



**INFLEUNCE OF ENTREPRENEURSHIP DEVELOPMENT AND
INDUSTRIALIZATION ON SMALL MEDIUM ENTERPRISES (SMES)**

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Abstract

This study examined the influence of entrepreneurship development and industrialization on small medium enterprises (SMES). The specific objectives is to access the effect of opportunity exploitation on growth of Small Medium Enterprises (SMEs), to determine the effect of innovation on productivity of Small Medium Enterprises (SMEs), to estimate the role of venture creation on Profitability of Small Medium Enterprises (SMEs). A stratified random sampling technique was used in selecting a sample size of nineteen (200) respondents from the selected population of twenty (40) small medium enterprises using selected enterprises. Descriptive statistical tools was used to analyze the demographic report of the respondents while inferential statistical tools of Chi-square, Pearson Product Moment Correlation Coefficients (PPMCC) and Two-way ANOVA (Analysis of variance) were used to analyse the formulated hypothesis. The findings are therefore divided into two parts which are the theoretical and the empirical findings. The theoretical findings deal with the theoretical finding that goes with the result of the research study while the empirical findings compare and contrast the past findings with this research finding. The conclusion reached was that entrepreneurship development and industrialization influenced small medium enterprises (SMEs) positively.

Keywords: Entrepreneurial development, Industrialization, SMEs, Innovation, Profitability

Introduction

Entrepreneurs play a key role in the economic development of a country. Importance of development of entrepreneurship as an ingredient of economic development has been recognized a long time back. It was as early as 1950 that the need for entrepreneurial development was first felt and since then a substantial amount of research has gone into this sphere. Of late, entrepreneurship development has become extremely important in achieving the goals of all around development in the country. Consequently, many entrepreneurial opportunities are emerging in various fields. Be it electronic, medicine, engineering, agriculture, communication, atomic energy, telecommunication, food technology and packaging, entrepreneurial opportunities have surfaced at rapid pace in all these and many other areas. In today's world where technological change, liberalization, outsourcing, and restructuring rules business enterprises, the subject of entrepreneurship has gained greater interest. This is because entrepreneurship is seen as a method for bridging the gap between science and the marketplace, creating new enterprises, and bringing new products and services to the market.

Entrepreneurial activities impact on both the overall economy by building economic base and providing jobs. The role of entrepreneurship in economic development is wide as it involves initiating and constituting change in the structure of business and society. This change is accompanied by growth and increased output, which allows more wealth to be divided by the various participants. Hisrich & Peters (2002) said entrepreneurs are driven by the desire to be their own bosses, do what they want to do, transform passions into profit making businesses for them to be independent. An Entrepreneur is one who initiates a new business in the face of risks and uncertainty for the purpose of satisfying human needs and making a profit. An Entrepreneur carves out a niche for himself by scanning the environment, identifying opportunities and threats and combining and utilizing the necessary resources to capitalize on opportunities identified.

There are so many factors as reasons why people go into business for themselves. Hughes & Kapoor (2000) said one that is often cited is the "entrepreneurial spirit, the desire to start a new venture. Other factors may include independence, the desire to determine one's own destiny, and the willingness to find and accept a challenge that, certainly play a part even though

family background may also exert an influence as well. However, there must be some motivation to start a business such as leaving a paid employment where opportunities were not available to think and earn your own living, lost of jobs, having an idea for a new product or a new way to sell an existing product or the opportunity to invest into business may arise suddenly.

In some people, the motivation to start a business whether small or medium develops slowly as they gain knowledge and ability required for success as a business owner. Small businesses traditionally lead to increase of new jobs in Nigeria economy. By hiring a larger proportion of employees who are younger workers, older workers, women or workers who prefer to work part time thereby contributing to solving unemployment problems. Small firms also provide a variety of goods and services to each other and much larger firms. Large firms generally buy raw materials from small businesses because it is less expensive. Nigeria is naturally endowed with entrepreneurship opportunities; however the realization of the full potential of these opportunities has been hindered by the application of inappropriate industrialization policies at different times (Ebiringa, 2012). Existing literatures such as Hisrich & Peters (2002), Hughes & Kapoor (2000) & (Ebiringa, 2012), have discussed Entrepreneurship development from a concept exposition without necessarily exploring the roles Entrepreneurship development plays in industrialization of small medium enterprises (SMEs). In this research proposal, Entrepreneurship development is defined as an important mechanism for economic growth and development that serve as a powerful propeller which drive industrialization of small medium enterprises (SMEs). Therefore, this research is focused on exploring the influence of Entrepreneurial development and industrialization of small medium enterprises (SMEs).

Statement of Research Problem

The roles of small and medium enterprises (SMEs) in the growth process of any country have been well documented in the economic literature. In many of the newly industrialized nations, more than 98% of all industrial enterprises belong to the SMEs sector and account for the bulk of the labour force (Victor,2008). Nigeria is blessed with wealth of numerous natural and human resources (Nwoye, 2011). The abundant natural and human resources create numerous opportunities for investment in SMEs in the country. Nigeria as a nation has

numerous micro, small and median scale enterprises (MSMEs) (Garba, 2010) of which a good numbers of them are non-entrepreneurial (Idam, 2014) in nature, approach and operation. Given the general view on entrepreneurship and the present drive towards entrepreneurship in the globe, there is a high need for SMEs or MSMEs in Nigeria to be entrepreneurial.

Innovation is a key driver of productivity and long-term growth and can help solve social challenges at the lowest possible cost (Nwoye, 2011). Innovation in small and medium-sized enterprises (SMEs) is at the core of inclusive growth strategies: more innovative SMEs are more productive SMEs that can pay better wages and offer better working conditions to their workers, thus helping reduce inequalities. Furthermore, recent developments in markets and technologies offer new opportunities for SMEs to innovate and grow. Digitalization accelerates the diffusion of knowledge and is enabling the emergence of new business models, which may enable firms to grow rapidly, often with few employees and tangible assets. (Idam, 2014). Innovation is a key determinant of productivity and long-term growth. Supporting innovation in established SMEs can foster inclusive growth by reducing productivity gaps and wage gaps between SMEs and large companies. SMEs are, on average, less innovative than large enterprises. However, some small enterprises are highly innovative and can reach productivity levels above those of large companies. This problem has reduced remarkably the volume and variety of production, employment possibility and the impact SME pose on the national economy. This problem has much more resulted from the lack of proper knowledge and skill of the entrepreneurs. Most SMEs have not been properly enhanced in achieving their goal and meeting up their expectations. It is against this background that this study seeks to critically examine and provide answers to some of the issues raised and proffer recommendations.

Research Questions

The study was guided by the following questions:

1. How has opportunity exploitation foster growth of Small Medium Enterprises (SMEs)?
2. How has innovation affect productivity of Small Medium Enterprises (SMEs)?

3. How has venture creation enhance profitability of Small Medium Enterprises (SMEs)?

Literature Review

Entrepreneurship Development

Entrepreneurship involves taking opportunities, and new businesses do not emerge by accident but by deliberate efforts (Egelhoff, 2005). They are usually founded as a result of motivated entrepreneur gaining access to resources and finding niches in opportunity structures. Hence, entrepreneurship could be seen as the process of identifying and exploiting unique business opportunities that stretch the creative capacities of both private and public organizations. Sue and Dan (2000) argue that entrepreneurship is influenced by socio-cultural factors, family background and economic environment. Since economic environment could support or suppress entrepreneurship, governments world over undertake to develop macroeconomic policies that focus mainly on providing access to resources and support services to individuals and organizations that display flair for expanding their business horizons.

Entrepreneurship consists of routine management tasks, relationships with venture capitalists and other sources of external finance, product development, marketing, and so on. Garba (2010) asserted that the term entrepreneurship is dynamic in meaning and has varying conceptual perspectives. He stated that in spite of these differences, there are some common aspects such as risk taking, creativity, independence and rewards. However, Ogundele (2007), viewed entrepreneurship as a multidimensional phenomenon. It was found that processes of emergence, behavior and performance of indigenous entrepreneurs were separately and in combinations affected not by a single but multiple factors, in ranging degrees such as socio-cultural, ecological, managerial, educational developmental, experiential, technological, structural, ethical and innovative issues. It was observed that any policy designed to change entrepreneurship scenario in Nigeria will require multiple and simultaneous approaches in the development of necessary changes in the behavior of indigenous entrepreneurs. To Shane (2010), entrepreneurship is the act of being an entrepreneur, which can be defined as "one who undertakes innovations, combines finances and displays business skills in an effort to transform innovations into economic goods." This may result in springing up of new

organizations or may be part of revitalizing mature organizations in response to a perceived opportunity.

Entrepreneurship and Economic Development

The concept of economic growth is relevant at the levels of firms, regions, industries, and nations. Hence, linking entrepreneurship to economic growth implies linkage between the individual level and the aggregate level. The relationship between entrepreneurship and economic growth is an important one. Entrepreneurial activities have been found to be capable of making positive impacts on the economy of a nation and the quality of life of the people. Studies have established its positive relationship with drivers of economic growth such as employment creation, and empowerment of the disadvantaged segment of the population, which impacts cuts across women and the poor (Thomas & Mueller, 2000; Reynolds, 1987; Shapero, 1981).

A sizeable body of literature considering the impact of entrepreneurship on economic performance at the level of firm's establishment. These literature studies typically measure economic performance in terms of firm growth and survival (Audretsch, 1995; Caves, 1998; Davidson et al., 2006). The compelling stylized fact emerging from this literature is that entrepreneurial activity, measured in terms of firm size and age, is positively related to growth.

New and (very) small firms grow, on average, systematically larger than large and established incumbents. These findings hold across Western economies and across time periods. The connection between entrepreneurship and performance is also taken beyond the boundary of firm as unit of consideration to focus on geographic regions (Acs & Armington, 2004; Audretsch & Fritsch, 2002)

Entrepreneurship is "at the heart of national advantage" (Porter, 1990). Concerning the role of entrepreneurship in stimulating economic growth, many links have been discussed. It is of the utmost importance in carrying out innovations and enhancing rivalry. Entrepreneurship is the basic key for business growth, most business today grew out of the effort of one man with passion, the effort of one man who wants to make profit and who wants to innovate or create a new product. According to Schumpeter, capital and output growth in an economy depends significantly on the entrepreneur. The quality of performance of the entrepreneur determines whether capital would grow rapidly or slowly and whether the growth involves innovation where new products and

production techniques are developed. The difference in economic growth rates of countries of the world is largely due to the quality of entrepreneurs in those countries.

Factors of production such as land, labour and capital are considered unproductive without the entrepreneur who organizes them for productive ventures (Ebiringa, 2012). Entrepreneurial activities have been proven over the years to be capable of making positive impacts on the economy of a nation and improving the standard of living of people (Adejumo, 2000). Nwoye (2011) projects that entrepreneurship is a crucial variable in any nation's economic growth and development. It is therefore true that the growth of a nation (country) depends on whether it has entrepreneurs and encourage entrepreneur and entrepreneurship successes depends largely on whether the human capital is being deliberately harnessed and nurtured to become entrepreneurially successful because entrepreneurs are born as well as made. Economic growth is determined by two elements, (a) by the available quantities of goods that can be used in the productive process and (b) by the adroitness with which these available factors of production are combined.

Entrepreneurship is a key driver of any economy; wealth and a high majority of jobs are created by small businesses started by entrepreneurially minded individuals, many of whom go on to create big businesses. There is more creative freedom for people who are exposed to entrepreneurship. There is higher self-esteem, and an overall greater sense of control over the people's own lives. It is the believe of many experience business people, political leaders, economists and educators that fostering a robust entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale. The importance of entrepreneurship to any economy is like that of entrepreneurship in any community: entrepreneurship activity and the resultant financial gain are always of benefit to a country. If you have entrepreneurial skills then you will recognize a genuine opportunity when you come across one. Small firms often employ more labour per unit of capital and they require less per capital unit of output than do large firms (Kuratko & Hodgetts, 1998).

Entrepreneurial activity and establishment of new firm are unquestionably considered engines of economic growth and innovation. As such, they are among the key factors that determine large regional differences in economic

performance (Baumol, 1990). The factor of production that will make this possible is the entrepreneur who is regarded by the economist as a factor of production responsible for the creation of the enterprise that run the risky business for the purpose of profit making while labour receive wages, land receive rent and capital attract rent as the return for their usage however, the entrepreneur receive profit as their return, this the economist view of who an entrepreneur is. Economic growth rates are often attributed to the role of the duo of government and entrepreneurs which is complementary and not mutually exclusive.

In Nigeria, like some other nations, the government helps to enhance entrepreneurship development (Ebiringa, 2012). The entrepreneur is therefore an important agent of innovation growth and technical progress. The development and utilization of their technical and commercial skills create growth potential in micro, small and medium business enterprises. The present day global economy is knowledge driven operating on the pragmatic and innovative thoughts of the entrepreneur. Business set ups have become informal and oriented towards survival and self -employment. The role of entrepreneurship in economic development involves more than just 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 increased output, which allows more wealth to be divided by the various participants. One of the theories of economic growth projects innovation as the key, not only in developing new products or service for the market but also in enhancing investment interest in the new ventures being created (Duru, 2011). Entrepreneurship has been recognized as an important aspect and functioning of organization and economies (Duru, 2011). It contributes in an immeasurable ways toward creating new job, wealth creation, poverty reduction, and income generating for both government and individuals. Schumpeter in 1934 argued that entrepreneurship is very crucial in fostering the growth and development of economies (Garba, 2010). Hamilton & Harper (1994) examine the economist view about the entrepreneur as the activities that involve profit making and the sole motivating factor for entrepreneur, while the sociologist and psychologist view of culture and trait are partially ignored by the economist, thus Hamilton & Harper (1994) conclude that while the economist views are necessary but not

sufficient, the sociologist and psychologist view should also be adopted in the theory of entrepreneurship.

SMES & Economic Development

Campbell (2009) examined the effect of small firms on industry output growth and discovered positive effects between measure of entrepreneurship and growth. The outcome of their study was that share of small firms have impact on industry output, in particularly with that industry, and have better performance. Hisrich & Peter (2002) examined the role of individual enterprises in respect to economic development. The study showed that reforms in market motivate the individual enterprises and a way to higher economic growth. The results of the study concluded that by fostering entrepreneurial activities India can generate additional economic growth. The study by Baumol (1990), provided another perspective on emerging economies and shed light on the view that Entrepreneurship has emerged as a crucial factor in the organization of economies.

Smith (2010) examined the entrepreneurship and economic growth in respect to function of entrepreneurship in economic growth. The study confirmed that level of entrepreneurship has positive effect on economic growth. Duru (2011) emphasized on the fact that entrepreneurs help to create employment opportunity for the people and hence foster economic development. Garba (2010) examined the relationship that exists between economic development and entrepreneurship. The paper developed a theoretical model that showed some of the main factors which were connected with the association of entrepreneurship and economic development.

Research Methodology

The study was carried out in Ogun State, Nigeria. Cross sectional study design was utilized. Cross sectional design is based on observations made at one point in time. There are numerous small medium enterprises (SMEs) in Obantoko, Abeokuta, Ogun State Nigeria. Forty (40) enterprises were selected for the study. The population of Study includes of industrialized and unindustrialized small medium enterprises in the sample size but more on the unindustrialized small medium enterprises in Obantoko, Abeokuta, Ogun State. The personal characteristics were analyzed using descriptive statistics such as means,

standard deviations, frequency distributions and percentage. Chi-square, PPMC (Product Moment Correlation) and Two-way ANOVA (Analysis of variance) was used to test Analysis of Questionnaire

A total of 200 well-structured questionnaires were distributed among the respondents, by which all the two hundred questionnaires (200) were properly filled and returned. Given this, implies that approximately 100% of the administered questionnaires were retrieved. The tabular presentation of the questionnaire response rate analysis is given below:

Table 1 Analysis of Questionnaire

Questionnaires	Respondents	Percent
Returned	200	100%
Not return	0	0%
Total	100	100%

Analysis of Personal Data Respondents

Gender of the Respondents

The gender of the respondents of this research in Obantoko, Abeokuta axis of Ogun state which shows that 104 (52%) of the respondents were male and 96 (48%) were female with the mean of the gender population to be 1.48. This implies that majority of the respondents were males.

Age of the Respondents

Age categories of the respondents has shown that 104 people (52%) of the respondents were under 25 years, 40 people (20%) were between 25-35 years, 56 people (28%) were above 35 years with the mean of the age distribution as 1.68. This suggests that the largest number of the respondents fall under 25 years old.

Profession

Clarifications of respondents based on their profession. It shows that 72 people (36%) of the respondents were students, 38 people 88 people (44%) were self-employed, 40 people (20%) were employed and zero (0) people were unemployed with the mean of the profession of respondents as 1.84. The above table shows that self-employed have the highest frequency.

Educational Qualification

Clarifications of respondents based on educational qualification. It shows that 16 people (8%) of the respondents were Masters holders, 144 people (72%) were BSc/HND holders, 32 people (16%) were OND holders, there were no SSCE and primary school certificate holder, 8 people (4%) were non-educated with the mean of educational qualification as 1.52. This indicates that majority of the respondents are BSc/HND holders.

Skill Acquisition

The respondents attended based on the skill acquired scaling shows that 168 people (84%) were yes and 32 people (16%) were no with the mean of the distribution as 1.24. This reveals the highest frequency of the respondents do have the skill required.

Religion

The religion of the respondents is shown that 160 people (80%) were Christians and 40 people (20%) were Muslims with the mean of the distribution as 1.20. This shows that the highest number of respondents were Christians.

Table 2: Distribution table of Personal data of Respondents

	Variable	Frequency	Percentage	Valid percentage	Cumulative percentage	MEAN (μ)
Gender	Male	104	52	52	52	1.48
	Female	96	48	48	100	
	Total	200	100	100		
Age of the respondents	Under 25	104	52	52	52	1.68
	25-35	40	20	20	48	
	Above 35	56	28	28	100	
	Total	200	100	100		
Profession	Student	72	36	36	36	1.84
	Self-employed	88	44	44	64	
	Employed	40	20	20	100	
	Unemployed	0	0	0		
	Total	200	100	100		
Education Qualification	MA	16	8	8	8	1.52
	BSc/HND	144	72	72	80	

	OND	32	16	16	96	
	SSCE	0	0	0	96	
	Primary School	0	0	0	4	
	Total	8	4	4	100	
<i>Skill Acquired</i>	Yes	168	84	84	84	1.24
	No	32	16	16	100	
	Total	200	100	100		
<i>Religion</i>	Christian	160	80	80	80	1.20
	Muslim	40	20	20	100	
	Total	200	100	100		

HYPOTHESIS TESTING

Linear regression analysis was used to test the research hypotheses and analyze the dependent and independent variables.

Hypothesis One: There is no relationship between opportunity exploitation and growth of Small Medium Enterprises (SMEs).

Table 3a Model Summary

<i>Model</i>	<i>R</i>	<i>R Square</i>	<i>Adjusted Square</i>	<i>R Std. Error of the Estimate</i>
1	.325	.106	.100	.52045

- a. Predictors: (constant), Opportunity exploitation
- b. Dependent Variables: Growth of Small Medium Enterprises (SMEs)

Table 3b ANOVA

<i>Model</i>	<i>Sum of Square</i>	<i>Df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig</i>
<i>Regression</i>	13.308	1	13.308	30.128	.000
<i>Residual</i>	41.551	109	.688		
<i>Total</i>	54.859				

- a. Predictor (constant): Opportunity exploitation
- b. Dependent Variables: Growth of Small Medium Enterprises (SMEs)

The result from the model summary revealed the extent to which the variance, Growth of Small Medium Enterprises (SMEs) can be explained by opportunity

exploitation is 10.6% (R Square = 0.106). The ANOVA table shows the Fcal 30.128 at 0.00 significant level. The table shows that there is a relationship between opportunity exploitation and Growth of Small Medium Enterprises (SMEs).

Table 3c Coefficients

<i>Model</i>	Unstandardized Coefficients		Standardized Coefficient	T	Sig.
	B	Std. Error	Beta		
<i>(Constant)</i>	1.428	.326	.534	8.115	.000
<i>Opportunity exploitation</i>	.506	.055		4.266	.000

- a. Dependent Variables: Growth of Small Medium Enterprises (SMEs)
- b. Independent Variables: Opportunity exploitation

The coefficient table shows that the simple model that expresses how there is a relationship between opportunity exploitation and Growth of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis of Ogun State. The model is shown mathematically as follows; $Y=a+bx$ where y is Growth of Small Medium Enterprises (SMEs) and is Opportunity exploitation, a is constant factors and b is the value of coefficient. From this table therefore, Growth of Small Medium Enterprises (SMEs) is = 1.428 + 0.506 Opportunity exploitation. Therefore, a unit increase in Opportunity exploitation will lead to 0.506 increase in Growth of Small Medium Enterprises (SMEs) .The above result implies that Opportunity exploitation has an impact on Growth of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State i.e. Since P value (0.000) is less than 0.05. Thus, the decision would be to reject null hypothesis (H_0) and accept alternative hypothesis (H_1), i.e. Opportunity exploitation has an impact on Growth of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State.

Hypothesis Two: There is no relationship between Innovation and Productivity of Small Medium Enterprises (SMEs).

Table 4a Model Summary

<i>Model</i>	R	R Square	Adjusted Square	R Std. Error of the Estimate
<i>1</i>	.521	.271	.270	.61218

- a. Predictors: (constant), Innovation
- b. Dependent Variables: Productivity

Table 4b ANOVA

<i>Model</i>	Sum of Square	Df	Mean Square	F	Sig
<i>Regression</i>	18.435	1	18.435	25.211	.000
<i>Residual</i>	52.082	109	.587		
<i>Total</i>	70.517				

- a. Predictor (constant): Innovation
- b. Dependent Variables: Productivity of Small Medium Enterprises (SMEs).

The result from the model summary revealed the extent to which the variance, Productivity can be explained by Innovation is 27.1% (R Square = 0.271). The ANOVA table shows the Fcal 25.211 at 0.00 significant level. The table shows that there is a relationship between Innovation and Productivity of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State.

Table 4c Coefficients

<i>Model</i>	Unstandardized Coefficient		Standardized Coefficient	T	Sig.
	B	Std. Error	Beta		
<i>(Constant)</i>	1.751	.211	.525	8.016	.000
<i>Innovation</i>	.318	.077		5.266	.000

- a. Dependent Variables: Productivity of Small Medium Enterprises (SMEs).
- b. Independent Variables: Innovation

The coefficient table shows that the simple model that expresses how there is a relationship between Innovation and Productivity of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis of Ogun State. The model is shown mathematically as follows; $Y=a+bx$ where y is Productivity of Small Medium

Enterprises (SMEs) and is Innovation, a is constant factors and b is the value of coefficient. From this table therefore, Productivity of Small Medium Enterprises (SMEs) is = 1.751 + 0.318 Innovation. Therefore, a unit increase in Innovation will lead to 0.318 increase in Productivity of Small Medium Enterprises (SMEs). The above result implies that Innovation has an impact on Productivity of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State i.e. Since P value (0.000) is less than 0.05. Thus, the decision would be to reject null hypothesis (H₀) and accept alternative hypothesis (H₁), i.e. Innovation has an impact on Productivity of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State.

Hypothesis Three: There is no relationship between venture creation and profitability Small Medium Enterprises (SMEs).

Table 5a Model Summary

<i>Model</i>	R	R Square	Adjusted Square	R Std. Error of the Estimate
<i>1</i>	.747	.558	.555	.7229

- a. Predictor: (constant), Venture creation
- b. Dependent Variables: Profitability

Table 5b ANOVA

<i>Model</i>	Sum of Square	Df	Mean Square	F	Sig
<i>Regression</i>	25.143	1	25.143	70.184	.000
<i>Residual</i>	50.812	109	.497		
<i>Total</i>	75.955				

- a. Predictor: (constant), Venture creation
- b. Dependent Variables: Profitability

The result from the model summary revealed the extent to which the variance, Profitability can be explained by Venture creation is 55.8% (R Square = 0.558). The ANOVA table shows the Fcal 70.184 at 0.00 significant level. The table shows that there is a relationship between Venture Creation and profitability of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State.

Table 5c **Coefficients**
Model **Unstandardized** **Standardized** **T** **Sig.**
 Coefficient **Coefficient**

	B	Std. Error	Beta		
(Constant)	0.641	.192	.511	5.286	.000
Venture creation	.480	.064		7.125	.000

- a. Dependent Variables: Profitability of Small Medium Enterprises (SMEs).
- b. Independent Variables: Venture Creation

The coefficient table shows that the simple model that expresses how there is a relationship between Venture Creation and Profitability of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis of Ogun State. The model is shown mathematically as follows; $Y=a+bx$ where y is Profitability of Small Medium Enterprises (SMEs) and is Venture Creation, a is constant factors and b is the value of coefficient. From this table therefore, Profitability of Small Medium Enterprises (SMEs) is = $0.641 + 0.480$ Venture Creation. Therefore, a unit increase in Venture Creation will lead to 0.480 increase in Profitability of Small Medium Enterprises (SMEs). The above result implies that Venture Creation has an impact on Profitability of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State i.e. Since P value (0.000) is less than 0.05. Thus, the decision would be to reject null hypothesis (H_0) and accept alternative hypothesis (H_1), i.e. Venture Creation has an impact on Profitability of Small Medium Enterprises (SMEs) in Obantoko, Abeokuta axis, Ogun State.

Empirical Findings

The findings were realized from the data analyzed from the instrument and were followed up by past findings. Gries & Naudé (2010) present a model to illustrate the role of the entrepreneurial innovation in industrialization. Here entrepreneurs fulfill essential roles. First, they create new firms outside the household, offering new products and introducing new processes that provide information as a lead activity. Second, they increase the size of firms (and wage employment) by making use of scale economies. Such larger firms tend to specialize, and the clustering of specialized firms can give rise to localization economies, further encouraging innovation and specialization. Third,

entrepreneurs can raise the returns to human and physical capital and so provide incentives for further investment and education. These findings is consistent with the result of this research study as shown in in the study that there is a relationship between Opportunity Exploitation and Growth Small Medium Enterprises in Obantoko, Abeokuta axis of Ogun State.

Entrepreneurs may not provide directly these functions, as they will be hampered by market failures. Industrial policy may thus be justified. Campbell (2009), recognizing this, explained a number of such entrepreneurship-restraining market failures. This can occur in financial, labour, product, and knowledge markets. He remarked that in developing countries the deck is stacked against entrepreneurs who contemplate diversifying into non-traditional areas.

An industrial policy that facilitates this cost-discovery function of entrepreneurs needs to be flexible and moreover to encourage experimentation. According to Adejumo (2000) entrepreneurially stable industrial policy needs to be able to enhance experimental state intervention, but must be halt to stop the intervention if it turns out not to be efficient'. There is wide opposition to industrial policies that, by eschewing an approach consistent with entrepreneurship, have few mechanisms to get rid of inefficient firms. These findings is consistent with the result of this research study as shown that there is a relationship between Innovation and Productivity of Small Medium Enterprises in Obantoko, Abeokuta axis of Ogun State. According to Campbell (200), just as firm entry is important, assuming new opportunities, providing higher returns to human capital, and signaling what an economy may be good at producing, so firm exit, once a firm has succeeded assuming new opportunities is enhanced enterprise profitability. These findings with the result of this research study as shown, that there is a relationship between Venture Creation and Profitability of Small Medium Enterprises in Obantoko, Abeokuta axis of Ogun State.

Conclusion

The findings of this study reveal that there is significant influence of entrepreneurship development and industrialization has a significant influence on Small Medium Enterprises (SMEs). This indicates that opportunity

exploitation and growth, innovation and productivity, plays a vital role in venture creation and profitability.

Recommendation

Based on the findings and conclusions, the following recommendations are outlined;

1. Small Medium Enterprises (SMEs) should pay attention to opportunities and innovations capable of increasing productivity and growth. Small Medium Enterprises (SMEs) owners should be technically well-versed and should possess perfect knowledge about such an enterprise because when a person is suitably qualified in respect of running the business and implementing his ideas, the chances of his success are certainly enhanced.
2. Properly organized skills and resources needed enhance profitability. Government should organize entrepreneurship skill development programmes to upgrade skills of prospective entrepreneurs, and existing workforce thereby increasing the growth of Small Medium Enterprises (SMEs)

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