

## Entrepreneurial Activities and Economic Development in Delta State, Nigeria

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### ABSTRACT

*In today's economies, global consciousness of entrepreneurial, democracy, is spurring increasing realization that small business entrepreneurship should assume a new dimension in Nigeria, due to its prime contribution to economic development. The study examined the impact of entrepreneurial activities on economic development. The survey research design method was employed. The primary research instrument used was a validated structured questionnaire in which all items were assessed on a 5-point Likert Scale, ranging from 1-5 (strongly disagree to strongly agree). Stratified random sampling technique was employed to select 180 small business entrepreneurs from Ika South Local Government and Ika North East Local Areas in Delta State Nigeria. The analytical tools used were correlation and Multiple Regression Analysis. The study revealed that entrepreneurial activity is a multidimensional construct whose aspects have significant positive relationship with economic development. Specifically, establishment of diverse firms that fosters firms diversity enhances employment generation and economic growth. It is concluded that entrepreneurial activities foster wealth creation which resulted from entrepreneurial innovation, and enhances employment generation and competitive advantage. The study recommended amongst others that government should create an enabling environment for entrepreneurship to thrive and entrepreneurs should venture into diverse and innovative enterprises; because encouraging and releasing people's entrepreneurial energies are significant factors in the process of any counties growth and development.*

**Key words:** Entrepreneurial activities, economic development, unemployment, entrepreneurial behavior, firm diversity, entrepreneurial innovation.

### INTRODUCTION

The emerging competitive environment fostered by globalization, strategic thinking, innovation and technological sophistication has left countries with no option than to search for more viable ways of sustaining their economies and ensuring national prosperity. Thus with the increasing realization that economic development is not only dependent on proceed from mineral deposits there should be the encouragement of individuals with entrepreneurial instincts for the creation of wealth which will act as a boost to economic development. An economy is prosperous only to the degree to which it rewards and encourages entrepreneurial activities because it is the entrepreneurs and their activities that are the critical determinant of the level of success, prosperity, growth ad opportunity in any economy. This appears evident because wealth is actually created at the micro economic level where the linkage between posterity and productivity is rooted. As Tracy, (2005) implied the most dynamic societies in the world are the ones that have the most entrepreneurs, plus the economic and legal structure to encourage and motivate entrepreneurs to greater activities. It is also a process of discovery, engineered by entrepreneurs who are propelled by the need to be self-sustaining and the desire for profit, identify latent economic opportunities and then exploit such on untapped opportunities.

In Nigeria, economic development can be viewed from the point of availability of basic infrastructure and amenities such as good network of roads and rails interconnecting geographical zones, clean portable water for both domestic and industrial use, effective and efficient communication system as well as functional education and health care delivery system. As economic development indicators vary, this study focused on employment generation as an indicator of economic development. The Nigerian economy which is a private sector driven economy should consider foreign private investment as an unreliable source of growth and development. As a result efforts should be made to promote domestic entrepreneurship so that it can assume a sustaining and

propelling force for economic development. Ekanem (2005), opined that in a private sector driven economy where foreign private investment is an unreliable source of growth, domestic entrepreneurship seem to assume the critical role of sustaining the momentum of development. Therefore for Nigeria to grow and excel industrially there is the need to develop the country through entrepreneurship as it appears to be the bedrock of any nation's industrial and economic development.

Since entrepreneurship enhances self-employment and also creates jobs, it seems a veritable tool for curtailing the unemployment situation in Nigeria. According to Hisrich and Peter (2000) the role of entrepreneurship in economic development involves more than increasing per capital output and income, it involves initiating and constituting change in the structure of business and society, this change is accompanied by growth and increase output.

Nigeria on its part has overtime initiated programs aimed at creating jobs and reducing poverty but these programs have not been able to achieve its main objectives. Programs like the National Directorate of Employment was initiated with the aim of training and encouraging graduates of secondary and tertiary institutions to take up self-employment in order to embrace small and medium scale enterprise operations. Thus Anyakoha (2002) stated that as a result of this awareness, there are now growing small scale enterprises in Nigeria. The concerted efforts by government to promote the growth of entrepreneurs therefore needs to be re-examined in order to bring to the fore those activities of entrepreneurs that have positive relationship with its emergence and development.

The entrepreneurial spirit may manifest itself in the development of new markets, new products, new methods of production and management, the discovery of new inputs and the establishment of new businesses and even new organizational forms. The central focus of this study is to assess the impact of entrepreneurial activities on economic development. This study is aimed at determining the effect of entrepreneurial behavior, firm diversity and entrepreneurial innovation as tools for enhancing employment generation which will in the long run lead to economic development

### **The Problem**

In spite of the immense human, material and natural resources that abound in Nigeria, the poverty level seems very high. Consequently unemployment is a major problem especially among the youths who are all waiting for white collar and government jobs which appear not available. Their minds most often are not attuned to the fact that they could through being creative and innovative create jobs for themselves and others. Therefore there is no doubt that some of the prevailing social problems in Nigeria today may not be unconnected with the high level of unemployment. Such problems include conflicts, kidnappings, armed robbery, prostitution, drug addiction, and drunkenness to mention but a few. These problems have negative impact on the sustainable development of Nigeria directly or indirectly.

Most Nigerian tertiary institution's academic curricula were designed for full employment in government and private organizations. The expansion of the education sector annually, churns out new entrants into the labor market beyond the absorptive capacity of the economy, thus creating the problem of unemployment occasioned by the dearth of entrepreneurial spirit among Nigerians which is yet to be fully addressed by the government.

## **THEORETICAL PERSPECTIVES**

### **Entrepreneurial Activities**

Entrepreneurial activity relates to those activities which entrepreneurs engage in with a view to creating value from identified opportunities because according to Ahmad and Seymour (2008), entrepreneurial activity is the enterprising human action in pursuit of the generation of value, by identifying and exploiting new products, processes and markets. Schumpeter (1934) saw entrepreneurship as involving human activity that was not generally done in an ordinary business routine. Thus these human activities and their outcome is one of the core issues this study wishes to address because we will want to know how these activities can bring about a change towards positive economic development. These activities of entrepreneurs which we call entrepreneurial

activities therefore can be said to be the human actions that are geared towards the generation of value from hitherto non-existing products, markets and industries or organizations. Since we view it as a human action, entrepreneurial activities can be explained by three basic ideas:

The first focuses on the individual because according to Kihlstrom and Laffont (1979), any entrepreneurial action is conceived as a human attribute. Such as the willingness to face uncertainty while McClelland (1961) added the fact that entrepreneurial activity comprise human actions like accepting risk and the need for achievement. These factors differentiate entrepreneurs from the rest of the society. The second fundamental idea according to Tushman and Anderson (1986) emphasises economic and enviromental factors that motivate and enable entrepreneurial activities such as the market dimension, the dynamics of technological changes. While Acs and Audretsch (1990) added that the structure of the rest of the market and demographic or merely industrial dynamics explain entrepreneurial activities. The third is linked to the functioning of institutions, culture and societal values. These approaches are not exclusive (Eckhardt and Shane, 2003), given that entrepreneurial activity is also a human activity and does not spontaneously occur solely due to the economic enviroment or technological, normative or demographic changes. Since we agree that the focus of entrepreneurial activity is on the individual, industry,market and the consumers, entrepreneurial activity should therefore include firm diversity which promotes variety of enterprises, innovation and behavior of these entrepreneurs which will bring about positive entrepreneurial spirit and the enhancement of employment generation which is the indicator and construct of economic development that this study examine

Entrepreneurial activity results in not just self-employment but also include the entry of new markets, new firms, the creation of new products or services and the innovation associated with different businesses. Adejumo (2000) found that entrepreneurial activity is capable of making positive impacts on the economy of a nation and the quality of life of the people. Oluremi and Gbenga (2011) also saw a positive relationship between entrepreneurial activities and the stimulation of employment generation. Ahmad and Seymour (2007) went further to state that there are many types of entrepreneurial activity from corporate venture to social change enterprises. Therefore since these entrepreneurs are modeled by behavior, innovation which results in firm diversity within an environment, they should be treated as entrepreneurial activities because according to Ahmad and Seymour (2007) entrepreneurial activity can be associated with organic as well as acquisitive decisions and that the essential question relates to whether there is an activity and a new business entry.

### **Economic Development**

Economic development is a dynamic phenomenon, as a result there is no economy that is at a standstill thus every economy is either positively or negatively developing. In trying to define economic development, Shaffer (1989) sees it as the sustained, progressive attempt to attain individual and group interest through expanded, intensified and adjusted use of available resources. While Morse and Loveridge (1997) see economic development as a sustained community efforts to improve both the local economy and the quality of life by building the area's capacity to adapt to economic change. After a careful look at the above definitions, it can be deduced that economic development involves jobs and income growth; it also involves sustainable increases in productivity of individuals, businesses and resources to increase the overall wellbeing of residents and maintaining or even enhancing the quality of life.

Economic development encompasses three major areas:

- Policies that governments undertake to meet broad economic objectives such as price stability, high employment, expanded tax base, and sustainable growth. Such efforts include monetary and fiscal policies, regulation of financial institutions, trade, and tax policies.
- Policies and programs to provide infrastructures and services such as highways, parks, affordable housing, crime prevention, educational institutions and projects.

- Policies and programs explicitly directed at job creation and retention through specific efforts in business finance, marketing, neighborhood development, small business start-up and development, business retention and expansion, technology transfer, workforce training and real estate development.

The factors discouraging economic development may be classified into economic and non-economic factors. The economic factors include lack of entrepreneurs, capital deficiency, market imperfection and the vicious cycle of poverty. The non-economic factors include undeveloped human resources, political instability, socio-cultural constraints and religious factors.

### **The Concept of Unemployment**

Unemployment refers to a situation where an able bodied individual cannot find work to earn enough to take care of his expenses. The international labor organization (ILO) defines the unemployed as the number of the economically active population who are without work but available for and seeking work. Fajana (2000) refers to unemployment as a situation where people who are willing to and capable of working are unable to find suitable paid employment. The higher the unemployment rate in an economy, the higher would be the poverty level and other associated welfare challenges. Unemployment is one of the key indicators of the economy and has high sensitivity to the changes in the economic and social environments. In Nigeria, the unemployment rate which measures the number of people actively looking for job as a percentage of the labor force as at the first quarter of 2015 according to the Nigerian bureau of statistics was estimated at 7.5%. Thus making unemployment a serious problem in Nigeria and its impact on Nigeria's sustainable development cannot be overemphasized. The social vices that have characterized the nation such as armed robbery, trafficking, kidnapping, terrorism, prostitution among others may not be unconnected with the unemployment crisis, which seem to be assuming alarming rate today. Until adequate measures are taken, the future of Nigeria's development will be a mirage because these problems are tied to poverty caused by unemployment.

### **Theoretical Framework**

The theoretical foundation of this study is based on the cultural theorist view, that sees culture as one of the guiding forces to the development of entrepreneurial spirit in an individual or group.

To guide this work therefore we took a look at the Hoselitz cultural theory of entrepreneur which points to the fact that entrepreneurial talents come from cultural values and systems embedded in the cultural environment. According to Mohanty (2005) Hoselitz being a cultural theorist, has his basic argument to the fact that entrepreneurship is a product of culture. He went further to state that cultural theorists of entrepreneurship explain the differences in entrepreneurial ability and spirit across different cultures. Mohanty (2005) illustrated further that the Hoselitz's theory explains that the supply of entrepreneurship is governed by cultural factors and that culturally, minority groups are the engineers of entrepreneurial activities and economic development. Thus marginalization of cultural minorities has spurred them into looking for alternate ways to developing their environment. This therefore explains why certain socio-cultural groups like the Igbos have spurred entrepreneurship and development in Nigeria.

The discussions above therefore points to the fact that entrepreneurship can be developed in a society where cultural norms permit variability in the parts to choice of life and in which relevant process of socialization of the individual is not completely standardized. Thus individuals develop their attitude and behavior in the direction of productivity and creative/innovative integration. Although Mohanty saw that certain culturally marginal groups promote entrepreneurship because of their ambiguous position that makes them suited for creativity and development of innovative ideas for the survival of members of that culture, Hoselitz theory realized the role of change as a stimulus for innovation. Thus Hoselitz (1952) in his write-up on "Hypothesis of marginal men" as cited in Mohanty (2005), did posit that "marginal men" are best suited for creative adjustment in times of economic change and through this adjustments are able to introduce better ways through genuine innovation in social behavior.



This study therefore views entrepreneurial activities from the viewpoint of culture because from Hoselitz theory we saw that culture will impact on behavior and innovation which will lead to multiplicity of firms within an environment (firm diversity) and it will help us look at the critical prompting from cultural factors that have affected entrepreneurship in the area under study. The Ika federal constituency is inhabited by the people of the Ika ethnic nationality which according to Ford and Jones (1967) as cited by Onyeche (2002) represent one of the inland parts of the four groups that make up the western Niger Igbo group (Aniocha, Oshimili, Ika and Ukwuani). Their cultural origin is also linked to the Binis of Edo state, this position is supported by Esogbue (2014) who cited Williamson (1968) that though the language of the Ika is Igbo, their culture is a mixture of the Bini and Igbo culture. These two dominant cultures (Igbo and Bini) are known for their entrepreneurial disposition. Like the Binis were before colonization known to be good craftsmen whose innovative ingenuity brought their bronze statues and sculptural works to world limelight, the Igbos on their part can be seen to be active innovators in all sectors of the economy giving the impression that any made in Nigeria products are "Igbo made" products. Although unlike the Igbo and Bini cultures, the community under study from time has been agrarian but recent development has seen the diversification of inhabitants into other endeavors.

### **Entrepreneurial Behavior and Employment Generation**

Entrepreneurship has to do with real challenges and opportunity identification that directly impact on entrepreneurs. However, it is how entrepreneurs perceive these challenges and opportunities that guide their behavior and actions. These perceptions are influenced by personal and environmental motivations, thus entrepreneurial behavior is guided by the entrepreneur's expectations rather than by laid down rules. Entrepreneurship does not happen until individuals take action. Thus, entrepreneurial behavior is essential to the phenomenon of entrepreneurship and venture creation. Entrepreneurial behavior is the human action involved in identifying and exploiting opportunities through creating and developing new ventures. According to Bird, Schjoedt and Baum (2012) the major goals of research on entrepreneurial behavior is to explain, predict, and control (shape and change) behavior at the individual and group/team level. Whilst psychological aspects such as 'entrepreneurial intention' and the 'ability to recognize opportunities' are strongly linked to entrepreneurial behavior, the context in which the entrepreneur operates is also very important.

Entrepreneurship reflects complex interactions between the individual and business situations which are always dynamic. Perceptions and judgment are therefore key elements in this process. Indeed, Mark Casson (1982) identified 'judgment' as one of the qualities that distinguishes the successful entrepreneur from the much larger group of non-entrepreneurial business owners. Entrepreneurial behavior is guided by the entrepreneur's expectations rather than a rigid set of strategic objectives. The process is not static but very dynamic with feedback from the market consciously and indirectly affecting later decisions and actions. As each context and set of market signals reflect industry, regional and life-cycle influences, it is difficult to assume that each entrepreneur needs the same set of behavioral pattern in order to achieve success.

Entrepreneurial behavior is one of two behavioral alternatives underlying the desire to undertake innovations and to change the status quo, the other is managerial behavior. Entrepreneurial behavior embraces innovation, is motivated to seek changes in the status quo and draws satisfaction from institutional changes. In contrast, managerial behavior is a preference for maintaining the status quo.

According to Bird, Schjoedt and Baum (2012) entrepreneurial behavior research should emphasize the importance of refocusing our attention towards concrete and observable human actions in venture and organizational creation and emergence. Entrepreneurial attitudes and behaviors are critical to new ventures to facilitate the utilization of new and existing knowledge to discover market opportunities, towards employment creation.

Thus, we hypothesises that:

**H<sub>1</sub>:** *There is a significant relationship between entrepreneurial behavior and employment Generation*

### **Firm Diversity and Employment Creation**

When diversity is mentioned in the organizational environment, our mind is often pointing to workforce diversity. But we can also diversity from the point of the composition of the business environment to see how entrepreneurs have caused the establishment of varied organizations and firms because diversity can be seen as a range of different things. The American heritage dictionary (2011) defines diversity as a variety or assortment while the Random House Kameman Webster's dictionary (2010) sees diversity to mean variety and multidimensional forms. This implies that firm diversity refers to the differences, variety, divergence, multiplicity, and heterogeneity that exist in the firm population within an environment (city, state or country). While entrepreneurial diversity refers to the presence of disparities and differences in the entrepreneur population. Due to the fact that entrepreneurs are different and these differences are along different dimensions which include culture, age, gender, sex, qualifications etc, these differences have impact on the entrepreneurial disposition of individuals and this have resulted in the diversity of firms with a multiplier effect on the number of jobs created.

According to Jackson (1984) the importance of diversity in entrepreneurship can be better understood in the context of an increasing diversity in demand. Indeed, market demand has become more diverse, induced by an increase in prosperity and reinforced by the processes of individualization and globalization thus the striving need by entrepreneurs to meet this challenge by the establishment of diverse firm which will invariably generate employment. This too is in line with Grafoli (1994) and Audretsch and Fritsch (1994) who in their separate studies found that unemployment is negatively related to new firm startups. Thus as new and diverse businesses are established, employability is stimulated and unemployment reduces substantially.

According to Florida (2002) diversity of economic actors has been identified as an important driver of economic progress at the level of cities, regions and national economies. He went further in his argument to state that the influence of diversity on economic performance runs through human capital, where a high share of creative individuals in a certain city or region attracts high-tech and innovative industries. Cohen and Malerba (2001) distinguish between the selection, the breadth and the complementarity effect of diversity in the firm population. The selection effect runs through increased competition, induced by an increased number of (diverse) firms. The breadth effect of diversity works through available future opportunities for new and related products, where a wide range of products within an industry opens up new avenues for (incremental) innovation, thereby securing the longevity or long-term survival of the industry. The complementarities effect refers to the fact that a varied supply of products and services enables consumers to fulfill their diverse needs. This is in line with Gartner (1985) perspective regarding new venture formation: the creation of a new venture is a multidimensional phenomenon: each variable describes only a single dimension of the phenomenon and cannot be taken alone. He went further to state that entrepreneurs and their firms vary widely; the actions they take or do not take and the environments they operate in and respond to are equally diverse and all these elements form complex and unique contributions in the creation of new and diverse enterprises.

Thus, we propose that:

**H<sub>2</sub>:** *There is significant relationship between firm diversity through entrepreneurship and employment generation*

### **Entrepreneurial Innovation and Employment Generation**

Innovation is the process that renews something that exist or not, the birth of something new. Gartner (1988) sees innovation from the entrepreneur's perspective to mean creativity; Creation of organization. Beswick (2010) also sees innovation as the successful use of an idea that adds value to the customer and commercial return for the creator while business dictionary.com defines innovation as the process of translating an idea or invention into a good or service that creates value or for which customers will pay. According to Lumpkin and Dess (1996) innovativeness may take several forms ranging from a willingness to try a new product line or experiment with a new advertising medium, to a focused effort to master the latest products or technological advances.

Innovation can create or destroy employment depending on the market structure, institutional setting and the type of innovation that is introduced into the industry. If an improved product is introduced into the market, this will increase employment via an increase in demand. There could also be employment contraction where new

products replace old ones or are designed in such a way as to minimize cost. Therefore net effect of product innovation is a contraction in employment. In the same vein, the effect of process innovation can either be positive or negative because the usual outcome of process innovation is higher productivity and loss of employment. But on the other hand if process innovation increase quality, reduce price and leads to a rise in demand, employment creation will arise. The entrepreneur initiates these activities because if entrepreneurial firms are not created by innovative entrepreneurs, there would neither be process nor product innovation. Thus innovatively productive entrepreneurs can invigorate the economy by creating jobs, new technology and increase productivity.

Hence, we hypothesises that:

**H<sub>3</sub>:** *There is significant relationship between entrepreneurial innovation and employment generation*

## Methodology

The study employed the survey research design method. It was conducted in Abavo and Boji-Boji Agbor in Ika South Local Government Area and Boji-Boji Owan in Ika North East Local Government Area; both of which make up Ika Federal constituency in Delta State; Nigeria. A sample frame with accessible population of 1,000 small business entrepreneurs was obtained from the revenue department of the two local government councils and stratified Random sampling method was employed because it will ensure adequate or proportional representation of the different local government that make up the population in the selected sample, as this will ensure the livelihood of good representation. The research instrument used for this study was a 15 item validated structured questionnaire in which all items were assessed on a five point likert scale, ranging from 1-5 (strongly Disagree to strongly Agree). Cronback Alpha Index was used for estimating the reliability of the questionnaire. Favorable reliable scores were obtained from all the items since all values were above 0.6, exceeding the common threshold of cronbach Alpha value recommended by Malthra (2004). A total of 180 sets of questionnaire were sent out to the various respondents out of which a total of 175 were successfully retrieved and 149 were analysis and this figure represents 82.7% of the sample population. The major analytical tools used were correlation and multiple regression analysis.

## Results:

**Table 1: Correlation Matrix among the Dimensions of Entrepreneurial activities and Economics Development.**

	Entrepreneurial Behaviour	Firm Diversity	Entrepreneurial innovation	Economic Development
Entrepreneur behavior	1			
Firm Diversity	.343**	1		
Entrepreneurial innovation	.473**	.462**	1	
Economic Development	.283**	.342**	.329**	1

\*\* correlation is significant at the 0.01 level (2-tailed).

The correlation analysis as shown in table 1 reported that Entrepreneurial behavior exhibited positive and significant correlation with firm Diversity ( $r = .343^{**}$ ,  $P < .01$ ), Entrepreneurial innovation ( $r = .473^{**}$ ,  $P < .01$ ) and Economic development ( $r = .283^{**}$ ,  $P < .01$ ). Similarly firm diversity was positively significantly correlated with Entrepreneurial innovation ( $r = .462^{**}$ ,  $P < .01$ ), and Economic Development ( $r = .342^{**}$ ,  $P < .01$ ). Also Entrepreneurial Innovation displayed positive and significant positive relationship with Economic development ( $r = .329^{**}$ ,  $P < .01$ )

**Table 2: Summary of Multiple Regression Analysis of Entrepreneur behavior, Firm Diversity, Entrepreneurial Innovation on Economic Development.**  
Coefficients<sup>a</sup>

Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
	B	Std.Error	Beta		
(constant)	8.592	1.430		5.964	.000
Entrepreneurial behavior	.384	.101	.403	3.772	.003
Firm Diversity	.411	.078	.405	3.833	.002
Entrepreneurial Innovation	.369	.126	.314	2.258	.003

Source: Analysis of field survey, 2016 Dependent variable: Economic Development

**Table 3: Model Summary**

Model	R	R-Square	Adjusted R	Std.Error of the Estimate
1	.408 <sup>a</sup>	.172	.168	1.984

a. predictors: (constant), entrepreneurial innovation, firm diversity, Entrepreneurial behavior.

### Discussion

The results of the correlation analysis involving all indications of Entrepreneurial activities exhibited an overwhelming positive correlation coefficient values among the variables. This is indicative that they are appropriate dimensions and measures of Entrepreneurial Activities. The Result from the multiple Regression Analysis (MRA) recorded the impact of entrepreneurial activities on Economic Development. The Three constructs of Entrepreneurial Activities: exhibited statistically significant positive effect on Economic Development. specifically Entrepreneurial Behaviour exhibited significant positive effect on Economic development ( $\beta = .403$ ,  $P < 0.01$ ). This finding is consistent with the result from  $H_1$  test, which recorded that there is significant relationship between Entrepreneurial behavior and economic development ( $P_{cal} = .003 < P_{crit} = 0.05$ ). However, the result is also supported by the findings of Oladipo (2001); which affirmed that, entrepreneurial behavior fosters employment generation. This is also in line with the findings of Oluremi and Gbenga (2011) which established that there is a positive relationship between entrepreneurial activity and employment generation. The implication of the above findings is that if the enabling environment that will encourage positive entrepreneurial behavior is not created, there will be unemployment and economic retardation will be inevitable.

Similarly, the findings indicate that firm diversity is found to have significant positive relationship with employment generation. ( $\beta = .405$ ,  $P < 0.01$ ). The findings provided support for the result of  $H_2$  which stated that there is statistically significant positive relationship between Firm Diversity through entrepreneurship and employment generation ( $P_{cal} = .002 < P_{crit} = .05$ ). This is consistent with Morrison (2009) findings that diversity among firms through entrepreneurship can be a veritable tool for poverty alleviation. This implies that where diverse firms and organizations exist, more people will be employed to work in such firms thereby raising their income level. The implication also is that diversity among firms through entrepreneurship can foster poverty alleviation through providing employment opportunities.

In the same vein, Entrepreneurial Innovation is found to have positive relationship with job creation ( $\beta = .314$ ,  $P < 0.01$ ). This findings provide support for the result of  $H_3$  ( $P_{cal} = .003$ ,  $P_{crit} = .05$ ). This finding aligned with Hooide (2006) findings that entrepreneurial innovation enhances competitive advantage through new offerings. It is further supported by Kenneth (2008), who opined that entrepreneurial innovation gives rise to competitive advantage and giving an entrepreneurial firm an edge over its rival. Also it fosters their ability to generate greater value for themselves and its shareholders. This implies that entrepreneurs that are innovative will be in a



position to introduce new offerings, technology and even firms that will create new jobs unlike non innovative entrepreneurs whose firms remain static and might even resort to job cut to remain in business.

### **Conclusion**

Based on the analyses and findings of this study, it can be concluded that, there is significant positive relationship between entrepreneurial behavior and employment generation. Therefore providing enabling environment that will encourage entrepreneurial behavior and activities should be created towards promoting employment and economic growth. Positive entrepreneurial behavior elicits innovation and seeks to refocus attention to changes in the status quo in order to generate employment.

There is significant positive relationship between employment generation and firm diversity. Thus firm diversity create jobs and diversity of economic actors has been identified as an important driver of economic progress at the level of individuals, cities, regions and national economies. As market demand has become more diverse, entrepreneurs and their firms vary widely. Thus establishment of diverse firms that fosters firm diversity invariably enhances employment generation and economic growth.

Similarly, there is significant positive relationship between entrepreneurial innovation and job creation. Therefore Entrepreneurial innovation will give rise to competitive advantages which will in turn give entrepreneurial firms an edge over its rival, and foster their ability to generate more jobs, greater value for themselves and its stakeholders.

The people of Ika federal constituency have from the findings of this research embraced entrepreneurship, as a result, there seems to be great improvement in their standard of living. Very many of the inhabitants are into one business enterprise or the other in order to create a source of livelihood or to augment their income from farming while many of those engaged in white collar job and government jobs have also delved into the establishment of own businesses to improve upon their income status. Thus within the Boji-Boji metropolis can be seen paint factories (Carmelite and favor paints), foam factory (Apaco foam) a plethora of block industries, etc.

Entrepreneurial activities therefore has impacted positively on the development of Ika federal constituency by way of job creation, increased productivity and has tremendously helped to increase the living standard of the people of the area.

### **Recommendations**

Entrepreneurial activity plays a vital role in national economic development by fostering creativity, employment creation and improvement of the living standard of any country's population. Therefore the study recommends as follows:

- That government should create the enabling environment that will encourage positive entrepreneurial behavior so as to promote employment generation and economic growth.
- That firm diversity should be encouraged so as to create more jobs within the country.
- It is also recommended that Entrepreneurs should engage and encourage innovative activities which will in turn give rise to competitive advantages and foster their ability to generate more jobs and greater value for themselves and its stakeholders.
- Concerted efforts should be made to promote domestic entrepreneurship so that it can assume a sustaining and propelling force for economic development.

### **Suggestions for Further Study**

The present study was concerned with the impact of entrepreneurial activities on economic development using some selected small and medium scale enterprises in Ika federal constituency of Delta state, Nigeria. Future studies should increase the number of local governments covered.

More so, the study utilized only three dimensions of Entrepreneurial activities which include: entrepreneurial behavior, firm diversity and entrepreneurial innovation. Further studies should include other dimensions of Entrepreneurial activities not used in this study.

Further study should also consider using other appropriate statistical tools in testing the conceptual model of this study. This may depict the extent of the predictive capacities of the various indicators of the independent variables on the dependent variable.

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