Alpha of 0.917.

**Table 7.12: Summary of Reliability Test for Vital Competencies Variables**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.917	.919	2

Table 7.13 shows the item-total statistics for the vital competency construct, which shows the reliability of the measured components in the core competency construct.

**Table 7.13: Summary of Item-Total Statistics for Vital Competencies Variables**

	Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
CSRSkill	2.20	.386	.850	.722	.
BusStrategySkill	2.27	.467	.850	.722	.

Following the reliability testing of the construct is the measurement of the ecosystem support factors for MSMEs.

## **7.8 MEASURING THE ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

Referring to Isenberg (2014), Auerswald (2015) and Spigel (2017) the entrepreneurship ecosystem involves the vibrant, productive and cooperative interactions among the various components and organisations within the business environment. The ecosystem support factor variables for MSMEs applied within this study were consistent with Fate (2016). Fate's (2016) work focused on the entrepreneurial ecosystem and policy development for stakeholders with deference to MSMEs. The focus of this study investigated the significant association between the Nigerian MSMEs competencies (Bird, 1995, Man et al. 2002, Inyang & Enuoh, 2009, Sarwoko et al. 2013). Alongside their perspectives on the ecosystem support factors for MSMEs facilitating the MSMEs systemic development, critical in attaining transformational entrepreneurship in Nigeria (Schoar, 2010, Marmer, 2012, Maas et al. 2016).

Defining and measuring the entrepreneurial ecosystem remains a complex challenge due to the complexity of the ecosystem and the shortage of consensus on the measurement tools to be used (Spigel, 2017), which has made the ecosystem to be a subject of concern for researchers for several decades. Thus, the research limited the measurement to the Nigerian MSMEs Owners/Managers perspectives of the ecosystem support factors for MSMEs defined by Fate (2016). As the literature acknowledged, every ecosystem has its peculiar drivers based on culture, industries, political environment and resources (Isenberg, 2014, Auerswald, 2015, Spigel, 2017). There are no consensus measurement benchmarks for the ecosystem. However, measurement should be multi-dimensional, consisting of the financial institutions, government institutions, and the socio-cultural and value systems of the environment (Adeosun-Familoni, 2015, Spigel, 2017), which was consistent with Fate (2016). Given the above discussions of the entrepreneurial ecosystem. The study performed a KMO and factor analysis to measure the sampling adequacy of the ecosystem.

### **7.8.1 THE KAISER-MEYER-OIKIN (KMO) TEST OF THE ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

The KMO test performs to measure the sampling adequacy of the entrepreneurial ecosystem support factors for the seven variables consistent with Fate (2016) based on Table 7.14 below. The test reveals the KMO is 0.801, Bartlett Test of Sphericity:  $\chi^2 = 8751.5855$ ,  $df = 21$ ,  $p = 0.000$ ). The KMO value obtained was greater than 0.6, which exceeded the recommended minimum value of 0.5 (Hair et al. 2015). Thus, substantiating the sampling

adequacy to be sufficient and valid to perform factor analysis. Moreover, from the results, the Bartlett Sphericity Test shows that there were sufficient correlations (sig = 0.000, df > 0.7) existing among the variables (Burns & Burns, 2008).

**Table 7.14: KMO of the Entrepreneurial Ecosystem Variables**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.801
Bartlett's Test of Sphericity	Approx. Chi-Square	8751.555
	df	21
	Sig.	.000

Considering the adequacy of the sample size, the next section provides the exploratory factor analysis of the entrepreneurial ecosystem support mechanisms for MSMEs to observe their loading construct.

### **7.8.2 EXPLORATORY FACTOR ANALYSIS FOR ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

The study performed the principal component analysis (PCA) with varimax rotation to observe the structure of the ecosystem support factors construct based on Table 7.15. Referring to Anderson & Gerbing (1988), the analysis checked the constructs of the factored structure and suggested deleting factors with loadings < 0.50 for new models (Hancock et al. 2010). The research factored the seven ecosystem support mechanisms to observe the factor construct loading of items. Thus, the components matrix Table 7.15 below shows the exploratory factor analysis of the entrepreneurial ecosystem support factors with values. The observed variables loaded appropriately if loading of 0.500 or above on a factor and the difference between the main loading and other cross-loadings of 0.300 (Howell et al. 2005).

**Table 7.15: Summary of Factor Analysis for Entrepreneurial Ecosystem Components**

Component Matrix <sup>a</sup>	
a	Component 1
FinanceEasytoAccess	.872
MarketEasytoAccess	.968
ResourcesEasytoAccess	.903
BusSupportEasytoAccess	.981
BusCapacityBuildingEasytoAccess	.821
PolicyandRegulationsSupportive	.968
ResandDevSupportAccessible	.978
Extraction Method: Principal Component Analysis. <sup>a</sup>	
a. 1 components extracted.	

Note: only one Construct extracted.

From the PCA with varimax rotation was only one construct, comprising of the ecosystem support variables in the regression analysis. The PCA visibly shows the number of factors to be included in the study (Weaver & Maxwell, 2014). From the results of the factor analysis, only items that had significant loadings used in the regression analysis in testing the hypotheses of the study (Parasuraman et al. 2004). Table 7.16 below shows the Eigenvalues, and total variance explained, which presents the variance accounted for by each variable/component.

**Table 7.16: Total Variance Explained for Construct**

Component	Total Variance Explained					
	Total	Initial Eigenvalues		Extraction Sums of Squared Loadings		
		% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.043	86.330	86.330	6.043	86.330	86.330
2	.472	6.742	93.072			
3	.261	3.725	96.797			
4	.171	2.443	99.241			
5	.037	.522	99.762			
6	.013	.184	99.946			
7	.004	.054	100.000			

Extraction Method: Principal Component Analysis.

Furthermore, the study tested the loaded construct for reliability and internal consistency.

### **7.8.3 RELIABILITY MEASUREMENT OF THE ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

Reliability refers to the replicability of research design to obtain the same results (Kothari, 2004, Hair, 2015). Moreover, reliability includes the consistency of research findings or results in repeated research throughout the same study (Boeije, 2010, Denscombe, 2010). The research achieved reliability by measuring the internal consistency of the factored variables. Statistically, reliability analysis tested the internal consistency of the constructs. Thus, a reliability test conducted for the construct consistent with Kothari (2004) and Hair (2015). The study utilised the Cronbach Alpha test (Cronbach's  $\alpha$ ) to test the reliability and internal consistency of the variables using SPSS version 25. The Cronbach Alpha results obtained showed that the entrepreneurial ecosystem Support Factors for MSMEs variables with seven items have 1.0 Cronbach Alpha. Thus, the construct had Cronbach's alpha greater than 0.70 indicating higher reliability (Hair et al. 2015). The following Tables 7.17 and 7.18 provide the summary of reliability and Item-Total Statistics for the entrepreneurial ecosystem variables. Thus, Tables 7.17 outlines the reliability test for the ecosystem construct, with Cronbach Alpha of 1.000.



**Table 7.17: Summary of Reliability Test for Entrepreneurial Ecosystem Variables**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
1.000	1.000	7

Table 7.18 shows the item-total statistics for the ecosystem construct, which shows the reliability of the measured components in the ecosystem construct.

**Table 7.18: Summary of Item-Total Statistics for Entrepreneurial Ecosystem Variables**

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
FinanceEasytoAccess	7.76	7.463	1.000	.	1.000
MarketEasytoAccess	7.76	7.463	1.000	.	1.000
ResourcesEasytoAccess	7.76	7.463	1.000	.	1.000
BusSupportEasytoAccess	7.76	7.463	1.000	.	1.000
BusCapacityBuildingEasytoAccess	7.76	7.463	1.000	.	1.000
PolicyandRegulationsSupportive	7.76	7.463	1.000	.	1.000
ResandDevSupportAccessible	7.76	7.476	.996	.	1.000

## 7.9 CONTROL VARIABLES (MSMEs CHARACTERISTICS)

The Nigerian MSMEs Owners/Managers competencies and the ecosystem support factors for MSMEs in providing the support, or MSMEs developing towards transformational entrepreneurship, can be impacted/influenced by the MSMEs' characteristics (Solesvik, 2012, Adeosun-Familoni, 2015), such as MSMEs Owners/Manager's gender, MSMEs years in business, MSMEs Owners/Managers education level and MSMEs Owners/Managers previous experience. The literature mooted that factors such as gender, education,

management skill, business sector, culture, experience are critical to the development of MSMEs (Cooper et al. 1994, Inyang & Enuoh, 2009, Solesvik, 2012, Adeosun-Familoni, 2015).

Man et al. (2002), Isenberg (2011) and Suresh & Ramraj (2012) further acknowledged that internal, personal factors, the external environment, and the entrepreneurial mind-set and culture values are critical factors, which affect the development of MSMEs (Adeosun-Familoni, 2015). Moreover, Schumpeter (1934), Oyelola et al. (2013) and Olotu (2014) concluded that individual characteristics such as the drive to achieve success, desire to create a private empire, passion for conquering, willingness to take a risk with personal resources, and entrepreneurs motivated mostly by the quest for power, plays a crucial in contributing to the development of MSMEs. Considering the literature and the theoretical framework discussed in Chapter 5, the study applies the following controls (MSMEs characteristics) variables to underpin this research:

- MSMEs Owners/Managers Gender.
- MSMEs Owners/Managers Education Level.
- MSMEs Years in Business.
- MSMEs Owners/Managers Previous Experience.

These characteristics were selected because MSMEs Owners/Managers gender, education level; MSMEs years in business and previous experience can impact/influence the owners/managers competencies, and their perspectives of the entrepreneurial ecosystem support mechanisms support for MSMEs impact on the company.

### **MSMEs OWNERS/MANAGERS GENDER**

The issue of MSMEs Owners/Manager's gender to their competency level is contentious. Although Duru (2011), Osotimehin et al. (2012) state that competencies are critical for MSMEs development. However, Schneider (2017) states that there is still considerable uncertainty concerning the skills of female MSMEs Owners/Managers because gender-based entrepreneurship study in Africa is limited (Mersha & Sriram, 2018). Mersha & Sriram (2018) indicate that concerning personality qualities, male MSMEs Owners/Managers were more confident in their ability to succeed, while females displayed

greater fear of failure and external control. Mersha & Sriram (2018) concluded that female MSMEs Owners/Managers further reported lower business and entrepreneurial skills.

Moreover, male entrepreneurs performed more effectively than females in terms of employment growth and productivity (Mersha & Sriram, 2018). Thus, the gender of the Nigerian MSMEs Owners/Managers can impact/influence on their entrepreneurial competencies and the Nigerian MSMEs Owners/Managers overall perspective of the ecosystem support mechanisms for MSMEs. The study measured gender as a dichotomous variable where 1 represents a male and 2 for females.

### **MSMEs OWNERS/MANAGERS EDUCATION LEVEL**

Adisa et al. (2014) and Agwu & Emeti (2014) state that the educational background of MSMEs Owners/Managers can impact/influence on performance and development of the business. Business Owners/Managers with the requisite education combined with specific skills and knowledge, such as in management and marketing, for instance, have a better impact/influence on the business (Adisa et al. 2014, Agwu & Emeti, 2014). Adisa et al. (2014) argue that the entrepreneurial characteristics, which include their education and training, have a significant result in the development and success of the business. Thus, the educational background of Nigerian MSMEs Owners/Managers can impact/influence their overall competencies and the MSMEs Owners/Managers perspectives of the ecosystem support factors for MSMEs. The education level of the MSMEs Owners/Managers is on five categories, namely no formal education (1): Primary/Secondary Certificate (2): Diploma Degree (3): Bachelor's degree (4): Master Degree (5): PhD Degree.

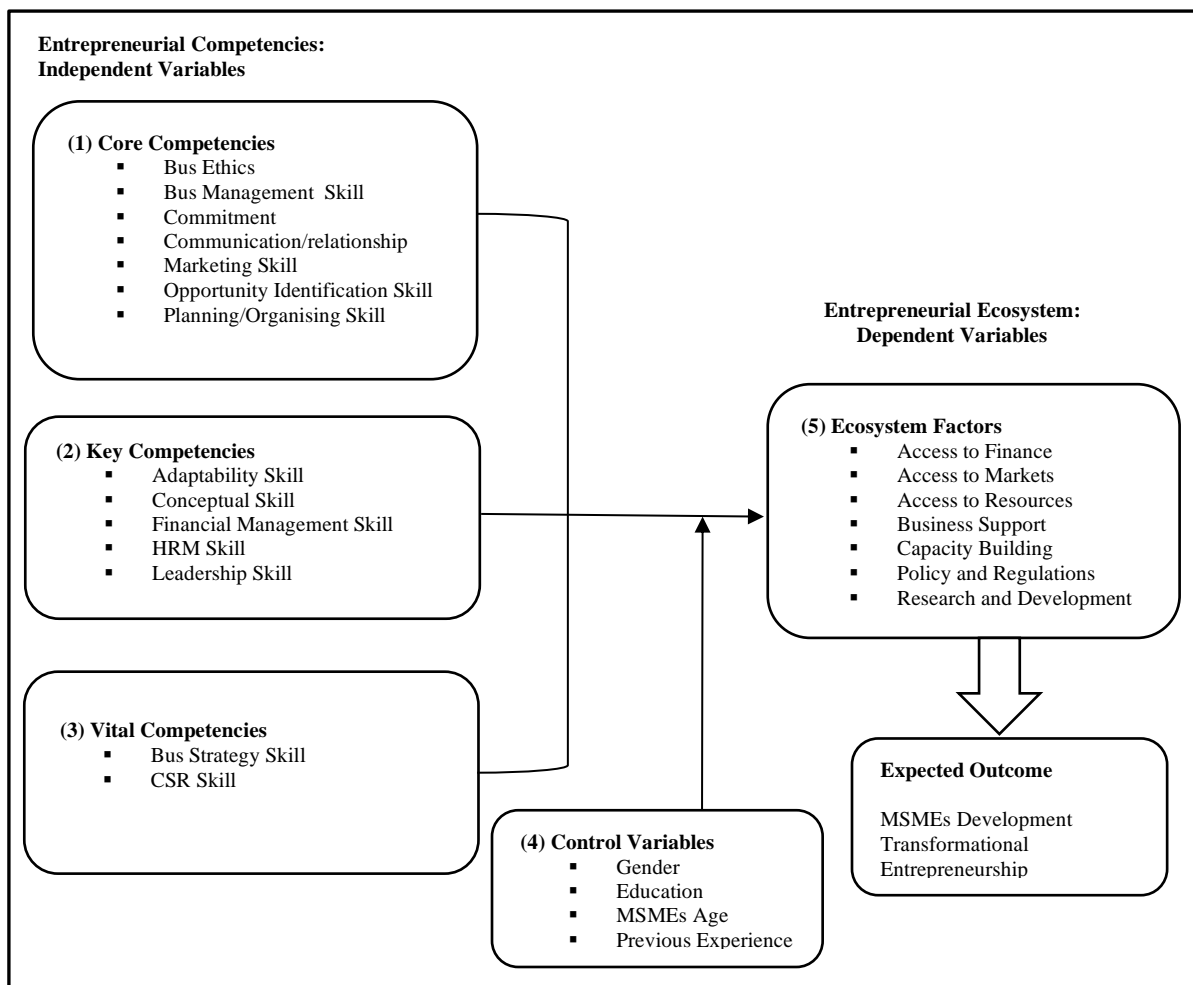
### **MSMEs YEARS IN BUSINESS**

The number of years of the MSMEs in business can influence their development. The years in business can affect the current and strategic needs of the company (Mitchelmore & Rowley, 2008, Oyeku et al. 2014). Start-up and existing ventures face different kinds of challenges (Danduaru, 2014). Therefore, the MSMEs number of years can influence the MSMEs Owners/Manager's competencies and their perspectives of the entrepreneurial ecosystem support factors on the business. It is essential to understand and factor in; the number of years the MSMEs have been in business. The number of years the MSMEs have been in business is on eight (8) classification (1): Less than 1 year (2): 1 – 5 years (3): 6 –

10 years (4): 11 – 15 years (5): 16 – 20 years (6): 21 – 25 years (7): 26 – 30 years (8): 31+ years.

### **MSMEs OWNERS/MANAGERS PREVIOUS EXPERIENCE**

Bird (1995) emphasised the importance of MSMEs Owners/Manager's previous experience from working before starting their own business as ingredients that can stimulate entrepreneurial competency development. Chandler & Jansen (1992), Oyeku et al. (2014) and Smith & Chimucheka (2014) indicated that previous experiences have the potentials to develop an individual ability and skill, especially in perceiving business opportunities and prospects. For example, Gompers et al. (2008) state that innovative entrepreneurs, who had previous work experiences and requisite competencies from large technology firms or had previously, pioneered more significant numbers of large new ventures in the US. Thus, past work experiences of the Nigerian MSMEs Owners/Managers can impact/influence their competencies and their perspectives of the entrepreneurial ecosystem support factor's role on the MSMEs overall. Previous work experiences measured on seven classifications (1): Nil (2): Less than 1 year (3): 1 – 5 years (4): 6 – 10 years (5): 11 – 15 years (6): 16 – 20 years (7): 20 + years. Figure 7.2 shows the developed hypothesised theoretical framework for this study, from the discussion in Chapter 5 and the constructs defined and variables discussed above.



**Figure 7.2:** Hypothesised Framework.

## 7.10 EXPLANATION OF THE PROPOSED RESEARCH FRAMEWORK

The theoretical framework which underpinned this study has three primary constructs, namely core, key, and vital competencies. The core competencies are business ethics; business management skills; commitment quality; communication/relationship management skill; marketing management skill; opportunity identification skill, and planning/organising skill. The key competencies are adaptability skill; conceptual skill; financial management skill; HRM skill and leadership skill. Vital competencies are business strategy skills and CSR skills. These are essential skills, which can impact/influence the MSMEs Owners/Managers to be successful in business. Alongside, the entrepreneurial ecosystem support factor's role on the MSMEs. The assumption is that MSMEs' competencies in a symbiotic relationship with the ecosystem support mechanisms for MSMEs can provide the tools and platform in facilitating the systemic advancement of MSMEs towards transformational entrepreneurship. In addition to the MSMEs characteristics, together with the entrepreneurial ecosystem, support factors for MSMEs. It is the expectation to establish

a significant association to add context to this research. As discussed in chapter 3, the seven entrepreneurial ecosystem support mechanisms for MSMEs are access to finance, access to markets, access to resources, business support, capacity building, policy & regulations and Research & Development.

## 7.11 ANALYSIS OF BACKGROUND INFORMATION

As discussed above, the survey executed a KMO test to determine the sampling adequacy, accuracy, and reliability. The following Table 7.19 presents the descriptive statistical breakdown analysis of the background information within the questionnaire, which shows the number of MSMEs respondents, the mean statistic and standard deviation statistic. Overall, the mean indicates the central tendency of the data set, with the standard deviation indicating the spread of the data to the mean. In summary, from Table 7.5 below, the data sets showed a low standard deviation across the variables, which indicates that the data clustered around the mean, thus, suggesting the actual values lay within the range of the mean and the data are a true reflection of the population (Burns & Burns, 2008).

**Table 7.19: Statistical Presentation of Background information**

	Descriptive Statistics							
	N Statistic	Mean Statistic	Std. Deviation Statistic	Variance Statistic	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
Gender	576	1.28	.451	.203	.966	.102	-1.070	.203
Age	576	2.46	.862	.743	-.056	.102	-.663	.203
Education	576	2.77	.689	.474	-.699	.102	.760	.203
PreviousExperience	576	2.32	1.385	1.919	.470	.102	-1.195	.203
PreviousRole	576	2.43	2.351	5.528	.105	.102	-1.717	.203
YearsinBusiness	576	2.80	.787	.619	.551	.102	-.669	.203
RoleinBusiness	576	1.31	.462	.214	.829	.102	-1.318	.203
No.ofEmployees	576	1.09	.279	.078	2.982	.102	6.918	.203
BusinessSectorActivity	576	4.30	2.921	8.531	.464	.102	-1.164	.203
Valid N (listwise)	576							

### 7.11.1 DEMOGRAPHIC DESCRIPTORS AND RESPONSE RATES

The following Tables/Figures within this section present the frequency table/normal distribution curve, breakdown analysis and the standard deviation and statistical mean of the background information within the questionnaire.

## **RESPONSE RATES OF GENDER OF RESPONDENTS**

When the survey was analysed by MSMEs Owners/Managers gender in business, the male represented 72 per cent and female 28 per cent of the total respondent population as shown in Table 7.4 above, which shows the respondents' gender. Although the survey provided sufficient representation of the population in terms of gender spread, male respondents predominantly dominate MSMEs. However, with 28 per cent of female respondents, the trend indicates a growing number of female participation in business because evidence from SMEDAN (2013), show female participation was 23 per cent.

## **RESPONSE RATES OF AGE GROUPS OF RESPONDENTS**

In terms of the age spread of the respondents shown in Table 7.20 below, 35-44 years with 39 per cent presented the most respondents, followed by 25-34 years with 36 per cent, while, 18-24 years at 24 per cent and 45-54 years at 10 per cent both followed in fourth and fifth of the number of respondents. The age spread revealed the most respondents were between the ages of 25 years to 44 years old. The age spread reveals most of the respondent's age is close to the mean age of the respondents as shown on the table. Moreover, the age spread indicates a growing number of younger business ownership consistent with SMEDAN (2013), which means the ownership structure of MSMEs by age showed the age group of 24 to 50 years dominates.

**Table 7.20: Age Distribution**

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24 Years	82	14.2	14.2	14.2
	25-34 Years	207	35.9	35.9	50.2
	35-44 Years	227	39.4	39.4	89.6
	45-54 Years	60	10.4	10.4	100.0
	Total	576	100.0	100.0	

## **RESPONSE RATES OF EDUCATION LEVEL OF RESPONDENTS**

Referring to Table 7.21 below, which shows the respondent's education level distribution. Most respondents are those with a bachelor's degree at 64 per cent, and respondents follow

this with a diploma degree at 21 per cent. In comparison, those with a master’s degree and primary/secondary school education level were a modest 9 per cent and 6 per cent, respectively. The education level of the respondents indicates the perceived reality within Nigeria. The fact that 94 per cent of all respondents possess a degree from a higher institution of learning reflects the present level of the education situation in the country, which is high among Nigerians in general. Furthermore, the education level indicates the growing trend of graduates venturing into business as against finding paid employment, consistent with evidence from SMEDAN (2013), which showed a surge to 51 per cent in the ownership of MSMEs by graduates.

**Table 7.21: Education Distribution**

		Education			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary/Secondary	32	5.6	5.6	5.6
	Diploma	120	20.8	20.8	26.4
	Bachelor	370	64.2	64.2	90.6
	Masters	54	9.4	9.4	100.0
	Total	576	100.0	100.0	

### **RESPONSE RATES OF PREVIOUS EXPERIENCE OF RESPONDENTS**

In analysing, the respondent’s previous working experience before starting his or her own business shown in Table 7.22 below. Overall, 46 per cent indicated they had no prior working experience before starting their own business. A modest 8 per cent had less than a previous year experience. Respondents with 1-5 years of prior experience are 22 per cent, followed by 6-10 years category at 17 per cent, while 11-15 years stand at 8 per cent. With the most respondents without any previous working experience before venturing into business reflects the high rate of youth unemployment in Nigeria (Anyadike et al. 2012, Olotu, 2014).



**Table 7.22: Previous Work Experience Distribution**

		PreviousEmployment			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nil	264	45.8	45.8	45.8
	<1 Year	46	8.0	8.0	53.8
	1-5 Years	127	22.0	22.0	75.9
	6-10 Years	96	16.7	16.7	92.5
	11-15 Years	43	7.5	7.5	100.0
	Total	576	100.0	100.0	

### RESPONSE RATES OF THE PREVIOUS ROLE OF RESPONDENTS

In terms of the role in previous work, as shown within Table 7.23 below. Forty-six per cent had no previous role consistent with Table 7.9 above where these respondents have indicated they had no previous work experience before starting their own business. Thirteen per cent held a manager position in an earlier job. Eleven per cent further reported they held an assistant manager role in their previous employment. Eight per cent indicates they held position classified as others. Most respondents, 23 per cent with previous work experience reported they held positions classified as an officer.

**Table 7.23: Role in Previous Employment Distribution**

		PreviousRole			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Nil	264	45.8	45.8	45.8
	Manager	73	12.7	12.7	58.5
	Assist Manager	61	10.6	10.6	69.1
	Officer	134	23.3	23.3	92.4
	Others	44	7.6	7.6	100.0
	Total	576	100.0	100.0	

### RESPONSE RATES OF RESPONDENTS YEARS IN OWN BUSINESS

When analysing respondents' years in their own business, as shown within Table 7.24 below, the evidence reveals most respondents (42 per cent) had been in business between 1-5 years. Moreover, 38 per cent had been in business for 6-10 years, followed by 17 per cent who had been in business for 11-15 years. Only 1 per cent had been in business for over 15 years. The evidence underpins the growing rate of new business owners, as indicated by SMEDAN (2013). However, the evidence reveals that small businesses' sustainability and the failure rate are very high among Nigerian MSMEs, with only 17 per cent in business above 10 years and 1 per cent above 15 years. Consistent with Inyang & Enuoh (2009) and Agwu & Emeti's (2014) studies which state that the rate of MSMEs' failure in Nigeria is high.

**Table 7.24: Years in Business Distribution**

		YearsinBusiness		Valid Percent	Cumulative Percent
		Frequency	Percent		
Valid	1-5 Years	241	41.8	41.8	41.8
	6-10 Years	220	38.2	38.2	80.0
	11-15 Years	107	18.6	18.6	98.6
	16-20 Years	8	1.4	1.4	100.0
	Total	576	100.0	100.0	

### RESPONSE RATES OF RESPONDENTS ROLE IN OWN BUSINESS

In analysing the role of the respondents in their business as indicated in Table 7.25 below, the majority of the respondents at 69 per cent indicated they are the founder/owner of the company, while, 31 per cent are in the capacity as managers of the business. Indeed, the founders/owners manage the majority of MSMEs in Nigeria. Moreover, this is consistent with this study's aim of surveying the founder/owner or managers. As indicated in this thesis, the research only surveyed individuals responsible for managing the business. Thus, the study surveyed owners who also lead the company, companies with managers in line with the research aim, only one individual interviewed per company.

**Table 7.25: Role in Business Distribution**

		RoleinBusiness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Founder/Owner	398	69.1	69.1	69.1
	Manager	178	30.9	30.9	100.0
	Total	576	100.0	100.0	

### **RESPONSE RATES OF EMPLOYEES NUMBER IN RESPONDENTS BUSINESS**

The analysis of the number of employees in their business, as revealed in Table 7.26 below. Many respondent businesses with 1-10 employees are 92 per cent, while the employee number of 11- 49 is only a modest 9 per cent. These numbers reflect the Nigerian situation as noted within Chapter 2, section 2.6 of this research, whereby SMEDAN has indicated that most businesses in Nigeria fall within the 1-10 employee category.

**Table 7.26: No of Employees Distribution**

		No.ofEmployees			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10 Workers	527	91.5	91.5	91.5
	11-49 Workers	49	8.5	8.5	100.0
	Total	576	100.0	100.0	

### **RESPONSE RATES OF BUSINESS SECTOR ACTIVITY**

In analysing the business sector activity of respondents' businesses, the evidence suggests that all respondents' companies fall within eight (9) business sector activities from the eleven (11) business sector activities (see chapter six, section 6.10.3 for all business sector activities), and referring to Table 7.27 below. Agriculture at 24 per cent has most business sector activities, followed by consumer goods at 23 per cent and ICT at 19 per cent. Oil and Gas 10 per cent, construction/real estate 10 per cent and healthcare 5 per cent and industrial goods 5 per cent closely followed. Services 4 per cent and financial service 1 per cent had

the lowest level of business sector activities. Agriculture, consumer goods and ICT reflect the Government initiative to diversify the Nigerian economy from Oil and Gas (CBN, 2019).

**Table 7.27: Business Sector Distribution**

		BusinessSectorActivity			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agriculture	136	23.6	23.6	23.6
	Construction/Real Estate	57	9.9	9.9	33.5
	Consumer Goods	134	23.3	23.3	56.8
	Financial Services	6	1.0	1.0	57.8
	Health Care	28	4.9	4.9	62.7
	Industrial Goods	27	4.7	4.7	67.4
	ICT	108	18.8	18.8	86.1
	Oil & Gas	56	9.7	9.7	95.8
	Services	24	4.2	4.2	100.0
	Total	576	100.0	100.0	

## 7.12 ANALYSIS OF COMPETENCIES AND RESPONSE RATES

The following Table 7.28 presents the descriptive statistical breakdown analysis of the MSMEs' entrepreneurial competency level within the questionnaire, which shows the number of MSMEs respondents, the mean statistic and standard deviation statistic. Overall, the mean indicates the central tendency of the data set, with the standard deviation indicating the spread of the data to the mean. In summary, from Table 7.15 below, the data sets showed a low standard deviation across the variables, which indicates the data clustered around the mean, thus, suggesting the actual values lay within the range of the mean and the data are a true reflection of the population (Burns & Burns, 2008).

**Table 7.28: Statistical Presentation of Entrepreneurial Competencies**

Descriptive Statistics							
	N	Mean	Std.	Skewness		Kurtosis	
	Statistic	Statistic	Deviation	Statistic	Std. Error	Statistic	Std. Error
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
AdaptabilitySkill	576	2.63	.960	.935	.102	-.433	.203
BusEthicsSkill	576	2.72	1.020	.620	.102	-1.240	.203
BusMgtSkill	576	2.81	1.104	.769	.102	-1.091	.203
CommitmentSkill	576	3.08	.993	.121	.102	-.719	.203
CommRelationshipSkill	576	2.99	1.057	.447	.102	-1.078	.203
ConceptualSkill	576	2.27	.630	2.476	.102	5.769	.203
FinancialMgtSkill	576	2.24	.595	2.302	.102	3.778	.203
HRMSkill	576	2.45	.732	1.134	.102	.044	.203
LeadershipSkill	576	2.31	.632	1.842	.102	1.979	.203
MarketingMgtSkill	576	2.45	.822	1.308	.102	-.107	.203
OpportunityIdentificationSkill	576	2.77	1.108	.704	.102	-.623	.203
PlanningOrganisingSkill	576	2.61	.954	1.062	.102	-.552	.203
CSRSkill	576	2.27	.683	1.316	.102	1.512	.203
BusStrategySkill	576	2.20	.621	1.407	.102	2.506	.203
Valid N (listwise)	576						

### MSMEs OWNERS/MANAGERS ADAPTABILITY RESPONSE RATES

When analysing, the MSMEs Owners/Manager's responses on their adaptability skill as shown in Table 7.29 below, overall, 62 per cent and 2 per cent indicate they are less competent and not competent, respectively. Whereas 21 per cent and 4 per cent say, they are competent and very competent, respectively. Moreover, 11 per cent declined assent. As indicated in chapter 6, this study employed a 95 per cent confidence level for the survey data. Thus, there was a 95 per cent probability that the actual value of MSMEs Owners/Managers that are less competent in adaptability skill lay within the range of 60 to 64 per cent. Competent MSMEs Owners/Managers stay within 20 to 23 per cent.

These statistics and evidence in the literature revealed a shortage of adaptability skill among Nigerian MSMEs Owners/Managers, which is among the key competency skill in driving business performance and development (Minet & Morris, 2000, Longenecker et al. 2006, Siyanbola et al. 2012, James-Unam et al. 2015). The shortage of skills among Nigerian MSMEs further substantiates Inyang & Enuoh's (2009) study that Nigerian MSMEs Owners/Managers lack the critical skills to attain business growth, which can facilitate MSMEs development in achieving transformational entrepreneurship. This trend is

undoubtedly a reflection of the high rate of MSMEs' failure and under-development in Nigeria (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.29: Adaptability Skill Distribution**

		AdaptabilitySkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	10	1.7	1.7	1.7
	Less Competent	358	62.2	62.2	63.9
	Neutral	64	11.1	11.1	75.0
	Competent	122	21.2	21.2	96.2
	Very Competent	22	3.8	3.8	100.0
	Total	576	100.0	100.0	

#### **MSMEs OWNERS/MANAGERS BUSINESS ETHICS RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on their business ethics as shown in Table 7.30 below, overall, 62 per cent and 2 per cent indicate they are less competent and not competent, respectively. While 32 per cent and 3 per cent say, they are competent and very competent, respectively. Two per cent declined assent. As discussed in chapters 1 to 6, the study identified business ethics as a key to successful entrepreneurship and MSME development (Inyang & Enuoh, 2009). Referring to the 95 per cent confidence level for the survey data. The actual value of MSMEs Owners/Managers that are less competent in business ethics stay within the range of 60 to 65 per cent. MSMEs Owners/Managers competent stay within 30 to 35 per cent. The statistics and evidence in the literature revealed there is insufficient knowledge of business ethics among Nigerian MSMEs Owners/Managers to drive business growth and development (Inyang & Enuoh, 2009, Solesvik, 2012). This result is indeed a reflection of the high level of MSMEs' failure and under-development in Nigeria (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014). Thus, inhibiting MSMEs development towards transformational entrepreneurship.

**Table 7.30: Business Ethics Distribution**

		BusEthicsSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	11	1.9	1.9	1.9
	Less Competent	354	61.5	61.5	63.4
	Neutral	11	1.9	1.9	65.3
	Competent	185	32.1	32.1	97.4
	Very Competent	15	2.6	2.6	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS BUSINESS MANAGEMENT RESPONSE RATES**

In analysing, the MSMEs Owners/Manager's responses on their business management skill, as shown in Table 7.31 below, overall, 63 per cent indicate they are less competent. Whereas 27 per cent and 9 per cent say, they are competent and very competent, respectively. One per cent declined assent. Referring to the study, 95 per cent confidence level for the survey data. The MSMEs Owners/Managers response rate indicates there was a 95 per cent probability that the actual value of MSMEs Owners/Managers that are less competent in business management skills is within the range of 61 to 65 per cent. While MSMEs Owners/Managers that are competent lay within 25 to 30 per cent. These statistics and evidence in the literature indicate insufficient business management skills among Nigerian MSMEs Owners/Managers.

As stated within Chapter 2, business management is a requisite to managing a venture successfully, and it is a core skill requirement for business Owners/Managers (Man et al. 2002, Sony & Iman, 2005, Inyang & Enuoh, 2009, Smith & Chimucheka, 2014). Furthermore, business management skill is critical in driving business performance and development (Minet & Morris, 2000, Longenecker et al. 2006, Siyanbola et al. 2012, James-Unam et al. 2015). The high rate of managerial incompetence among Nigerian MSMEs further validates the underdevelopment and failure rates within Nigerian MSMEs (Inyang & Enuoh, 2009). Business management skills undoubtedly would assist in driving Nigerian MSMEs Owners/Managers to attain sustainable business growth in their business, which is capable of facilitating MSMEs' development and therefore, achieving transformational entrepreneurship (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.31: Business Management Distribution**

		BusMgtSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Competent	363	63.0	63.0	63.0
	Neutral	8	1.4	1.4	64.4
	Competent	154	26.7	26.7	91.1
	Very Competent	51	8.9	8.9	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS COMMITMENT RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on business ethics as shown in Table 7.32 below, in total, 29 per cent and 3 per cent indicate they are less competent and not competent, respectively. Whereas 27 per cent and 8 per cent say, they are competent and very competent, respectively. In total, 33 per cent declined assent. The response statistic and data confidence level at 95 per cent indicate there was a 95 per cent probability that the real value of MSMEs Owners/Managers that are less competent in commitment lay within 27 to 32 per cent. Competent MSMEs Owners/Managers stay within 25 to 30 per cent. A high rate of MSMEs at 33 per cent are not sure of their commitment to the business. Man et al. (2002) and Longenecker et al. (2006) have stated commitment is vital to business success. However, the statistics demonstrate a shortage of commitment to their business objectives, as Dedekuma & Akpor-Robaro (2015) noted that Nigerian MSMEs are more inclined towards the opportunities presented by financial gains, rather than the long-term development of their business. Commitment to business goals and long-term growth is no doubt a critical competency skill in driving business performance and growth (Minet & Morris, 2000, Man et al. 2002, Longenecker et al. 2006). The statistics are undoubtedly a reflection of the high rate of MSMEs' failure and under-development in Nigeria (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).



**Table 7.32: Commitment Distribution**

		CommitmentSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	18	3.1	3.1	3.1
	Less Competent	165	28.6	28.6	31.8
	Neutral	191	33.2	33.2	64.9
	Competent	158	27.4	27.4	92.4
	Very Competent	44	7.6	7.6	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS COMMUNICATION/RELATIONSHIP MANAGEMENT RESPONSE RATES**

In analysing, the MSMEs Owners/Manager's responses on communication/relationship management skill, as shown in Table 7.33 below. In total, 44 per cent and 1 per cent indicate they are less competent and not competent, respectively. While 26 per cent and 9 per cent say, they are competent and very competent, respectively. Overall, 20 per cent declined assent, at the 95 per cent confidence level for the survey data, the real value of MSMEs Owners/Managers that are less competent in communication/relationship management skills lay within the range of 42 to 46 per cent. Competent MSMEs Owners/Managers stay within 25 to 28 per cent. This evidence suggests insufficient communication/relationship management skill among Nigerian MSMEs Owners/Managers, a critical competency skill in driving business growth and development (Minet & Morris, 2000, Longenecker et al. 2006, Siyanbola et al. 2012, James-Unam et al. 2015). The statistics further demonstrate that Nigerian MSMEs Owners/Managers are less competent to drive business sustainability and growth (Inyang & Enuoh (2009). Communication/relationship management skills are which is capable of facilitating MSMEs' systemic development and thus, attaining transformational entrepreneurship overall (Man et al. 2002, Inyang & Enuoh, 2009, Nwachukwu, 2012).

**Table 7.33: Communication/Relationship Management Distribution**

		CommRelationshipSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	6	1.0	1.0	1.0
	Less Competent	252	43.8	43.8	44.8
	Neutral	114	19.8	19.8	64.6
	Competent	150	26.0	26.0	90.6
	Very Competent	54	9.4	9.4	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS CONCEPTUAL RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on the conceptual skill, as shown in Table 7.34 below, in total, 81 per cent indicate they are less competent. Whilst 5 per cent and 2 per cent say they are competent and very competent, respectively. In total, 12 per cent declined assent. The response rate of MSMEs Owners/Managers without conceptual skill revealed the high under-development and failure rate within Nigerian MSMEs (Inyang & Enuoh, 2009, Smith & Chimucheka, 2014). For MSMEs to develop and achieve transformational entrepreneurship, individual with conceptual skills need to take centre stage with new creative and analytical thinking (Miller & Collier, 2010). Man et al. (2002) competency matrix identified conceptual skill as the key to business success. Inyang & Enuoh (2009) study discussed insufficient skills amongst Nigerian MSMEs, which have an impact on the ability to develop their businesses. Overall, the statistics and evidence in the literature point out the shortage of MSMEs' development towards transformational entrepreneurship in Nigeria (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.34: Conceptual Distribution**

		ConceptualSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Competent	467	81.1	81.1	81.1
	Neutral	70	12.2	12.2	93.2
	Competent	30	5.2	5.2	98.4
	Very Competent	9	1.6	1.6	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS FINANCIAL MANAGEMENT RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on financial management skill, as shown in Table 7.35 below, overall, 84 per cent indicate they are less competent. Whilst 9 per cent say they are competent. Seven per cent declined assent. The statistics imply that 82 to 86 per cent lay within the probability of the actual value of MSMEs Owners/Managers that are less competent on financial management skill at study 95 per cent confidence level. Moreover, the statistics support evidence in the literature that suggested a shortage of financial management skills among Nigerian MSMEs Owners/Managers, a critical competency skill in driving business performance, growth and development (Inyang & Enuoh, 2009, Schoar, 2010, James-Unam et al. 2015). Inyang & Enuoh (2009) state the shortage of financial management skill among Nigerian MSMEs is among the high failure rate of MSMEs in recent times.

Schoar (2010) states that financial resources and financial management skill are critical drivers for transformational entrepreneurship in an emerging economy such as Nigeria. The high level of Nigerian MSMEs Owners/Managers incompetency in financial management is undoubtedly a reflection of the high rate of MSMEs failure and under-development in Nigeria, which has inhibited the MSMEs becoming sustainable and achieving transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010, James-Unam et al. 2015). Furthermore, Inyang & Enuoh (2009) state that the majority of MSMEs failure rate is due to the inability to effectively manage the business finances because financial management skill is a necessary factor in entrepreneurial success (Nwachukwu, 2012, Agwu & Emeti, 2014).

**Table 7.35: Financial Management Distribution**

		FinancialMgtSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Competent	486	84.4	84.4	84.4
	Neutral	41	7.1	7.1	91.5
	Competent	49	8.5	8.5	100.0
Total		576	100.0	100.0	

**MSMEs OWNERS/MANAGERS HRM RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on HRM skill as shown in Table 7.36 below, overall, 67 per cent indicate they are less competent. Whilst 13 per cent say they are competent. Moreover, 19 per cent declined assent. Referring to this study, 95 per cent confidence level for the survey data. Thus, there was a 95 per cent probability that the real value of MSMEs Owners/Managers that lack HRM skill lay within the range of 65 to 70 per cent. This evidence supports the fact that several MSMEs employ family members and friends, not recruited through an interview (James-Unam et al. 2015, Igwe et al. 2018). Given that, many Nigerian MSMEs operate on a smaller scale and provide alternative employment opportunities to the entrepreneurs and in most cases, their family members (Schoar, 2010, Igwe et al. 2018).

Capital, human resources and materials are of equal importance to the business (Inyang & Enuoh, 2009, Didonet et al. 2012, Drexler et al. 2014). However, Inyang & Enuoh (2009) admit that the majority of MSMEs in Nigeria find it challenging to recruit the right talents to keep and maintain them in their businesses. Acquiring the right human resource management skills is vital because the financial resources discussed earlier cannot be useful without this skill (Inyang & Enuoh, 2009, Didonet et al. 2012). The evidence from the data indicates that Nigerian MSMEs lack HRM skills. The shortage of this skill has undoubtedly influenced the MSMEs negatively (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.36: HRM Distribution**

		HRMSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	6	1.0	1.0	1.0
	Less Competent	384	66.7	66.7	67.7
	Neutral	109	18.9	18.9	86.6
	Competent	77	13.4	13.4	100.0
	Total	576	100.0	100.0	

### MSMEs OWNERS/MANAGERS LEADERSHIP RESPONSE RATES

In analysing the MSMEs Owners/Manager's responses on leadership skill as shown in Table 7.37 below, overall, 78 per cent indicate they are less competent. Whilst 9 per cent say they are competent. In total, 13 per cent declined assent. Leadership skill forms part of Inyang & Enuoh's (2009) competency framework, which the authors' state is a requisite tool required by MSMEs Owners/Managers to build and transform a business into sustainability. However, the statistics from the data on the table below and evidence from the literature show that Nigerian MSMEs lack this vital skill (Inyang & Enuoh, 2009). Undoubtedly a reflection of the high rate of MSMEs failure and under-development in Nigeria (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014). Indeed, for MSMEs to develop and achieve transformational entrepreneurship, a transformational leader is required to drive and create scalable and sustainable firms (Schoar, 2010, Marmer, 2012).

**Table 7.37: Leadership Distribution**

		LeadershipSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Competent	450	78.1	78.1	78.1
	Neutral	73	12.7	12.7	90.8
	Competent	53	9.2	9.2	100.0
	Total	576	100.0	100.0	

**MSMEs OWNERS/MANAGERS MARKETING MANAGEMENT RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on marketing skill, as shown in Table 7.38 below, overall, 75 per cent indicate they are less competent. Whilst 21 per cent say they are competent. Four per cent declined assent. For an organisation to continue to exist, thrive and develop; therefore, it must be able to successfully market and sell its products (Kotler & Levy, 1969). The statistics and evidence in the literature show insufficient marketing management skills among Nigerian MSMEs Owners/Managers (Inyang & Enuoh, 2009, Adisa et al. 2014, Agwu & Emeti, 2014). Chukwuemeka (2006) state that marketing management skill, among others, is a significant challenge within Nigerian MSMEs, and the result from the data underpinned Chukwuemeka (2006) and Inyang & Enuoh (2009).

**Table 7.38: Marketing Management Distribution**

		MarketingMgtSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	2	.3	.3	.3
	Less Competent	434	75.3	75.3	75.7
	Neutral	21	3.6	3.6	79.3
	Competent	118	20.5	20.5	99.8
	Very Competent	1	.2	.2	100.0
	Total	576	100.0	100.0	

**MSMEs OWNERS/MANAGERS OPPORTUNITY IDENTIFICATION RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on opportunity identification skill as shown in Table 7.39 below, in summary, 51 per cent and 5 per cent indicate they are less competent and not competent, respectively. Whilst 17 per cent and 10 per cent say they are competent and very competent, respectively. In total, 17 per cent declined assent. As indicated in Chapter 6, this study applied a 95 per cent confidence level, which implies that there was a 95 per cent probability that the real value of MSMEs Owners/Managers that are less competent overall on opportunity identification skill lay within the range of 54 to 58 per cent. While MSMEs Owners/Managers that are competent stay within 25 to 30 per cent. These statistics and evidence in the literature indicate insufficiently or shortage of MSMEs

Owners/Manager's responses on opportunity identification skill among Nigerian MSMEs Owners/Managers (Inyang & Enuoh, 2009, Siyanbola et al. 2012, James-Unam et al. 2015). The high score of incompetency among Nigerian MSMEs further underpinned Inyang & Enuoh (2009). The statistics imply Nigerian MSMEs Owners/Managers lack the requisite opportunity identification capable of facilitating MSMEs development and attaining transformational entrepreneurship. This result is indeed a reflection of the high rate of MSMEs' failure and under-development in Nigeria (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.39: Opportunity Identification Distribution**

		OpportunityIdentificationSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	28	4.9	4.9	4.9
	Less Competent	294	51.0	51.0	55.9
	Neutral	97	16.8	16.8	72.7
	Competent	99	17.2	17.2	89.9
	Very Competent	58	10.1	10.1	100.0
Total		576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS PLANNING/ORGANISING RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on planning and organising skill, as shown in Table 7.40 below, in summary, 69 per cent indicate they are less competent. Whilst 24 per cent and 4 per cent say they are competent and very competent respectively, while 4 per cent declined assent. Huck & McEwen (1991) and Man et al. (2002) state that planning and organising, are among the critical competencies' qualities for entrepreneurs and MSMEs Owners/Managers. However, with 69 per cent indicating the shortage of this skill among Nigerian MSMEs, it undoubtedly demonstrates the high level of small business failure and under-development in Nigeria. Indeed, planning and organising is a constituent skill set that can positively or negatively impacts on businesses (Inyang & Enuoh, 2009, Zimmerer & Scarborough, 2008, Anyadike et al. 2012).

**Table 7.40: Planning and Organising Distribution**

		PlanningOrganisingSkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less Competent	399	69.3	69.3	69.3
	Neutral	20	3.5	3.5	72.7
	Competent	139	24.1	24.1	96.9
	Very Competent	18	3.1	3.1	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS CSR RESPONSE RATES**

In analysing the MSMEs Owners/Manager's responses on CSR skill as shown in Table 7.41 below, overall, 73 per cent and 5 per cent indicate they are less competent and not competent, respectively. Whilst 9 per cent say they are competent. In total, 13 per cent declined assent. Inyang & Enuoh (2009) identified CSR as a premium skill set required by Nigerian MSMEs Owners/Managers to build and manage their ventures sustainably. However, the statistics and evidence from a body of work indicate Nigerian MSMEs Owners/Managers lack this skill set (Inyang & Enuoh, 2009). A key argument within the domain of transformational entrepreneurship is the building of ethical ventures (Schoar, 2010, Marmer, 2012). Another notion is that of the holistic blending of the ingredients within the overall ecosystem (Maas et al. 2016). Thus, suggesting the importance of CSR as a requisite skill required by MSMEs Owners/Managers in developing MSMEs and achieving transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010, Marmer, 2012). However, Nigerian MSMEs Owners/Managers lack this skill set as revealed by the statistical evidence.



**Table 7.41: CSR Distribution**

		CSR.Skill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	26	4.5	4.5	4.5
	Less Competent	423	73.4	73.4	78.0
	Neutral	75	13.0	13.0	91.0
	Competent	52	9.0	9.0	100.0
	Total	576	100.0	100.0	

### **MSMEs OWNERS/MANAGERS BUSINESS STRATEGY RESPONSE RATES**

In analysing, the MSMEs Owners/Manager's responses on business strategy skill as shown in Table 7.42 below, thus, 76 per cent and 5 per cent indicate they are less competent and not competent, respectively. Six per cent say they are competent, while 13 per cent declined assent. Business strategy is a wide-ranging business practice, which integrates analysis, decision-making, planning and several aspects of a venture culture, mission and value system (Rauch et al. 2009). Man et al. (2002) and Inyang & Enuoh (2009) identified business strategy as a potential skillset for Business Owners/Managers to drive performance and sustainability. The study 95 per cent confidence level means that Nigerian MSMEs Owners/Managers without this skill set lay around 80 to 82 per cent. The statistics and evidence from the literature indicate the shortage of this skill among Nigerian MSMEs Owners/Managers (Inyang & Enuoh, 2009, Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.42: Business Strategy Distribution**

		BusStrategySkill			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Competent	29	5.0	5.0	5.0
	Less Competent	439	76.2	76.2	81.3
	Neutral	72	12.5	12.5	93.8
	Competent	36	6.3	6.3	100.0
	Total	576	100.0	100.0	

### 7.13 ANALYSIS OF ECOSYSTEM SUPPORT FACTORS AND RESPONSE RATES

The following Table 7.43 presents the descriptive statistical breakdown analysis of the MSMEs Owners/Manager's perspectives of the entrepreneurial ecosystem support factors on the business, which shows the number of MSMEs respondents, the mean statistic and standard deviation statistic. Overall, the mean indicates the central tendency of the data set, with the standard deviation indicating the spread of the data to the mean. In summary, from Table 7.43 below, the data sets showed a low standard deviation across the variables, which indicates the data clustered around the mean, thus, suggesting the actual values lay within the range of the mean and the data are a true reflection of the population (Burns & Burns, 2008).

**Table 7.43: Statistical Presentation of Entrepreneurial Ecosystem**

	Descriptive Statistics							
	N Statistic	Mean Statistic	Std. Deviation Statistic	Variance Statistic	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
FinanceEasytoAccess	576	1.29	.456	.208	.910	.102	-1.176	.203
MarketEasytoAccess	576	1.29	.456	.208	.910	.102	-1.176	.203
ResourcesEasytoAccess	576	1.29	.456	.208	.910	.102	-1.176	.203
BusSupportEasytoAccess	576	1.29	.456	.208	.910	.102	-1.176	.203
BusCapacityBuildingEasytoAccess	576	1.29	.456	.208	.910	.102	-1.176	.203
PolicyandRegulationsSupportive	576	1.29	.456	.208	.910	.102	-1.176	.203
ResandDevSupportAccessible	576	1.29	.455	.207	.919	.102	-1.159	.203
Valid N (listwise)	576							

#### ACCESS TO FINANCE RESPONSE RATES

When analysing the MSMEs Owners/Manager's responses on the entrepreneurial ecosystem support role for MSMEs, in how easy is accessing finance, as shown in Table 7.44 below. Overall, 71 per cent strongly disagree, and 29 per cent disagree, that access to finance is easily accessible. Fate (2016) state in their study that there is an estimated four trillion Naira (about \$12 billion) funding gap for MSMEs in Nigeria because access to finance by MSMEs is a significant challenge. Chukwuemeka (2006) noted inadequate financing, lack and limited access to funding as a constraint hindering MSMEs development in Nigeria. Schoar (2010) acknowledged that access to financial resources is a crucial challenge to

transformational entrepreneurship in emerging economies such as Nigeria. The statistics on the table below, which shows the MSMEs Owners/Managers strongly disagree and disagree that access to finance is easy to access and with evidence within the literature, revealed that access to finance by Nigerian MSMEs is a significant challenge and constraint to their development and sustainability. This result is undoubtedly among the crucial evidence for the high rate of MSMEs' failure and under-development in Nigeria (Agwu & Emeti, 2014, Fate, 2016).

**Table 7.44: Access to Finance Distribution**

		FinanceEasytoAccess			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	407	70.7	70.7	70.7
	Disagree	169	29.3	29.3	100.0
	Total	576	100.0	100.0	

#### **ACCESS TO MARKETS RESPONSE RATES**

When analysing the MSMEs Owners/Manager's responses on the entrepreneurial ecosystem support for MSMEs in accessing the market, as shown in Table 7.45 below. In summary, 71 per cent strongly disagree, and 29 per cent disagree, that access to the market is easily accessible. Dean & McMullen (2007) state that market failure in developing economies such as Nigeria is a constraint and had inhibited entrepreneurship and MSMEs development (Inyang & Enuoh, 2009, Adisa et al. 2014, Agwu & Emeti, 2014). Thus, MSMEs' participation in supply chains limited by a shortage of access to critical infrastructure such as electricity, communications, roads, and transportation system that link and make markets accessible (Fate, 2016). The statistical evidence on the table below shows the MSMEs Owners/Managers strongly disagree and disagree that access to the market is easily accessible in Nigeria, to underpin the evidence within the literature. The statistics revealed that access to markets by Nigerian MSMEs is a significant challenge and constraint to their development and sustainability. The evidence is undoubtedly among the prime reason for the high rate of MSMEs' failure and under-development in Nigeria (Anyadike et al. 2012, Agwu & Emeti, 2014, Fate, 2016).

**Table 7.45: Access to Markets Distribution**

		MarketEasytoAccess			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	407	70.7	70.7	70.7
	Disagree	169	29.3	29.3	100.0
	Total	576	100.0	100.0	

### ACCESS TO RESOURCES RESPONSE RATES

When analysing the MSMEs Owners/Manager's responses on the entrepreneurial ecosystem support for MSMEs in accessing resources, as shown in Table 7.46 below. In summary, 71 per cent strongly disagree, and 29 per cent disagree, that access to resources is easily accessible. Fjose et al. (2010) state that access to business resources such as raw materials, data, information, tools and infrastructural support such as technology was challenging to obtain primarily in developing countries such as Nigeria. Danduara (2014) state that there are insufficient structures that have presented sufficient access to resources within Nigeria. Fate (2016) indicated that there are valid concerns in accessing resources by Nigerian MSMEs. As represented within the table below, the statistical evidence shows the MSMEs Owners/Managers strongly disagree and disagree that access to resources is easily accessible in Nigeria and this further underpin evidence within the literature. From the statistics, access to resources by Nigerian MSMEs is a significant challenge and constraint to their development and sustainability. The results undoubtedly revealed access to resources is central to the high rate of MSMEs under-development and failure in Nigeria (Anyadike et al. 2012, Agwu & Emeti, 2014, Fate, 2016).

**Table 7.46: Access to Resources Distribution**

		ResourcesEasytoAccess			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	407	70.7	70.7	70.7
	Disagree	169	29.3	29.3	100.0
	Total	576	100.0	100.0	

## ACCESS TO BUSINESS SUPPORT RESPONSE RATES

When analysing the MSMEs Owners/Manager's responses on the entrepreneurial ecosystem support role for MSMEs in supporting businesses as shown in Table 7.47 below, in summary, 71 per cent strongly disagree, and 29 per cent disagree, that business support tools are easily accessible. The shortage of appropriate business support ranked as one of the significant challenges of MSMEs in Nigeria (Fate, 2016). Although the Nigerian government identified the existence of this challenge and initiated partnerships to address this gap, however, the business support assistance is still insufficient to address the negative impact and failure rate for MSMEs (Oyeku et al. 2014, Smith & Chimucheka, 2014). The statistical evidence on the table below provided sufficient support to the literature. MSMEs Owners/Managers strongly disagree and disagree that access to business support is easy to access. The result reveals a gap in the ecosystem, with access to business support by Nigerian MSMEs, is a significant challenge and has inhibited their development. Thus, the high rate of MSMEs failure and under-development in Nigeria (Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.47: Business Support Distribution**

		BusSupportEasytoAccess			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	407	70.7	70.7	70.7
	Disagree	169	29.3	29.3	100.0
	Total	576	100.0	100.0	

## BUSINESS CAPACITY BUILDING RESPONSE RATES

When analysing the MSMEs Owners/Manager's responses on the entrepreneurial ecosystem support for businesses in capacity building as shown in Table 7.48 below, overall, 71 per cent strongly disagree, and 29 per cent disagree, that business capacity building is easily accessible. The statistical evidence on the table below provided sufficient support to the literature. MSMEs Owners/Managers strongly disagree and disagree that access to business capacity-building tools is easy to access. The result reveals a gap within the ecosystem in access to business capacity building tools by Nigerian MSMEs is a significant challenge and

has inhibited their development and sustainability. Thus, the high rate of MSMEs failure and under-development in Nigeria (Anyadike et al. 2012, Agwu & Emeti, 2014). For example, project-based learning opportunities for MSMEs are limited, which hinders their ability to identify available enterprising opportunities (Adejimola & Olufunmilayo, 2009, Adeosun-Familoni, 2015).

Moreover, the educational system within Nigeria does not promote a culture of entrepreneurship, and the system does not leverage the entrepreneurial culture of young Nigerian entrepreneurs (Fate, 2016). There seems to be an insufficient emphasis on entrepreneurship at the primary and secondary school levels. Thus, the educational system does not effectively play a role in motivating young entrepreneurs to develop problem-solving and practical thinking skills (Fate, 2016).

**Table 7.48: Business Capacity Building Distribution**

BusCapacityBuildingEasytoAccess					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	407	70.7	70.7	70.7
	Disagree	169	29.3	29.3	100.0
Total		576	100.0	100.0	

### **POLICY AND REGULATIONS RESPONSE RATES**

When analysing the MSMEs Owners/Manager's responses of the entrepreneurial ecosystem in a support role in policy and regulations supportive of businesses, as shown in Table 7.49 below, overall, 71 per cent strongly disagree, and 29 per cent disagree, that business policies and regulations are providing support to businesses. A significant challenge is that multiple government agencies are performing similar roles or implementing similar intervention programmes. For example, companies revealed that products registered with NAFDAC had to go through the same registration process with SON (Fate, 2016). There is a need to define the mandate of agencies to encourage more cooperation. Other challenges identified included limited capacity and funding for policy implementation (Akuhwa & Akorga, 2015). The statistics on the table below, which shows the MSMEs Owners/Managers strongly, disagree and disagree that policy and regulations are favourable. The evidence revealed that

policy and regulations were a significant challenge and constraint to Nigerian MSMEs development and sustainability (Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.49: Policy and Regulations Distribution**

		Policy and Regulations Supportive			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	407	70.7	70.7	70.7
	Disagree	169	29.3	29.3	100.0
	Total	576	100.0	100.0	

### **RESEARCH AND DEVELOPMENT RESPONSE RATES**

When analysing the MSMEs Owners/Manager's responses on the entrepreneurial ecosystem support role in research and development tools accessible to businesses as shown in Table 7.50 below, in summary, 71 per cent strongly disagree, and 29 per cent disagree. There is a wide gap in the research and development in the ecosystem in Nigeria (Fate, 2016). Presently, only one of the Nigerian academic institutions ranks among the top 500 in the world, while a few institutions actively nurture a culture of research and development by underpinning investigative activities (Fate, 2016). A significant challenge for research in Nigeria is the limited collaboration between academia, research, and enterprise (Fate, 2016). Furthermore, Danduara (2014) acknowledged that there is the insufficient linkage between research data and MSMEs and the market in Nigeria. Such that, Njoku et al. (2014) state that this presents a negative impact/influence on the quality of products and entrepreneurship development. For example, Danduara (2014) state that, while there is a body of research from various institutions, the findings of such study are hardly communicated to the MSMEs and the market to support their knowledge. The statistics on the table below, which shows the MSMEs Owners/Managers strongly disagree and disagree that research and development are easily accessible to underpin evidence within the literature. This result revealed that access to research and development by Nigerian MSMEs is a significant challenge and constraint to their growth and sustainability (Anyadike et al. 2012, Agwu & Emeti, 2014).

**Table 7.50: R & D Distribution**

		ResandDevSupportAccessible			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	408	70.8	70.8	70.8
	Disagree	168	29.2	29.2	100.0
	Total	576	100.0	100.0	

#### 7.14 ANALYSIS OF DEVELOPMENT OF COMPETENCIES AND RESPONSE RATES

The following Table 7.51 presents the descriptive statistical breakdown analysis of the development of competencies within the questionnaire, which shows the number of MSMEs respondents, the mean statistic and standard deviation statistic. Overall, the mean indicates the central tendency of the data set, with the standard deviation indicating the spread of the data to the mean. In summary, from Table 7.31 below, the data sets showed a low standard deviation across the variables, which indicates the data clustered around the mean, thus, suggesting the actual values lay within the range of the mean and the data are a true reflection of the population (Burns & Burns, 2008).

**Table 7.51: Statistical Presentation of Development of Entrepreneurial Competencies**

	Descriptive Statistics							
	N Statistic	Mean Statistic	Std. Deviation Statistic	Variance Statistic	Skewness		Kurtosis	
					Statistic	Std. Error	Statistic	Std. Error
ExternalInstructorTraining	576	4.70	.457	.208	-.901	.102	-1.193	.203
InHouseTraining	576	4.70	.457	.208	-.901	.102	-1.193	.203
HandsonTraining	576	4.73	.443	.196	-1.054	.102	-.892	.203
CBT	576	4.71	.453	.205	-.938	.102	-1.125	.203
Valid N (listwise)	576							

#### EXTERNAL TRAINING RESPONSE RATES

When analysing, the MSMEs Owners/Managers preferred training methods to develop their entrepreneurial competencies such as external training as shown in Table 7.52 below. In summary, 71 per cent strongly agree, and 29 per cent admit to this training method. Chandler (1990) and Eniola (2014) maintained that entrepreneurial competencies positively improves MSME performance and productivity. However, Baum et al. (2001) state that



entrepreneurship competency training has not been given the attention in developing economies such as Nigeria because the educational system within Nigeria does not promote a culture of entrepreneurship training and education for MSMEs (Fate, 2016). Bird (1995) emphasised the importance of training and education as mechanisms that can stimulate entrepreneurial competency development within MSMEs. Chandler & Jansen (1992) and Smith & Chimucheka (2014) agree and state that education and training to a high degree have a positive contribution to entrepreneurial competency development for MSMEs Owners/Managers. As indicated within the literature in chapter 2, training and education for MSMEs are imperative.

The statistics on the table below, which shows the MSMEs Owners/Managers strongly, agree that the external training method for MSMEs is imperative to help in developing their business competencies and improve productivity and sustainability (Anyadike et al. 2012, Agwu & Emeti, 2014, Eniola, 2014).

**Table 7.52: External Training Distribution**

		ExternalInstructorTraining			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	170	29.5	29.5	29.5
	Strongly Agree	406	70.5	70.5	100.0
Total		576	100.0	100.0	

### **INTERNAL TRAINING RESPONSE RATES**

When analysing, the MSMEs Owners/Managers preferred training methods to develop their entrepreneurial competencies such as in-house training as shown in Table 7.53 below. In summary, 71 per cent strongly agree, and 29 per cent admit to this training method. The statistics on the table below which shows the MSMEs Owners/Managers strongly agree that internal training method for MSMEs is vital in helping in developing their business competencies and improve productivity and sustainability (Anyadike et al. 2012, Agwu & Emeti, 2014, Eniola, 2014). A body of study acknowledged that entrepreneurial competencies positively develop MSMEs performance and productivity (Chandler, 1990, Eniola, 2014). However, entrepreneurship competencies training and education have not received sufficient consideration in emerging economies such as Nigeria (Baum et al. 2001),

which Fate (2016) noted that entrepreneurial education for MSMEs within Nigeria is under-developed. Referring to Bird (1995), the importance of training and education as mechanisms that can stimulate entrepreneurial competency development within MSMEs is of concern. Chandler & Jansen (1992) and Smith & Chimucheka (2014) concur and state that education and training can positively contribute to entrepreneurial competency development for MSMEs Owners/Managers. As indicated in the literature in chapter 2, training and education for MSMEs are imperative, which the evidence from this study has substantiated.

**Table 7.53: In House Training Distribution**

		InHouseTraining			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	170	29.5	29.5	29.5
	Strongly Agree	406	70.5	70.5	100.0
	Total	576	100.0	100.0	

### **HANDS-ON TRAINING RESPONSE RATES**

When analysing, the MSMEs Owners/Managers preferred training methods to develop their entrepreneurial competencies such as hands-on training as shown in Table 7.54 below. In summary, 71 per cent strongly agree, and 29 per cent admit to this method. The statistics below show the MSMEs Owners/Managers strongly agree that hands-on training method for MSMEs is vital to help in developing their business competencies and improve productivity and sustainability (Anyadike et al. 2012, Agwu & Emeti, 2014, Eniola, 2014). As indicated above, entrepreneurial skills positively improve MSME performance and productivity (Chandler, 1990, Eniola, 2014). However, there is a wide gap in entrepreneurship competencies training for MSMEs in Nigeria (Fate, 2016).

**Table 7.54: Hands-on Training Distribution**

		HandsonTraining			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	154	26.7	26.7	26.7
	Strongly Agree	422	73.3	73.3	100.0
	Total	576	100.0	100.0	

**CBT RESPONSE RATES**

When analysing, the MSMEs Owners/Managers preferred training methods to develop their entrepreneurial competencies such as the CBT training method as shown in Table 7.55 below. In summary, 71 per cent strongly agree, and 29 per cent admit to this training method. As indicated within the literature in Chapter 2, training and education for MSMEs are imperative. A body of study views entrepreneurial competencies can positively improve MSME performance and productivity (Chandler, 1990, Eniola, 2014). Referring to Bird (1995), the importance of training and education as mechanisms that can stimulate entrepreneurial competency development within MSMEs is imperative. Chandler & Jansen (1992) and Smith & Chimucheka (2014) substantiates and states that education and training positively improve entrepreneurial competency development for MSMEs Owners/Managers. The statistical evidence on the table revealed the MSMEs Owners/Managers strongly agree that the CBT training method for MSMEs would help develop their business competencies and improve productivity and sustainability (Anyadike et al. 2012, Agwu & Emeti, 2014, Eniola, 2014).

**Table 7.55: CBT Distribution**

		CBT			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	166	28.8	28.8	28.8
	Strongly Agree	410	71.2	71.2	100.0
	Total	576	100.0	100.0	

## **7.15 DESCRIPTIVE STATISTICS FOR THE STUDY**

Tables 7.19 to 7.31 above presented the descriptive statistics of the mean, standard deviations, minimum and maximum values, skewness and kurtosis of the MSMEs competencies and the ecosystem support mechanisms for MSMEs. A synopsis of the mean values of the entrepreneurial ecosystem support factors for MSMEs indicates that the MSMEs' entrepreneurial skills have a significant association with the entrepreneurial ecosystem support factors. The values for skewness for the variables indicate not positively or negatively skewness with the MSMEs' competencies and ecosystem support mechanisms, implying the normal distribution of the data. In addition, the mean values of all the MSMEs competencies variables show that they have a symbiotic relationship with the ecosystem support factors for MSMEs. For instance, commitment within the core theme content has the highest mean (3.08), while the lowest mean is a Business strategy within the vital competencies theme (2.20).

## **7.16 STATISTICAL JUSTIFICATION FOR UTILISING MULTIPLE REGRESSION**

Based on the theoretical framework, the research considers multiple regression analysis a suitable measurement method for variables in the framework. Multiple regression analysis allows for the examination of how various ecosystem support mechanisms for MSMEs relate to MSMEs' competencies (Aiken et al. 1991). The use of the competencies variables as well as the control variables and ecosystem support factors for MSMEs discussed above justifies the use of multiple regression analysis to test for their significant association. By observing the statistical significance between the MSMEs' competencies and the ecosystem support factors for MSMEs, and the significant association between the MSMEs characteristics and the ecosystem support factors for MSMEs through multiple regression analysis, it is possible to evaluate the statistical significance (Aiken et al. 1991).

## **7.17 REGRESSION ANALYSIS AND HYPOTHESES TESTING**

To test the hypotheses in chapter 5. The study performed a multiple linear regression consistent with Berry (1993). Referring to Poole & OFarrell (1971) denoted as:

$$Y = a + \sum_{i=1}^k b_i X_i + u$$

Where  $Y$  represents the dependent variable:  $X_1, X_2, \dots, X_k$ ...  $X$  is  $k$  independent variables:  $a$  and  $b_i$  denotes the regression coefficients, indicating the parameters of the model regarding a given population; and  $u$  is the error term, which can be because of the effect of an unknown predictor variable (s) or even a very random component within the relationship. The study executed the regression analysis in two stages. Overall, the study performed fourteen regressions.

### **7.18 REGRESSION ANALYSIS: COMPETENCIES WITH ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

This section consists of seven executed regressions, comprising the ecosystem support factors for MSMEs with the competencies within the theoretical framework, as shown within Tables 7.56 to 7.69 below. This regression presents the statistical significance between the MSMEs Owners/Managers skills alongside the MSMEs Owners/Managers perspective of the ecosystem support mechanisms for MSMEs. The tables show the multiple regression model summary, which reports the strength of the correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variables (ecosystem support factors). Furthermore, the tables show the ANOVA, which shows the statistical significance between the regressed variables, which have a significant association with ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ).

From the regression results (Tables 7.56 to 7.69), the observed and analysed were the  $R^2$  and its adjusted values,  $P$ -values and  $F$ -values. The  $R^2$  indicates the overall fitness of the regression model. The adjusted  $R^2$  values ranging between 0 and 1 further explains the MSMEs Owners/Manager's perspectives on the ecosystem support factors for MSMEs because of the MSMEs Owners/Manager's entrepreneurial competencies. The closer the adjusted  $R^2$  values are to 1, the higher the level of variance explained by the ecosystem support factors. Furthermore, the closer the values are to 0, the lesser the variations explained within the MSMEs Owners/Manager's competencies executed within the regression results. The  $R^2$  values are access to finance (0.361), access to market (0.361),

access to resources (0.361), business support (0.361), capacity building (0.361), policy and regulation (0.361) and R & D (0.364) indicating a reliable model.

The adjusted  $R^2$  values are access to finance (0.345), access to market (0.345), access to resources (0.345), business support (0.345), capacity building (0.345), policy and regulation (0.345) and R & D (0.348). These statistics imply the regression model can explain the MSMEs Owners/Manager's perspectives on the ecosystem support mechanisms on the MSMEs. With access to finance (35 per cent), access to market (35 per cent), access to resources (35 per cent), business support (35 per cent), capacity building (35 per cent), policy and regulation (35 per cent) and R & D (35 per cent).

Further observed was the F-value, which examines the statistical significance between the ecosystem support mechanisms and the MSMEs Owners/Managers competencies, and the fitness of the framework. The study observed the ANOVA  $F$ -values of the regression model. The  $F$ -values are access to finance (22.607), access to market (22.607), access to resources (22.607), business support (22.607), capacity building (22.607), policy and regulation (22.607) and R & D (22.607) which are all significant at 1% level ( $p=0.000$ ), determined by the  $p$ -values of the  $F$ -statistic. Similarly, a relationship is significant if the  $p$ -value is less than 0.05 or 0.01. Table 7.56 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values,  $P$ -values and  $F$ -values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support factors (access to finance).

**Table 7.56: Competency Variables Model Summary (Access to Finance)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.601 <sup>a</sup>	.361	.345	.369	.361	22.607	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.57 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the

dependent/outcome variable, i.e. ecosystem support factors (access to finance), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.57: Competency Variables Regression (Access to Finance)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.071	14	3.076	22.607	.000 <sup>b</sup>
	Residual	76.344	561	.136		
	Total	119.415	575			

a. Dependent Variable: FinanceEasytoAccess

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

Table 7.58 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support mechanisms (access to markets).

**Table 7.58: Competency Variables Model Summary (Access to Market)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.601 <sup>a</sup>	.361	.345	.369	.361	22.607	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.59 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the

dependent/outcome variable, i.e. ecosystem support factors (access to markets), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.59: Competency Variables Regression (Access to Market)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.071	14	3.076	22.607	.000 <sup>b</sup>
	Residual	76.344	561	.136		
	Total	119.415	575			

a. Dependent Variable: MarketEasytoAccess

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

Table 7. 60 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support factors (access to resources).

**Table 7.60: Competency Variables Model Summary (Access to Resources)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.601 <sup>a</sup>	.361	.345	.369	.361	22.607	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.61 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the dependent/outcome variable, i.e. ecosystem support mechanisms (access to resources),



which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.61: Competency Variables Regression (Access to Resources)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.071	14	3.076	22.607	.000 <sup>b</sup>
	Residual	76.344	561	.136		
	Total	119.415	575			

a. Dependent Variable: ResourcesEasytoAccess

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

Table 7. 62 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values,  $P$ -values and  $F$ -values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support factors (business support).

**Table 7.62: Competency Variables Model Summary (Business Support)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.601 <sup>a</sup>	.361	.345	.369	.361	22.607	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.63 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the

dependent/outcome variable, i.e. ecosystem support factors (business support), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.63: Competency Variables Regression (Business Support)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.071	14	3.076	22.607	.000 <sup>b</sup>
	Residual	76.344	561	.136		
	Total	119.415	575			

a. Dependent Variable: BusSupportEasytoAccess

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

Table 7. 64 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support mechanisms (capacity building).

**Table 7.64: Competency Variables Model Summary (Capacity Building)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.601 <sup>a</sup>	.361	.345	.369	.361	22.607	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.65 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the

dependent/outcome variable, i.e. ecosystem support mechanisms (capacity building), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.65: Competency Variables Regression (Capacity Building)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.071	14	3.076	22.607	.000 <sup>b</sup>
	Residual	76.344	561	.136		
	Total	119.415	575			

a. Dependent Variable: BusCapacityBuildingEasytoAccess

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

Table 7.66 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support factors (policy and regulations).

**Table 7.66: Competency Variables Model Summary (Policy and Regulation)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.601 <sup>a</sup>	.361	.345	.369	.361	22.607	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.67 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the

dependent/outcome variable, i.e. ecosystem support factors (policy and regulations), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.67: Competency Variables Regression (Policy and Regulation)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.071	14	3.076	22.607	.000 <sup>b</sup>
	Residual	76.344	561	.136		
	Total	119.415	575			

a. Dependent Variable: PolicyandRegulationsSupportive

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

Table 7. 68 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs competencies) and the dependent/outcome variable from the ecosystem support mechanisms (R & D).

**Table 7.68: Competency Variables Model Summary (R & D)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.603 <sup>a</sup>	.364	.348	.367	.364	22.922	14	561	.000

a. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

From the discussion above, Table 7.69 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs competencies) and the

dependent/outcome variable, i.e. ecosystem support factors (R & D), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.69: Competency Variables Regression (R & D)**

		ANOVA <sup>a</sup>				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	43.301	14	3.093	22.922	.000 <sup>b</sup>
	Residual	75.699	561	.135		
	Total	119.000	575			

a. Dependent Variable: ResandDevSupportAccessible

b. Predictors: (Constant), BusStrategySkill, PlanningOrganisingSkill, AdaptabilitySkill, ConceptualSkill, CommRelationshipSkill, HRMSkill, CommitmentSkill, BusEthicsSkill, FinancialMgtSkill, OpportunityIdentificationSkill, CSRSkill, LeadershipSkill, MarketingMgtSkill, BusMgtSkill

### 7.19 REGRESSION ANALYSIS: CONTROL VARIABLES WITH ECOSYSTEM SUPPORT FACTORS FOR MSMEs

The section consists of seven executed regressions, comprising the control (MSMEs Characteristics) variables and the ecosystem support factors for MSMEs shown within Tables 7.70 to 7.83 below. This regression observed the statistical significance between the control variables (MSMEs characteristics) alongside the MSMEs Owners/Managers perspectives of the ecosystem support mechanisms for MSMEs. The establishment of this symbiotic relationship is vital to justify the theoretical framework. The table reports the strength of the statistical correlation in the framework between the MSMEs characteristics with the dependant/outcome variables from the ecosystem support factors. Furthermore, the tables show the ANOVA, which shows the statistical significance between the regressed variables, which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

From the regression results below (Tables 7.70 to 7.83), the study observed and analysed the  $R^2$  and its adjusted values, *P*-values and *F*-values. As indicated, the  $R^2$  indicates the overall fitness of the regression model. The adjusted  $R^2$  values ranging between 0 and 1 further explains the variances in the entrepreneurial ecosystem support factors for MSMEs

variables as a result of the control variables (MSMEs characteristics) (MSMEs Owners/Managers Gender; Age of MSMEs in business; MSMEs Owners/Managers education level; MSMEs Owners/Managers previous experience). The closer the adjusted  $R^2$  values are to 1, the higher the level of variance explained by the control variables (MSMEs characteristics). Furthermore, the closer the values are to 0, the lesser the variations revealed in the entrepreneurial ecosystem support mechanisms for MSMEs variables.

Within the regression results, the  $R^2$  values are access to finance (0.280), access to market (0.280), access to resources (0.280), business support (0.280), capacity building (0.280), policy and regulation (0.280) and R & D (0.281) indicating a reliable model. The adjusted  $R^2$  values are access to finance (0.275), access to market (0.275), access to resources (0.275), business support (0.275), capacity building (0.275), policy and regulation (0.275) and R & D (0.276). These statistics imply that the regression model can explain the MSMEs Owners/Manager's perspectives on the role of the ecosystem support factors for MSMEs. With access to finance (28 per cent), access to market (28 per cent), access to resources (28 per cent), business support (28 per cent), capacity building (28 per cent), policy and regulation (28 per cent) and R & D (28 per cent).

Further observed was the F-value, which assesses whether the control variables are statistically significant with entrepreneurial ecosystem support mechanisms for MSMEs variables, and to evaluate the overall fitness of the model, the study observed the ANOVA  $F$ -values of the regression model. The  $F$ -values are access to finance (55.649), access to market (55.649), access to resources (55.649), business support (55.649), capacity building (55.649), policy and regulation (55.649) and R & D (55.903) which are all significant at 1 per cent level ( $p=0.000$ ), determined by the  $p$ -values of the  $F$ -statistic. Similarly, a relationship is statistically significant if the  $p$ -value is less than 0.05 or 0.01. Table 7. 70 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values,  $P$ -values and  $F$ -values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support factors (access to finance).

**Table 7.70: Control Variables Model Summary (Access to Finance)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.280	.275	.388	.280	55.649	4	571	.000

a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience

From the discussion above, Table 7.71 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support factors (access to finance), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.71: Control Variables Regression (Access to Finance)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.495	4	8.374	55.649	.000 <sup>b</sup>
	Residual	85.920	571	.150		
	Total	119.415	575			

a. Dependent Variable: FinanceEasytoAccess  
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience

Table 7.72 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support factors (access to market).

**Table 7.72: Control Variables Model Summary (Access to Market)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.280	.275	.388	.280	55.649	4	571	.000

a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience

From the discussion above, Table 7.73 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support mechanisms (access to market), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.73: Control Variables Regression (Access to Market)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.495	4	8.374	55.649	.000 <sup>b</sup>
	Residual	85.920	571	.150		
	Total	119.415	575			

a. Dependent Variable: MarketEasytoAccess  
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience

Table 7.74 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support mechanisms (access to resources).



**Table 7.74: Control Variables Model Summary (Access to Resources)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.280	.275	.388	.280	55.649	4	571	.000
a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience									

From the discussion above, Table 7.75 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support factors (access to resources), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.75: Control Variables Regression (Access to Resources)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.495	4	8.374	55.649	.000 <sup>b</sup>
	Residual	85.920	571	.150		
	Total	119.415	575			
a. Dependent Variable: ResourcesEasytoAccess						
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience						

Table 7.76 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support factors (business support).

**Table 7.76: Control Variables Model Summary (Business Support)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.280	.275	.388	.280	55.649	4	571	.000
a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience									

From the discussion above, Table 7.77 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support factors (business support), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.77: Control Variables Regression (Business Support)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.495	4	8.374	55.649	.000 <sup>b</sup>
	Residual	85.920	571	.150		
	Total	119.415	575			
a. Dependent Variable: BusSupportEasytoAccess						
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience						

Table 7.78 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support factors (capacity building).

**Table 7.78: Control Variables Model Summary (Capacity Building)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.280	.275	.388	.280	55.649	4	571	.000

a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience

From the discussion above, Table 7.79 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support mechanisms (capacity building), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.79: Control Variables Regression (Capacity Building)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.495	4	8.374	55.649	.000 <sup>b</sup>
	Residual	85.920	571	.150		
	Total	119.415	575			

a. Dependent Variable: BusCapacityBuildingEasytoAccess  
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience

Table 7.80 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the statistical correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support mechanisms (policy and regulation).

**Table 7.80: Control Variables Model Summary (Policy and Regulation)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.280	.275	.388	.280	55.649	4	571	.000
a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience									

From the discussion above, Table 7.81 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support factors (policy and regulation), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.81: Control Variables Regression (Policy and Regulation)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.495	4	8.374	55.649	.000 <sup>b</sup>
	Residual	85.920	571	.150		
	Total	119.415	575			
a. Dependent Variable: PolicyandRegulationsSupportive						
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience						

Table 7. 82 below shows the multiple regression model summary, from which the research discussed the  $R^2$  and its adjusted values, *P*-values and *F*-values. The table reports the strength of the correlation in the theoretical framework between the independent/predictor variables (MSMEs characteristics) and the dependent/outcome variable from the ecosystem support factors (R & D).

**Table 7.82: Control Variables Model Summary (R & D)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.530 <sup>a</sup>	.281	.276	.387	.281	55.903	4	571	.000
a. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience									

From the discussion above, Table 7.83 below shows the regression ANOVA, which shows the statistical significance between the regressed variables in the theoretical framework between the independent/predictors variables (MSMEs characteristics) and the dependent/outcome variable, i.e. ecosystem support factors (R & D), which have a significant association with ANOVA *F*-values at 1% significance level ( $p=0.000$ ).

**Table 7.83: Control Variables Regression (R & D)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	33.488	4	8.372	55.903	.000 <sup>b</sup>
	Residual	85.512	571	.150		
	Total	119.000	575			
a. Dependent Variable: ResandDevSupportAccessible						
b. Predictors: (Constant), YearsinBusiness, Gender, Education, PreviousExperience						

## 7.20 ANALYSIS OF THE STUDY REGRESSION RESULTS

This study assumes that the MSMEs' competencies and the ecosystem support factors for MSMEs would support the systemic development of MSMEs' progress to transformational entrepreneurship. The research achieved this by investigating and analysing the statistical significance between the Nigerian MSMEs Owners/Manager's competencies and the ecosystem support mechanisms for MSMEs. In recognition that, both the MSMEs and the ecosystem are continually interacting to provide the platform and enabling environment for businesses to strive (Inyang & Enuoh, 2009, Solesvik, 2012).

Indeed, the development and sustainability of MSMEs largely depend on both the MSMEs utilisation of its internal and external resources and the ecosystem playing a

supporting and moderating role (Shane et al. 2003, Maas et al. 2016). Furthermore, the study observed the MSMEs' characteristics and the ecosystem support factors for MSMEs to determine their significant association. Evidence from the results demonstrates that there exists a positive statistical significance between MSMEs Owners/Managers competencies and the ecosystem support factors for MSMEs. As shown within Table 7.18 to 7.31, the skills show a positive statistical significance with the ecosystem support mechanisms for MSMEs.

The results show, access to finance ( $r = 0.601$ ); access to markets ( $r = 0.601$ ); access to resources ( $r = 0.601$ ); business support ( $r = 0.601$ ); capacity building ( $r = 0.601$ ); policy and regulation ( $r = 0.601$ ) and R & D ( $r = 0.603$ ). In addition, the regression tables, show a positive statistical significance with ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ). Business ethics ( $p = 0.001$ ); business management ( $p = 0.001$ ); commitment ( $p = 0.001$ ); communication/relationship management ( $p = 0.001$ ); marketing management ( $p = 0.001$ ); opportunity identification ( $p = 0.001$ ); planning and organising ( $p = 0.001$ ); adaptability ( $p = 0.001$ ); conceptual ( $p = 0.001$ ); financial management ( $p = 0.001$ ); HRM ( $p = 0.001$ ); leadership ( $p = 0.001$ ); business strategy skill ( $p = 0.001$ ) and CSR skill ( $p = 0.001$ ). Thus, the study accepts the hypotheses: H1 to H14.

The expectation is that the Nigerian MSMEs Owners/Manager's competencies, alongside the ecosystem support factors for MSMEs, would support the systemic development of the MSMEs towards transformational entrepreneurship. However, to achieve transformational entrepreneurship, the MSMEs Owners/Managers should possess the requisite competencies, alongside an adequate ecosystem support for MSMEs, which is capable of creating sustainable employment, reducing poverty and providing long-term societal and economic development (Osotimehin et al. 2012, James-Unam et al. 2015, Maas et al. 2016).

The evidence (Tables 7.32 to 7.45) further shows the control variables (MSMEs characteristics) and the ecosystem support factors for MSMEs are statistically significant with ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ). Thus, MSMEs Owners/Managers gender ( $p = 0.001$ ); MSMEs years in business ( $p = 0.001$ ); MSMEs Owners/Managers education level ( $p = 0.001$ ) and MSMEs Owners/Managers previous experience ( $p = 0.001$ ). From the analysis, the MSMEs' competencies from one-perspective and MSMEs characteristics from other viewpoints have a valid statistical significance with the ecosystem support mechanisms for MSMEs.

Referring to Isenberg (2011), MSMEs not only contribute to the entrepreneurial ecosystem; they play a symbiotic role in shaping the ecosystem. As the evidence from the literature suggest that, the MSMEs have a significant association with the support factors of the ecosystem (Man et al. 2002, Gartner et al. 2004, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012). As indicated and discussed within chapters 1 to 6 and as the statistical evidence within this chapter has demonstrated. The MSMEs and the ecosystem support factors for MSMEs should be symbiotic to support the systemic advancement of MSMEs towards transformational entrepreneurship (Isenberg, 2011, Maas et al. 2016).

### **7.20.1 THE ASSOCIATION OF MSMEs OWNERS/MANAGERS COMPETENCIES AND THE ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

Within the theoretical framework, comprise the fourteen skills employed to investigate the MSMEs Owners/Manager's competencies in managing their business. These skills constitute what a body of study states is required for business success and sustainability (Man et al. 2002, Gartner et al. 2004, Inyang & Enuoh, 2009, Solesvik, 2012, Suresh & Ramraj, 2012). In addition to the seven entrepreneurial ecosystem support factors for MSMEs in Nigeria, which Fate (2016) recognised are the tools required in underpinning the development of MSMEs. This study considers Nigerian MSMEs Owners/Managers with a specific focus on their competencies and the ecosystem support mechanisms for their business. These are essential ingredients, and factors in developing MSMEs towards transformational entrepreneurship, providing the ecosystem support mechanisms for MSMEs are adequate to facilitate the systemic development of the MSMEs.

As discussed above, the results show that there exists a positive statistical significance between Nigerian MSMEs Owners/Managers competencies and the ecosystem support factors for MSMEs. Moreover, within the regression results in the tables above, the 14 MSMEs Owners/Managers competencies have a positive statistical significance with the ecosystem support factors for MSMEs. They are statistically significant with ANOVA *F*-values at 1% significance level ( $p=0.000$ ). Thus, indicating the symbiotic relationship between the MSMEs Owners/Managers competencies and the ecosystem support mechanisms for MSMEs. As previously stated, this research focused on Nigerian MSMEs with a specific focus on their competencies and the entrepreneurial ecosystem support mechanisms for their business. The study achieved this by investigating Nigerian MSMEs'

skills, alongside their perspectives on ecosystem support factors for MSMEs in facilitating the systemic development of MSMEs towards transformational entrepreneurship.

### **KEY ENTREPRENEURIAL COMPETENCIES**

Within the key entrepreneurial competency domain, positive statistical significance emerged from the regression results presented above. The level of significance with MSMEs Owners/Managers adaptability skill is statistically significant ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ), with the entrepreneurial ecosystem support factors for MSMEs, indicating adaptability is statistically significant with the ecosystem support mechanisms. Referring to Minet & Morris (2000) and Longenecker et al. (2006), adaptability is a critical component of entrepreneurial competencies and significant for business success. MSMEs Owners/Managers should be proactive and adaptable to the political and ecosystem economic environment in which they operate (Longenecker et al. 2006, James-Unam et al. 2015). MSMEs Owners/Managers that have this skill should demonstrate sufficient expertise required in areas of accessing finance, accessing the market, accessing resources, accessing business support tools. In addition, accessing capacity-building tools, understanding business policy & regulation and accessing research & development tools within the ecosystem economic environment, which are requisite for facilitating MSMEs development (Inyang & Enuoh, 2009, Solesvik, 2012, James-Unam et al. 2015).

MSMEs Owners/Manager's conceptual skill is statistically significant ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ), with the entrepreneurial ecosystem support factors for MSMEs. An indication that conceptual skill is statistically significant with the entrepreneurial ecosystem support factors. With the right conceptual ability and providing the ecosystem, is adequate in facilitating the systemic development of MSMEs towards transformational entrepreneurship. For MSMEs to progress to transformational entrepreneurship, a universal perspective with a new creative and analytical thinking is necessary, which requires MSMEs Owners/Managers with the conceptual skill to take centre stage (Miller & Collier, 2010). The universal perspective, which should comprise a holistic system with the MSMEs Owners/Managers and the ecosystem economic environment (Maas et al. (2016).

MSMEs Owners/Manager' conceptual skills are crucial to business success (Inyang & Enuoh, 2009, Smith & Chimucheka, 2014), which is capable of providing the knowledge



and technical understanding in accessing finance, accessing the market, accessing resources, accessing business support tools and accessing capacity-building tools. In addition to understanding business policy & regulation and accessing research & development tools within the ecosystem economic environment which are requisite to facilitating MSMEs development (Inyang & Enuoh, 2009, James-Unam et al. 2015).

The literature identified financial management as a critical skill required by Nigerian MSMEs (Inyang & Enuoh, 2009, Nwachukwu, 2012, Adisa et al. 2014). Access to finance is a key determinant factor of the entrepreneurial ecosystem (Fate, 2016). Financial management skills are, therefore, a necessary factor in entrepreneurial success (Nwachukwu, 2012, Agwu & Emeti, 2014). MSMEs Owners/Manager's financial management skill is statistically significant ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ), with the entrepreneurial ecosystem support factors for MSMEs. An indication that financial management skill has a significant association with the entrepreneurial ecosystem support factors.

Inyang & Enuoh (2009) note that human resource management skills as the most dynamic of all the firms' resources that need considerable attention from the MSMEs owners/managers if they are to be successful. Management needs to put in place both human resources (labour) and capital resources (machinery, materials, methods, and money) to achieve the overall aim and objectives of the business (Inyang & Enuoh, 2009). Acquiring the right human resource management skills are vital because the other competencies cannot be sufficient, without this skill (Inyang & Enuoh, 2009, Didonet et al. 2012). MSMEs Owners/Managers, human resource management skill is statistically significant ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ), with the entrepreneurial ecosystem support factors for MSMEs, which indicate that human resource management skill has a significant association with the entrepreneurial ecosystem support mechanisms. Leadership form part of Inyang & Enuoh's (2009) nine competency framework, viewed as the tools required to build and transform MSMEs to sustainability because of leadership as a process of influencing a group's activities and driving their efforts to achieve the defined objectives (Puccio et al. 2010).

Referring to Schoar (2010) and Marmer (2012), MSMEs require transformational leaders who are innovative to drive and create scalable and sustainable firms beyond subsistence levels for attaining transformational entrepreneurship. Schoar (2010) and Marmer (2012) suggested that providing ecosystem is supportive and lending the tools and support that are critical (Inyang & Enuoh, 2009, Marmer, 2012). With a positive significance

association from the regression results between MSMEs Owners/Managers leadership skill and the entrepreneurial ecosystem support factors ANOVA *F*-values at 1% significance level ( $p=0.000$ ). Thus, there is valid evidence that the Nigerian MSMEs Owners/Managers leadership skill has a significant association with the entrepreneurial ecosystem support factors.

### **VITAL ENTREPRENEURIAL COMPETENCIES**

Within the vital entrepreneurial competency domain, positive significance associations emerged from the regression results presented above. The study recognised business strategy skills and CSR skills to be critical for business development, given that Man et al. (2002) and Inyang & Enuoh (2009) identified business strategy, as a vital skill for MSMEs Owners/Managers, while, Inyang & Enuoh (2009) named CSR as a fundamental skill set required by Nigerian MSMEs Owners/Managers to build and manage their ventures sustainably. A body of work focusing on MSMEs development, economic growth, transformational entrepreneurship, and the entrepreneurial ecosystem have referenced the significance of having a sound business strategy skill and strategic plan to be successful (Man et al. 2002, Inyang & Enuoh, 2009, Rauch et al. 2009, Schoar, 2010, Marmer, 2012, Onakoya et al. 2013). CSR has a significant implication and impact/influence within the overall entrepreneurial ecosystem (Isenberg, 2011) because CSR ensures that business activities conducted in an ethical way, which takes into account their socio-cultural and socio-economic impact/influence of the entrepreneurial ecosystem (Inyang & Enuoh, 2009, Isenberg, 2011).

Within transformational entrepreneurship, is the building of ethical ventures (Schoar, 2010, Marmer, 2012), and the holistic blending of the ingredients within the ecosystem (Maas et al. 2016). Given this, CSR is significant as a requisite skill critical for MSMEs Owners/Managers in developing MSMEs in achieving transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010, Marmer, 2012). The regression results show a positive statistical significance between Nigerian MSMEs Owners/Manager's business strategy and CSR skill with the entrepreneurial ecosystem support factors for MSMEs ANOVA *F*-values at 1% significance level ( $p=0.000$ ). The result revealed that the Nigerian MSMEs Owners/Manager's business strategy and CSR skills were significantly associated with the entrepreneurial ecosystem support factors.

## **CORE ENTREPRENEURIAL COMPETENCIES**

Lastly, within the core entrepreneurial competencies, significant positive associations emerged from the regression results presented above. This research identified business ethics, business management skills, and commitment, communication/relationship management skills, marketing management skills, opportunity identification skills and planning/organising skill as requisite and vital competency skills required by MSMEs Owners/Managers to drive business development and productivity. Inyang & Enuoh (2009) identified business ethics as essential to successful entrepreneurship and MSMEs development. Business ethics is critical, guide, and facilitate the ventures to develop and maintain a healthier interaction with investors and the entrepreneurial ecosystem (Velasquez & Velazquez, 2002, Marmer, 2012). Thus, Schoar (2010) states that attaining transformational entrepreneurship is in the building of ethical businesses. Similarly, the literature identified business management skills as a requisite to managing a venture successfully, and it is a vital skill required for business Owners/Managers (Man et al. 2002, Sony & Iman, 2005, Inyang & Enuoh, 2009, Smith & Chimucheka, 2014). As with business ethics and business management skills, commitment is a fundamental, necessary and relevant skill to achieve business performance (Man et al. 2002). Thus, MSMEs Owners/Managers require an exemplary commitment to their business to enhance the development of the company (Man et al. 2002, Inyang & Enuoh, 2009).

Effective communication and relationship management skills are vital to MSMEs development, such that Inyang & Enuoh (2009) and Man et al. (2002) indicate the importance of communication and relationship building as among the vital competencies required to be successful in business. Indeed, MSMEs Owners/Managers must learn to communicate and build a stable relationship with both employees and external investors (Man et al. 2002, Inyang & Enuoh, 2009). McEwen (1991), Inyang & Enuoh (2009) and Adisa et al. (2014) state that marketing management skill is among the critical competencies' qualities for MSMEs Owners/Managers. Chukwuemeka (2006) talked about marketing management skills, vital skills for MSMEs in Nigeria. Wilson & Gilligan (2012) acknowledged the concept of marketing goes further beyond the business customers to include stakeholders within the entrepreneurial ecosystem.

With opportunity identification skills, Baum et al. (2001) indicated that this set of skills is significant to business success because opportunity identification skill helps MSMEs Owners/Managers to explore market opportunities in the overall ecosystem and be

competitive. Therefore, this skill set can facilitate MSMEs to expand beyond their scope into large global entities, which is vital to MSMEs development and transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010). Without systematic planning and organising, businesses can fail (Inyang & Enuoh, 2009) because planning and organising skill are fundamental and integral for MSMEs Owners/Managers. Thus, planning and organising is a constituent skill set, which can positively/negatively influence the overall business success (Inyang & Enuoh, 2009, Zimmerer & Scarborough, 2008, Anyadike et al. 2012). The vital competencies such as business ethics, business management, and commitment qualities, communication/relationship management. In addition, marketing management, opportunity identification and planning/organising were statistically significant ANOVA *F*-values at 1% significance level ( $p=0.000$ ), with a positive statistical significance with the entrepreneurial ecosystem support factors for MSMEs, an indication the skill sets were significantly associated with the entrepreneurial ecosystem support mechanisms.

#### **7.20.2 THE ASSOCIATION OF MSMEs CHARACTERISTICS AND THE ECOSYSTEM SUPPORT FACTORS FOR MSMEs**

This study acknowledged the significance of MSMEs Owners/Manager's entrepreneurial skills as a requisite for developing MSMEs and achieving transformational entrepreneurship within Nigeria. However, MSMEs' characteristics such as the MSMEs Owners/Manager's gender, MSMEs years in business, MSMEs Owners/Managers education level and MSMEs Owners/Manager's previous experience, symbiotically and the ecosystem support factors for MSMEs can further play a moderating role. The reason this study regressed the MSMEs characteristics and the ecosystem support mechanisms for MSMEs in Nigeria to observe the statistical significance and validate the theoretical framework for this study.

The results of this study, controlling for MSMEs characteristics (MSMEs Owners/Managers gender, MSMEs years in business, MSMEs Owners/Managers education level and MSMEs Owners/Managers previous experience) show that there exists a positive statistical significance with the ecosystem support factors as demonstrated within the regression results from the tables above. The control (MSMEs characteristics) is positively associated with the ecosystem support factors for MSMEs and statistically significant with ANOVA *F*-values at 1% significance level ( $p=0.000$ ). Thus, it indicates a strong statistical significance with the ecosystem support factors for MSMEs. Although the study measured

the Nigerian MSMEs Owners/Manager's gender, the question of how gender relates to the entrepreneurial ecosystem support mechanisms for MSMEs is debatable. Schneider (2017) states that there is still considerable uncertainty concerning female entrepreneurs in their skills because gender-based entrepreneurship study in developing economies such as Nigeria are limited (Mersha & Sriram, 2018).

Mersha & Sriram (2018) indicate that in terms of entrepreneurship, male entrepreneurs were generally more confident in their ability to succeed, while, female entrepreneurs displayed greater fear of failure and external control, implying that to the entrepreneurial ecosystem support factors, for example, access to finance, access to market, access to resources, business support, capacity building, policy & regulation, and research & development. The male entrepreneurs are generally more preferred in business/economic environments such as Nigeria, where there is a high level of disregard for the female entrepreneurs because of socio-cultural stigmatisation (Adejimola & Olufunmilayo, 2009, Adeosun-Familoni, 2015). Thus, the gender of the Nigerian MSMEs Owners/Managers can be a factor in receiving the proper support for the business. For example, female MSMEs Owners/Managers may not get to access loans and other business support factors over their male colleagues.

Studies acknowledged MSMEs years in business would impact/influence its development and performance because the number of years the company has been trading can affect both the current and strategic needs of the business (Mitchelmore & Rowley, 2008, Oyeku et al. 2014). For example, start-up and existing MSMEs face different kinds of challenges (Danduara, 2014). Therefore, on the relationship of the MSMEs years in business with the entrepreneurial ecosystem support mechanisms for MSMEs. It is vital to comprehend and factor in, the number of years the MSMEs have been in business (Fate, 2016), implying that the number of years in business by the Nigerian MSMEs can have some advantages in accessing entrepreneurial ecosystem support tools. For example, when obtaining loans because older MSMEs would be favoured over start-ups by financial institutions, due to experience in trading and sufficient collaterals to underpin such loans.

The regression results further reveal that there is a positive statistical significance between the education levels of MSMEs Owners/Managers and the entrepreneurial ecosystem MSMEs support factors. Adisa et al. (2014) and Agwu & Emeti (2014) states that the educational background of MSMEs Owners/Managers can impact/influence on performance and development of the business, and can affect how the owner/manager understands the entrepreneurial ecosystem MSMEs support tools at their disposal to develop

the business. For example, well-educated MSMEs Owners/Managers would understand how government policies and regulations affect the company and how to adapt to new market opportunities, which implies that the MSMEs Owners/Managers education levels can have valid advantages in adapting and accessing new markets, capacity development opportunities offered by both government and non-governmental agencies.

Moreover, MSMEs Owners/Managers with a requisite educational background combined with specific skills and knowledge, such as management and opportunity identification, for example, would have a better understanding of how to access finance, market, and resources within the entrepreneurial ecosystem (Adisa et al. 2014, Agwu & Emeti, 2014). Bird (1995) emphasised the importance of MSMEs Owners/Manager's previous experience as critical ingredients that can stimulate entrepreneurship development and can be beneficial on how the MSMEs Owners/Managers deal with and manages the entrepreneurial ecosystem support tools relevant to the business development. For example, such an experience can be beneficial in accessing loans and new markets. Chandler & Jansen (1992), Oyeku et al. (2014) and Smith & Chimucheka (2014) indicated that previous experiences from employment have the potentials to develop an individual ability and skill, especially in business management, which includes, for example, the knowledge and expertise to access finance, market, resources, business capacity, and other MSMEs support mechanisms within the entrepreneurial ecosystem. Furthermore, the understanding of policies and regulation, research and development tools within the entrepreneurial ecosystem.

Gompers et al. (2008) indicate that innovative entrepreneurs, who had relevant experiences from previously working in a company, pioneered many ventures in the United States. As the regression results revealed, there is a positive statistical significance between MSMEs Owners/Manager's previous work experiences and the entrepreneurial ecosystem support factors. Thus, the MSMEs Owners/Manager's past experiences do impact/influence how the MSMEs are presently managing to engage with the entrepreneurial ecosystem support tools to assist the business. Having discussed the regression results, Table 7.84 below presents the result of the hypotheses testing.

**Table 7.84: Summary of Results of Hypotheses Testing**

	<b>Hypotheses</b>	<b>Dependent Variables</b>	<b>Test Method</b>	<b>Sig</b>	<b>Result</b>
H1	There is a significant association between MSMEs business ethics and the ecosystem support factors for MSMEs	Entrepreneurial Ecosystem Determinants:  Finance; Market; Resources; Business Support; Capacity Building; Policy & Regulations; Research & Development.	Multiple Regression	0.000 (1%)	H1: Supported
H2	There is a significant association between MSMEs business management skills and the ecosystem support factors for MSMEs			0.000 (1%)	H2: Supported
H3	There is a significant association between MSMEs commitment and the ecosystem support factors for MSMEs			0.000 (1%)	H3: Supported
H4	There is a significant association between MSMEs communication/relationship management skills and the ecosystem support factors for MSMEs			0.000 (1%)	H4: Supported
H5	There is a significant association between MSMEs marketing management skills and the ecosystem support factors for MSMEs			0.000 (1%)	H5: Supported
H6	There is a significant association between MSMEs opportunity identification skills and the ecosystem support factors for MSMEs			0.000 (1%)	H6: Supported
H7	There is a significant association between MSMEs planning and organising skills and the ecosystem support factors for MSMEs			0.000 (1%)	H7: Supported
H8	There is a significant association between MSMEs adaptability skills and the ecosystem support factors for MSMEs			0.000 (1%)	H8: Supported

H9	There is a significant association between MSMEs conceptual skills and the ecosystem support factors for MSMEs			0.000 (1%)	H9: Supported
H10	There is a significant association between MSMEs financial management skills and the ecosystem support factors for MSMEs			0.000 (1%)	H10: Supported
H11	There is a significant association between MSMEs HRM skills and the ecosystem support factors for MSMEs			0.000 (1%)	H11: Supported
H12	There is a significant association between MSMEs leadership skills and the ecosystem support factors for MSMEs			0.000 (1%)	H12: Supported
H13	There is a significant association between MSMEs business strategy skills and the ecosystem support factors for MSMEs			0.000 (1%)	H13: Supported
H14	There is a significant association between MSMEs CSR skills and the ecosystem support factors for MSMEs			0.000 (1%)	H14: Supported

## 7.21 CHAPTER SUMMARY

This chapter provides a discussion of the quantitative research, data analysis, which focused on the symbiotic significance between Nigerian MSMEs Owners/Manager's entrepreneurial skills and the ecosystem support factors for MSMEs in facilitating the systemic advancement of MSMEs towards transformational entrepreneurship. The discussion began with the analysis of the demographic descriptors of the MSMEs and the analysis of the MSMEs Owners/Manager's responses, providing an in-depth understanding of the data. The analysis has been very insightful, especially in understanding the statistical significance between Nigerian MSMEs' entrepreneurial competencies with the entrepreneurial ecosystem support mechanisms for MSMEs, in facilitating the systemic development of MSMEs towards transformational entrepreneurship.



The data provided sufficient evidence to underpin this study, which suggests that Nigerian MSMEs Owners/Managers lack the requisite entrepreneurial competencies and that the ecosystem MSMEs support factors are not providing the support to drive the systemic changes, required for MSMEs development progress to transformational entrepreneurship. The chapter further discussed the statistical significance of the control variables (MSMEs characteristics) such as MSMEs Owners/Manager's gender, MSMEs years in business, MSMEs Owners/Managers education level and MSMEs Owners/Managers previous experience with the entrepreneurial ecosystem support factors for MSMEs. Thus, the chapter provided sufficient evidence to support the fact that both the MSMEs' entrepreneurial competencies and MSMEs characteristics have a significant association with the entrepreneurial ecosystem support factors for MSMEs.

From the theoretical framework and evidence in the literature, positive significance emerged from the regression results, which revealed a statistically significant association ANOVA *F*-values at 1% significance level ( $p=0.000$ ), between the MSMEs competencies and the ecosystem support from one perspective, and the MSMEs characteristics and the ecosystem support factors for MSMEs on the other viewpoint. The evidence was significant in understanding the MSMEs Owners/Manager's entrepreneurial competence and the entrepreneurial ecosystem support role in facilitating the systemic development of MSMEs towards transformational entrepreneurship in Nigeria. Finally, the analysis of the quantitative results within this chapter supports the proposed theoretical framework for this study because the fourteen developed hypotheses were statistically significant at 1 %. Thus, supported and accepted.

## CHAPTER 8

### THE RESEARCH FINDINGS

#### 8.1 INTRODUCTION

Within this chapter, the findings from the primary evidence and the literature that underpinned the research contribution to knowledge are the focus of discussion. Moreover, this chapter harmonised the study architectural framework and provided the overall study towards recommending guidelines for policies supporting Nigerian MSMEs development. Within this research, the focus was on the Nigerian MSMEs Owners/Manager's entrepreneurial competencies alongside the role of the entrepreneurial ecosystem support mechanisms for MSMEs, critical in facilitating the systemic advancement of MSMEs towards transformational entrepreneurship. The evidence from the statistics established the Nigerian MSMEs Owners/Managers competencies alongside their perspectives on the role of the ecosystem support factors for MSMEs. Furthermore, the evidence further provided statistical significance between the MSMEs' characteristics alongside the MSMEs Owners/Manager's perspectives on the role of the entrepreneurial ecosystem support factors for MSMEs.

Firstly, the empirical evidence found that Nigerian MSMEs Owners/Managers are less competent in the fourteen skills measured (section 7.12), which when contrasted against the secondary literature, it emerged that the owners/managers have a shortage of these skills (Chukwuemeka, 2006, Inyang & Enuoh, 2009, Oyeku et al. 2014). Secondly, the evidence found that seven ecosystem support factors for MSMEs measured are inadequate (section 7.13) in support of previous studies such as Fate (2016), which can be critical in underpinning MSMEs development in Nigeria. Thirdly, the evidence found there is a positive statistical significance between Nigerian MSMEs' Owners/Managers entrepreneurial competencies and the ecosystem support factor for MSMEs at the 1 % significance ( $p=0.000$ ) (section 7.18). In support of that, MSMEs' skills in a symbiotic relationship alongside the ecosystem support for MSMEs can provide and underpin the systemic advancement of MSMEs towards attaining transformational entrepreneurship.

This symbiotic relationship is only possible if the MSMEs Owners/Managers are competent in the skills required for business, and the ecosystem support for MSMEs is adequate. However, the evidence shows MSMEs Owners/Managers are less competent, and the ecosystem support for MSMEs is inadequate. Thus, the shortage of transformational

entrepreneurship in Nigeria. This research recognises that Nigerian MSMEs underdevelopment and the shortage of transformational entrepreneurship is mostly due to insufficient competence among owners/managers and, the inadequate ecosystem support for MSMEs. The level of competencies is further influenced negatively because of inadequate training/development structures for Nigerian MSMEs.

The evidence from the statistics is consistent with a plethora of studies, such as Chukwuemeka (2006), Inyang & Enuoh (2009), Oyeku et al. (2014) and Igwe et al. (2018) that recognised the shortage of critical competencies among Nigerian MSMEs Owners/Managers, and Fate (2016) that recognised the ecosystem support for MSMEs is inadequate. Previously, Inyang & Enuoh (2009), Solesvik (2012) and Hashim et al. (2018) recognised entrepreneurial skills as the crucial missing ingredients for entrepreneurship and MSMEs development. Dean & McMullen (2007), Fate (2016) and Cao & Shi (2020) recognised the inadequate ecosystem, as responsible for market failure and MSMEs underdevelopment in developing nations.

Schoar (2010), Maas et al. (2016) and Maas et al. (2019) emphasised that the shortage of transformational entrepreneurship within the developing countries such as Nigeria is due to various factors, such as the inadequate ecosystem support for MSMEs. Other factors include the inability of MSMEs to access finance, unfavourable markets conditions, and restricted access to critical support resources, poor business support for MSMEs, and the failure of MSMEs to access business capacity development tools, poor/weak policies and regulations, unfavourable R & D support for MSMEs, and the shortage of critical infrastructures, such as roads and electricity. Furthermore, Ardagna & Lusardi's (2008), Lerner & Schoar's (2010) and Cantner et al. (2020) emphasised ineffective market policy and regulations, such as levies and taxation is hurting MSMEs development. In support, Stam & Spigel (2016) and Cao & Shi (2020) recognised the significance of addressing the gaps in the entrepreneurial ecosystem, which is critical in supporting MSMEs development.

Consequently, Maas et al. (2016) and Maas et al. (2019) discussed the potential for socio-economic development would continue to stay limited and only benefit a few individuals, businesses, and nations without the holistic attention/support of the MSMEs, the ecosystem and natural resources to support transformational entrepreneurship. Mitchelmore & Rowley (2010) emphasised the need for further research into entrepreneurial competencies such as business management, communication/relationship management and marketing. In addition, opportunity identification, planning and organising, financial

management, leadership and business strategy because they are the driving tools for entrepreneurship and MSMEs development. In support, the GEM (2012) report on Nigeria, encouraged entrepreneurial skill education/training for start-ups and businesses to develop entrepreneurship and MSMEs.

Furthermore, Inyang & Enuoh (2009), Schoar (2010), Solesvik (2012), Drexler et al. (2014), Stam & Spigel (2016) and Maas et al. (2019) have identified explicit strategic ingredients that can bring about MSMEs development and advancement to transformational entrepreneurship. These include access to financial resources, efficient market regulations, strategic planning and implementation of sound market policies. In addition, a systemic and universal method is needed that accommodates both individualistic and societal approaches in underpinning entrepreneurship. Furthermore, increased entrepreneurship activities can boost business start-ups and growth, support existing knowledge and advance understanding of entrepreneurship and MSMEs development.

Moreover, developing the ecosystem support for MSMEs can be achieved through adequate policies such as favourable taxation, accessing financial resources to assist the systemic drive for MSMEs and aspirations of the motivated entrepreneurs. In addition, there is a need to cultivate further/improve the ecosystem to support MSMEs improve a coherent structure that would help entrepreneurs, start-ups and MSMEs (Sako, 2018, Cantner et al. 2020) by developing a sustainable entrepreneurial competencies acquisition program (Mitchelmore & Rowley, 2010), through a dedicated and coherent skills education/training framework. This research evidence helps validate and substantiates reasons for Nigerian MSMEs under-development and shortage of transformational entrepreneurship. Moreover, Nigerian MSMEs failed to achieve their business objectives, sustainability, and satisfactory growth (see chapters 2 and 3) due to a shortage of critical skills alongside the inadequate ecosystem to support the development of the MSMEs.

## **8.2 ANALYSIS AND INTERPRETATION OF THE RESEARCH FINDINGS**

The focus of this chapter is to contrast the primary evidence (see Chapter 7) against secondary literature (see chapters 2 and 3), and in each case, observed the degree the results of this study confirmed or refuted the literature. In addition, discussions will focus on whether this study successfully addressed the research questions for this research. In Chapter 7, Tables 7.57 to 7.69 show the results of the regression test that assesses whether there is statistical significance between Nigerian MSMEs competencies and the ecosystem support

factors for MSMEs. The regression shows a very strong statistical significance level (at the 1 % level) between Nigerian MSMEs Owners/Managers competencies and their perspectives of the ecosystem support factors for MSMEs. The statistics imply that Nigerian MSMEs with sufficient skills alongside an adequate ecosystem support factor for MSMEs in a symbiotic association can support MSMEs systemic development, which is critical in achieving/supporting transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019).

### **8.2.1 KEY ISSUES IN THE LITERATURE**

There is a shortage of literature on Nigerian MSMEs Owners/Manager's competencies alongside the ecosystem support mechanisms for MSMEs (Inyang & Enuoh, 2009, Schoar, 2010, Solesvik, 2012, Fate, 2016). Competencies and the ecosystem are recognised as critical in facilitating the systemic development of MSMEs advancement towards transformational entrepreneurship in this study (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019). In the literature, there is a shortage of study of transformational entrepreneurship in Nigeria because it is a relatively new phenomenon and novel field of study. However, other research projects addressed various areas within the Nigerian economy such as the study of entrepreneurial competencies in Nigeria (e.g. Inyang & Enuoh, 2009), developing economy context (e.g. Solesvik, 2012) and the entrepreneurial ecosystem support mechanisms for MSMEs in Nigeria (e.g. Fate, 2016).

Consequently, before this research, there is no evidence to support the examination and analysis of Nigerian MSMEs Owners/Managers entrepreneurial competencies alongside the ecosystem support factors for MSMEs in a collaborative study. The evidence in the literature reveals the potentials for MSMEs development towards sustainability (Osotimehin et al. 2012, James-Unam et al. 2015) is inadequate (Olotu, 2014, Otisi, 2015, Maas et al. 2019). The under-performing of MSMEs is alarming because of benefits of MSMEs in national economic development and growth (Katz, 2007, Nieman & Neuwenhuizen, 2009, Smith & Chimucheka, 2014) and transformational entrepreneurship in supporting long-term economic and societal development (Maas et al. 2016, Ratten & Jones, 2018) is well documented.

The research recognised several inhibitors/barriers for Nigerian MSMEs' development responsible for the shortage of transformational entrepreneurship. The inhibitors/barriers include insufficient skills among Nigerian MSMEs Owners/Managers

(e.g. Inyang & Enuoh, 2009), inadequate ecosystem support for MSMEs (e.g. Fate, 2016). Furthermore, the shortage of infrastructures, limited financial resources, and fragile market regulations (Inyang & Enuoh, 2009, Schoar, 2010, Solesvik, 2012, Olotu, 2014, Otisi, 2015, Fate, 2016), which have negatively affected MSMEs from achieving performance and sustainability (Osotimehin et al. 2012, James-Unam et al. 2015, Hashim et al. 2018).

Moreover, the literature recognised MSMEs Owners/Managers typically lacked requisite competencies, critical for facilitating the systemic advancement of MSMEs (e.g. Chukwuemeka, 2006, Inyang & Enuoh, 2009) towards achieving transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019). However, the study recognised that there is a need for further research into MSMEs entrepreneurial skills development through education/training (Katz, 2007, Mitchelmore & Rowley, 2010, Gumusay & Bohne 2018).

The discussion of MSMEs development and sustainability has widened, following the surging rate of MSMEs failure (Duru, 2011, Danduara, 2014, Olotu, 2014, Tobora, 2015) alongside the inadequate ecosystem support factors in Nigeria (Fate, 2016). This failure rate is unacceptable because it is well-recognised that MSMEs has the potential as a significant transformational mechanism of the economy, such as creating jobs for the citizens. In addition, to addressing the poverty situation and providing long-term societal and economic benefits to the national economy (Schoar, 2010, Marmer, 2012, Osotimehin et al. 2012, James-Unam et al. 2015, Maas et al. 2019, Souse, 2019).

Indeed, benefits of transformational entrepreneurship include the creation of more significant ventures that is systemic, ethical, scalable and sustainable and the real drivers of long-term societal and economic growth and development (Miller & Collier, 2010, Schoar, 2010, Marmer, 2012, Maas et al. 2019, Souse, 2019). Furthermore, a body of work, such as Lerner & Schoar (2010), Klapper et al. (2010), Miller & Collier (2010), Schoar (2010), Marmer (2012), and Maas et al. (2019) recognised, the existing challenges to transformational entrepreneurship and the inadequate ecosystem as a critical concern requiring attention. In support, Schoar (2010), Marmer (2012) and Maas et al. (2019) acknowledged the gap in research investigating MSMEs progression towards transformational entrepreneurship.

In terms of the latter, Maas et al. (2016) and Maas et al. (2019) emphasised that a rethink in promoting entrepreneurship is necessary and that the focus of this drive should be systemic in facilitating transformational entrepreneurship. In the context of this study, the key to successful transformational entrepreneurship, as with traditional entrepreneurship lay

with the MSMEs (Inyang & Enuoh, 2009) and the adequacy of the ecosystem in underpinning their development (Fate, 2016). Dedekuma & Akpor-Robaro (2015) recognised that MSMEs are focused on profit opportunities rather than enterprise growth and sustainability due to the need for achievement (McClelland, 1965) inherent in Nigerian MSMEs. This focus on profit has further undermined their pursuit of long-term strategic development of the business (Dedekuma & Akpor-Robaro, 2015, Hashim et al. 2018).

The shortage of skills was a characteristic of the Nigerian MSMEs (Chukwuemeka, 2006, Inyang & Enuoh, 2009) because evidence suggested they functioned on a day-to-day operational basis without proper mid or long-term planning structures (Solesvik, 2012, Olotu, 2014, Hashim et al. 2018). This oversight has increased the MSMEs underdevelopment (Adisa et al. 2014, Agwu & Emeti, 2014, Smith & Chimucheka, 2014, Amalu & Ajake, 2019). Therefore, there is a need for MSMEs to adopt competency education/training (Mitchelmore & Rowley, 2010), which can stimulate performance and productivity (Hashim et al. 2018), crucial in facilitating development (Smith & Chimucheka, 2014, Tobora, 2015), which is critical for achieving transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019).

To this end (see detailed discussion in chapters 2 and 3), this research developed an entrepreneurial competency and ecosystem framework mapping, respectively, to show the developmental process for Nigerian MSMEs towards transformational entrepreneurship (Man et al. 2002, Inyang & Enuoh, 2009, Schoar, 2010, Tobora, 2015, Fate, 2016, Ajekwe, 2017). The study framework proposed a practical path/roadmap in facilitating the systemic development of MSMEs towards achieving transformational entrepreneurship. The empirical evidence and the literature presented significant and sufficient evidence to substantiate the validity and applicability of the framework (Inyang & Enuoh, 2009, Schoar, 2010, Marmer, 2012, Fate, 2016, Ratten & Jones, 2018, Maas et al. 2019).

### **8.2.2 KEY FINDINGS FROM THE STUDY**

As discussed in chapters 1 and 2, there is inadequate attention to transformational entrepreneurship within Nigeria. Furthermore, there was insufficient understanding regarding the role of the entrepreneurial ecosystem in the context of transformational entrepreneurship in Nigeria. In addition, the critical ecosystem determinants impact/influence and support MSMEs in attaining transformational entrepreneurship are limited. However, Osotimehin et al. (2012), Mason & Brown (2014), Fate (2016) and Sako

(2018) offered some insight into the role of the entrepreneurial ecosystem support mechanism for MSMEs. However, such studies were not in-depth but sufficient in underpinning this research proposition.

The primary research and the reviewed extant literature recognised that the entrepreneurial ecosystem is inadequate and not supporting the systemic development of MSMEs and that the owners/managers are less competent, which are critical for achieving transformational entrepreneurship (Fate, 2016, Maas et al. 2019, Souse, 2019). The primary aim of this study is to assess if MSMEs Owners/Managers have sufficient skills and their perspective of how adequate the entrepreneurial ecosystem in underpinning the systemic development of MSMEs towards achieving transformational entrepreneurship. As indicated, the entrepreneurial ecosystem support factors for MSMEs in Nigeria comprised; Access to finance; Access to markets; Access to resources; Business support; Capacity building; Policy and regulations and Research and development (Osotimehin et al. 2012, Mason & Brown, 2014, James-Unam et al. 2015, Fate, 2016).

Maas et al. (2016) and Maas et al. (2019) recognised that a new investigative approach is required to support the systemic development of MSMEs towards supporting transformational entrepreneurship. Maas et al. (2019) state that this should be universal to accommodate both the MSMEs and the entrepreneurial ecosystem within the developing economies such as Nigeria because the potential for socio-economic development will stay limited without transformational entrepreneurship. More so, the entrepreneurial activity, which centres mainly on the MSMEs and the entrepreneurial ecosystem economic environment, will perhaps not have the desired positive impact on MSMEs' growth and development (Schoar, 2010, Maas et al. 2016, Maas et al. 2019). Therefore, harmonising the focus on MSMEs' activities, behaviours, and the systemic entrepreneurial ecosystem changes that will influence positively on socio-economic growth should receive adequate attention (Marmer, 2012, Maas et al. 2016).

However, Fate (2016) and Maas et al. (2019) recognised within Nigeria and the developing economies, the entrepreneurial ecosystem support mechanisms have not offered any practical contribution and support for the systemic development of MSMEs to transformational entrepreneurship. For example, access to finance, which is a determinant within the entrepreneurial ecosystem and one of the critical ingredients in the creation, expansion, and sustainability of MSMEs face challenges (Olatunji, 2013, Agwu & Emeti, 2014, Fate, 2016). Fate (2016) found that there is a wide gap in funding estimated at four trillion Naira (about \$12 billion) for Nigerian MSMEs and surprisingly, banks/financial



institutions only account for about 13 per cent of loans to MSMEs (Fate, 2016) below the African average of 25 per cent (Fate, 2016). Therefore, this lack of financial support is hurting the MSMEs advancement towards attaining transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019).

Moreover, a shortage of access to critical infrastructures such as transportation, electricity, and roads (Fate, 2016, Amalu & Ajake, 2019) have weakened MSMEs' participation in supply chains to support their development. Fate (2016) found some collaboration between the private sector, NGOs, and public sector has produced some success in driving market access initiatives (Fate, 2016). However, a body of work recognised that this is inadequate and that the under-developed market situation in Nigeria is affecting MSMEs development (Inyang & Enuoh, 2009, Solesvik, 2012, Smith & Chimucheka, 2014, Fate, 2016, Souse, 2019). This lack of market development is hurting the systemic advancement of MSMEs, which is critical for attaining/supporting transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019).

In accessing resources within Nigeria, Fate (2016) found, a wide gap and concluded the challenge is still paramount, and effectively, undermined MSMEs progression towards transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019). Within business support, Fate (2016) noted the government recognised the challenges and initiated partnerships to address this gap. However, the failure rate is unacceptable (Chandler, 1990, Katz, 2007, Oyeku et al. 2014, Smith & Chimucheka, 2014). In Nigeria, few organisations focus on early-stage entrepreneurship capacity building/education, whilst those who provide this opportunity do so at a small-scale and a premium (Fate, 2016). Where available, these capacity-building programmes typically target specific demographics (Fate, 2016) disenfranchising large segments of the entrepreneurial ecosystem.

In the policy and regulatory domain, a significant challenge is that multiple agencies are performing similar roles or implementing similar intervention programmes. For example, businesses mooted that products registered with NAFDAC also had to go through the same registration process with SON (Fate, 2016). Such that government initiatives tend to serve only as short-term gestures as opposed to addressing essential concerns which assist and support MSMEs (Inyang & Enuoh (2009, Agwu & Emeti, 2014, Tobora, 2015, Fate, 2016). Indeed, there is a wide gap in the research and development component of the ecosystem in Nigeria (Danduara, 2014, Akuhwa & Akorga, 2015). Thus, undermining

MSMEs progression towards transformational entrepreneurship (Schoar, 2010, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019).

Presently, only a few institutions actively nurture a culture of research and development by supporting investigative activities in Nigeria (Fate, 2016). Another significant challenge for research in Nigeria is the limited collaboration between academia, research, and enterprise (Fate, 2016). Similarly, Danduara (2014) argues that the linkage between research and the market in Nigeria is insufficient. Njoku et al. (2014) recognised that this presents a negative effect on the quality of products and MSMEs development (Amalu & Ajake, 2019). For example, Danduara (2014) state that, whilst there is a body of research from various institutions, the findings are not readily available to the market to support and develop their business knowledge, critical for the MSMEs systemic development (Hashim et al. 2018).

Indeed, the entrepreneurial ecosystem support factors for Nigerian MSMEs revealed inadequate support for the development of MSMEs (Inyang & Enuoh, 2009, Agwu & Emeti, 2014, Danduara, 2014, Akuhwa & Akorga, 2015, Tobora, 2015, Fate, 2016, Maas et al. 2019, Souse, 2019). The primary evidence supports the literature in this study because the statistics strongly disagree that the ecosystem support factors for MSMEs are adequate. The statistics show the overall entrepreneurial ecosystem in Nigeria is inadequate and hurting the systemic development of MSMEs (Fate, 2016, Maas et al. 2019, Souse, 2019). This gap within the Nigerian entrepreneurial ecosystem support for MSMEs is responsible for MSMEs under-development (Inyang & Enuoh, 2009, Tobora, 2015, Fate, 2016).

### **8.3 FULFILMENT OF THE RESEARCH AIMS**

To support the focus for this thesis, Nigerian MSMEs Owners/Managers entrepreneurial skills alongside the ecosystem support factors for MSMEs was investigated. No academic and public/private sector surveys have examined Nigerian MSMEs Owners/Managers skills alongside the ecosystem support factors for MSMEs. However, Chukwuemeka (2006), Inyang & Enuoh (2009), Njoku et al. (2014), James-Unam et al. (2015) and Fate (2016) studies were considered. The evidence within these studies was limited but provided significant insight into the challenges such as shortage of skills among Nigerian MSMEs and the inadequate ecosystem to support the findings of this study. For example, Chukwuemeka (2006) and Njoku et al. (2014) noted that some 80 per cent of Nigerian MSMEs are less competent in business management and marketing management. Similarly,

Inyang & Enuoh (2009), Njoku et al. (2014) and James-Unam et al. (2015) recognised Nigerian MSMEs Owners/Managers are less competent in business ethics, business management, business strategy, financial management and opportunity identification. In terms of the entrepreneurial ecosystem in Nigeria, Fate (2016) recognised the support factors for MSMEs is inadequate.

Consequently, it was necessary to undertake a representative study of the Nigerian MSMEs to offer a comprehensive analysis of competencies and the ecosystem. The in-depth analysis was achieved by surveying 1600 MSMEs Owners/Managers and receiving 576 (36 per cent) workable responses. This number of responses provided data for a detailed analysis of the owners/managers skills alongside the ecosystem support mechanisms for MSMEs in Nigeria. The primary evidence was used to answer the three research objectives of this research. Before examining the evidence of the findings and how the research objectives had been fulfilled, it is worth restating the research questions, namely:

1. What are the MSMEs Owners/Managers entrepreneurial competencies required to support MSMEs development towards transformational entrepreneurship in Nigeria?
2. How have the Nigerian MSMEs Owners/Managers skills influenced or support the MSMEs' development towards transformational entrepreneurship?
3. What are the Nigerian MSMEs Owners/Managers' perspectives on the ecosystem support factors in facilitating the MSMEs development towards transformational entrepreneurship?

**8.3.1 RESEARCH QUESTION 1:** What are the MSMEs Owners/Managers entrepreneurial competencies required to support MSMEs development towards transformational entrepreneurship in Nigeria?

Collating information from several sources addressed this research question. Firstly, an in-depth literature review was undertaken (see Chapter 2). Overall, there was insufficient attention in the literature, which had investigated entrepreneurial competencies required by MSMEs Owners/Managers in supporting MSMEs systemic development in Nigerian. The review within this study highlighted several skills and the research examined fourteen critical entrepreneurial competencies, which can impact/influence the systemic

advancement of MSMEs. However, prior studies that focused on Nigeria (see chapters 2 and 3) identified six critical skills that should be the central focus, for MSMEs and policymakers in terms of policy intervention to drive skills development within Nigerian MSMEs. The primary evidence (see Chapter 7) recognise these skills as significant drivers/influences on MSMEs development, performance and sustainability and can be vital in supporting transformational entrepreneurship in Nigeria. This study identified these critical skills and should be the primary focus of Nigerian MSMEs and policymakers, as the essential competencies required in supporting MSMEs systemic development, without discounting the other skills examined in this thesis. The six critical competencies are:

- Business ethics.
- Business management.
- Business strategy.
- Financial management.
- Marketing management.
- Opportunity identification.

Business ethics was previously recognised in research projects such as Velasquez & Velazquez (2002), Inyang & Enuoh (2009), Schoar (2010) and Marmer (2012). Within Nigeria, business ethics is identified as critical to successful entrepreneurship and MSMEs development. Given that, business ethics is the understanding of the principles that guide the business venture, and they facilitate the enterprises to develop and maintain a healthier interaction with investors. However, the results of the primary research revealed a shortage of business ethics among Nigerian MSMEs. This primary evidence extends the existing literature, which suggested that Nigerian MSMEs lack adequate knowledge of business ethics. In the primary research (see section 7.12), 64 per cent of the MSMEs revealed they are less competent in business ethics. This high response rate, which is concerning suggested the MSMEs population lack ethical business practices such as the moral standards and principles that act as guidelines for the way business is conducted, extending the previous studies by Inyang & Enuoh (2009), Schoar (2010) and Marmer (2012). The regression analysis (see section 7.18) show a positive statistics significance ( $p=0.000$ ) for business ethics alongside an adequate ecosystem in achieving transformational entrepreneurship. The expectation is that MSMEs would achieve the desired impact and develop if the

owners/managers are competent in business ethics and the ecosystem is adequate as noted within the research framework developed for this study (see section 2.4.7).

Additionally, the evidence revealed that business management expertise is a requisite in managing a venture successfully. It is undoubtedly a core skill requirement for Nigerian MSMEs Owners/Managers to develop the business as noted by Njoku et al. (2014) and Smith & Chimucheka (2014). When the secondary literature was contrasted against the primary evidence, the following trends emerged. The secondary literature recognised business management expertise is an essential requirement for Nigerian MSMEs, which was confirmed by the primary evidence to extend the existing literature such as Smith & Chimucheka (2014). Furthermore, the previous studies by Inyang & Enuoh (2009), Njoku et al. (2014) and James-Unam et al. (2015) acknowledged the shortage of business management expertise among Nigerian MSMEs, which was confirmed by the primary evidence to develop and extend the previous literature.

In the primary research, 63 per cent (section 7.12) of the population lack skills in business management. Whilst, this statistic is concerning, however, Nigerian MSMEs have also, engaged managers or family members who are less competent, and that crucial management decision is taken irrespective of their business management skill as noted by Adisa et al. (2014). In addition, from the regression analysis (see section 7.18), it was found that business management skill alongside an adequate ecosystem is statistically significant ( $p=0.000$ ) and would positively affect MSMEs sustainability if the owners/managers are competent in business management alongside an ecosystem supporting the MSMEs as noted by Adisa et al. (2014) and Agwu & Emeti (2014). This finding further extends the previous literature and justifies the framework developed for this research in chapters 2 and 5. It was apparent that management expertise is an essential skill for MSMEs development because business management experience can facilitate and drive the coordination and administration of the activities of a venture to accomplish defined goals and achieve greater success, which is lacking among Nigerian MSMEs.

In addition to business management, business strategy was previously recognised in research projects such as Man et al. (2002), Inyang & Enuoh (2009), Rauch et al. (2009) and Onakoya et al. (2013). The evidence shows that business strategy is a vital skill required by Nigerian MSMEs to drive their development, which determines, for example, the MSMEs' ability to identify long-term strategic plans and goals for the business, think, and act in achieving the goals. However, the results of the primary evidence revealed a shortage of business strategy capabilities among Nigerian MSMEs. This result extends the existing

literature, which suggested Nigerian MSMEs lack appropriate business strategy abilities. In the primary research (see section 7.12), 81 per cent of the MSMEs revealed they are less competent in business strategy.

The primary evidence discovered that Nigerian MSMEs lack the ability to draw up strategies, which is affecting the long-term development need of MSMEs to extend studies such as Adisa et al. (2014) and Dedekuma & Akpor-Robaro (2015) that noted immediate financial gains are the focus of the MSMEs against the long-term sustainability of the business. It was identified that having a sound business strategy skill can facilitate Nigerian MSMEs systemic development to support transformational entrepreneurship. Moreover, the regression result found (see section 7.18) that business strategy alongside an adequate ecosystem is statistically significant ( $p=0.000$ ) in achieving transformational entrepreneurship to further extends the existing literature by Inyang & Enuoh (2009), Didonet et al. (2012) and Onakoya et al. (2013). The evidence revealed that Nigerian MSMEs would have a positive impact in achieving development and sustainability if the owners/managers are competent in business strategy and the ecosystem is adequate to justify the research framework developed for this study (section 2.4.7).

Previously, research projects by Inyang & Enuoh (2009), Nwachukwu (2012) and Adisa et al. (2014) recognised financial management as a crucial skill for Nigerian MSMEs. The evidence revealed that financial management is critical in supporting Nigerian MSMEs to develop their business because capital is vital to business development. In contrasting the evidence in this study, the emergent pattern recognised financial management as an essential skill for business development and success, which the primary evidence confirmed to extend existing knowledge noted by Inyang & Enuoh (2009) and Adisa et al. (2014). Another trend is that research projects by Inyang & Enuoh (2009), Nwachukwu (2012) and Adisa et al. (2014) acknowledged the shortage of financial management skill among Nigerian MSMEs, which the primary evidence also confirmed. In the primary research (see section 7.12), 84 per cent of the population were found to lack financial management skills. The primary evidence further found this skill to be critical in achieving transformational entrepreneurship, to develop and extend the existing literature such as Schoar (2010) and Maas et al. (2019).

It is evident that capital is key to business start-ups and running an existing business to concur with Olatunji (2013) and Agwu & Emeti (2014). In addition, the sourcing for capital and the proper management of funds is paramount to long-term business success. It is apparent, Nigerian MSMEs Owners/Managers need to acquire knowledge of financial

management to enable them to anticipate the business needs of the enterprise, the acquisition and allocation of funds to produce optimum results, which the evidence found to be in shortage among the owners/managers. The trend further recognised financial management, including access to finance as an inhibitor to transformational entrepreneurship in Nigeria, which was confirmed by the primary evidence to extend the existing literature. Furthermore, the regression analysis found (see section 7.18) a positive statistical significance ( $p=0.000$ ) for financial management alongside an adequate ecosystem in facilitating/supporting transformational entrepreneurship. The expectation is that Nigerian MSMEs would achieve development and success if the owners/managers are competent in financial management, and the ecosystem is adequate to support the framework developed within this thesis, to extend the existing literature.

In previous research projects by Man et al. (2002), Inyang & Enuoh (2009), Adisa et al. (2014) and Agwu & Emeti (2014) marketing management skill was widely discussed. This skill is identified as critical for business success, which the primary research recognised as an essential requirement for achieving transformational entrepreneurship. Therefore, substantiating the importance of this skill to Nigerian MSMEs development. However, the secondary research acknowledges a shortage of marketing management skill among Nigerian MSMEs. The primary evidence also found the shortage of this skill among Nigerian MSMEs. The primary study found 75 per cent of the MSMEs are less competent in marketing management. The survey findings confirmed the research projects by Inyang & Enuoh (2009), Adisa et al. (2014) and Agwu & Emeti (2014) to develop and extend the literature, by conducting this research.

In Nigeria, marketing management is identified as an essential skill that can facilitate MSMEs product innovation and development, pricing, distribution and communication, growth, and sustainability in the long-term as noted by Inyang & Enuoh (2009). However, Nigerian MSMEs are not innovators in the traditional sense of the term, as pointed out by Bula (2012). For instance, Nigeria MSMEs rarely produce novel products; they only replicate the products invented in developed countries, which is consistent with the primary evidence in this study, because the lack of innovation among Nigerian MSMEs is a confirmation of the shortage of this critical skill among the owners/managers. In the regression analysis, the evidence found (section 7.18) a positive statistical significance ( $p=0.000$ ) for marketing management alongside an adequate ecosystem in driving/supporting transformational entrepreneurship to extends the existing literature. It is recognised that MSMEs would achieve growth and sustainability if the owners/managers

were competent in marketing management alongside an adequate ecosystem to support the MSMEs.

Drucker (1985), Fayolle & Klandt (2006), Lans et al. (2008), Mehta (2012) and Smith & Chimucheka (2014) recognised that identifying and taking opportunities is core to MSMEs sustainability, which is consistent with the primary research of this study. The evidence found opportunity identification as a critical requirement for Nigerian MSMEs development to extend the existing literature. Moreover, the primary research found that opportunity identification is significant for MSMEs sustainability. It is apparent that for Nigerian MSMEs to develop, the owners/managers should be able to identify opportunities and assemble the necessary resources. The evidence revealed that the ability to think, reason and act on opportunities with sufficient approach and managerial balance is imperative. Opportunity identification skill would drive/support Nigerian MSMEs to explore market opportunities and be competitive. Therefore, this skill can facilitate Nigerian MSMEs to expand beyond their scope into large global entities, which is core to MSMEs development.

However, the primary research found the shortage of opportunity identification skill among the MSMEs population to confirm and extend the previous studies such as Adisa et al. (2014), Agwu & Emeti, (2014) and Smith & Chimucheka (2014). In the survey (see section 7.12), 56 per cent of the MSMEs revealed they are less competent in opportunity identification. These statistics confirmed the lack of innovation among Nigerian MSMEs because they largely replicate products invented in developed countries, and rarely produce novel products to create a niche market as noted by Bula (2012) and Olotu (2014). In addition, the regression analysis found (see section 7.18) a positive statistical significance ( $p=0.000$ ) for opportunity identification alongside an adequate ecosystem. The result shows Nigerian MSMEs can achieve the desired impact and develop if the owners/managers are competent in identifying opportunities alongside an adequate ecosystem, as noted within the research framework developed for this study (see section 2.4.7).

Overall, the evidence in this study recognised the importance of MSMEs competencies in facilitating business success and sustainability. However, the empirical evidence revealed the shortage of these critical skills. The shortage of these competencies reported within the primary research emerged because of the following factors. These factors were identified as insufficient entrepreneurial skill education/training support for MSMEs, lack of business/working experience, MSMEs inclination to profit at the expense of their skills development. In addition to bureaucracy and corruption within government agencies with the responsibility of supporting MSMEs skills development to extend studies such as



Anyadike et al. (2012), Njoku et al. (2014) and Dedekuma & Akpor-Robaro (2015). These factors were also recognised as essential influences on the Nigerian MSMEs sector under-development within the extant literature discussed in this study (see chapters 2 and 3).

MSMEs perspective that was typical in Nigeria was the recognition of short-term financial benefit, as opposed to the long-term sustainability of the business, suggesting a trend towards instant profit-orientated strategies. Such focus on financial benefits by Nigerian MSMEs extends the research such as Dedekuma & Akpor-Robaro (2015), who recognised that decision-making within the MSMEs in Nigeria was a short-term reaction to the accumulation of wealth. Whilst, profit maximisation is good for the business, neglecting other important factors such as skills development to support the long-term business goal effectively impacting/influencing negatively on the MSMEs systemic development. The primary evidence also indicated a need to improve the levels of business long-term sustainability and knowledge of the MSMEs Owner/Manager population to accept and understand the positive benefits of skills development to extend the previous literature.

The empirical evidence revealed the MSMEs Owners/Managers surveyed had completed an acceptable level of formal education. For example, in the survey, 64 per cent of the MSMEs Owners/Managers holds a bachelor's degree, and 21 per cent has a diploma degree (see section 7.11). These statistics extend the knowledge about the entrepreneurial skills acquisition within the formal education system in Nigeria is either inadequate or deficient, as noted by Inyang & Enuoh (2009) and Oyeku et al. (2014). It is apparent from this evidence that despite the Nigerian MSMEs completing college/university education, there is a shortage of business skills among the owners/managers. This situation, which is unacceptable and concerning reveal a need for policies to focus on improving and integrating entrepreneurial skills acquisition programme within the Nigerian formal education system. Such policies would enable students to acquire the requisite skills required for business before completing their studies or venture into business. In addition, such strategic, focused policies would address the shortage of skills within Nigerian MSMEs, to extend the GEM (2012) report on Nigeria and Smith & Chimucheka (2014), where they encouraged entrepreneurial skills education and training at all education levels to support and advance entrepreneurship and MSMEs development.

Within the primary research, the evidence reveals the shortage of previous business experience among Nigerian MSMEs Owners/Managers before starting their business. In this study, 46 per cent reported no prior business experience (see section 7.11), which has a significant negative impact on MSMEs competencies and development to extend the

research by Gompers et al. (2008) and Olatunji (2013). The shortage of previous and appropriate business experience among Nigerian MSMEs is apparent that policymakers should focus on business support and capacity development for start-ups and businesses such as business skill mentorship for start-ups and MSMEs. Bird (1995) and Smith & Chimucheka (2014) previously recognised the importance of the previous experience of working as a factor that can stimulate entrepreneurial competency development. Moreover, Smith & Chimucheka (2014) identified that past experiences from work have the potentials to develop an individual ability and skill, especially in perceiving business prospects. Gompers et al. (2008) acknowledged that creative entrepreneurs had previous experiences and requisite competencies from large firms or had previously built large companies, which the evidence of this study confirmed to extend the existing literature.

Furthermore, the age distribution (see section 7.11) of MSMEs Owners/Managers revealed a significant pattern, where notable participation of younger owners/managers emerged with age 18 to 24 years at 14 per cent with 40 per cent for age 25 to 34 years, and 39 per cent for age 35 to 44 years. Whilst, this trend is encouraging, the statistics recognised the need for policymakers to focus on introducing entrepreneurial training at early-stage education levels to support entrepreneurial skills development among younger entrepreneurs. It is further understood that the shortage of skills among Nigerian MSMEs, justify the need to also focus on competencies development among all age groups. For example, the focus should be on developing skills acquisition through apprenticeship training for youths and a coherent entrepreneurial curriculum/training for secondary and college/university levels education, in addition to skills development framework to support older business owners/managers.

It is recognised that the younger MSMEs Owners/Managers may not have acquired sufficient skills before venturing into business, whilst the older MSMEs Owners/Managers do not pay attention to their skills development. Indeed, the shortage of skills revealed by the primary evidence extends the understanding that Nigerian MSMEs do not pay attention to developing their business skills. This evidence, which is concerning further extends previous research projects such as Inyang & Enuoh, (2009) and Smith & Chimucheka (2014). It was identified that bureaucracy and corruption within government agencies responsible for supporting MSMEs skills development further add to competencies underdevelopment within Nigerian MSMEs, to extend Danduara (2014) and Njoku et al. (2014). The authors noted that there is an extensive spread of corruption among government

agencies responsible for the regulations and supervising of MSMEs in the deployment of support to the MSMEs.

In summary, when contrasting the evidence in this study such as Chukwuemeka (2006), Inyang & Enuoh (2009), Adisa et al. (2014), James-Unam et al. (2015) and Tobora, (2015) against the quantitative survey it is recognised that Nigerian MSMEs Owners/Managers lacked the critical skills required to drive MSMEs development, and this undoubtedly has negatively impacted/influenced the systemic development of MSMEs. Therefore, the findings within research question one further develop and extend the existing literature previously identified in this study, by exploring MSMEs competencies alongside the ecosystem in the context of achieving transformational entrepreneurship, which is a novel and unique study domain within Nigeria.

Accordingly, this thesis answered the research question one by identifying the essential skills required by Nigerian MSMEs towards achieving transformational entrepreneurship. By identifying these critical skills, research question one develops and extends previous literature such as Chukwuemeka (2006), Inyang & Enuoh (2009), Adisa et al. (2014), Agwu & Emeti, (2014), James-Unam et al. (2015) and Tobora, (2015) by exploring MSMEs skills required to facilitate/support transformational entrepreneurship in Nigeria. Consequently, the essential MSMEs competencies identified by research question one, which are critical for MSMEs systemic development are business ethics, business management, business strategy, financial management, marketing management, and Opportunity identification. It is recognised that these essential skills should be the central focus of the MSMEs and policymakers in Nigeria to facilitate/support transformational entrepreneurship.

### **8.3.2 RESEARCH QUESTION 2:** How have the Nigerian MSMEs Owners/Managers competencies influenced or support the MSMEs' development towards transformational entrepreneurship?

A critical review of the literature was undertaken (see chapters 2 and 3). It is identified that there is a shortage of research investigating how MSMEs skills negatively/positively impact/influence MSMEs systemic development towards achieving transformational entrepreneurship within Nigeria because transformational entrepreneurship is a new field of study. However, it is recognised that to achieve transformational entrepreneurship, Nigerian MSMEs Owners/Managers should be competent in the critical skills identified in research question one. The regression analysis found a strong statistical significance with ANOVA

*F*-values at 1% significance ( $p=0.000$ ) between Nigerian MSMEs competencies and the ecosystem support factor for MSMEs (see section 7.18). The first research question identified six MSMEs skills requirement, which is critical for business owners/managers and should be the primary focus of MSMEs and policymakers in Nigeria. Therefore, this research aim shall focus on the impact of critical skills in facilitating/supporting transformational entrepreneurship.

Previously, research projects such as Inyang & Enuoh (2009), Anyadike et al. (2012), Adisa et al. (2014), Agwu & Emeti (2014), Olotu (2014), Smith & Chimucheka (2014) and Otisi (2015) recognised a shortage of these six essential skills has negatively impacted Nigerian MSMEs development. The primary evidence extends the existing literature, which found that Nigerian MSMEs lack of appropriate business skills has negatively affected the MSMEs systemic development; therefore, negatively impacting/influencing the progression towards transformational entrepreneurship. Moreover, it is apparent that other factors negatively impact/influence MSMEs development in Nigeria. These factors are insufficient infrastructures as noted by Danduara (2014); inadequate policies as noted Agwu & Emeti (2014); weak policy implementation as noted Anyadike et al. (2012) and Adisa et al. (2014), widespread corruption as indicated by Njoku et al. (2014), and inadequate ecosystem as noted Fate (2016). In addition to the difficulty in accessing financial resources as noted by Schoar (2010), unfavourable market regulation as pointed out by Lerner & Schoar (2010) and Schoar (2010), which the primary evidence confirmed to extend the existing literature of these previous research projects. However, to fulfil this research question, the focus is the impact/influence of the identified skill requirements for MSMEs systemic development in Nigerian.

The impact/influence of business ethics on MSMEs development has been widely discussed in the literature, as noted by Inyang & Enuoh (2009) and Schoar (2010). It is recognised that several factors are implicit in achieving MSMEs growth and sustainability (e.g. employees, processes, resources, etc.). It emerged that there is a strong connection between ethics and MSMEs development/sustainability, which the regression analysis found with a strong statistical significance with ANOVA *F*-values at 1% significance ( $p=0.000$ ) (see section 7.18). The regression results show that knowledge of business ethics was a significant predictor of MSMEs systemic development alongside adequate ecosystem support for the MSMEs. This evidence implies that if Nigerian MSMEs have a proper understanding of business ethics, the impact on the MSMEs development will be positive. Moreover, business ethics is recognised as a pillar for MSMEs development and

sustainability; therefore, ethical practices may impact/influence business failure or success, if the MSMEs are unable to determine what is right and reasonable within the company precisely.

The evidence shows that both MSMEs and large companies require the pursuance of business ethics for success and sustainability. In context, business ethics are values that explain what is right and what is wrong, in addition, business ethics provide standards or guidelines for the conduct and decision-making for the guidance of management and stakeholders, as noted by Inyang & Enuoh (2009). It was apparent that in the absence of business ethics, which the primary evidence found, there is usually a lack of consensus about appropriate ethical principles among Nigerian MSMEs, therefore, negatively impacting/influencing the MSMEs development to develop and extend the existing literature in this study.

Business ethics are necessary to ensure ethical business decision-making to support development and success. However, the majority of Nigerian MSMEs lack knowledge of business ethics (see section 7.12) with further disregard for ethical principles and business laws, and this has influenced negatively on their development. It is recognised that for Nigerian MSMEs to develop and be sustainable, they should establish a sense of what value means to their business. Moreover, MSMEs should not only seek to be profitable, but they should also invest in the company long-term future to contribute to national growth and development. As indicated, the regression analysis found that MSMEs development and sustainability is associated with business skills. Therefore, there is a need for MSMEs to have appropriate knowledge of business ethics to facilitate/support transformational entrepreneurship in Nigeria, which further develops and extends the previous literature discussed in this research.

The impact/influence of business management on MSMEs is recognised as critical for MSMEs development, as noted by Adisa et al. (2014) and Smith & Chimucheka (2014). The regression analysis found a strong association between business management and the support factors for MSMEs development. The regression analysis is statistically significant, with ANOVA F-values at 1% significance ( $p=0.000$ ) (see section 7.18). The regression results reveal proper business management skill was a significant predictor of MSMEs systemic development alongside adequate ecosystem support for the MSMEs. The implication of this evidence that if Nigerian MSMEs have appropriate business management skill, the impact on the MSMEs development will be positive to develop and extend the existing literature reviewed in this research.

MSMEs Owners/Managers with proper management skills can design business plans, identify and capitalise on opportunities, make a sound decision, and can stimulate the smooth running of the activities of the business. In addition, owners/managers with appropriate management skills would support the MSMEs achieve their business goals. It is further recognised that sound business management skill will positively influence MSMEs development. The evidence revealed that a shortage of business management skills would negatively impact/affect MSMEs systemic development.

The primary evidence further found that there is a lack of appropriate management skills among Nigerian MSMEs (see section 7.12), and this result has influenced negatively on MSMEs development. The MSMEs were found to lack management skills such as interpersonal, relationship-building, problem-solving, business analysis skills, in addition to the use of modern technology such as e-commerce. The majority of MSMEs were found to heavily rely on traditional business practices, such as the use of store to sell their products and front of outdoor store advertising. Whilst the use of these conventional methods should not be discounted as noted by Tobora, (2015) and Amalu & Ajake (2019). However, the MSMEs Owners/Managers lack appropriate business management expertise in the use of modern technology to grow their business was found to be impacting/influencing negatively on MSMEs development. This evidence further develops and extends the existing literature reviewed in this research.

The impact/influence of business strategy on MSMEs development was previously recognised in research projects such as Onakoya et al. (2013), Danduara (2014) and Olotu (2014). In Nigeria, it is understood that business strategy is a significant skill, in the face of increasing domestic market competition and globalisation. This study found business strategy is critical for Nigerian MSMEs overall development because it helps to define the direction along which the business is headed. Therefore, MSMEs development and performance is also dependent on its business strategy and how successfully the strategy is implemented to develop and extend the existing literature in this research. The regression analysis found a strong association between business strategy and MSMEs development/sustainability, with a strong statistical significance at 1% ( $p=0.000$ ) (see section 7.18). The regression results show appropriate business strategy skill was a significant predictor of MSMEs systemic development alongside adequate ecosystem support for the MSMEs. This evidence implies that if Nigerian MSMEs have relevant business strategy skill, the impact on the MSMEs development will be positive.

In Nigeria, the study found MSMEs are operating in a weak business environment that is characterised by inconsistency in policy, hyperinflation and stiff market competition, which require a sound strategy to be successful. It was further understood that the majority of Nigerian MSMEs do not have any coherent business strategy in place to extend the existing literature such as Danduara (2014) and Olotu (2014). The study also found a shortage of business strategy skill among Nigerian MSMEs (see section 7.12) was responsible for this lack of strategic planning, which is negatively impacting/influencing MSMEs systemic development. Undoubtedly, Nigerian MSMEs under-development was due to the shortage of a strategic plan, which is negatively affecting their capacity to generate sufficient income and increase market share. This negative impact on the MSMEs has weakened and undermined their performance and sustainability.

In some cases, the evidence found that the MSMEs are overwhelmed with operational problems, which prevent them from dedicating adequate attention to quality strategic planning for the business as noted by Inyang & Enuoh (2009). It is also recognised that the MSMEs Owners/Managers pay limited attention to strategic planning, strategic thinking and development of a long-term strategy for the company. Thus, the primary findings further develop and extend the existing literature discussed in this study.

Furthermore, the impact/influence of financial management on MSMEs development was previously recognised in research projects such as Inyang & Enuoh (2009), Nwachukwu (2012), Onakoya et al. (2013), Danduara (2014) and Adisa et al. (2014). Within Nigeria, it is understood that finance influences MSMEs growth; for example, financially well-managed businesses are operationally more productive and efficient. This study found financial management is critical for Nigerian MSMEs overall development because to be sustainable in the challenging market and inadequate ecosystem, the knowledge of financial management is an essential skill required to remain competitive and profitable. Therefore, it is recognised that MSMEs development and performance is associated with well-implemented financial management for the company. In the regression analysis, the study also found a strong association between financial management and MSMEs development/sustainability, with a strong statistical significance at 1% ( $p=0.000$ ) (see section 7.18). The regression results reveal proper financial management skill was a significant predictor of MSMEs systemic development alongside adequate ecosystem support for the MSMEs. This evidence implies that if Nigerian MSMEs have appropriate financial management skill, the impact on the MSMEs development will be positive to extend the existing literature reviewed in this research.

It emerged that the knowledge of financial management skill among Nigerian MSMEs has a significant impact on the overall company performance. For example, MSMEs with appropriate financial management were found to be more productive to extend the existing literature by Nwachukwu (2012) and Adisa et al. (2014). However, the primary evidence (see section 7.12) found that there is a lack of proper financial management skills among the majority of Nigerian MSMEs, and this evidence has influenced negatively on MSMEs development. Nigerian MSMEs were found to lack financial management skills such as budgetary control, cost analysis, cash flow analysis, and taxation and profit analysis for the company. Therefore, negatively impacting/influencing on Nigerian MSMEs development, which further develops and extends the existing literature discussed within this research.

Additionally, the impact/influence of marketing management on MSMEs is recognised as critical for MSMEs development, as noted by Onakoya et al. (2013), Adisa et al. (2014), Danduara (2014) and Smith & Chimucheka (2014). In Nigeria, that marketing is critical and essential for the success or failure of an enterprise. The evidence revealed that marketing management has a significant impact on Nigerian MSMEs productivity and growth of the business. It is further recognised that marketing management is associated with MSMEs development and growth. In the regression analysis, it emerged that there is a strong association between financial management and MSMEs development/sustainability, with a strong statistical significance at 1% ( $p=0.000$ ) (see section 7.18). The regression results show proper marketing management skill was a significant predictor of MSMEs systemic development alongside adequate ecosystem support for the MSMEs. This evidence implies that if Nigerian MSMEs have appropriate marketing management skill, the impact on the MSMEs development will be positive to extend the existing literature reviewed in this research.

However, it emerged that there is a shortage of marketing management skill among Nigerian MSMEs, and this evidence has influenced negatively on MSMEs development. The evidence shows (see section 7.12) that Nigerian MSMEs lack proper marketing management skills such as after-sales customer service, product development and strategy. In addition, to the active promotion of goods and services using modern technology, products packaging and pricing strategy for excellent customer service and retention. The shortage of this skill is impacting/influencing negatively on the Nigerian MSMEs systemic development, which further develops and extends the existing literature discussed in this research.



The impact/influence of opportunity identification on MSMEs development has been widely discussed in the literature, as noted by Inyang & Enuoh (2009), Mehta (2012), Onakoya et al. (2013), Adisa et al. (2014), Danduara (2014) and Smith & Chimucheka (2014). The study found that in Nigeria, MSMEs growth and sustainability is driven by entrepreneurial opportunities, which involves the practical identification and utilisation of opportunities through risk-taking and allocating resources to maximise profit. It is recognised that opportunity identification requires skills in marketing in the sense that MSMEs with relevant knowledge of marketing can identify product gaps in the market. However, the research found that there is a shortage of marketing skills as indicated above and opportunity identification skills among Nigerian MSMEs, which has influenced negatively on MSMEs development.

In the regression analysis, it emerged that there is a strong association between opportunity identification and MSMEs development/sustainability, with a strong statistical significance at 1% ( $p=0.000$ ) (see section 7.18). The regression results reveal proper opportunity identification skill was a significant predictor of MSMEs systemic development alongside adequate ecosystem support for the MSMEs. This evidence implies that if Nigerian MSMEs have sufficient expertise in identifying opportunities in the market, the impact on the MSMEs development will be positive to develop and extend the existing literature reviewed in this research. However, the study found there is a shortage of opportunity identification skill among Nigerian MSMEs, and this evidence has influenced negatively on the MSMEs systemic development.

In Nigeria, MSMEs lack appropriate expertise in identifying opportunity gaps in the markets because the majority of MSMEs were found to be product imitators, instead of developing novel products for a niche market as noted by Bula (2012). It was also discovered that the majority of MSMEs were involved in business not because they identified opportunities, but rather to create employment for themselves to avoid poverty. Therefore, entering the already saturated markets by duplicating the business models of others, without offering something in terms of innovative products. It is recognised that these practices of duplicating others are impacting/influencing negatively on the Nigerian MSMEs to identify unique opportunities and niche markets, which further develops and extends the existing literature reviewed in this research.

In summary, it was identified that Nigerian MSMEs Owners/Managers shortage of the six critical skills has negatively affected the MSMEs systemic development, required to drive/support transformational entrepreneurship. Therefore, the empirical evidence within

the research question two further develop and extend the existing literature previously identified in this study by exploring the impact of MSMEs skills in achieving transformational entrepreneurship in Nigeria. Furthermore, this thesis answered the research question two; by analysing the effects of the essential skills identified in research question one. Therefore, research question two extends previous research projects such as Inyang & Enuoh (2009), Schoar (2010), Marmer (2012), Adisa et al. (2014), Agwu & Emeti, (2014), James-Unam et al. (2015), Tobora, (2015), Ratten & Jones (2018) and Maas et al. (2019). These essential skills identified in research question one and their impact analysed within research question two, should be the focus of the MSMEs and policymakers in Nigeria. It is recognised that this focus is important to address the negative impact/influence of these skills on MSMEs systemic development towards facilitating/supporting transformational entrepreneurship.

**8.3.3 RESEARCH QUESTION 3:** What are the Nigerian MSMEs Owners/Managers' perspectives on the ecosystem support factors in facilitating the MSMEs development towards transformational entrepreneurship?

To address this research question, evidence was collated from the primary research and the literature review undertaken within this study (see chapters 2 and 3). It is acknowledged that there was inadequate literature, which had examined Nigerian entrepreneurial ecosystem support factors for MSMEs in achieving transformational entrepreneurship. Therefore, the findings of this research question develop and extend the existing literature by investigating the Nigerian MSMEs perspective of the ecosystem on their business. In the literature, seven ecosystem support factors for MSMEs were identified and examined. However, previous research projects that were focused on Nigeria and developing nations (see Chapter 3) identified four critical ecosystem requirement that should be the focus in Nigeria. The primary research (see Chapter 7) recognised these essential ecosystem support factors as requirements and significant drivers/influences for MSMEs development, performance and sustainability, towards facilitating/supporting transformational entrepreneurship in Nigeria. In addition, it is understood that these ecosystem support factors should be the primary focus of policymakers in developing intervention framework to drive/support the ecosystem in Nigeria as they are critical requirement to support MSMEs systemic development, without discounting the other factors identified in this thesis. The four ecosystem support requirements are:

- Access to Finance.

- Access to Markets.
- Access to Resources.
- Policy and Regulations.

Access to finance was previously recognised in research projects by Schoar (2010), Drexler et al. (2014) and Fate (2016). In Nigeria, access to finance is identified as a critical factor in the creation, expansion, and sustainability of entrepreneurial activities and MSMEs. However, the literature suggests that accessing finance in Nigeria is difficult for MSMEs. The primary evidence confirmed and extended the existing literature, which indicated that, despite the availability of diverse funding sources available in Nigeria, there remains a wide gap in funding for MSMEs estimated at Four Trillion Naira (about \$12 billion) noted by Fate (2016). In the primary research (see section 7.13), the evidence found that 29 per cent agree, whilst 71 per cent strongly agree to confirm that finance is not easily accessible in Nigeria. This high response rate, which is concerning suggests that the Nigerian MSMEs have limited chances of securing funding to support their business development.

In Nigeria, the evidence shows banks only account for 13 per cent of loans to MSMEs, which is below the African average of 25 per cent as noted by (Fate, 2016). Therefore, MSMEs rely on other sources of funding, such as family and friends and the informal/unregulated lending institutions. Where applicable, these alternative methods demand high-interest rates, unfavourable repayment methods and unrealistic collaterals. The regression analysis further found (see section 7.18) that having the required business skills alongside an adequate ecosystem is statistically significant ( $p=0.000$ ) in achieving transformational entrepreneurship. The expectation is that Nigerian MSMEs would achieve transformational entrepreneurship if the owners/managers have the required business skills, and access to finance is readily available and easy to access. As noted within the research framework developed for this study (section 2.4.7), to further develop and extend the previous research projects on transformational entrepreneurship by Schoar (2010), Ratten & Jones (2018) and Maas et al. 2019).

Access to markets was previously identified in research undertaken by GEM (2012), Drexler et al. (2014) and Fate (2016). This study revealed that access to markets is a crucial area where players in the entrepreneurial ecosystem intervene in creating an enabling environment for MSMEs. However, the literature suggests that market access in Nigeria is still a challenge for MSMEs. The quantitative evidence confirmed and extend the existing

literature, which submitted that there is a limitation to Nigerian MSMEs participation in market drivers such as supply chains network and niche markets. This limited access is due to the shortage of critical infrastructures, such as sufficient electricity adequate, accessible roads and proper transportation and inadequate access to internet connectivity because of a shortage of a developed high-speed internet. In the primary research (see section 7.13), the evidence found that 29 per cent agree, whilst 71 per cent strongly agree to confirm that markets are not easily accessible in Nigeria. This unacceptable statistic suggests that the Nigerian MSMEs have limited or lack of access to critical market drivers to facilitate/support their business development.

It was discovered that a collaboration between the private and public sector had recorded some success in driving market access initiatives. For example, the government increased awarding contracts to MSMEs to support their development, which was awarded mainly to foreign businesses in the past. However, these supports are insufficient, and the under-developed market situation in Nigeria is still of concern and negatively influencing MSMEs systemic development. In the regression analysis, the results found (see section 7.18) that having the required business skills alongside an adequate ecosystem can facilitate/support transformational entrepreneurship to extend the previous research projects such as Schoar (2010), Ratten & Jones (2018) and Maas et al. 2019). The regression results show that MSMEs skills are statistically significant ( $p=0.000$ ) alongside an adequate ecosystem. The implication is that Nigerian MSMEs would achieve transformational entrepreneurship if the owners/managers have the required MSMEs skills, and markets are accessible, as noted within the research framework developed for this study (section 2.4.7).

In Nigeria, it was understood that business support resources are a critical requirement by MSMEs to function and develop. In contrasting the primary and secondary evidence, it emerged that access to business support resources such as essential business data, market information, and infrastructural support such as technology was challenging to obtain in Nigeria. The primary research confirmed this to develop and extend the existing literature by Danduara (2014) and Fate (2016). In the survey (section 7.13), the evidence found that 29 per cent agree, whilst 71 per cent strongly agree to confirm that business support resources are not readily available in Nigeria. This response rate, which is concerning suggests that the business support resources in Nigerian MSMEs are limited or inadequate to support systemic business development.

The regression analysis also found (see section 7.18) that having the required business skills alongside an adequate ecosystem is sufficient to facilitate/support

transformational entrepreneurship to extend the previous research by Schoar (2010), Ratten & Jones (2018) and Maas et al. 2019). The regression results show that MSMEs skills are statistically significant ( $p=0.000$ ) alongside an adequate ecosystem in achieving transformational entrepreneurship. The regression analysis implies that Nigerian MSMEs can achieve transformational entrepreneurship if the owners/managers have the required MSMEs skills, and access to business support resources are available and accessible, as noted within the research framework developed for this study (see section 2.4.7).

In Nigeria, business services that offered support resources are limited or ineffective as noted by Fate (2016). Moreover, it is recognised that the majority of Nigerian MSMEs fail to undertake appropriate risk valuation and proper business analysis before the decision to allocate resources to perceived opportunities. Furthermore, various business sector indicators such as consumer's price index are not readily accessible and available to Nigerian MSMEs, which can support prospective entrepreneurs and MSMEs with periodic information, to the desirable development. It is also evident that MSMEs do not have access to the latest entrepreneurial activities and updated data, for example, business resources and data supporting entrepreneurship and MSMEs in a different sector.

More so, support structures, which connect MSMEs with integration and market penetration into supply chain networks were not functional and some cases marred by corruption. Therefore, resulting in critical business/market support failures, which have weakened entrepreneurial activities and MSMEs development. Adequate infrastructure is vital for ensuring the effective functioning of the entrepreneurial ecosystem. However, the primary findings suggest that stakeholders do not facilitate sufficient access to resources required to enable business activities within the entrepreneurial ecosystem. The government had some success collaborating with the private sector to provide critical infrastructure and support. However, this infrastructure and support, where available, is inadequate or not fully functional. In addition, the evidence revealed that there are insufficient information and resources that enable MSMEs to clearly understand the support structure of the entrepreneurial ecosystem, in obtaining resources such as funding and support programmes suited to their business.

Policy and regulation were previously recognised in research projects such as Schoar (2010), Drexler et al. (2014) and Fate (2016). In Nigeria, the government is the chief policy and regulatory body, with the responsibility of formulating and implementing strategies to support MSMEs development and contribute to National growth. It is recognised that the Nigerian government is responsible for promoting policies and developing initiatives that

create an enabling environment to drive entrepreneurship. In addition, the government develops and implements strategies that govern and regulate entrepreneurial activities through various agencies such as BoI, CBN and SMEDAN. However, the literature suggests that business policy and regulations in Nigeria are unfavourable and inadequate in supporting MSMEs systemic development.

In the primary research (see section 7.13), the evidence found that 29 per cent agree, whilst 71 per cent strongly agree to confirm that policy and regulations are unfavourable in Nigeria. This unacceptable statistic suggests that the system and regulatory structures in Nigeria is inadequate and weak, therefore, negatively affecting the MSMEs. The evidence shows that multiple governmental agencies were performing related roles or implementing parallel intervention programmes. For example, products registered with NAFDAC had to go through the same registration process with SON, which attracts enormous registration fees with each agency (Fate, 2016). In the regression analysis, (see section 7.18) the evidence found that having the required business skills alongside an adequate ecosystem is critical in achieving transformational. The regression results show that MSMEs skills are statistically significant ( $p=0.000$ ) alongside the ecosystem in achieving transformational entrepreneurship. The expectation is that if Nigerian MSMEs have the required MSMEs skills and implementation of appropriate policy and regulations are favourable; the Nigerian MSMEs can achieve transformational entrepreneurship.

In Nigeria, most government agencies, responsible for policy implementation and regulatory supervision had limited capacity and insufficient funding to be effective. In addition, it emerged that cross-regional implementation of programmes often stretches their insufficient budget. Therefore, hurting their capacity to function, which makes it imperative to adopt a consensus and regional approach in a successive and orderly manner for programme implementation. Furthermore, Nigerian government initiatives tend to serve only as a short-term gesture for unemployment contrary to addressing essential concerns such as the root cause of the issues. Moreover, it is apparent where policies and regulations are available, weak implementation undermined their effectiveness to support MSMEs systemic development in Nigeria. The primary evidence further extends the existing literature that was focused on Nigerian entrepreneurial ecosystems such as Tobora (2015) and Fate (2016) and Amalu & Ajake (2019). In context, the evidence in this study recognised the importance of these ecosystem factors in supporting MSMEs development.

However, the empirical data show the ecosystem is inadequate. The unfavourable ecosystem revealed in the primary research emerged because of several factors. These

factors are institutionalised bureaucracy/corruption, poor/weak policy implementations, insufficient infrastructure, uncertainty in the political environment and a shortage of adequate research to support policymakers. It is discovered that these factors were essential influences on MSMEs under-development, also, noted by previous research projects (see chapters 2 and 3). It is recognised that insufficient infrastructure is partly responsible for the high rate of MSMEs under-development in Nigeria. The MSMEs lack the capital strength to develop alternatives and rely on the available and inadequate amenities from the government. The focus of policy should be on improving and providing critical infrastructure to support MSMEs, to extend previous studies such as Adisa et al. (2014) and Danduara (2014) that noted insufficient facilities such as electricity, roads are a severe challenge for MSMEs. The unstable electricity supply makes businesses to source alternative energy such as generators, and this additional business cost is overbearing on their operation, which the majority cannot afford it, therefore hurting the MSMEs development.

Furthermore, insufficient policy implementation, coercive and fragile market regulatory mechanisms, insecurity, market imperfection, had negatively affected the MSMEs development. Therefore, there is a need for policies and regulatory implementation oversight and sound internal control mechanisms to address this situation. It is further understood that bureaucracy and corruption within government agencies, with the responsibility of supporting MSMEs, have under-development MSMEs development in Nigerian. To extend previous research projects by Danduara (2014) and Njoku et al. (2014) that recognised government policymakers responsible for policy and regulations formation, implementation, and supervisory oversight are mostly corrupt.

In summary, when contrasting the evidence in this study such as Danduara (2014), Drexler et al. (2014), Njoku et al. (2014), Auerswald (2015) and Fate (2016) against the primary research it is recognised that the Nigerian entrepreneurial ecosystem is inadequate, to drive/support MSMEs development, and this has weakened the systemic development of MSMEs towards achieving transformational entrepreneurship. Therefore, the primary evidence within the research question three further extends the existing literature previously identified in this study by exploring transformational entrepreneurship in the context of Nigeria. Moreover, it is recognised that transformational entrepreneurship is a new study with limited attention in the literature.

This thesis answered the research question three by identifying and analysing the essential ecosystem requirement for Nigerian MSMEs in achieving transformational

entrepreneurship. By identifying these ecosystem requirements, research question three develops and extends previous literature such as Lerner & Schoar (2010), Schoar (2010), Fate (2016) and Maas et al. (2019). The fulfilment of research question three was achieved by investigating the ecosystem support factors for MSMEs critical in facilitating/supporting transformational entrepreneurship in Nigeria. Consequently, the essential ecosystem requirements identified by research question three in Nigeria are access to finance, access to markets, access to resources and policy and regulations. These critical ecosystem support factors for MSMEs should be the focus of the MSMEs and policymakers in Nigeria to facilitate/support transformational entrepreneurship.

#### **8.4 CHAPTER SUMMARY**

The chapter achieved several purposes by presenting the research findings for this thesis. Moreover, the chapter identified significant implications that emerged from the literature, following the review of the studies undertaken within the research domain and the Nigerian context, which provided insight, background and focus for this research. Moreover, the chapter discussed the fulfilment of the research questions within the validity and reliability criteria expected in this research to extend previous research projects. The first question identified the six critical skills Nigerian MSMEs Owners/Managers required to support the systemic advancement of MSMEs towards transformational entrepreneurship in Nigeria. The second question considered how Nigerian MSMEs Owners/Managers entrepreneurial competency level had impacted/influenced the MSMEs systemic advancement in achieving transformational entrepreneurship in Nigeria. The final research question considered Nigerian MSMEs ecosystem support factors, by identifying the critical ecosystem requirements for MSMEs towards achieving transformational entrepreneurship in Nigeria

The literature provided informative insight on MSMEs' entrepreneurial competencies and the entrepreneurial ecosystem support mechanisms in Nigeria. However, there was a little insight into the impact/effectiveness of the entrepreneurial ecosystem in underpinning the systemic development of MSMEs towards transformational entrepreneurship (Inyang & Enuoh, 2009, Schoar, 2010, Solesvik, 2012, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019). The research focus was on the analysis and collection of information from several sources. Firstly, the research undertook an in-depth literature review of academic literature, presented within chapters 2 and 3. Overall, the literature revealed an insufficient comprehensive study investigating entrepreneurial skills required



by MSMEs Owners/Managers and the supporting role of the ecosystem in facilitating MSMEs systemic development towards attaining transformational entrepreneurship in Nigeria.

Furthermore, the perspectives of the Nigerian MSMEs Owners/Managers relating to the support of the entrepreneurial ecosystem for MSMEs were under-taken from the quantitative survey. The study identified essential entrepreneurial skills alongside the ecosystem support mechanisms as significant drivers of MSMEs' performance and sustainability. It was discovered that Nigerian MSMEs Owners/Managers had insufficient entrepreneurial skills, and the entrepreneurial ecosystem support mechanisms were inadequate and ineffective in underpinning the systemic development of MSMEs.

It is recognised that Nigerian MSMEs have under-performed because the MSMEs face a myriad of challenges, inhibitors/barriers, resulting in high failure rates, which has negatively influenced their development. It is further recognised that to support growth, development, and prosperity of the Nigerian economy, and it is essential that MSMEs, notably, the Owners/Managers remained the central focus of government agencies and institutions support programs. Furthermore, developmental NGOs and the organised private sector should encourage and support owners/managers to acquire the critical skills required to improve sustainability, efficiency, and performance of the MSMEs.

## CHAPTER 9

### THE RESEARCH CONCLUSIONS

#### 9.1 INTRODUCTION

This research investigated Nigerian MSMEs with a specific focus on the owners/managers competencies alongside the ecosystem support factors for MSMEs, which is critical in facilitating the systemic advancement of MSMEs towards achieving transformational entrepreneurship. Theoretically, the study discussed classical and prominent entrepreneurship theories, including their evolution, development, and contribution to entrepreneurship, to support the aim of this research. For example, Say (1803) theory; Schumpeter (1934) (Innovation); McClelland (1965) (Need for Achievement Theory) was focused on the individual and their competencies. Wherein these perspectives support this research aim to examine the MSMEs Owners/Managers skills. For example, Say (1803) viewed the entrepreneur as a manager. Whilst Schumpeter (1934) considers the entrepreneur as an innovator and chief driving force in economic development and McClelland (1965) suggests personal achievement as the most significant factor for entrepreneurs.

On the entrepreneurial ecosystem, which supports this research focus to examine the effectiveness of the ecosystem, theorists Weber (1905) (Theory of Entrepreneurial Growth); Cochran (1960) (Cultural Values Theory); Hagen (1962) (Hagen's Entrepreneurship Theory); Young (1970) (Change in Group Level Pattern Theory); Tripathi (1971) (Exposure Theory of Entrepreneurship) and Kirzner (1973) were prominent. These theorists viewed the entrepreneurial ecosystem as key in facilitating entrepreneurship activities and behaviour. Further considered were the economic, psychological and sociological perspectives to entrepreneurship. In addition, the study conceptualised the theory of transformational entrepreneurship, in which Schoar (2010), Marmer (2012) and Maas et al. (2016) made invaluable contributions. The transformational entrepreneurship theory recognised that ethics, scalability, sustainability and systematic tools, combining with a global centric value system of entrepreneurship, would create a new socio-economic system. This new system would develop innovative firms to address the world's most significant challenges, such as unemployment and under-development (Schoar, 2010, Marmer, 2012, Maas et al. 2016, Ratten & Jones, 2018, Maas et al. 2019, Souse, 2019).

Consequently, the study discussed the Institutional Theory in Nigeria to support this research. The research found the Institutional Theory to have implications for supporting

this study. In the Institutional Theory, the process of dealing with Nigerian MSMEs, elements of coercive institutions influence government support agencies, which causes isomorphic changes in their operations, strategy, and structures (DiMaggio & Powell, 1983, King et al. 2015). Therefore, hurting the systemic development of MSMEs towards achieving transformational entrepreneurship (Maas et al. 2019, Souse, 2019). The study recognised that, in the deployment of support to MSMEs, various normative and mimetic institutions within Nigeria also influence government agencies within the support mechanisms of the ecosystem and, this framework of the Institutional Theory has implications for the deployment of support to MSMEs by government agencies in Nigeria (McQuarrie et al. 2013, Adeosun-Familoni, 2015, Ajekwe, 2017).

Given this and in providing support to Nigerian MSMEs, for instance, coercive, normative and mimetic institutions influence government agencies (Onakoya et al. 2013, Njoku et al. 2014). These influences include the introduction of new tax levies, regulations, the presence of multiple norms or values across regions in Nigeria, or even the presence of uncertainties (DiMaggio & Powell), which may inform agencies to imitate strategies, policies and guidelines from other foreign government agencies (DiMaggio & Powell, 1983, Ang et al. 2015). It is recognised that the existence of these levies and taxes hurts the creation, activity, behaviour, and management of small businesses and their development. Moreover, it was discovered that Nigerian institutions apply the most coercive power. This power has a significant consequence on the existence, continuity of operation and performance and development of enterprises.

Moreover, changes in the structure and strategy of government agencies influence the deployment of support to MSMEs and consequently, hurting MSMEs systemic advancement (Agwu & Emeti, 2014, Adeosun-Familoni, 2015, Ang et al. 2015, King et al. 2015, Ajekwe, 2017). As indicated in chapters 6 and 7, this study surveyed Nigerian MSMEs within the Delta State Region of Nigeria. By surveying 1600 Nigerian MSMEs Owners/Managers in 2018 and received 576 responses to generate a 36 per cent participation rate. In consideration of the research propositions, the research achieved the following.

Firstly, in addressing the first research aim, the study identified six essential skills (business ethics, business management, business strategy, financial management, marketing management, and Opportunity identification). These critical skills should be the central focus of the MSMEs and policymakers in Nigeria to facilitate/support transformational entrepreneurship. However, it is recognised that Nigerian MSMEs Owners/Managers lacked these critical skills required to drive MSMEs development, and this has weakened the

systemic development of MSMEs. Therefore, the findings within research aim one develop and extend the existing literature previously identified in this study, by exploring MSMEs competencies alongside the ecosystem in the context of achieving transformational entrepreneurship. Secondly, research aim two discovered that Nigerian MSMEs Owners/Managers shortage of these six critical skills has negatively affected the MSMEs systemic development, required to drive/support transformational entrepreneurship. Therefore, the empirical evidence within the second research aim develops and extend the existing literature previously identified in this study by exploring the impact of MSMEs skills in achieving transformational entrepreneurship in Nigeria. These essential skills identified within the first research aim and their negative effect on Nigerian MSMEs recognised within the second research aim, should be the focus of the MSMEs and policymakers in Nigeria. This focus is important to address the harmful effects of these skills on MSMEs systemic development towards facilitating/supporting transformational entrepreneurship.

Thirdly, research aim three identified the ecosystem requirement for Nigeria. Although seven ecosystem support factors for MSMEs were identified and examined. This research recognised and focused on four crucial ecosystem requirement that should be the focus in Nigeria, i.e. accessing finance, accessing markets, accessing resources and policy and regulations. It was discovered that the Nigerian entrepreneurial ecosystem is inadequate, to drive/support MSMEs development, and this has weakened the systemic development of MSMEs towards achieving transformational entrepreneurship. Therefore, the findings within the third research aim, further develop and extend the existing literature previously identified in this study by exploring MSMEs skills alongside the ecosystem in the context of achieving transformational entrepreneurship in Nigeria. Indeed, this thesis answered the research question three by identifying and analysing the essential ecosystem requirement for Nigerian MSMEs in achieving transformational entrepreneurship.

Consequently, these critical ecosystem support factors for MSMEs should be the focus of the MSMEs and policymakers in Nigeria to facilitate/support transformational entrepreneurship. Given the outcome of the study findings, this chapter presents a summary of the research findings, present the research contribution to the literature and knowledge and present the implications for policy and practice. Highlight the limitation of this research, discuss future research opportunities because of this study and finally discuss the research reflection, conclusions and inference.

## 9.2 SUMMARY OF THE FINDINGS

This study recognised the importance of Nigerian MSMEs Owners/Managers having the appropriate skills alongside an adequate ecosystem to support MSMEs development. These competencies and the ecosystem are critical for driving innovation and enterprise growth, as noted by Hashim et al. (2018) and Igwe et al. (2018). These economic drivers informed the central aim within this thesis, to investigate the development of transformational competencies alongside the ecosystem required for Nigerian MSMEs development, which is critical for supporting transformational entrepreneurship. However, evidence from the quantitative survey found a shortage of these skills among Nigerian MSMEs Owners/Managers, and the ecosystem is inadequate. As indicated, the evidence found Nigerian MSMEs lack skills critical for MSMEs development. In addition, the evidence found that the ecosystem is inadequate in underpinning MSMEs development.

In addition, the regression analysis found that there is a positive statistical significance between Nigerian MSMEs' Owners/Managers entrepreneurial competencies and the entrepreneurial ecosystem support factor for MSMEs at the 1 % significance ( $p=0.000$ ) (Section 7.18). The regression analysis in Chapter 7 further tests, whether the research rejects or accept the hypotheses in this research. Consequently, the evidence that emerged from the regression analysis was sufficient to accept the fourteen hypotheses (Section 7.20.2). The statistics confirmed that there is a positive statistical significance with ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ) between Nigerian MSMEs Owners/Managers' competencies with the ecosystem support factors for MSMEs.

The regression results support the focus of the study, which imply that MSMEs' skills alongside the ecosystem support for MSMEs in a symbiotic association can provide and support the systemic advancement of MSMEs towards attaining transformational entrepreneurship. The implication is that, if Nigerian MSMEs have the appropriate skills alongside adequate ecosystem support for MSMEs, the expectation would be the realisation of transformational entrepreneurship. Furthermore, with the MSMEs characteristics, the study found a positive statistical significance with the ecosystem support factors MSMEs with ANOVA  $F$ -values at 1% significance level ( $p=0.000$ ). This statistic implies that MSMEs characteristics have a significant association with the ecosystem support factors MSMEs. Whilst the evidence of this association is critical; however, the focus of the thesis is the result between Nigerian MSMEs Owners/Managers' competencies alongside the ecosystem support for MSMEs. In context, the implication of the findings in this study is

important because the quantitative evidence would be invaluable as baseline data to support layers of evidence on top of the insight and knowledge achieved in this thesis for understanding the research domain that examined MSMEs skills and the ecosystem in Nigeria.

### **9.3 CONTRIBUTION TO LITERATURE AND KNOWLEDGE**

This section shall discuss the research contributions to knowledge and the literature. Transformational entrepreneurship is a novel phenomenon with insufficient attention in the literature, specifically, in the context of emerging economies such as Nigeria. A body of work is replete with the study of entrepreneurial competencies and the ecosystem support factors/mechanisms for MSMEs (e.g. Inyang & Enuoh, 2009, Solesvik, 2012, Fate, 2016). However, no research evidence on their symbiotic association in facilitating the systemic advancement of MSMEs towards transformational entrepreneurship; therefore, this study contributed to knowledge and extended the existing literature as follows:

Firstly, this study made a theoretical contribution by extending the existing literature on transformational entrepreneurship by developing and empirically testing a theoretical framework (see Chapter 5). This framework identifies MSMEs' competencies alongside the ecosystem support factors for MSMEs. Thus, the study successfully developed a framework to contribute to knowledge and extend previous literature reviewed within this thesis. Since this study focuses on Nigeria, the framework can apply in a developing country context in providing an understanding to the role of MSMEs Owners/Managers skills alongside the ecosystem support factors/mechanisms for MSMEs in supporting the systemic development of MSMEs towards transformational entrepreneurship. This framework further contributes to knowledge and extends the existing literature (e.g. Inyang & Enuoh, 2009, Schoar, 2010, Marmer, 2012, Fate, 2016, Maas et al. 2019, Souse, 2019). In this context, the theoretical framework presented a unique understanding of this research. In addition, the structure recognised the fundamental significance of MSMEs' skills and adequate ecosystem support for MSMEs. Moreover, the structure acknowledged that MSMEs Owners/Managers should possess the appropriate expertise within the framework alongside adequate ecosystem support mechanisms for MSMEs to support the systemic development of MSMEs towards transformational entrepreneurship. The structure further recognised that the challenges to MSMEs development towards transformational entrepreneurship occurred because the

MSMEs Owners/Managers lacked the appropriate skills and the ecosystem support factors for MSMEs are not adequate.

Secondly, this study contributed to knowledge by extending the existing transformational entrepreneurship literature, which has insufficient research attention (e.g. Miller & Collier, 2010, Schoar, 2010, Marmer, 2012, Maas et al. 2016, Maas et al. 2019, Souse, 2019). Although, the previous literature provided insight into transformational entrepreneurship, including definition, challenges and, socio-economic contribution to national growth. However, this thesis extends these previous research projects by investigating the role of MSMEs entrepreneurial skills alongside the ecosystem factors for MSMEs in facilitating transformational entrepreneurship. Therefore, addressing a gap by conducting this research. Moreover, this research focuses on Nigeria a developing country, thus providing an additional contribution to knowledge in this context. In this research, the statistics found a strong, statistically significant association between MSMEs competencies and the ecosystem support mechanisms in supporting the systemic development of MSMEs towards transformational entrepreneurship. Thus, providing a further contribution to knowledge and extending the existing previous literature in this context.

Thirdly, this study made a quantitative contribution by examining Nigerian MSMEs with a specific focus on their entrepreneurial competencies and the ecosystem support factors for MSMEs. In this context, the quantitative data was obtained from the under-represented Nigerian MSMEs Owners/Managers in previous research projects. The survey produced a 36 per cent (i.e. 576 MSMEs) response rate from 1600 surveyed MSMEs Owners/Managers in the Delta State region in Nigeria. This significant response rate attained by this study justifies a quantitative contribution to the literature by obtaining this important baseline data to support future research.

Fourth, this research made a valid contribution to knowledge by extending the existing literature on Nigerian entrepreneurial ecosystem support for MSMEs (e.g. Fate, 2016). Although Fate (2016) study provided insight into the ecosystem support factors for MSMEs in Nigeria, and Cao & Shi (2020) emerging market context. This study develops and extends the previous literature by examining the under-represented Nigerian MSMEs Owners/Managers perspective of the ecosystem. Thus, this study made a valid contribution to the literature on Nigerian entrepreneurial ecosystem support mechanisms for MSMEs in this context.

Fifth, this study made a further contribution to knowledge by extending the understanding of MSMEs' entrepreneurial competencies alongside the role of the

entrepreneurial ecosystem support for MSMEs in the context of a developing nation. This insight is important for understanding a need for MSMEs development in emerging countries, where there has been efforts and attempt to create sustainable employment, improve socio-economic growth to support national development. Thus, this study contributed to knowledge by extending the existing literature on MSMEs' economic development (e.g. Anyadike et al. 2012, Chidiebere et al. 2014, Maas et al. 2016, Igwe et al. 2018).

Sixth, it is recognised that the theoretical framework developed in this research will support MSMEs Owners/Managers understanding for a need to focus on the prospects for personal development and the role of policymakers in policy formation to develop the ecosystem to support their business development. Moreover, the findings of this study will help the MSMEs to evaluate their competencies' strengths and weaknesses. Furthermore, it will provide the MSMEs' the understanding to assess the ecosystem support factors/mechanisms against their business objectives. For this reason, this study will help support MSMEs Owners/Managers focus on continuous improvement to assist their business development objectives. Thus, this study further contributes to knowledge and the existing literature in this context.

By conducting this study in Nigeria, the thesis makes a substantial contribution to a knowledge gap in the existing literature, by investigating Nigerian MSMEs with a specific focus on their competencies alongside the entrepreneurial ecosystem support mechanisms, towards achieving transformational entrepreneurship. The goal for developing MSMEs within the national economy is to contribute to sustained socio-economic development to contribute to GDP, create employment, reduce poverty, create wealth, improved goods, and services to develop the national market (Duru, 2011, Smith & Chimucheka, 2014). This study recognised that MSMEs encourage indigenous product development, which can facilitate/support and drive subsistence level MSMEs towards transformational entrepreneurship to boost economic growth, promote utilisation of resources and stimulate socio-economic development (Gries & Naude, 2010). As a result, this study provided understanding and insight to support the Nigerian MSMEs, the government, stakeholders to recognise inhibitors, challenges, and problems with the shortage of the appropriate MSMEs skills. Furthermore, this study recognises the need to advance and develop a framework for competency education/training in driving MSMEs development to make progress towards transformational entrepreneurship. Therefore, this study pushes the boundaries within the



knowledge of subsistence to transformational entrepreneurship, which makes it invaluable for academic purposes and add value to future research.

The findings of this research would be valuable to stakeholders within Nigeria, namely, MSMEs, the government, NGOs, academics, and other developing nations, particularly Africa countries. This research considering the above contributed to the gap in knowledge and extended the literature; thus, this study achieved two principal aims, by filling a knowledge gap and by providing potential solutions solving a problem about MSMEs progression to transformational entrepreneurship in Nigeria. Overall, this thesis recognised that it is critical for academia, the government, policymakers, NGOs, the private sector involved in encouraging and supporting MSMEs activities, and behaviours recognise the need for collaboration and harmonised strategic planning. This harmony would support MSMEs transformational competency development, and the ecosystem support factors to facilitate sustainability and socio-economic growth within Nigeria receives adequate attention. Lastly, this research has made a valid contribution to knowledge and literature within MSMEs competencies, transformational entrepreneurship, MSMEs development and the ecosystem support mechanisms for MSMEs.

#### **9.4 IMPLICATIONS AND RECOMMENDATIONS FOR POLICY AND PRACTICE**

This section highlights the implication of the findings of this research and further provide recommendations to support policy and practice in Nigeria. This research explored and investigated Nigerian MSMEs with a specific focus on competencies/skills alongside the entrepreneurial ecosystem support factors for MSMEs. Both competencies and the ecosystem are critical for MSMEs systemic development towards achieving transformational entrepreneurship in Nigeria. It is recognised that the findings of this research have significant implications for Nigerian MSMEs, policymakers and practitioners and agencies with a focus on MSMEs development. MSMEs development cuts across sectors and necessitates concerted actions by the government and private sectors. Therefore, MSMEs development should be integrated into the national economic recovery and development framework. It is understood that successive governments in Nigeria over the years have developed and implemented a policy framework to facilitate/support MSMEs. These policies were intended to encourage entrepreneurial activities and behaviours, and MSMEs start-ups because MSMEs is recognised as the engine of economic growth and

development, by creating employment, creating wealth to reduce poverty to improve the economic and overall social well-being of its citizens and support Nigerian national development.

It is understood that some progress with several of these policies was achieved; however, such efforts were ineffective in some cases and fell short of government and stakeholders' expectations in other instances. Therefore, the high rate of unemployment and MSMEs failure is unacceptable and concerning to the Nigerian government. Given the current economic challenges, unemployment, and poverty rate in Nigeria, there is a need to deal with the situation using a holistic approach. This research recognised transformational entrepreneurship is an effective mechanism to address sustainable employment. Such that transformational entrepreneurship, which is the building of systemic, ethical, scalable and sustainable businesses, can support the long-term societal and economic growth in Nigeria. Moreover, transformational entrepreneurship is recognised as the real driver of national economic growth and development.

Therefore, there is a need for the development of policy and existing ones reformed to support entrepreneurship and MSMEs to achieve systemic development towards transformational entrepreneurship. These policies should encourage and promote easy access to finance, markets and other critical resources such as high-speed internet access, in addition to the provision of infrastructural development, such as electricity, access roads and transportation. For example, the Nigerian BoI graduate entrepreneurship fund, Youth Enterprise with Innovation Scheme, and SMEDAN capacity development training for MSMEs should be reformed and smart policies developed in line with current challenges.

The government and stakeholders should develop policies to support MSMEs capacity and skills development. In addition, reform existing policies and regulations to facilitate the ease of doing business, to encourage foreign investors to Nigeria. Furthermore, the government should review policies and regulations to reduce barriers that constrain or inhibit MSMEs from accessing financial resources from the mainstream financial institutions, which presently only account for 13 per cent of loans to Nigerian MSMEs, as noted by Fate (2016). For practitioners and stakeholders in Nigeria, the evidence from this research provides a practical framework for MSMEs Owners/Managers to focus on their skills and the ecosystem. Indeed, Nigerian MSMEs should focus on investing in training and education to develop the critical skills discussed in this research.

Overall, this research found several systemic problems (see section 8.3) such as a shortage of skills among Nigerian MSMEs (business ethics, business management, business

strategy, financial management, marketing management and opportunity identification). In addition, the Nigerian entrepreneurial ecosystem (access to finance, access to markets, access to resources and policy and regulations) was found to be inadequate. This study found that government initiatives tend to serve only as a short-term gesture for unemployment contrary to addressing essential concerns such as the root cause of the issues. It was also found that the MSMEs Owners/Managers place limited value on developing long-term strategic planning for the company. These challenges require a new MSMEs development framework and a change in both perspective and practices, for example, a different approach and mind-set in the advancement/promotion of MSMEs development. Thus, this research suggests transformational entrepreneurship should be the new focus in Nigeria because long-term issues cannot be addressed with short-term gestures and initiatives.

To address/solve these systemic problems, the following recommendations will be made to facilitate/support MSMEs long-term development and sustainability in Nigeria. The focus of policymakers should be on supporting MSMEs skills acquisition/development through apprenticeship training policies for nascent entrepreneurs and a coherent entrepreneurial curriculum/training framework for Nigerian secondary and college/university levels education. In addition, a skills development framework should be developed to support start-ups and existing MSMEs owners/managers. Furthermore, the constraints on e-commerce/technology adoption among Nigerian MSMEs are concerning; therefore, an adequate policy should be developed and significant support should be made to by both the government and private sector to create, regulate, stabilise and legitimise the domestic markets for both ICT and e-business and educate/train MSMEs on technology adoption for their business.

In Nigeria, the lack/shortage of finance is a factor that contributes to the constraints inhibiting MSMEs. Nonetheless, it was discovered that the majority of Nigerian MSMEs do not generally have access to fixed assets, such as buildings, land and good credit history, which are usually required by banks as collateral to secure credits. Appropriate policy improvements will help improve funding outcomes for MSMEs, for example, regulatory policies such as simplified collateral loan simplification procedures. Others are simplified tax code, duties, business licences and business registration costs that will drive enterprise start-ups, scale-up and reduce bank credit financing gaps for MSMEs. Such regulatory approvals will significantly drive down some of the critical funding challenges that MSMEs face while also improving their long-term sustainability.

Moreover, there is a need for policies focused on easing new entrant barriers and market regulations to encourage start-ups and support existing MSMEs operating in specialised sectors such as manufacturing to support the industrialisation drive of Nigeria. In addition, a simplified product registration/certification process, support for novel product development, market access support in the form of public-private partnership, where the government patronise/substitute foreign goods with Nigerian made products and encourage domestic consumption, by placing import restrictions and high tariffs on imported goods.

Nigerian market regulation and policy should be developed to support MSMEs systemic development. For example, existing market regulations and improved funding for product innovation should be reviewed and developed to support MSMEs to be innovative. Such policies will accelerate the growth and development of the national economy/markets by promoting product innovation and building MSMEs domestic capacity, which will encourage/support the MSMEs long-term development and sustainability, industrialisation, and national economic growth and development. Moreover, such a policy framework will facilitate/support transformational entrepreneurship, thereby, providing a long-term societal and economic impact benefit for Nigeria.

It is recognised that bureaucracy and corruption impose a disproportionate burden on MSMEs, which is hurting MSMEs development. Bureaucracy and corruption manifest itself in the form of excessive or overly rigid administrative procedures, requirements for unnecessary levies and licences, prolonged decision-making processes involving multiple officials that slow down business operations. Policies should be developed and implemented to create efficient institutional structures for coordination and monitoring of administrative bottlenecks. It is also essential to involve affected stakeholders from the beginning, particularly the MSMEs, to ensure that reforms are tackling the identified problems. For example, there should be a wide-reaching consultation between government agencies and MSMEs to increase the chances of successful reform. The government should stress the importance of transparency and accountability, as well as strengthen its enforcement mechanisms. Rewarding integrity with pay bonus and punishing unethical behaviours and activities among officials should be encouraged. The use of technology where possible to bypass administrative bottlenecks, such as online access to services, should be created.

Lastly, there is a need for promoting MSMEs start-ups and maintain the existing business community, to address the high failure rate among MSMEs. The nascent entrepreneurial population, most importantly the youths and student community, should be encouraged by a supportive legislature, enterprise support networks, trade organisations and

business culture, to consider an entrepreneurial career and business start-up as a viable and prosperous career route instead of seeking employment after completing education. Therefore, it remained critical that crucial organisations such as the BoI, CBN, SMEDAN, which can impact/influence the effectiveness of MSMEs start-up process, ensure that the prospective entrepreneurial community was aware of the opportunities and niche markets within Nigeria. By improving the investment climate for youths and students and strengthening their capacities to respond to trade and investment opportunities can enhance the economic development of Nigeria and this, in turn, has a positive impact on creating employment and poverty reduction. To ensure Nigerian MSMEs creates sustainable jobs and support growth and prosperity of the Nigerian economy, the MSMEs community needed to remain the central focus of the government and policymakers and encouraging skills development to improve individual MSMEs sustainability, efficiency and performance.

## **9.5 LIMITATIONS OF THE RESEARCH**

This section recognised limitations to the thesis and identified potential improvements. These issues were identified in the research methodology and highlighted in this section. The findings of the research raised some theoretical and methodological concerns, which demand further studies. It is recognised that it was difficult to generalise the research findings, as quantitative research was conducted in a regional context (Delta State) to measure their relevance. Therefore, the findings proposed in this study would further require testing in other states in Nigeria. Moreover, there would be great significance in evaluating the framework suggested in Chapter 5 within MSMEs employees' context because the study focused mainly on MSMEs Owners/Managers. Furthermore, it was evident that the period of 6 months for this quantitative research, can be extended to explore a broader context of MSMEs across the different Nigerian States.

The sample of 1600 MSMEs and the response of 576 accounting for 36 per cent is recognised as a limitation for this study. It would have been improved by a more significant representation within a larger MSMEs population. Thus, it implies that future studies of this nature with a higher quantitative sample would improve insight and applicability. Moreover, there is a need to conduct additional representative quantitative surveys to measure the Nigerian MSMEs Owners/Managers and employee's competencies across all Nigerian States because this study, which focused on the Delta State region of Nigeria, further puts a limitation to this study. Therefore, a cross-regional study in Nigeria would have offered

more in-depth insight and generalised findings into the study. Such data would enable a baseline comparison to be undertaken regarding MSMEs Owners/Managers skills and business success to improve the findings of this thesis.

More so, there is a need for a cross-regional survey across the Nigerian States to measure MSMEs Owners/Managers skills, in addition, to the competencies of the employees. Such data would further enable a baseline comparison to improve the findings of this research. Although, the study found the theoretical framework useful in measuring Nigerian MSMEs Owners/Managers' competencies alongside the ecosystem support mechanisms for MSMEs. There would be a significant value in evaluating the framework in Chapter 5 to measure other factors, such as the MSMEs' profitability and employee's skills, which can affect the performance of the MSMEs. Such data would further enable baseline comparisons to be undertaken, which would offer an in-depth insight to support the findings in this study. Given that, the focus of this study is Nigerian MSMEs Owners/Managers, future research should investigate the MSMEs employee's skills, and other business matrices such as profitability, assets base of the MSMEs, which can affect the development of the business and add value to this study.

The research can capture and examine the MSMEs Owners/Managers competencies/skills alongside the ecosystem support mechanisms for their businesses with the use of self-assessment as a formative research tool. This research tool can be used to assess the MSMEs skills and the impact of the ecosystem support factors on the MSMEs over a more extended period for enhanced research. Such data would offer valid baseline quantitative data, to support the understanding required to underpin additional layers of evidence on top of the knowledge within this thesis, which would improve insight and applicability. It is recognised that in-depth case studies and longitudinal studies of Nigerian MSMEs would provide additional insight and value. Furthermore, the study acknowledged that undertaking research, to assess other factors within the ecosystem, such as political and socio-cultural factors, would improve value and suitability.

Lastly, this study recognised that the 14 critical skills and the six identified essential skills (e.g. business ethics, business management, business strategy, financial management, marketing management, and opportunity identification) should be the central focus, for MSMEs and policymakers. Such policy intervention would drive skills development within Nigerian MSMEs. It is further recognised that these skills can be narrowed and prioritised with a specific focus on essential skill requirements to support MSMEs development. Such policy focus would offer prioritisation of critical skills required for MSMEs without

discounting the other skills examined in this thesis. Furthermore, it is recognised that the ecosystem requirement, specific to the Nigeria environment should be investigated, by undertaking research that focuses on assessing the most critical ecosystem requirements for Nigerian, which would improve policy focus overall. In addition, the ecosystem support, factors for MSMEs identified in this study require further research. This study should focus on their specific impact in supporting the systemic development of Nigerian MSMEs and transformational entrepreneurship.

## **9.6 FUTURE RESEARCH OPPORTUNITIES**

This research shall publish the findings in this thesis in peer-reviewed journals on the completion of this study. Additionally, future research should explore other internal and external factors outside MSMEs skills and the ecosystem, such as the contribution of large firms in granting MSMEs supply chain opportunities, which can support the MSMEs development towards transformational entrepreneurship. This should involve a focused study examining MSMEs' performance, productivity and innovation patterns within the ecosystem. In addition to how large firms and the socio-cultural environment can support the systemic development within MSMEs towards transformational entrepreneurship. The author intends to liaise and network with members of the academic community, to develop research opportunities through comparative studies investigating MSMEs' competencies, development, and transformational entrepreneurship. These activities will improve and enhance the body of knowledge and provide additional support and evidence towards transformational entrepreneurship.

Overall, within the discipline, there was a necessity for improvement and ongoing relationships between academia and the MSMEs community to understand the issues inhibiting MSMEs' development and the transformation of subsistence entrepreneurship to transformational entrepreneurship. The author recommends the need for additional quantitative and qualitative investigation within Nigeria and other countries. To enable key stakeholders to remain informed regarding challenges to MSMEs' competencies, MSMEs development, the ecosystem, and transformational entrepreneurship. The author would urge academia to produce in-depth quantitative and qualitative studies with a longitudinal focus, illustrating the challenges and inhibitors to transformational entrepreneurship. Where quantitative or qualitative studies are involved, these should focus on the same MSMEs to monitor actual performance patterns within individual businesses.

The author further recommends that there was a need to examine development trajectories within a range of MSMEs. As identified previously, there is a need to realistically understand and portray the specific challenge paths that occurred within specific MSMEs. Further research can investigate whether variables such as gender, education, age and ethnicity of the MSMEs Owners/Managers, affect the business development cycle. These data will further inform the challenges within MSMEs and provide an additional contribution to knowledge and the literature.

## **9.7 THE RESEARCH THOUGHTS AND REFLECTIONS**

Conducting this study has been an overwhelming experience throughout this research. The experience presented its challenges such as study/family balance, financial constraint, time management, work/travel balance. However, the research achieved its main aim defined from the start and indicated within the thesis. The study set out to explore Nigerian MSMEs, by focusing on the owners/managers entrepreneurial skills alongside the ecosystem support mechanisms for MSMEs, critical in facilitating the systemic advancement towards achieving transformational entrepreneurship, which can be the panacea in facilitating the creation of sustainable jobs, wealth and support the socio-economic development of Nigeria.

The primary research provided the baseline data to support further layers of evidence to support this knowledge into the domain of transformational entrepreneurship within the context of a developing economy. The research evidence produced the development and empirical testing of a framework, which presented a unique understanding of this research. It is the expectation that the findings in this research can support the development of new and the reform of existing policies to support MSMEs development in Nigeria and developing economies. This research suggests that the framework of this research is invaluable to drive/support Nigerian MSMEs development to create sustainable jobs, wealth and contribute/support the national economy. In the context of this, not only policymakers and the MSMEs community should consult the findings of this research, but also, academics who desire to add knowledge and contribute to the literature.

## **9.8 CONCLUSIONS AND INFERENCE**

The chapter discussed the motivation and importance of undertaking this study and the contribution to knowledge and the literature presented in section 9.3 and highlights the research findings and key recommendations for policy and practice. By conducting this



study and gaining feedback from 576 Nigerian under-represented MSMEs Owners/Managers. The study successfully explored the Nigerian MSMEs Owners/Managers' competencies, alongside the ecosystem support factors for MSMEs, by focusing on the under-represented Nigerian MSMEs rather than policymakers. This grounded investigation provided additional strength for the primary research findings. The quantitative survey of Nigerian MSMEs Owners/Managers transformational skills contributed to the recognised knowledge gap in the literature. By exploring and conducting this research, the thesis provided understanding and awareness into transformational entrepreneurship in Nigeria, where there was a recognised gap in the literature.

Furthermore, this research presented a framework for the reality of challenges to Nigerian MSMEs development and transformational entrepreneurship. Moreover, the theoretical framework discussed within Chapter 5, recognised the central importance and association of the personal abilities (Nigerian MSMEs Owners/Managers competencies) and the external requirement (Ecosystem support mechanisms for MSMEs) towards MSMEs systemic development and achieving transformational entrepreneurship. Within this study, the evidence revealed Nigerian MSMEs Owners/Managers lack the appropriate skills discussed in this thesis; in addition, the ecosystem is inadequate. This shortage of skills alongside the inadequate ecosystem is effectively impacting/influencing negatively on the MSMEs systemic development essential for achieving transformational entrepreneurship. As identified in this study, Nigerian MSMEs' focus is on profit and financial gains contrary to enterprise sustainability, and this encourages the neglect of developing critical business skills.

This study achieves its aim and objectives and further, answer the research questions defined in Chapter 1 and data analysed in Chapter 7 and findings discussed in Chapter 8. The research further broadens the study domain through the review of the existing literature on entrepreneurial competencies (e.g. Inyang & Enuoh, 2009, Solesvik, 2012). Entrepreneurial ecosystem (e.g. Fate, 2016, Spigel, 2017, Cao & Shi, 2020), and transformational entrepreneurship (e.g. Schoar, 2010, Marmer, 2012, Ratten & Jones, 2018, Maas et al. 2019). Given that, no previous study explored transformational entrepreneurship in Nigeria. Furthermore, the study conceptualised a framework, which presented a practical and theoretical dimension for this research and baseline data to support in understanding the transformational entrepreneurship phenomenon, which would enable the addition of further layers of evidence on top of this knowledge.

The reviewed literature helps gain knowledge and insight into the relevant domain of this research. The rationale was to explore research gaps in the literature, which enabled this study to develop and contribute to knowledge. For example, MSMEs' definitions were explored from diverse perspectives, and the role MSMEs play globally on economic development and job creation, with a specific focus on Nigeria and the challenges and contributions towards her development. As indicated, the study focused on its aim by reviewing the literature on Nigerian MSMEs competencies (e.g. Inyang & Enuoh, 2009) and emerging country context (e.g. Solesvik, 2012). In addition to the literature on transformational entrepreneurship (e.g. Schoar, 2010, Marmer, 2012, Ratten & Jones, 2018, Maas et al. 2019) and the ecosystem support factors for MSMEs (e.g. Fate, 2016, Spigel, 2017, Cao & Shi, 2020).

Consequently, this study developed a theoretical framework for insight to extend knowledge by previous research projects. The framework help gain an understanding of the determinants, drivers and factors required for facilitating/supporting transformational entrepreneurship. Furthermore, various dimensions reviewed, such as theories of entrepreneurship (e.g. Cantillon, 1881, Say, 1803, Knight, 1921, Schumpeter, 1934), entrepreneurship culture and development in Nigeria (e.g. Adeosun-Familoni, 2015, Ajekwe, 2017) offered additional insight and understanding to the study's overall aim and objectives. This approach helps bring in knowledge of Nigeria to support the investigation into Nigerian MSMEs with a specific focus on competency and the ecosystem.

The research developed an instrument to conduct primary research within Nigerian MSMEs Owners/Managers and from the emerging evidence in the literature (chapters 2 and 3) and the primary research statistics (Chapter 7). This study identified and made recommendations to address/solve the systemic challenges/problems undermining Nigerian MSMEs development. For example, this study recommends that there is a need for Nigerian MSMEs to pursue education/training to acquire critical skills to develop their business. The focus should be on developing skills acquisition through apprenticeship training for nascent entrepreneurs and a coherent entrepreneurial curriculum/training framework for secondary and college/university levels education, in addition to skills development framework to support start-ups and existing MSMEs owners/managers. Furthermore, the government, private sector, and policymakers should educate/train, create, regulate, stabilise and legitimise the domestic markets for the adoption of e-commerce by MSMEs.

A further recommendation is the improvements of funding for MSMEs, whereby, regulatory policies for collateral loan procedures are simplified, including tax code, business

licences and business registration costs. This policy will drive enterprise start-ups, scale-up and reduce bank credit financing gaps for MSMEs are simplified. Others are policies to ease new entrant barriers and tax regulations to encourage start-ups and support existing MSMEs operating in specialised sectors such as manufacturing to drive industrialisation. A simplified product registration/certification process, support for novel product development, market access support with the government patronising Nigerian made products and encouraging domestic consumption was recommended. Specifically, a product/market protection initiative to support MSMEs systemic development was also recommended. Where, restrictions on markets be placed on products that Nigerian MSMEs can produce across all sectors, to speed up the growth and development of the national economy/markets and MSMEs domestic capacity.

This thesis further recommends policies promoting new MSMEs start-up and maintain the existing business community, to address the high failure rate among MSMEs. Such that, the nascent entrepreneurial population, most importantly the youths and student community, should be encouraged by the legislature, enterprise support networks, trade organisations and business culture, to pursue an entrepreneurial career instead of seeking employment after completing education. Therefore, it is recommended that support agencies such as the BoI, CBN, SMEDAN, which can impact/influence MSMEs start-up process, ensure that the entrepreneurial community was aware of the niche markets opportunities within Nigeria. By improving the investment climate for youths and students to strengthen their capacities to respond to investment opportunities.

It is recognised and recommended that policies should be developed and implemented to create efficient institutional structures for coordination and monitoring of administrative bureaucracy and corruption. It is also recommended MSMEs be consulted to ensure policy reforms are confronting the identified problems. The government should stress the importance of transparency and accountability, as well as strengthen its enforcement mechanisms by rewarding integrity and punishing unethical behaviours and activities among officials. The use of technology where possible to bypass administrative bottlenecks, such as online access to services, was also recommended to address bureaucratic bottlenecks.

Lastly, it is recognised and recommended that MSMEs and policymakers should remain dynamic and focused, given the leading role the sector plays in economic development and job creation. Moreover, attracting potential foreign and national investors are equally crucial and urgent, which requires significant policy changes, government, and private partnership incentives and an increase in financing opportunities. This should be

created/developed in partnership with various financial institutions to address the economic/financial gap within MSMEs. Such policies and incentives would benefit MSMEs and the national economy, thus, enabling the economy to create jobs. Addressing these systemic challenges by implementing the recommendations in this research, the MSMEs will acquire the essential skills for business, and the ecosystem will be adequate to support the systemic advancement of MSMEs. It is the expectation that the findings in this research would be invaluable for MSMEs and policymakers in facilitating and supporting the appropriate policy intervention for Nigerian MSMEs. Such policies will be valuable in supporting the systemic development of Nigerian MSMEs towards achieving transformational entrepreneurship. Indeed, transformational entrepreneurship can facilitate/support the creation of sustainable jobs, create wealth, alleviate poverty, and support the economic growth and development of Nigeria.

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## APPENDIXES

### Appendix 1: Questionnaire questions



### Questionnaire

Please follow the instructions under each section and respond to the questions. All the information provided is treated in strict confidence also, you and your business will not be divulged.

#### **Section [A]: Personal / Background Information - Please tick the box that relates to you.**

Question 1. What is your gender?

(0): Male [ ] (1): Female [ ]

Question 2. What is your age bracket?

(1): 18-24 [ ] (2): 25-34 [ ] (3): 35- 44 [ ] (4): 45-54 [ ] (6): 55-64 [ ] (7): 65+ [ ]

Question 3. What is your highest educational qualification?

(1): Primary / Secondary Certificate [ ] (2): Diploma Degree [ ]  
(3): Bachelor Degree [ ] (4): Master Degree [ ] (5): PhD Degree

Question 4. Previous work experience before starting own business?

(1): Nil [ ] (2): Less than 1 year [ ] (3): 1 – 5 years [ ] (4): 6 – 10 years [ ] (5): 11 – 15 years [ ] (6): 16 – 20 years [ ] (7): 20 + years [ ]

Question 4(a). Role / Position in previous work before starting own business?

(1): Director [ ] (2): Managing Director [ ] (3): Manager [ ] (4): Assistant Manager [ ]  
(5): Officer [ ] (6): Other [ ]

Question 5. Age of own business?

(1): Less than 1 year [ ] (2): 1 – 5 years [ ] (3): 6 – 10 years [ ] (4): 11 – 15 years [ ]  
(5): 16 – 20 years [ ] (6): 21 – 25 years [ ] (7): 26 – 30 years [ ] (8): 31+ years [ ]

Question 5(a). What is your Role / Position in the business?

(1): Founder / Owner [ ] (2): Manager [ ]

Question 6. Please indicate the number of employees in the company.

(1): 1- 10 [ ] (2): 11- 49 [ ] (3): 50 - 199 [ ]

Question 7. What sector(s) does the business operate within?

(1): Agriculture [ ]  
(2): Construction / Real Estate [ ]  
(3): Consumer Goods [ ]

- (4): Financial Services [ ]
- (5): Healthcare [ ]
- (6): Industrial Goods [ ]
- (7): Information & Communications Technology [ ]
- (8): Natural Resources [ ]
- (9): Oil & Gas [ ]
- (10): Services [ ]
- (11): Utilities [ ]

**Section B: Entrepreneurial Competencies**

Question 1: Please indicate your level of competence for the following on a scale of 1 to 5. With 5 as the high and 1 as the low.

Entrepreneurial Competencies		Please tick mark (√) on respective box				
		Very Competent	Competent	Neutral	Less Competent	Not at all Competent
		5	4	3	2	1
1	<b>Do you consider yourself competent in Adaptability?</b> E.g. To change with a positive attitude and a willingness to learn new methods to undertake work activities and new opportunities.					
2	<b>Do you consider yourself competent in Business Ethics?</b> E.g. Moral standard, good business practice, taking responsibility, Set targets and deadlines, being proactive					
3	<b>Do you consider yourself competent in Business Management?</b> E.g. Interpersonal and relationship-building skills, Problem-solving, Administrative, technical, and business analysis					

	skills, use of technology					
4	<b>Do you consider yourself competent in Commitment to your business?</b> E.g. Dedication, self-motivation.					
5	<b>Do you consider yourself competent in Communication and Relationship networking?</b> E.g. Ability to convey business vision, professional presentation, written and oral pitching of investors.					
6	<b>Do you consider yourself competent in Conceptual skills?</b> E.g. Ability to visualise the entire business and integrate information and make judgements from complex abstract data to facilitate positive conclusion and creative alternatives					
7	<b>Do you consider yourself competent in Financial Management?</b> E.g. Financial reporting, cash flow, taxation, knowledge of the financial markets, knowledge of equity and debt financing options, use of financial software					
8	<b>Do you consider yourself competent in Human Resources Management?</b> E.g. Recruiting, talent					

	hunt, managing and nurturing employees					
9	<b>Do you consider yourself competent in Leadership?</b> E.g. Ability to maximise resources, ability to identify opportunities, creativity and innovation, passion, team building, coaching					
10	<b>Do you consider yourself competent in Marketing Management?</b> E.g. Abilities to create and develop product and pricing strategies, branding skills, create and optimise effective marketing campaigns, use of marketing data and technology for marketing.					
11	<b>Do you consider yourself competent in Opportunity Identification?</b> E.g. Ability to identify market gaps, ability to disrupt and create new markets, ability to identify investors, ability to allocate resources					
12	<b>Do you consider yourself competent in Planning and Organising?</b> E.g. Ability to manage and coordinate tasks, develop project plans, monitoring performance to achieve project goals in line with business					

	approved parameters and principles					
13	<b>Do you consider yourself competent in Corporate Social Responsibility?</b> E.g. Ability to balance profit-making activities with activities that benefit society long-term					
14	<b>Do you consider yourself competent in Business Strategy?</b> E.g. Ability to identify long-term goals for the business, and think and act in achieving the goals, merger and acquisition					

### Section C: Entrepreneurial Ecosystem

Question 1: Please read the following statements carefully and indicate how you think each statement applies, on a scale of 1 to 5, with 5 as the high and 1 as the low.

Ecosystem Determinants		Please tick mark (✓) on respective box				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
1	<b>Can you access finance from financial institutions easily?</b> E.g., banks, microfinance providers, government loan schemes.					
2	<b>Can you access market structures easily?</b> E.g. structures that link entrepreneurs and MSMEs by integration and providing access to facilitate trade.					
3	<b>Can you access resources such as market data easily?</b>					

	E.g. information, tools and infrastructural resources such as technology.					
4	<b>Can you access business support programs easily?</b> E.g. support programs that nurture entrepreneurs and MSMEs through mentoring, coaching, and consulting and support services required for developing an enterprise.					
5	<b>Do you consider capacity building structures for entrepreneurship and MSMEs can be accessed easily?</b> E.g. structures that individuals and organizations can obtain, improve, and retain the skills, knowledge, tools, equipment and other resources needed to do business smoothly.					
6	<b>Do you consider the government policies and regulatory Institutions supportive?</b> E.g. policies and regulations set up to foster an enabling and competitive environment for doing business provides these supports smoothly.					
7	<b>Do you consider the business environment encourages and</b>					



	<b>support research and development easily?</b> E.g. by fostering a culture of and supporting various business activities through knowledge and skills creation, new process and innovation.					
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### Section D: Development of Competencies

Question 1: Please indicate the method the business can apply to develop and improve the above entrepreneurial competencies on a scale of 1 to 5? With 5 as the high and 1 as the low.

Development Method		Please tick mark (√) on respective box				
		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
		5	4	3	2	1
1	Do you think External Instructor-Led Training can develop or improve competencies?					
2	Do you think In House Interactive Training can develop or improve competencies?					
3	Do you think Hands-On Training can develop or improve competencies?					
4	Do you think Computer-Based Training can develop or improve competencies?					

Thank you for your time.

## Appendix 2: Survey Informed Consent form



Participant No.

### SURVEY INFORMED CONSENT FORM:

Project Title: A Study of Entrepreneurial Competencies on Transformational Entrepreneurship and MSME Development in Nigeria.

You are invited to take part in this research study for collecting data on investigating the effects of entrepreneurial competencies on transformational entrepreneurship and MSME development in Nigeria. Before you decide to take part, you must read the accompanying Participant Information Sheet.

If you consent to take part in the survey, all questionnaires will be destroyed once they have been analysed. Questionnaires from the research will only be viewed by the researcher and will be stored in a locked drawer at the ICTE Office until they are destroyed on 31/01/2019. Please do not hesitate to ask questions if there is anything that is not clear or if you would like more information about any aspect of this research. It is important that you feel able to take the necessary time to decide whether or not you wish to take part.

Should you require any further information about this research, please contact:  
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1	I confirm that I have read and understood the <u>Participant Information Sheet</u> for the above study and have had the opportunity to ask questions	YES	NO
2	I understand my participation is voluntary and that I am free to withdraw my data from the study by contacting the researcher in writing, without providing a reason	YES	NO
3	I have noted down my participant number (top left of this Consent Form) which may be required by the lead researcher if I wish to withdraw from the study	YES	NO
4	I understand that all the information I provide will be anonymised and treated confidentially	YES	NO
5	I am happy for the information I provide to be used (anonymously) in academic papers and other formal research outputs	YES	NO
6	I agree to take part in the above study	YES	NO

Participant's Name	Date	Signature
Researcher	Date	Signature

### Appendix 3: Ethical Approval Certificate

#### Certificate of Ethical Approval

Applicant:

Odafe Egere

Project Title:

Nigerian MSMEs and Transformational Entrepreneurship.

This is to certify that the above named applicant has completed the Coventry University Ethical Approval process and their project has been confirmed and approved as Medium Risk

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