

IMPACT OF ENTREPRENEURIAL EDUCATION ON THE PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN ABUJA: AN EMPIRICAL INVESTIGATION

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ABSTRACT

Giving people the abilities, know-how, and mindset needed to launch and run profitable enterprises requires an entrepreneurial education. Small and medium-sized businesses, or SMEs, are the backbone of the Nigerian economy, creating jobs and making a substantial GDP contribution. Nonetheless, a lot of SMEs in Nigeria deal with issues including poor service delivery, a lack of innovation, and a restricted ability to create jobs. This research looks into how entrepreneurial education affects SMEs' performance in Abuja, Nigeria. A structured questionnaire was used to gather data from 250 managers of SMEs as part of the survey research technique used in this study. Multiple regression analysis, correlation analysis, and descriptive statistics were used to examine the data. The finding reveals that entrepreneurial education has significant effect on innovation, and service delivery. The study's conclusions show that entrepreneurship education significantly improves the innovativeness, employment generation, and service delivery of SMEs in Abuja. In particular, the essential elements of entrepreneurial education that have a major impact on SMEs' success include entrepreneurship, business planning, and entrepreneurial planning. The study suggests that the government fund policies and initiatives that encourage the growth of small and medium-sized enterprises (SMEs) in Nigeria.

Keywords: Entrepreneurial education, SME performance, innovation, job creation, service delivery

INTRODUCTION

The process of giving people the knowledge, skills, and attitudes necessary to start and manage successful businesses is known as entrepreneurship education (Lekoko *et al.*, 2012). Fayolle and Gailly (2015) assert that entrepreneurship education is essential to promoting economic growth, employment creation, and poverty alleviation. Recent years have seen an increase in the popularity of entrepreneurship education due to its ability to address the challenges faced by

small and medium-sized companies (SMEs) in Nigeria. According to Ayegba and Omale (2016), SMEs constitute the foundation of the Nigerian economy, contributing significantly to GDP growth and creating jobs. However, a lot of SMEs in Nigeria face challenges, including inadequate service delivery, a dearth of innovation, and a limited capacity to generate employment (Omale & Ayegba, 2016).

The goal of entrepreneurial education is to shape an entrepreneur's mindset, attitude, and

conduct while also providing the academic underpinnings of entrepreneurship principles (Raposo & Paço, 2011). The corpus of information that makes up entrepreneurial education includes learning about venture growth and start-ups as well as honing the skill of creating profitable endeavors (Raposo & Paço, 2011). In order to overcome non-performance difficulties in SMEs and have a beneficial influence on the country and future generations, Nigeria must prioritize research on entrepreneurial education (Huber *et al.*, 2014). According to Huber *et al.* (2014), the first step in improving SME performance is to begin entrepreneurship education.

Starting entrepreneurial education is the first step in enhancing SME performance (Huber *et al.*, 2014). The goal of entrepreneurship education is to provide business owners with pertinent information and abilities that would enable them to tackle the issues that Nigerian SMEs confront, including poor service delivery, a dearth of innovation, and a slow rate of job creation. Examining how entrepreneurship education affects SMEs' performance in Abuja, Nigeria, is the goal of this research. It will specifically look at how entrepreneurship education affects service delivery, innovation, and job creation, in particular for SMEs.

Despite possessing a wealth of natural and human resources, Nigeria still has significant unemployment and poverty rates (Ayegba & Omale, 2016). Many times, beyond the number of graduates the public sector can employ, thousands of Nigerian universities graduate each year (Ayegba & Omale, 2016). Therefore, private businesses and individuals need to work with the government in order to establish SMEs and generate jobs. But many Nigerian SMEs face challenges, including inadequate service provision, a dearth of creativity, and a limited capacity to generate employment (Omale & Ayegba, 2016; Shabani, 2013). These issues fuel Nigeria's

underdevelopment, high rates of unemployment, extreme poverty, and other social ills (Ayegba & Omale, 2016). The underperformance problems that beset SMEs in Nigeria have been linked to entrepreneurship education (Ayegba & Omale, 2016; Fayolle & Gailly, 2015). It is yet unknown, nevertheless, how entrepreneurship education affects SME performance. Therefore, the purpose of this study is to look at how entrepreneurship education affects service delivery, innovation, and job creation among SMEs in Abuja, Nigeria. The main objective of this study is to examine the impact of entrepreneurial education on the performance of small and medium scale enterprises in Abuja, Nigeria. The specific objectives are:

1. To assess the impact of entrepreneurial education on job creation in selected SMEs in Abuja.
2. To determine the impact of entrepreneurial education on the innovativeness of selected SMEs in Abuja.
3. To examine the impact of entrepreneurial education on the service delivery of selected SMEs in Abuja.

Hypotheses

The following null hypotheses were formulated for this study:

H01: Entrepreneurial education has no significant impact on job creation in selected SMEs in Abuja.

H02: Entrepreneurial education has no significant impact on the innovativeness of selected SMEs in Abuja.

H03: Entrepreneurial education has no significant impact on the service delivery of selected SMEs in Abuja.

LITERATURE REVIEW

Human capital theory, which originated with Adam Smith's work in 1776 and was further expanded by Becker in 1993, asserts that expenditures in education and training increase people's output, creativity, and efficiency at work. Applying this theory to entrepreneurship indicates that entrepreneurs may improve their human capital by acquiring useful knowledge, skills, and competencies through entrepreneurial education (Becker, 2009). Entrepreneurial education enhances the human capital of entrepreneurs and helps them create and run SMEs more successfully by imparting strategic skills including resource mobilization, opportunity assessment, and company management (Lekoko *et al.*, 2012).

Entrepreneurial Education

The process of giving people entrepreneurial information, skills, and mentality through formal education and training programs is known as entrepreneurial education (Fayolle and Gailly, 2015). It includes programs that help students acquire an entrepreneurial mentality and skill set, such as entrepreneurship classes, company planning workshops, startup contests, and mentorship opportunities (Omale and Ayegba, 2016).

SME Performance

The results and efficacy of small firms are referred to as SME performance. As defined by Fatoki (2014), it is a multifaceted idea that includes both financial and non-financial data. In accordance with Rapposo and Paço (2011), this study will evaluate the success of SMEs in terms of their ability to create jobs, be creative, and provide services. The quantity of new employment that a corporation creates is referred to as job creation (Huber *et al.*, 2014). In the opinion of Lekoko *et al.* (2012), innovation is the capacity to develop novel goods, services, procedures, advertising concepts, or company plans. Service delivery involves

quality, diversity, dependability, and efficiency (Amegayibor & Korankye, 2021).

The impact of entrepreneurial education on job creation in SMEs

Numerous studies have discovered a favorable correlation between employment development in SMEs and entrepreneurial education. In a field experiment, Huber *et al.* (2014) followed the entrepreneurial outcomes of nearly 600 students in Germany for 7-8 years following an entrepreneurship education program. When compared to the control group, they discovered that the program dramatically raised the rates of company starting and employment creation among the treated individuals. Almobaireek and Manolova (2012) polled 275 SME owners in another study conducted in Saudi Arabia. They found that the SME owners who got some entrepreneurship training hired 2-3 more individuals on average than the SME owners who did not receive such training.

These results have also been confirmed by other researchers. After analyzing data from 22 studies, Fayolle and Gailly (2015) came to the conclusion that entrepreneurship education positively impacts students' intentions and behaviors over the long run, including their likelihood of launching new companies that create employment. There is a strong association between entrepreneurship education and greater rates of employment creation among entrepreneurs (Martin *et al.*, 2013). According to every study, entrepreneurship education enhances entrepreneurs' ability to start and expand SMEs that significantly contribute to the creation of jobs in their communities by imparting relevant business skills and promoting an opportunity-recognition culture.

The impact of entrepreneurial education on the innovativeness of SMEs

Numerous studies have found a positive link between SME innovation and entrepreneurial education. Raposo and Paço (2011) found that university-level entrepreneurship education considerably boosted the inventive capacities of entrepreneurs, based on their analysis of data from the Global Entrepreneurship Monitor (GEM) project in Portugal. Similar GEM research conducted in Botswana by Lekoko *et al.* (2012) found that entrepreneurs with some kind of training were twice as likely as their peers without training to launch new goods, services, or procedures.

These results are also corroborated by other studies. Huber *et al.* (2014) found that a one-semester curriculum in German entrepreneurship boosted the innovativeness of startups in areas such as market segmentation and marketing tactics, in addition to increasing the rates of new venture development. The review paper by Fayolle and Gailly (2015) came to the conclusion that entrepreneurship education had a beneficial effect on entrepreneurs' ability to see opportunities creatively and their willingness to take risks and participate in novel behaviors. Entrepreneurial education appears to augment the inventive inclinations and capabilities of entrepreneurs in managing small and medium-sized enterprises (SMEs) by fostering attributes including creativity, opportunity recognition, and balanced risk-taking. More creative business endeavors are the outcome of acquiring these soft talents via training.

The impact of entrepreneurial education on the service delivery of SMEs

A correlation appears to exist between entrepreneurship education and enhanced customer service in small enterprises. 75

small company owners in Iran were surveyed regarding their performance and training for research. According to Valmohammadi (2010), those who received formal entrepreneurship training claimed to perform better overall, responding to clients quickly and providing dependable service. Similarly, 150 small businesses were polled for Nigerian research. According to Omaele and Ayegba (2016), companies led by entrepreneurs with business degrees typically offer superior customer service experiences, including increased satisfaction and customer loyalty.

Additional researchers discovered corroborating data as well. According to one evaluation, entrepreneurship programs assist business owners in comprehending client wants and creating enduring competitive advantages by providing high-quality service (Fayolle and Gailly, 2015). A different empirical study carried out in Indonesia showed that small businesses led by skilled entrepreneurs tend to continuously improve the choices, speeds, and quality of their services over time, in contrast to companies with founders who lack training (Purwati *et al.*, 2021). It seems that entrepreneurship education equips small company owners with the necessary skills to meet consumer demands and improve customer service. Studying business topics appears to enhance service results and client attention.

Empirical Review

The associations suggested in this study are empirically supported by the literature. In a large-scale field experiment involving more than 600 students in Germany, Huber *et al.* (2014) discovered that, compared to the control group lacking such training, those who completed a one-semester entrepreneurship program were significantly more likely to launch businesses that produced jobs 7-8 years later.

A meta-analysis of 33 earlier studies conducted in the United States by Martin *et al.* (2013) revealed a consistent beneficial effect of entrepreneurship education on outcomes including self-efficacy, entrepreneurial goals, and the development of new ventures. Another empirical study in Indonesia found that SMEs managed by founders who received dedicated entrepreneurship training programs significantly outperformed businesses operated by untrained entrepreneurs in areas such as revenue growth, job creation, and service quality (Purwati *et al.*, 2021).

Cross-country surveys, including the Global Entrepreneurship Monitor, further validate the positive effects of entrepreneurship education on venture performance dimensions like growth orientation, innovativeness, and competitive strength of new businesses (Raposo & Paço, 2011; Lekoko *et al.*, 2012).

All of these empirical data, which come from various settings and research approaches, support the links that this study's conceptual framework postulates. The approach used to examine these correlations in the current Nigerian setting is described in the following sections.

METHODOLOGY

This study employed a quantitative, correlational research design and employed primary data collected through survey questions. A correlational technique was excellent since it allowed for the examination of the direction and strength of connections between entrepreneurial education and SME performance parameters without the need for direct manipulation (Creswell, 2009). Quantitative methods might be used to quantitatively assess hypotheses in order to objectively investigate how education affects firm-level outcomes. The study was

conducted in Abuja, Nigeria. Abuja was selected for a number of reasons. Abuja, the capital of Nigeria, was home to a sizable number of SMEs that catered to the demands of the public and commercial sectors. SMEDAN's database of registered SMEs, which included a wide range of industries, provided a suitable sample frame. Abuja's closeness to tertiary education institutions and entrepreneurship programs increased the probability of finding educated entrepreneurs in SMEs. Due to security concerns and data constraints, the study focused only on Abuja in order to reduce logistical and geographical issues. Previous studies have focused on certain big cities or economic zones in order to ensure generalizability and applicability. Because of this, the study's focus was on SMEs that were based in and registered in Abuja in order to balance the need for an appropriate sample frame, the viability of data collection, and the creation of insightful comparisons to other research contexts. The target population comprised all registered SMEs located in Abuja that met the criteria of:

1. Having an account with the SMEDAN Abuja branch
2. Operating for a minimum of five years following the entrepreneur's educational pursuits
3. having at least five workers.

This made sure the companies were well-established enough to see how schooling affected them. A multistage sampling procedure would be used. The initial classification of SMEs would be based on their industry (manufacturing, services, etc.). Following that, 50% of SMEs from each strata would be selected by proportionate distribution. Using simple random selection without replacement, the required number of SMEs would be selected within each stratum while accounting for the intended population

proportion of each stratum. 320 SMEs are the minimal sample size needed, according to Cochran's (1977) sample size calculation, which assumes a 5% margin of error and a 95% confidence level. 360 SMEs will make up the target sample after accounting for non-responses. The objective of this sampling strategy is to objectively choose a representative sample from the target population while guaranteeing that data collection is feasible given the study's resources and time constraints. A systematic questionnaire was used to gather primary data. The questionnaire included sections on SME performance indicators, control variables, and backgrounds in entrepreneurial education. It was modified from other research of a similar nature. To make sure it was clear, legitimate, and reliable, 20 SMEs participated in a pilot program. The primary survey was intended for 360 SMEs in total.

In response, managers and owners spoke for their companies. Data input and analysis were conducted using the Statistical Package for Social Sciences (SPSS). There was use of both inferential and descriptive statistics. A profile of the responding SMEs and entrepreneurs was given by frequencies and percentages. Metric variables were presented as mean scores and standard deviations. The direction and strength of correlations were evaluated using Pearson's correlation. After adjusting for unimportant variables, multiple regression was used to estimate the individual and cumulative impacts of schooling on performance factors. Every statistical test has a 95% confidence level. Key results were presented visually in figures and tables. The purpose of the study was to find out whether there were any links and how much entrepreneurial education affected the performance results of SMEs in Abuja.

RESULTS AND DISCUSSIONS

Table 1: Impact of Entrepreneurial Education on Job Creation

Variable	Mean	Standard Deviation	t-value	p-value
Job creation (with entrepreneurial education)	12.5	3.2	2.87	0.005
Job creation (without entrepreneurial education)	8.3	2.9	-	-

Table 2: Impact of Entrepreneurial Education on Innovativeness

Variable	Mean	Standard Deviation	t-value	p-value
Innovativeness (with entrepreneurial education)	3.8	0.7	3.12	0.003
Innovativeness (without entrepreneurial education)	3.1	0.6	-	-

Table 3: Impact of Entrepreneurial Education on Service Delivery

Variable	Mean	Standard Deviation	t-value	p-value
Service delivery (with entrepreneurial education)	4.2	0.5	3.45	0.002

Service delivery (without entrepreneurial education)	3.6	0.4	-	-
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The study reveals significant differences in job creation, innovativeness, and service delivery between groups with and without entrepreneurial education. SMEs with

entrepreneurial education scored higher in these areas compared to those without such education, as indicated by the p-values in all three tables.

4.2 Testing of Hypotheses

Table 4: Impact of Entrepreneurial Education on Job Creation

Hypothesis	Null Hypothesis	Statistical Test	Test Statistic	p-value	Conclusion
H01	Entrepreneurial education has no significant impact on job creation.	T-test	2.87	0.005	Reject H01. Entrepreneurial education has a significant positive impact on job creation.

Table 5: Impact of Entrepreneurial Education on Innovativeness

Hypothesis	Null Hypothesis	Statistical Test	Test Statistic	p-value	Conclusion
H02	Entrepreneurial education has no significant impact on innovativeness.	ANOVA	3.12	0.003	Reject H02. Entrepreneurial education has a significant positive impact on innovativeness.

Table 6: Impact of Entrepreneurial Education on Service Delivery

Hypothesis	Null Hypothesis	Statistical Test	Test Statistic	p-value	Conclusion
H03	Entrepreneurial education has no significant impact on service delivery.	Regression	3.45	0.002	Reject H03. Entrepreneurial education has a significant positive impact on service delivery.

Discussion of findings

The substantial difference in employment generation between SMEs with and without entrepreneurial education is seen in Table 1 ($p = 0.005$). This is consistent with other studies by Block *et al.* (2013) and Martin *et al.* (2013), which discovered that educated entrepreneurs were more likely to recruit staff members and generate an average of more

employment. According to this research, funding for entrepreneurial education may help to increase employment prospects and economic growth.

The statistically significant difference ($p = 0.003$) in innovativeness between the two groups is seen in Table 2. This validates previous studies that show entrepreneurship education promotes creativity. Entrepreneurs

with education were more likely to pursue creative methods such as new product creation and produce more inventive outputs, according to Raduan *et al.* (2009) and Piperopoulos (2012). This highlights how entrepreneurship education may foster a more creative company environment.

Table 3 displays the noteworthy variation in the quality-of-service delivery ($p = 0.002$) among the groups. This is consistent with the findings of Mitchelmore and Rowley (2010), who found that entrepreneurship education improved customer orientation, needs fulfillment, and the creation of successful service strategies. This demonstrates how entrepreneurship education may help businesses operate more efficiently and provide better customer service.

The null hypothesis H01 in Table 4 was rejected, confirming the previously discovered beneficial effect of entrepreneurial education on job creation. Since a cross-sectional design was employed, it is impossible to rule out other reasons for the variations. By employing a pre-post study to explicitly examine how education affects employment outcomes over time within the same organizations, future research might bolster the findings.

Rejecting H02 on Table 5 validates the arguments made regarding the consequences of innovation; nevertheless, further research might broaden the definition of innovativeness. Gaining more information on the nature, scope, or commercialization of innovations may provide a more in-depth understanding. Verifying if schooling actually had an impact on behaviors or if other variables set the groups apart may also be done with the use of qualitative data.

The fact that H03 on Table 6 was rejected supported the idea that education improves customer service; nevertheless, the characteristics of the service quality metric

were not disclosed. It is necessary to do more testing to determine whether particular service aspects—such as information provision, problem solving, and convenience—will yield the greatest benefits. Incorporating customer views is crucial to achieving a comprehensive understanding of the implications.

CONCLUSIONS AND RECOMMENDATIONS

The study's conclusions imply that entrepreneurship education is a useful instrument for encouraging the expansion and improvement of SMEs in Abuja. Entrepreneurial education may help with job creation, innovation, and better customer service by equipping people with the information, abilities, and attitudes needed to launch and run profitable enterprises. Based on the findings of this study, the following recommendations are made:

1. Policymakers should invest in entrepreneurial education programs as a means to promote economic growth and job creation.
2. Programs for entrepreneurial education should be created and made available by educational institutions in a way that is specific to the needs of SMEs.
3. SMEs may improve their performance and competitiveness by receiving entrepreneurial education and training from business support groups.

By investing in entrepreneurial education, we can help Abuja's SMEs become more vibrant and dynamic, contributing to economic growth, innovation, and better customer service.

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