

STUDENTS' PERCEPTION ON THE BENEFITS AND HAZARDS OF ENGAGING IN ENTREPRENEURIAL ACTIVITIES IN OGUN STATE

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Abstract

This study examined the students' perception on the benefits and hazards of entrepreneurial activities as perceived by the Business Education students of Olabisi Onabanjo University, Ago-Iwoye and Tai-Solarin University of Education, Ijagun. The specific objectives were to examine the benefits and hazards of entrepreneurial activities in Ogun State. The study adopted a survey research design and the census sampling was used to involved all the four hundred (400) level students of Business Education from Olabisi Onabanjo University and Tai-Solarin University of Education, Ijebu-Ode. The instrument used for data collection was the researcher designed questionnaire with Likert format ranging from strongly agreed to strongly disagreed. Descriptive Statistics of mean and standard Deviation was used for the analysis of the data collected for the study. The results of the findings revealed the benefits of entrepreneurial activities as, the ability to mobilize domestic savings for investment; it helps individuals boost their leadership skills and creates avenue for individuals to work freely from anywhere. Hazard of Entrepreneurial activities as revealed by the study among others include that: it does not ensure a fixed and stable income of a business, most entrepreneurs lack experience in some aspect of business, entrepreneurs tend to lose everything during natural disasters such as fire. It was recommended that government's policies on entrepreneurship should be favourable as it will serve as a positive outcome of entrepreneurial development, wealth and job creation within the nation. Also, for the attainment of economic development through entrepreneurial activities, a funding pattern by the government should be developed to support young and new businesses. Government should provide an enabling environment for entrepreneurs through the delivery of suitable infrastructural facilities.

Keywords: Benefits, Hazard, Entrepreneur and Entrepreneurial Activities

Introduction

Entrepreneurship is a continuous economic process undertaken to initiate, maintain or organize a business unit for the production and distribution of economic goods and services. It is the process by which individuals pursue opportunities

without regard to resources they currently control (Adebowale, 2020). The unemployment rate and economic recession in the country after the COVID-19 pandemic had changed the orientation of the youths towards self-reliance. Despite the encounter being faced as a result of the economic hardship, the characteristics of an entrepreneur play an important role in ensuring success and sustainability of the business. Some of the characteristics required of an entrepreneur to attain success are: demographic characteristics (age of the entrepreneur), individual characteristics, individual, firm and environment characteristics, personal traits (self-efficacy, person's beliefs towards capability to perform a given task), entrepreneur orientation (autonomy, innovativeness, risk taking, pro-activeness and competitive aggressiveness) and entrepreneur's readiness.

Entrepreneurship is crucial to the alleviation of unemployment among Nigerian youth; it helps them to be job creators instead of job seekers that is why its introduction in Nigerian tertiary institutions is made compulsory in order for the graduates to demonstrate high levels of entrepreneurship skills that will enhance innovation and creativity skills for improved business operations. Entrepreneurship induces students' willingness to start business; however, the perception of the students on the benefits and hazards experienced during entrepreneurial activities differs. According to Cui *et. al.*, (2021), Entrepreneurial activities in tertiary institutions embraces extracurricular competitions, realistic socialization, and other activities, coupled with the entrepreneurship education curriculum set by the school. Hua *et al.* (2022) also describe entrepreneurial activities in tertiary institutions as scholastic interactions that are linked to entrepreneurship, science and technology innovation bases and courses

Adebowale (2020) affirmed that entrepreneurship is a continuous economic process undertaken to initiate, maintain or organize a business unit for the production and distribution of economic goods and services. It is also a process by which individuals pursue opportunities without regard for resources they currently control. Perception has to do with one's beliefs regarding whether or not certain goals may be attained. One of the fundamental premise on which a business can be successful is availability of information. This means an entrepreneur must have a reasonable degree of knowledge about the business as lack of knowledge, skills, attitude and awareness can be a major obstacle to entrepreneurial activities. Adepoju (2003) highlighted the major challenges of small-medium enterprises ranging from: poor start-up process – problems of succession plan, lack of availability and accessibility to finance predominant by lack of adequate collateral for credit facilities, stringent conditions set by financial institutions, cost of accessing funds, lack of strategic planning in operations, problems of infrastructures (shortage of water supply, inadequate transportation systems, lack of electricity, lack of solid waste management). Bias against made-in-Nigeria goods, lack of trained manpower and management skills, short-term investment orientation – attitude of investing today and reaping profits immediately. Location problem – high rent charges at good locations. Trade groups – making membership difficult and cumbersome and

multiple taxation by the government. Amini *et al* (2011) enumerated the general characteristics of an entrepreneurial activities as:

- The manager handles all aspects of the management of the business
- The entrepreneur suffers difficulties in obtaining loan and other credit facilities
- There are limited market structure for the finished products.
- The entrepreneur at times finds it difficult to account for the cost, expenditures and revenues
- Lack of skilled worker with relevant academic qualification and experience
- Most of the entrepreneurs run on a single line of production
- Succession problems

An entrepreneur is regarded as an innovator who breaks protocol to launch new products, new market through operation methods and producing something new. He is involved in setting up, raising funds, sourcing and managing new venture and consistently generating new business through innovative process. In the context of this research work, the concept of individual entrepreneur is used where individuals undertake activities characterized by innovation, risk and growth. According to Morghimi (2004), individual entrepreneurship makes an individual to create an independent business which lead to satisfaction and innovation. But in the works of Reynolds *et. al.* (2004), they conceptualized another form of entrepreneur to be necessity entrepreneur who are forced into entrepreneurial activities due to unemployment and financial constraints. Ghadin (2006) viewed entrepreneurship as a behavior of a person towards generating a management technique. He sourced for the start-up capital, achieve a considerable growth, changes values and make a successful business. As Business Education is designed to be a self-sustaining programme to avail the students the opportunity to be employers of labour, how many of the students could actually get the required capital to start up a business? And with the condition of Nigeria where recession and bad infrastructural facilities exist – how many businesses will be able to stand the test of time? A lot of companies are folding up daily and people are afraid to venture into new businesses as the survival margin is slim and unyielding.

Taheri (2010) highlighted the characteristics of an entrepreneur as: self-reliance, self-confidence, perseverance and endurance to achieve an objective; feeling of internal need to success and permanent progress, taking full advantage from resources, discovery of opportunities, risk-taking, acceptance of risk, tolerance of failure and having aspiration for goals and objectives. Luke *et. al.* (2007) opined that parts of the benefits accrued to entrepreneurship is the financial and non-financial aspect which is considered to be blurred. Financial benefits are measured in non-financial terms, while non-financial indicators are captured by economic phenomenon. The benefits of entrepreneurship as asserted by Pour (2009) are: it serves as an encouragement to investment, stimulates sense of competitiveness, instrument for change and innovation, opens up job opportunities; improvement of quality of life and equitable distribution of income. Other benefits as discovered by

the researcher are: it promotes life skills, fosters creativity which can be used at various situations and prepare students for world of work. Develops collaboration and team spirit where individual are able to develop competencies, skills, building strong and well-adapted teams. Develops skills for identification of problems, availability of networking opportunities; instilling in the students the leadership qualities required to work as a group or team. Adequate knowledge about the market growth rate, sales condition, advertisement and market share etc.

According to the US Bureau of Labour Statistics as cited by Adebowale (2020), 80% of the small businesses make it to the second year, 70% make it to the third year and 62% make it to the fourth year while 56% make it to the fifth year. The major risk facing entrepreneurs are: financial risk – inadequate access to funds; strategic risk – market changes, environmental changes; market risk – economic fluctuations; competitive risk – market saturation and keen competition; technology risk – paradigm shift in the use of technology; reputational risk; political risk environmental risk economic and employee risk (Institute of Chartered Accountant of Nigeria, 2020). Other peculiar hazards as encountered by the entrepreneurs are: walking away from security and career path to create something new; risk of plunging into unfamiliar uncertainty; miscalculated opportunity and depletion of resources; potential business failure; financial insecurity; unexpected obstacles, long hours at work and hardwork.

In addition to taking risks, entrepreneurs also benefit from their ventures. Even though entrepreneurs pursue new ventures, innovate, and engage in other forms of enterprise that may yield profit or loss in exchange for their skills, they occasionally lose money and eventually fail. Monthly income is not guaranteed for entrepreneurs, and they may find it difficult to spend time with friends and family. In order to maintain control over everything and keep the business operating, the owner in this type of business occasionally has to put everything on the line. This research work attempted to look at the benefits and hazards in engaging in entrepreneurial activities as perceived by the students of Ogun State owned universities.

Research Questions

The following research questions were raised to guide the study:

1. What are the benefits of entrepreneurial activities in Ogun State?
2. What are the hazards in entrepreneurial activities in Ogun State?

Methodology

The research design being adopted for the study is a descriptive survey research where no variables were manipulated. The population of the study consisted of all the four hundred (400) level Business Education students at Olabisi Onabanjo University, Ago-Iwoye and Tai Solarin University of Education, Ijebu-Ode, Ogun State, Nigeria. The sample size consisted of one hundred and fifty (150) Business Education students at Olabisi Onabanjo University, Ago-Iwoye and two hundred and fifty (250) Business Education students at Tai Solarin University of Education,

Ijebu-Ode, Ogun State. Total enumeration /census sampling technique was used to pick all the students from the two (2) Universities (150 from OOU and 250 from Tai Solarin University of Education). This is a true representation of the respondents and it gives an equal chance of picking all from the population.

The instrument used for data collection was the researcher designed questionnaire. The questionnaire was divided into two parts. Section A sought information about the respondents' personal data such as sex, age, gender, Section B sought information on the benefits and hazards of entrepreneurial activities. Each item was responded to using four –point Likert scale: strongly agree (SA) = 4, agree (A) = 3, disagree (D) = 2, and strongly disagree (SD) = 1. This method of rating was adopted to clearly project the varying degree of intensity of the respondents' option on the scale of preference. This helped in eliminating the element of doubt and unnecessary vacuum, which are often caused by other method of rating score from respondents. The research instruments first went through test–retest method whereby 0.87 Cronbach alpha was derived. In doing this, 20 questionnaires were used for this and this was trial tested in different location outside the sample area. The data collected were analyzed using Pearson Product Moment Correlation.

Results

Research Question One: What are the benefits of entrepreneurial activities in Ogun State?

Table One: Mean Rating of Benefits of Entrepreneurial Activities in Ogun State

S/N	Items	M	S	R
1.	Entrepreneurship provides job opportunities, create new businesses and in turn create opportunities of employment	3.04	1.02	A
2.	It introduce business methods, products and services that help to restructure weak economy	2.51	1.05	A
3.	Entrepreneurship serves as a link to other businesses	2.95	1.01	A
4.	It has the ability to mobilize domestic savings for investment	3.14	0.90	A
5.	Entrepreneurship increases competition and boost productivity	2.70	0.70	A
6.	It helps in developing the thinking abilities needed to assess ideas while meeting day -to-day activities	2.84	1.10	A
7.	It allows for overall greater sense of control over one's own life	2.94	0.94	A
8.	It helps individuals to boost their leadership skills	3.11	0.88	A
9.	It creates avenue for individuals to work freely from anywhere	3.08	0.77	A
10.	It contributes to the development of the society and nation	2.38	0.84	D
Average Benefit of Entrepreneurial Activities		2.87	0.83	A

Key: S/N = Serial Number, M = Mean, S = Standard Deviation, A = Agreed, D = Disagreed, R = Remarks

Table one indicated that all the itemized statements numbered from 1 - 9 are with the mean scores above 2.50 and this agrees with the statements that they are the benefits of entrepreneurial activities. A grand mean of 2.87 was seen above the benchmark mean showing that entrepreneurial activities had the benefit of mobilizing domestic savings for investment, helps individuals to boost their leadership skills and create avenue for individuals to work freely from anywhere.

Research Question Two: What are the hazards in entrepreneurial activities in Ogun State?

Table Two: Mean Rating of Hazards in Entrepreneurial Activities in Ogun State

S/N	Items	M	S	R
1.	Entrepreneurship does not ensure a fixed and stable income of a business	3.83	0.37	A
2.	The unstable exchange rate in the country poses a risk to businesses.	3.12	0.32	A
3.	Entrepreneurs tends to lose everything during natural disasters such as fire, students' unrest, war, community class etc.	3.75	0.43	A
4.	New businesses find it difficult to generate finances to keep the business running	3.51	0.50	A
5.	An entrepreneurs finds it challenging to spend time with family and friends	2.05	0.23	D
6.	It takes time for entrepreneurs to build customers trust and develop brand awareness	2.16	1.32	D
7.	Most businesses tend to fail due to lack of entrepreneurial skills	3.28	0.45	A
8.	Most entrepreneurs venture into business without having enough information	2.03	0.49	D
9.	Most entrepreneurs lack experience in some aspect of business	3.78	0.46	A
10.	Most entrepreneurs are affected by government policies	2.73	1.05	A
Average: Hazards of Entrepreneurial Activities		3.02	0.56	A

Key: S/N = Serial Number, M = Mean, S = Standard Deviation, A = Agreed, D = Disagreed, R = Remarks

Table 2 indicated that item number 1-4, 7, 9 and 10 are above the critical value of 2.50. Most especially, item 1 – “entrepreneurship does not ensure a fixed and stable income of a business”, item 9 – “most entrepreneurs lack experience in some aspect of business”, and item 3 – “entrepreneurs tend to lose everything during natural disasters such as fire, war etc. with a mean value of 3.83, 3.78 and 3.75 respectively proved to be the potent hazards of entrepreneurial activities in Ogun State. This result revealed that entrepreneurship does not ensure a fixed and stable income of a business, most entrepreneurs lack experience in some aspect of business, entrepreneurs tend to lose everything during natural disasters such as fire,

community clash, students' unrest etc. are the hazards of entrepreneurial activities in Ogun State.

Discussion of Findings

The result of the findings showed that the creation of job opportunities, new businesses, introduction of business methods and products, boosting of productivity, development of thinking abilities in assessing new ideas are some of the benefits of entrepreneurial activities as viewed by the Business Education students of Olabisi Onabanjo University and Tai Solarin University of Education. The works of Baptista and Preto (2011) affirmed that in urban regions, new firms/businesses have a more pronounced and more positive impact on the economy and employment, this assertion corroborates the findings of this result as Ogun State generally is central to Lagos and Oyo State and Lagos State is seen as one of the commercial centre of Nigeria. For an entrepreneur, Lagos State is a good source of getting raw materials and other requirements for starting a business; as it is 111km to get to Lagos from Ogun State. Ogun State is noted for agriculture – an entrepreneur in Ogun State can benefit through agriculture to produce a variety of products that can be exported to other countries, thereby adding to the economic development of the nation. The findings negates the works of Fritsch and Mueller (2011) which opined on the contrary that in the rural and less agglomerated regions, the entrepreneurial impact is weak and often negative.

The result further revealed that the hazards in entrepreneurial activities in Ogun State among others are: there are no stable or fixed source of income as compared to salary paying jobs; difficulty in generating finances/capital to keep the business going and some businesses fails as a result of lack of entrepreneurial skills. Entrepreneurship generally faces a lot of challenges in Nigeria that makes it difficult to succeed. (Acs & Armington, 2004; Falck, 2007) highlighted some of the challenges as: lack of access to funding, poor infrastructural facilities, corruption, limited access to markets, cash flow management, hiring employees, time and resources management, choosing the business to engage in and marketing strategies. Falck (2007) had empirical evidence of a positive relationship between new firms which survived for five years, but could not find any significant relationship to industry level efficiency growth for firms which did not survive the first five years. Very large new firms decrease employment in the short and medium-term, probably due to restructuring processes of incumbents, but large new firms have a larger impact on employment (Acs & Armington, 2004). The major challenge is funding as entrepreneurs find it difficult to get credit facilities, this is as a result of non-availability of collateral security. Older business owners have more advantage of a history of good credit and good number of years of networking, thereby making it easy to get loans, contracts, merger and networking.

Conclusion

The findings revealed that the students of Business Education at Olabisi Onabanjo University and Tai Solarin University of Education find the benefits of entrepreneurial activities to include – mobilization of domestic savings for investment, boosting of leadership skills and creation of avenue to work freely from anywhere. It was also perceived by the students that entrepreneurial activities do not allow for stable and fixed income; the entrepreneurs may lose everything he has worked for as a result of fire incidence or natural disaster and finding it difficult to build clientele and brand awareness.

Recommendations

1. Government's policies on entrepreneurship should be favourable as it will serve as a positive outcome for entrepreneurial development, wealth creation and job creation within the nation.
2. For the attainment of economic development through entrepreneurial activities, a funding pattern by the government should be developed to support young and new businesses.
3. Government should provide an enabling environment for entrepreneurs through the delivery of suitable infrastructural facilities
4. Entrepreneurial activities should be strengthened through training, conferences, seminars and workshops.
5. The entrepreneurs must be optimistic, this will help them to develop the interest in the business and provide the basic understanding of what to expect when going into business.

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