

## The Entrepreneurship Skill Development and Creativity as Key Factors That Influence Economic Growth in Nigeria

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### **Abstract**

*Technical advancements and developments over the years have improved the scientific relationship between knowledge and economic growth, so that economic growth is now centered on the intangible development of values in the form of vital skills, services, cutting-edge technologies, and inventions rather than just the exploitation of raw materials, energy sources, and tangible goods. Nigeria's high rate of poverty and youth unemployment has necessitated a revision of the country's conventional approaches to human capital development. This paper's primary objective is to provide insight into recent advancements in our knowledge of the forces that influence the creation, dissemination, and innovation of information during the entrepreneur's growth phase. This study examined the entrepreneurship development programs offered by postsecondary educational institutions as well as the ability of recent and prospective graduates to create jobs. Therefore, forty youth corps members were surveyed to assess their entrepreneurial dispositions at the Rivers State NYSC orientation camp in Port Harcourt. In a similar vein, surveys were conducted at four tertiary institutions in Rivers State. Twenty pupils from each of the chosen schools made up the sample of institutions. Twenty people were polled out of 100. It was discovered that 32% of those who acknowledged having taken entrepreneurship courses expressed interest in starting their own companies using the X2 analytical technique, 22% preferred working for private companies, and 46% preferred working for either government agency. The policy implications of this study are important for designing regulations that impact knowledge development and effectively disseminate knowledge into needs that are beneficial to society.*

**Keywords:** *Entrepreneurs, Knowledge, Innovation, Dissemination, Growth, Creativity*

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## **Introduction**

Among Nigeria's numerous socioeconomic problems, unemployment and poverty are often the most significant. According to ILO data (2014), a high degree of poverty was fostered by the unemployment rate, which ranged from 7.3 percent in 1986 to 20.51 percent in 2014. In Nigeria, a large number of young people lack jobs, endangering the safety of the more fortunate and defenseless citizens. The issues appear to be unabated despite numerous attempts by various government regimes to lower unemployment by creating jobs in the public and private sectors through the varied development agenda. According to Schoof (2010), it is commonly accepted that those with a knack for entrepreneurship and skill development are more likely to launch businesses, create jobs, and positively impact economic growth and poverty alleviation. This point is supported by numerous academics and politicians alike. For instance, different authors have provided different definitions for the term "entrepreneur.". According to renowned economist Jean Baptist Say, the term refers to a person who can allocate capital to boost economic growth and competitiveness. But according to the classicists, the entrepreneur is a coordinator of limited resources, making resource allocation more effective and boosting productivity as the business expands. Furthermore, according to Schumpeter (1943), an entrepreneur is someone who is creative and innovative, who challenges established production methods, and who creates economic imbalances that open up new opportunities needed to boost productivity. Since the innovation process is a feature of access to existing information, it is considered to be one of the critical issues in understanding development. Does a comprehensive understanding of the interface between entrepreneurial awareness, skill development, and economic growth become necessary in a world driven by innovation? Innovation serves as a medium for the realization of knowledge spillovers by disseminating and improving existing information. Innovation frequently entails expanding the collection of useful knowledge by acquiring new abilities. Entrepreneurship, skill development, and creativity have been found to be important factors in determining economic growth in the majority of North American nations (Zoltan and Audretsch, 2009). He added that over the previous 20 years, the region's increased entrepreneurial activity has led to steady economic growth and controlled unemployment. Similarly, researchers and policymakers in Europe and Asia have recognized the potential of entrepreneurship to increase growth rates and reduce unemployment (Audretsch and Keilbach, 2005). Zoltan and Audretsch have demonstrated unequivocally that areas or industries with greater entrepreneurship also have higher levels of economic development and innovation. This suggests that incorporating entrepreneurial education into educational establishments guarantees.

## **Conceptual Issues**

An entrepreneur is someone who can transform opportunity into financial value by fusing his creativity and experience with a strategic goal and vision. Entrepreneurs are the conduits through which innovative and creative ideas can be communicated in business decisions that involve risks and uncertainties (Braunerhjelm, 2010). An entrepreneur is a person who plans to create a new business venture that will add value to the economy by effectively utilizing his experience, passion, dreams, and desires. According to Acs and Armington (2006), an entrepreneur is a person or

organization that evaluates the state of the environment and guides the implementation of specific adjustments or substitutes in the manufacturing or economic structures as he deems required to attain the intended outcomes. Entrepreneurship is nothing more than the actions taken by the entrepreneur, including risk-taking, creative, and uncertain decision-making. Entrepreneurship is the "how, by whom, and with what goods and services are discovered, assessed, and exploited," according to Shane and Venkataraman (2000). This indicates that an entrepreneur is someone who sees and creates new creative possibilities in the face of uncertainty.

### **Theoretical Issues**

According to Emordi (2013), an entrepreneur aids in moving the economy to the best spot on the output production possibility curve. According to Schumpeterian theory, entrepreneurs are also innovators. The role of independent innovators, or entrepreneurs, and their contributions to economic development have not received enough attention in entrepreneurial theories and models up to this point. Economic growth cannot be explained solely by the accumulation of output factors (in the form of capital and knowledge). To transform these factor inputs into successful projects, the entrepreneur must possess creative expertise. According to the knowledge spillover theory of entrepreneurship, companies first live exogenously before endogenously seeking out and utilizing knowledge inputs to generate innovative output. Economic agents hold the exogenous information, and the spillover of knowledge from its generating organization involves the endogenous creation of a new company in an effort to seize the profits from that knowledge. By taking advantage of the knowledge produced by RandD units in corporations and higher education institutions, the spillover of knowledge opens doors for the establishment of new businesses. The knowledge spillover theory of entrepreneurship was empirically supported by examining variations in start-up rates across industries that represent distinct underlying knowledge contexts. Specifically, industries that invested more in new knowledge also had higher start-up rates, while industries that invested less in new knowledge had lower start-up rates. This was interpreted as a channel for knowledge spillovers (Caves, 2008). Therefore, there is substantial evidence that entrepreneurship is an endogenous reaction to opportunities created by established firms that they have not taken advantage of. This included an organizational component pertaining to the process of information spillovers. Audretsch and Stephan (1996) provided evidence regarding the spatial dimension of information spillovers. Based on their research findings, information spillovers occur in the vicinity of the knowledge source. According to studies, information spillover is thought to happen naturally within the geographic source of knowledge rather than being explicitly transmitted by any specific mechanisms (Caves, 2008).

The knowledge spillover hypothesis of entrepreneurship characterizes new ideas and knowledge as a major source of entrepreneurial potential. According to the knowledge spillover theory of entrepreneurship, new ideas and knowledge are created in one way and actively sought after by the source, which in turn generates ideas that act as a source of knowledge that creates entrepreneurial opportunities. A company that creates opportunities is not necessarily the same company that takes advantage of them. Prospective business owners may appropriate or manipulate knowledge spillovers in their development push by securing a franchise, license, or royalty, which functions as a mechanism for knowledge spillover. Innovative concepts and

experience are crucial in generating entrepreneurship opportunities. According to Romer's (1986) endogenous growth model, new technical knowledge is assumed to naturally spread. Knowledge automatically spreads as a result of direct access to investment in new technical information by economic agents and third-party businesses. The idea that knowledge spreads naturally is in line with Arrow's (1962) fundamental viewpoint, which holds that knowledge differs from traditional development factors (labor and material resources) in that it is neither an exhaustive nor an exclusive preservation (Audretsch and Keibach, 2005).

### **Empirical Issues**

Numerous studies have thoroughly examined the contribution of entrepreneurship to economic growth, company expansion, innovation, and unemployment reduction. Adam Smith (1776) believed that in order to transform new ideas and knowledge into profitable endeavors, innovation and entrepreneurship were necessary. As more and more studies demonstrate that a favorable entrepreneurial climate supports sustainable economic growth, the necessity of transitioning from a regulated economy to an entrepreneurial economy has come up for policy discussion. Academic studies in developed nations have scientifically assessed the contribution of entrepreneurship to economic development, market expansion, innovation, and unemployment reduction. This study has repeatedly demonstrated that areas or industries with greater entrepreneurship are also seeing greater levels of economic development and innovation. Because of this, the majority of European nations are realizing the potential of entrepreneurship and implementing policy measures to improve their entrepreneurship competencies in order to boost growth rates and lower unemployment rates. The usefulness of using education in entrepreneurship to encourage entrepreneurial choice has been validated by a few studies, including Siyanbola; Afolabi, Jesuleye, Egbetokun; Dada; Aderemi, et al. (2009). Their study found that students' career choices are positively impacted by entrepreneurship education. According to the findings of these studies, youth unemployment will soon be eliminated if entrepreneurship education is made mandatory in all of our higher education institutions. It is a well-known fact that some people are born entrepreneurs and can succeed with or without education, but that for those who lack the "entrepreneurial spirit," no amount of education can lead to business success (Charney and Libecap, 2003). According to Obembe and Adeleye (2015), Ekpoh and Edet (2011) investigated the relationship between tertiary education students' career intent and entrepreneurship education in the South-South geopolitical region of Nigeria, specifically in the states of Akwa-Ibom and Cross Rivers. Five hundred students filled out a standardized questionnaire for the study, and the results were assessed using frequency counts, percentages, and the population T-test. The results revealed that the majority of students (29.6%) decided to pursue paid employment, 26.6 percent recommended self-employment, 21% chose both employment and part-time business, 15% were enrolled in postgraduate programs, and 7.6% preferred to pursue both postgraduate and part-time business studies. Although a sizable percentage of respondents indicated that they had moderate abilities (47.2%), the advantages of entrepreneurship education are substantial. According to the study's findings, tertiary students' career plans benefit from entrepreneurship instruction.

In his study, Moschandreas (2000) asserted that an entrepreneur is someone who assists the economic process in shifting the economy from a less-than-ideal state to one that is on the curve

of potential development. According to this perspective, an entrepreneur takes on the role of resource manager, capable of allocating resources to others in a way that maximizes productivity and expansion. Conversely, a lot of people who subscribe to the Schumpeterian perspective believe that entrepreneurs are innovators. According to this perspective, entrepreneurs fulfill that role by embracing concepts in the form of new knowledge, locating new resources, producing new products, and spotting untapped markets. The stable economy is unbalanced as a result of this mechanism. More chances for economic growth and entrepreneurship are made possible by this discrepancy. Researchers like Turker and Selcuk (2009) looked at the factors influencing university students' entrepreneurial intent in Turkey. They proposed an entrepreneurial support model, which was empirically evaluated in a study involving 300 university students. The findings demonstrated that students' entrepreneurial intent is influenced by structural and educational support factors. Njerforti examined the potential for job creation of NDE's entrepreneurship growth program in his paper, which was presented at the 2015 NES meeting. Two states were selected from each of the six geographical zones where the survey was conducted. NDP trainees and ESDP recipients made up the frame sample. The majority of participants in the study were graduates, and the high unemployment rate in the nation was verified. Recent developments in our knowledge of the factors influencing the creation of information, how it is disseminated and commercialized through innovation, and the part that entrepreneurs play in the process of expansion are clarified by Braunerhjelm (2010). The policy implication of this research finds out this survey. In terms of policy implications, the regulations that impact information development, ownership, entry barriers, labor mobility, and financial markets are particularly pertinent. Each of these factors has an impact on the effective feedback-based dissemination of information. Knowledge production must be matched by incentives that create mechanisms to transform information into socially beneficial needs.

In their 2009 analysis of 20 OECD countries from 1981 to 2002, Braunerhjelm, Acs, Audretsch, and Carlsson found a positive correlation between entrepreneurship and growth at the national level. Even though RandD's relevance seems to decline in the 1980s, its influence is significantly greater in the 1990s. Salgado-Banda (2005) is using quality-adjusted patent data for 22 OECD countries to implement an innovative entrepreneurship measure that has been shown to have a positive impact on development but not on self-employment. As previously acknowledged, new businesses are crucial to the economy, according to research by Acs and Armington (2002) on the relative contribution of new businesses to new jobs. In contrast to existing establishments, new establishments contributed significantly to job growth in the first half of the 1990s, according to the economic history of the United States of America. Scholars like Van-Stel and Suddle (2008) believe that new businesses are more significant than company stock, with the exception of the industrial sector. These findings align with earlier research on manufacturing. In a report for the OECD, Audretsch and Thurik (2002) carried out two separate empirical studies to determine the impact of changes in entrepreneurship on growth. Each makes use of a distinct country sample, entrepreneurship metric, and specification. Through different entrepreneurship steps, data sets, time periods, and requirements, this provides a sense of robustness. The first study calculates the proportion of economic activity that small businesses account for in order to measure entrepreneurship. In order to test the hypothesis that higher entrepreneurship rates result in higher



subsequent growth rates, it links improvements in entrepreneurship to growth rates for a panel of 18 OECD countries over a five-year period. The second study links changes in entrepreneurship to changes in unemployment at the national level between 1974 and 1998 using a measure of self-employment as an indicator of entrepreneurship. The many samples, which include OECD countries, yield consistent findings over a range of time periods: higher levels of entrepreneurial activity typically result in higher rates of subsequent growth and lower unemployment. According to a recent study by Sutter (2009) on data from the US, the establishment of new regional businesses and the regional stock of expertise account for 90% of the regional growth variance (total productivity factor). Nonetheless, it is thought that entrepreneurship has a five-fold bigger effect on growth than awareness. Thus, the empirical data suggests that while awareness is important for steady-state economic growth, the impact of new businesses' commercial adoption of it is much larger.

### **Materials and Method**

Samples of primary data were used for this analysis. Members of the corps who have been assigned to Rivers State make up the sample size. For the analysis, questionnaires regarding the entrepreneurial qualities of literature were developed. The survey was given to National Youth Service Corps (NYSC) members assigned to Rivers State for the 2022–2024 service year. 130 questionnaires were distributed, 10 of which were determined to be invalid for review. Despite its potential small size, the sample is reasonably representative of the research population. Several individual-specific characteristics acquired during training, such as expected skills, were included in the study. Interviews were also conducted with the NYSC camp staff and the staff of the institutions being examined. Rivers State University, Ignatius Ajuru University of Education, Port Harcourt, University of Port Harcourt, Choba, and Capt. are among the institutions included in this study, in addition to the NYSC camp at Port Harcourt. Ken-Sarowiwa Polytechnic, Bori, Elechi Polytechnic, Rumuola, Port Harcourt, School of Health, Rumueme, School of Nursing, Port Harcourt, and so on. A random number table was used to select the four samples from among the State's twelve postsecondary educational institutions. Time and cost considerations are the basis for the sample size.

### **Methodology**

When using a cross tabulation, also called a bivariate table, the Chi-Square statistic is most frequently used to assess Tests of Independence. With the intersections of the variables' categories showing in the table's cells, cross tabulation displays the distributions of two categorical variables at once. By contrasting the observed pattern of responses in the cells with the pattern that would be anticipated if the variables were genuinely independent of one another, the Test of Independence determines whether an association between the two variables exists. The researcher can determine whether the observed cell counts differ significantly from the expected cell counts by computing the Chi-Square statistic and comparing it to a critical value from the Chi-Square distribution. Calculating the Chi-Square statistic is a simple and intuitive process.

Where

$$\chi^2 = \sum \frac{(f_o - f_e)^2}{f_o}$$

$f_o$  = the observed frequency and

$f_e$  = the expected frequency, if NO relationship existed between the variables

The difference between what is actually seen in the data and what would be predicted if there were really no relationship between the variables is the basis for the Chi-Square statistic, as the formula illustrates.

Table 1: Entrepreneurial and skill Acquisition Education and Growth

Qualifi		Did Entrepreneurial Skill Acquisition Education Enhance your job creation ability for Self.				Total
		Strongly	Agreed	Disagreed	SD	
First Degree	Observed Count	23	19	6	4	52
	Expected Count	24.7	19.07	5.63	2.6	
HND	Count	20	7	2	1	30
	Expected Count	14.25	11	3.25	1.5	
NCE	Count	8	15	3	0	26
	Expected Count	12.35	9.53	2.82	1.3	
Diploma	Count	6	3	2	1	12
	Exp	5.7	4.4	1.3	0.6	

Value

Df

PV

Pearson Chi-Squire Likelihood	9.55	9	0.04
Ratio	22.45	9	0.01

**Source:** Author's Computation from respondents

The chi square ( $\chi^2$ ) results on how much the educational background of school graduates influences entrepreneurship and the ability to acquire skills to create jobs and generate employment are shown in Table 1 above. At the five percent probability level, the Pearson chi square and likelihood ratio values of 19.55 and 22.42 are significant. This suggests that the respondents' entrepreneurial and skill-acquisition educational backgrounds have a significant influence on the development of entrepreneurship as well as their capacity for self-employment and job creation. This outcome supports the findings of Bechard and Toulouse (1998), who discovered that graduates of polytechnics and university engineering faculties were significantly more likely to work for themselves than graduates of business and management sciences faculties. One component of a person's human capital that could be useful in identifying and seizing opportunities is education as a tool for the dissemination of knowledge. Education expands a person's knowledge base and skill set, which includes the ability to successfully identify and seize an entrepreneurial opportunity.

### **Summary and Recommendation**

This study examined the connection between tertiary institution graduates' capacity to create jobs and their participation in entrepreneurship education programs. According to the study, the majority of participants in entrepreneurship education courses expressed interest in starting their own companies, while 22% of interviewees said they would rather work for private companies and 46% said they would rather work for the government. We advise that all Nigerian tertiary institutions implement an excellent entrepreneurial curriculum since entrepreneurship is one of the avenues for the development of new skills and knowledge. We think that this could result in more productivity and long-term economic growth.

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