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EDUCATIONAL QUALIFICATIONS, ENTREPRENEURIAL STIMULATION AND START-UPS IN NIGERIA

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Abstract

Continuous increase in unemployment has negatively impacted the lives of Nigerians. The effect of COVID-19 pandemic has made it worse- as many companies/employers keep laying off their staff continuously. If the increasingly high unemployment rate is not urgently reversed, the consequences will be the prevalence of crimes and criminality. Therefore motivating or stimulating people to be entrepreneurial and to set up new businesses is vital for their emancipation and global economic sustainability. Meanwhile, many faith-based organisations (FBOs) in Lagos have been engaging their members with entrepreneurial training programmes to support government moves and in response to their members' economic challenges. The FBOs are driven to partake in members' economic emancipation by promulgating trainings that are impactful to start businesses. However, some factors have been underscored as the motivating influence for the trainees starting businesses. Little is known about the influence of educational qualification in participation of entrepreneurial training and entrepreneurial activities. Hence this study investigates the education qualifications of participants in the entrepreneurial training programmes of selected FBOs towards business start-ups. Out of 643 copies of the questionnaire distributed, 620 copies were retrieved, accounting for 96.4% response rate, which is considered adequate and appropriate for analysis. This study's data were subjected to relevant statistical analysis, including descriptive statistics using SPSS version 25. Frequency distribution and percentage analysis were used to present the educational background of the respondents. Respondents with HND/BSc/BA qualification have the highest participation of 296 which accounts for about 47.6% in the entrepreneurial training programme. This is followed by respondents with OND/NCE qualification with 163 and about 26.4%. Respondents with MSc/MA/MBA qualifications have 88, which is about 14.2%. Respondents with SSCE qualifications' participation was 52 (8.4%). Trainees/graduates should not be discouraged to continue with their higher educations because it gives room for better entrepreneurial awareness that can lead to start-ups.

Keywords: educational qualification, entrepreneurial stimulation, Nigeria, start-up, unemployment

1 INTRODUCTION

In Nigeria, unemployment has been on the increase for quite a long time; thereby negatively affecting Nigerians both psychologically and economically. The effect of COVID-19 pandemic has made it worse- as many companies/employers keep lying off their staff continuously. The latest National Bureau for Statistics (NBS) Quarter 2 report for year 2020 indicated that the unemployment rate has risen to 27.1% and underemployment to 28.6 per cent (NBS, 2020). Applying this to the estimated national labour force of 80.2million, it means that about 21.7million Nigerians are unemployed. Before now, the World Bank (2018) opined that if the trend of the increasingly high rate of unemployment is not urgently reversed, the consequences will be the prevalence of crimes and criminality, including mass murders, insurgency, militancy, armed robbery, kidnappings and drug abuse, among others. Therefore motivating or stimulating people to be entrepreneurial and to set up new businesses is vital for their emancipation and global economic sustainability. However, some factors have been underscored as the motivating influence for starting a business. Panda, Kumar, and Thareja (2017) established that entrepreneurs are motivated by a combination of "pull" and "push" factors. Among these factors according to Aftan and Hanapi (2018); McCllenland (1965); Stephan, Hart, Mickiewicz and Drews (2015) are; business idea generation, opportunity availability, entrepreneurial orientation, necessity-based inducement and desire for achievement. However, little or nothing is known about the influence of educational qualification in participating in entrepreneurial activities. Hence this study investigates the influence of educational qualifications on the participation of entrepreneurial training and undertakings.

1.1 Entrepreneurial Stimulation

Human motivation/stimulation is a complex and well-studied field with broad roots in a different collection of educational disciplines, including psychology, sociology, education, political science, and economics (Ching, 2015). Entrepreneurial stimulation refers to those deliberate attempts to steer or increase entrepreneurship activities (Shumba, 2015). Motivation is an internal state that causes people to act in a definite manner to achieve specific aims and commitments (Ching, 2015). However, Nadire (2018) argued that success generally depends on intense stimulation and the same applies in entrepreneurial activities. In essence, the lack of motivation to achieve more than is necessary for survival robs an individual of the impetus needed to accomplish more meaningful goals (Aligba & Fusch, 2017). Entrepreneurial Stimulation (ES) is a process that activates and motivates an individual to exert a higher level of efforts for the achievement of goals. In other words, entrepreneurial stimulation refers to the forces or drives within an entrepreneur that affects the direction, intensity, and persistence of the entrepreneur's behaviour (Sinha, 2019).

1.2 Educational Qualification

Education plays an essential role in developing a well-informed and skilled citizen who can contribute effectively to the social and economic development. It is crucial to ensure that education relates to practical skills, needed to develop economic growth. The Nigerian economy is vastly informal with low engagement capability for educated individuals into formal employment. This complicates unemployment issues due to massive graduation of educated persons into the labour force. What compounds the problem is that many of the graduates are without skills that facilitate entrepreneurship commitment (Olorundare & Kayode 2014). This shortage in the educational scheme prompted the Nigerian Universities Commission (NUC) to make Entrepreneurship Studies compulsory in higher institutions. The entrepreneurship education adds to graduates primary discipline and gives a better stimulation to start their businesses. Entrepreneurship education is a form of education that is targeted to nurture persons to be proficient to start new businesses (Timmons, Eisenman & O'Conno, 2015). Therefore, entrepreneurship education offers individuals with appropriate skills and information necessary for successful business formation (Olokundun, Ibidunni, Peter, Amahian, Moses & Iyiola, 2017)

1.3 Start-ups

A start-up is a company initiated by an entrepreneur to seek, effectively develop, and validate a scalable business model (Katila, Eric & Piezunka, 2012). Also, Olokundun, Dishon, Ibidunni, and Ogbari (2020) opined that start-up refers to a company that is in its first stage of operation. Start-up is naturally applied to young, innovative firms with growth drive, frequently functioning under circumstances of substantial uncertainty such as an unconfirmed technology or a new business ideal (Bone, Allen & Haley (2017). Although the start-up name came up when a great number of companies that do most of their business on the internet were found, there are start-ups that are not web-based neither technology-based firms. Start-up

companies are often initially bankrolled by their entrepreneurial founders as they attempt to capitalize on developing a product or service for which they believe there is a demand (Grant & Kenton, 2019). Although most start-ups are small businesses, they compose a substantial part in economic growth. Start-ups generate more employment which helps to improve the economy. In addition, start-ups play a role in economic drive by stimulating improvement and encouraging competition.

2 MATERIALS AND METHODS

2.1 Sample and Data collection

The study focused on the trainees' educational background from three selected faith-based Organisations in Lagos State, Nigeria that have started their businesses and the businesses have been running for at least one year. The selected FBOs have been involved in carrying out entrepreneurship trainings consistently for not less than eight years. They also have structures for the training programme. Lagos State is chosen because it has the highest number of FBOs headquarters (Ikenwa, 2019). The selected FBOs are Catholic Archdiocese of Lagos - JDPC, DayStar Christian Church – D-SAP, Redeemed Christian Church of God – RISE. The three faith-based organisations' have a total trained graduates of 19,083 which formed the total population for this study. The study used the tabular approach by Gill, Johnson and Clark, (2010) as cited in Taherdoost, (2017) at 95% confidence level and 0.05 margin error to determine the sample size. It came to six hundred and forty-three (643). Out of 643 copies of the questionnaire distributed, 620 copies were retrieved that accounted for 96.4% response rate, as such is adequate and appropriate for analysis. Stratified random sampling technique was also adopted that is using the overall sample's representative members from the selected FBOs. The study made use of both questionnaire and googled survey throughout August and November. This research was within the Covid-19 era; hence google survey format was applied as some organisations were still operating online. The questionnaire was based on the educational qualification of the respondents

2.2 Measurement and Analysis

This study's data were subjected to relevant statistical analysis, including descriptive statistics using SPSS version 25. Descriptive analysis was used to describe the responses of respondents. At the same time, frequency distribution and percentage analysis were used to present the educational background of the respondents. Note that in Nigeria, SSCE represents Senior Secondary School Certificate, OND/NCE means Ordinary National Diploma/National Certificate of Education. Also, HND/BSC/BA represents Higher National Diploma/Bachelor of Science/Bachelor of Arts, MSc/MA/MBA means Master of Science/Master of Arts/Master of Business Administration.

3 RESULTS

The educational qualifications of the respondents across the three selected faith-based organisations are presented in Table 1. The descriptive statistics also revealed the educational qualification of the respondents across the three selected faith-based organisations. However, out of 52 respondents with SSCE, 12 were from Daystar Christian Centre, 22 of the respondents came from Redeemed Christian Church of God, while 18 of the respondents were from the Catholic Church. Moreover, from the 163 respondents that had OND/NCE, 95 respondents were from Daystar Christian Centre, 47 of the respondents were from the Redeemed Christian Church of God. At the same time, 21 of them came from the Catholic Church. Besides, it was also discovered that out of 294 respondents that had HND/BSC, 194 came from Daystar Christian Centre, 70 came from Redeemed Christian Church of God, while 30 came from Catholic Church.

Furthermore, out of 88 respondents with postgraduate degrees, 83 of them were from Daystar Christian Centre, 5 of them came from the Redeemed Christian Church of God. In contrast, none of them came from the Catholic Church. Finally, out of 21 respondents who were not within the categorised educational qualification, 19 respondents came from Daystar Christian Centre. Only one came from the Redeemed Christian Church of God. At the same time, one also came from the Catholic Church.

Table 1: Educational Qualification across the Selected FBOs

| | Daystar | RCCG | Catholic | Total |
|---------|---------|------|----------|-------|
| SSCE | 12 | 22 | 18 | 52 |
| | 1.9% | 3.6% | 2.9% | 8.4% |
| OND/NCE | 95 | 47 | 21 | 163 |
| | 15.4% | 7.6% | 3.4% | 26.4% |

| | | | | |
|------------|-------|-------|-------|--------|
| HND/BSc/BA | 194 | 72 | 30 | 296 |
| | 31.4% | 11.3% | 4.9% | 47.6% |
| MSc/MA/MBA | 83 | 5 | 0 | 88 |
| | 13.4% | 0.8% | 0.0% | 14.2% |
| Others | 19 | 1 | 1 | 21 |
| | 3.1% | 0.2% | 0.2% | 3.4% |
| Total | 403 | 147 | 70 | 620 |
| | 65.2% | 23.5% | 11.3% | 100.0% |

4. DISCUSSION AND IMPLICATIONS

Cutting across the three selected FBOs, respondents with HND/BSc/BA qualification have the highest participation of 296 about 47.6% in the entrepreneurial training and have started their businesses. This is followed by respondents with OND/NCE qualification with 163 about 26.4%. Respondents with MSc/MA/MBA qualifications have 88, which is about 14.2%. Respondents with SSCE qualifications' participation and starting businesses was 52 (8.4%).

The implication is that more graduates are unemployed and are trying to make ends meet through these programmes. It is also clear that their HND/BSc/BA education background may have laid a foundation for business establishment. Hence, the general entrepreneurship educational programmes being offered in all higher institutions in the study area may have propelled the respondents to embrace more focused training options such as the ones provided by FBOs. Educational background has a role to play in entrepreneurial stimulation of most businesses. In this respect, undergraduate education leading to the award of HND/BSc/BA qualifications should focus on entrepreneurship rather than the current dependence on the availability of white-collar jobs or not.

5. CONCLUSIONS

In conclusion, the higher educational qualification impacts the stimulation of businesses which appears to be the only viable antidote to unemployment in the study context. Education as a basic foundation for societal and economic progress has been underscored. Education with entrepreneurship bias is more suited to employment generation in the study area. The basic entrepreneurship awareness created by general entrepreneurship education in higher education and the more focused training offered by FBOs played very significant roles in stimulation of entrepreneurship activities and subsequent business start-ups.

5.1 Limitation and Future Study

Only three faith-based organisations were covered. Hence, there is limitation in scope which will not permit generalisation of the findings. Nonetheless, most FBOs that have similar structures can take advantage of this study. Future studies can also carry out a comparative analysis between the educational background of respondents of Christian and Muslim faith-based organisations from some selected six geo-political zones in Nigeria.

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