

EFFECT OF MODERATING ROLE OF ENTREPRENEURIAL FAMILY ON NEW ENTERPRISE CREATION: A STUDY OF SELECTED MICRO FIRMS IN EBONYI STATE NIGERIA

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Abstract

The research was conducted to examine the effect of moderating role of entrepreneurial family background on new enterprise creation: A study of selected micro firms in Ebonyi State, Nigeria. Various items of entrepreneurial family background and new enterprise creation were taken into consideration for measuring their effects and for achieving the objectives of the study. The broad objective of the study was to examine the moderating role of entrepreneurial family background on new enterprise creation. The study adopted the survey design and the population of the study was 140 micro firms in Ebonyi State. A sample of 120 was obtained using convenient sampling technique which was used to select the respondents in the micro firms in Ebonyi State. Data were collected using the questionnaire research instrument which was measured using face validity and a pilot study was carried out to test the reliability of the instrument. Descriptive statistics data analysis method was applied to analyses data aided by Statistical Package for Social Sciences (SPSS) to compute responses frequencies, percentage mean and standard deviation results. Finally regression model was employed to establish the significance of the independent variables on the dependent variable. The findings were presented using tables. The findings showed that family background on entrepreneurial knowledge has significant effect in creating new ventures. Education on entrepreneurial knowledge significantly affects new venture creation; Family background significantly promotes entrepreneurial skill acquisition in new enterprise creation. The study recommended that different strategies within educational policies should be applied concerning young people who do not have contact with entrepreneurship within the family and the immediate social environment.

Keywords: Entrepreneurial family background, Enterprise creation and Micro firms

Introduction

Entrepreneurial development has been conceived by successive government as a programme of activities to enhance the knowledge, skills, behaviour and attitude of individuals and group to assume the roles of entrepreneurs (Gerba, 2012). One variable that has received considerable attention in entrepreneurial development is prior exposure to a family business. Forlani and Mullins (2017) are of the view that family has been recognized as the most important institution that enhances individuals' awareness about entrepreneurship. Moreover, growing in a family where one of the relatives and particularly parents run their own business not only provides an inspiring and supportive environment for entrepreneurship but also serves as an opportunity to learn and experience the challenges of business. Fayolle and Gailly (2016) note that involvement of family in entrepreneurship creates a profound opportunity for understanding how entrepreneurial qualities and perceptions develop among the offspring. Therefore, family background and parental role-modeling has been found to be the most prominent factor that affects early socialization and hence formation of attitude towards entrepreneurship.

Baum, Locke and Smith (2011) state that it is not easy to set up a business for the first generation entrepreneurs, but majority of the entrepreneurs set up their business if they already have a family background of business, and mostly capital, for start up is provided by family and friends. Similarly, Aldrich and Cliff (2013) state that entrepreneurs tend to have parents with entrepreneurial mind set. Thus entrepreneurs having entrepreneurial parents are more likely to behave entrepreneurially and to work with higher entrepreneurial orientation than others whose parents are job oriented and ultimately increase firm's entrepreneurial orientation. Informal relations play very important roles in this context especially from family member's side because those whose family members are business oriented have high participation (Afolabi, 2015). Early communication received and imbibed by an individual from the family would impact career choices by inducing individuals to choose a career in which they are viewed positively by the society.

A family with a business background often influences and motivates their children to involve in entrepreneurial activity and they are expected to possess higher propensity to launch a business in future. Adoyi and Agbo (2016) are of the view that family business background leads to lower barriers to entrepreneurial entry, since those having it may capitalize on their social ties and social capital. Family social capital, described as non-financial resources and support offered by family members to the entrepreneur also affects positively the start-up decision.

Family members in business become symbol for entrepreneur and source of financial and non-financial help. Similarly financial resources in the family have direct bearing on entrepreneurial intentions. Adeyemi and Badamus (2015) note that exposure to family business serves as an important intergenerational influence on intentions to become entrepreneur. Family characteristics have implications on emergence of new businesses, recognition of opportunities, start up decisions and resource mobilizations. Similarly prior exposure to entrepreneurship both

from the family side and personal has impact on entrepreneurial intentions; those having their self-employed father are more inclined towards entrepreneurship. Adelaja (2012) argued that attitudes toward entrepreneurship depend on exogenous factors like demographics, traits, skills, culture, and social and financial support. Prior exposure to entrepreneurial activity would be included as one such factor. Prior exposure could be in the form of early exposure to a family business, which influences attitudes toward entrepreneurship. This necessitates that essence of this study on moderating role of entrepreneurial family background on new enterprise creation.

Statement of the Problem

The issue regarding entrepreneurs is that it is difficult to ascertain which skills they lack and the specific knowledge they are to acquire in order to manage and improve their business performance. Hence, it is important for entrepreneurs to determine what skills and knowledge is required in order to improve their knowledge as there is no limit to the entrepreneurial knowledge. Adoyi and Agbo (2016) discovered that entrepreneurs in the early stage of their entrepreneurial activities lack specific knowledge and skills but even with this obstacle they can still succeed. Several entrepreneurs obtain their entrepreneurial skills not through formal education during their work, but from developing several practical skills related to comprehending the business situation and problem which includes the understanding of the market, developing their vision and also in their quest to succeed, they acquire the required knowledge in order to succeed in their various business endeavours. Therefore, the study is set to appraise the moderating role of entrepreneurial family background on new enterprise creation.

The broad objective of the study is to examine the moderating role of entrepreneurial family background on new enterprise creation. Specifically, the study is set to:

1. Examine the effect of family background on entrepreneurial knowledge in creating new ventures.
2. Determine how entrepreneurship specific education on entrepreneurial knowledge affects new venture creation.
3. Ascertain the extent to which family background promotes entrepreneurial skill acquisition in new enterprise creation.

Research hypotheses were formulated for the study. The research work which will remain in the domain of academic environment will serve the interest of entrepreneurs in Ebonyi state and they will equally benefit from this study as it will enlighten them on the concepts of entrepreneurial family background as well as its benefits on new enterprise creation. The study will be of immense significance to the students and other researchers will widen their scope from the information contained in this study while others will use the information for their various research study.

Review of Related Literature

Conceptual Review

Entrepreneurship Development

Entrepreneurship is the process of designing, launching and running a new business, which is often initially a [small business](#) (Aremu, 2015). Entrepreneurship has been described as the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a [profit](#). While definitions of entrepreneurship typically focus on the launching and running of businesses, due to the high risks involved in launching a [start-up](#), a significant proportion of start-up businesses have to close due to "lack of funding, bad business decisions, economic crisis, lack of market demand, or a combination of all of these". Alabi, Awe and Musa (2015) view an entrepreneur as a person which has the ability to find and act upon opportunities to translate inventions or technologies into products and services: The entrepreneur is able to recognize the commercial potential of the invention and organize the capital, talent, and other resources that turn an invention into a commercially viable innovation. In this sense, the term entrepreneurship also captures innovative activities on the part of established firms, in addition to similar activities on the part of new businesses.

Akingunola (2011) is of the view that entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources efficiently and effectively. Entrepreneurship is thus considered as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence that comes with it. This definition stresses four basic aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves the creation process, creating something new of value. The creation has to have value to the entrepreneur and value to the audience for which it is developed. This audience could be

1. The market of organizational buyers for business innovation,
2. The organisation's administration for a new admitting procedure and software,
3. Prospective students for a new course or even college of entrepreneurship, or
4. The constituency for a new service provided by a non-profit agency.

Entrepreneurship requires the devotion of the necessary time and effort (Afolabi, 2015). Only those going through the entrepreneurial process appreciate the significant amount of time and effort it takes to create something new and make it operational. For the person who actually starts his or her own business, the experience is filled with enthusiasm, frustration, anxiety, and

hard work. There is a high failure rate due to such things as poor sales, intense competition, lack of capital, or lack of managerial ability. The financial and emotional risk can also be very high.

Entrepreneurship is an essential element for economic progress as it manifests its fundamental importance in different ways by:

- identifying, assessing and exploiting business opportunities;
- creating new firms and/or renewing existing ones by making them more dynamic; and
- driving the economy forward through innovation, competence, job creation and by generally improving the wellbeing of society (Adoyi and Agbo, 2016).

Entrepreneurship is the active process of recognizing an economic demand in an economy, and supplying the factors of production (land, labour and capital) to satisfy that demand, usually to generate a profit. High levels of poverty combined with slow economic growth in the formal sector have forced a large part of the developing world's population into self-employment and informal activities. But this is not necessarily negative; microenterprises contribute significantly to economic growth, social stability and equity.

Adeyemi and Badamus (2015) state that the sector is one of the most important vehicles through which low-income people can escape poverty. With limited skills and education to compete for formal sector jobs, these men and women find economic opportunities in microenterprises as business owners and employees. If successful, entrepreneurship is likely to result in a small- to medium-enterprise (SME). They include a variety of firms; village handicrafts makers, small machine shops, restaurants, and computer software firms etc. that possess a wide range of sophistication and skills, and operate in very different markets and social environments.

Effect of Family Background on Entrepreneurial Knowledge in Creating New Ventures

Family background has been considered as one of the major factors to motivate a person to enter into a business, existing or new. Ayozie and Latinwo (2013) are of the view that it is believed that if a person is exposed to a family culture where innovating thoughts have been successfully transformed into great business empire or a huge wealth for their children tend to view this as a tradition which they need to take further. This belief inspires many of them to create a separate venture for themselves where they not only inherit their tradition of business success but also have opportunities to prove their mettle. Therefore, family background is considered as a motivating factor for entrepreneurship. Though, Aldrich and Cliff (2013) noted that entrepreneurship in a society is dependent upon various factors such as socio-economic status of the country as well as the availability of economic opportunities.

If people see opportunities where they can potentially bring desired returns then they go for it. Hence, economic opportunity is an important reason for entrepreneurial activities (Omonigho, 2017). People with entrepreneurial qualities would explore the opportunities created

by the economic changes that the society is undergoing. Also the economic uncertainty people face in their present activity, especially in the job, often forces them into an entrepreneurial venture for their economic survival. Moreover, those who are not satisfied with what they are earning from their present job and aspire for a better life tend to enter into creation of enterprises. There are quite a few other factors that have to be taken into considerations while studying entrepreneurship. Socio-cultural factor is one of them. The study of management practices as well as entrepreneurship is often conducted on the basis of how social and cultural factors influence them. But beyond social and cultural factors, the influence of family background is imperative in new enterprise creation as an aspect of entrepreneurial development.

Effect of Entrepreneurship Specific Education on Entrepreneurial Knowledge in New Venture Creation

For businesses to survive, it should be able to operate successfully with environmental forces that are unstable and uncontrollable and which can greatly affect decision making process. It is based on this premise that entrepreneurship specific education on entrepreneurial knowledge is regarded as a prerequisite for new venture creation. This prompted Pratheepkanth (2014) to state that the fundamental purpose of the entrepreneurship education is to develop abilities, knowledge, skills, attitudes and personal attributes important for the entrepreneurial activity.

Entrepreneurship education is not just about teaching someone to run a business. It is also about encouraging creative thinking and promoting a strong sense of self-worth and empowerment. Through entrepreneurship education, students learn how to create business, but they also learn a lot more (Onwukwe and Ifeanacho, 2016). The core knowledge created via entrepreneurship education includes: the ability to recognize opportunities in one's life, the ability to pursue opportunities, the potential of generating new ideas, the ability to create and operate a new firm, the ability to think in a creative and critical manner (Oni and Daniya, 2014). Thus, other than giving knowledge and skills which are required for doing business, entrepreneurship education is generally about improving certain beliefs, values and attitudes, with the aim to get students to truly consider entrepreneurship as an attractive and valid alternative to salaried employment and unemployment.

Effect of Family Background in Promoting Entrepreneurial Skill Acquisition in New Enterprise Creation

Gunu (2013) states that the most salient factor for entry into an entrepreneurial career remains the parental role model as individuals with role models have more probability to engage in entrepreneurial activities. Fatoki (2011) in his view about entrepreneurial family background is of the view that people with family business background are more likely to start their own ventures showing that entrepreneurship is highly linked with the family background. It is known that family members are a source of support in both financial and moral for potential entrepreneurs.

Family background with entrepreneurial or small business experience is a more reliable and agreeable basis of support than families without entrepreneurial background. It is evident that family context is one of a social factor which has considerable relationship with entrepreneurship. Obviously the available literature evidence indicates individuals from nurturing family contexts, rich in entrepreneurial role models and supportive of new venture creation, are more likely to identify and initiate new ventures (Khaled and Samer, 2013).

The role of a family in successful running of a business need not be overemphasized. This is more relevant in the case of entrepreneurial and small scale ventures. Entrepreneurs are inseparably linked to their families and rely on their support in pursuing their entrepreneurial endeavors as family members share a common identity, have strong mutual bonds of trust, and often have opportunities to discuss business ideas (Metu and Nwokoye, 2014).

Mohammed and Ali (2015) are of the view that the importance of the family as entrepreneurial team is also evidenced by the fact that a substantial share of all companies are founded and run by families all around the world such as spousal couples or family members tied together by other types of family relationships. Obi (2015) notes that there are, at least, three reasons for the family's importance in entrepreneurial outcomes. First, when engaging in entrepreneurial activities, the family constitutes a very specific type of entrepreneurial team. Strong ties in terms of kinship relationships between family members bind the family closer and together than any other type of entrepreneurial team. Second, the family provides the entrepreneur with a diverse set of resources which have the potential to impact the individual entrepreneur as well as the family business. Third, family business scholars have argued that the family and the business are intertwined, denoted as family influence.

Empirical Review

Diyoke (2014) studied the issues, problems and prospects of entrepreneurship development in Nigeria. Descriptive survey research method was used in this study whereby data collected from both primary and secondary sources were analyzed using percentages and mean scores, while the hypotheses were tested with Chi-square. The result indicated that apart from the known problems of inadequate capital and lack of competent and skilled management, there are other challenges that hinder entrepreneurial activities in the economy. The Nigerian business environment is facing a lot of problems as a result of epileptic power supply, violent clashes of militant groups, kidnapping, looting, arson, and so on. The study concluded among others that with the introduction of business incubators into the system, proper handling of political and social economic problems, privatization and commercialization of power sector and provision of alternative source of power supply, entrepreneurship development has a lot of prospects in the country.

Ranwala (2016) carried out a study on family background, entrepreneurship specific education and entrepreneurial knowledge in venture creation. His study conducted as a cross sectional survey and used entrepreneurship graduates of University of Kelaniya as the sample.

Data were collected by means of a structured questionnaire from 65 graduates. Regression technique was adopted for the study. It was found out that there is an impact from family background and entrepreneurship specific education on entrepreneurial knowledge in venture creation and entrepreneurship specific education mediates the relationship between family background and entrepreneurial knowledge in venture creation.

Sushil (2015) investigated the role of the family in entrepreneurship development in Nepali Society. Sample survey was adopted for the study while using regression analysis. The study discovered that entrepreneur's parental profession plays some role in entrepreneurship development in Nepal which was similar to some findings that parental profession plays vital role in the choice of profession in children. The study revealed that only a little more than half of new firms survive the first five years of operation even in the family business.

Manuel, Song and David (2017) carried out a study on firm age, investment opportunities and job creation in Nigeria. Their findings revealed that parental profession plays vital role in the choice of profession in children. Althouse and Jojo (2021) investigated the effect of microfinance on private sector in Republic of Democratique Du Congo. The study reviewed that entrepreneurship is important to economic development of any nation. The benefit to the society and the family will be greater where entrepreneur can operate flexibly, develop their ideas and reap the rewards by getting loan from Microfinance. 120 respondents were used as sample size for the study and the study revealed that family entrepreneurs and other private small firms should be considered to operate flexibly and develop their ideas towards economic development of a nation like Congo.

Research Gap

The related literature revealed that some researchers have looked at the effect of entrepreneurship business practices on family development / background. The review studies have few researchers focusing their study on the effect of moderating role of entrepreneurial family background on new Enterprise creation. However, many entrepreneurs have not perceived this great value so as to optimise its use for the purpose of achieving entrepreneurial ship goals especially in small scale (micro firms) firms in Nigeria. It is on the basis of this that this research intended to fill the gap by investigating the effect of moderating role of entrepreneurial family background on new enterprise creation in small scale firms in Nigeria.

Theoretical Framework

Signaling Theory

This study is anchored on the Signaling theory which rests on the transfer and interpretation of information at hand about a business enterprise to the capital market, and the impounding of the resulting perceptions into the terms on which finance is made available to the enterprise. In other words, flows of funds between an enterprise and the capital market are dependent on the flow of information between them (Ayozie and Latinwo, 2013). For example management's decision to

make an acquisition or divest; repurchase outstanding shares; as well as decisions by outsiders, for example, an institutional investor deciding to withhold a certain amount of equity or debt finance. The emerging evidence on the relevance of signaling theory to small enterprise financial management is mixed. Until recently, there has been no substantial and reliable empirical evidence that signaling theory accurately represents particular situations in SME financial management, or that it adds insights that are not provided by modern theory.

From the study, one can view that the ability of small enterprises to signal their value to potential investors, only the signal of the disclosure of an earnings forecast were found to be positively and significantly related to enterprise value amongst the following: percentage of equity retained by owners, the net proceeds raised by an equity issue, the choice of financial advisor to an issue (presuming that a more reputable accountant, banker or auditor may cause greater faith to be placed in the prospectus for the float), and the level of under-pricing of an issue. Signaling theory is now considered to be more insightful for some aspects of small enterprise financial management than others.

III. Methodology

Survey sampling design was used in this study to evaluate the moderating role of entrepreneurial family background on new enterprise creation in Ebonyi State. Data used for this study were obtained from primary source. The population of study covered staff of selected micro firms in Ebonyi State.

The population distribution is shown below:

Table 1: Population Distribution Table

S/N	Respondents	No of staff
1	Master Soft Technology Ltd, Abakaliki	7
2	Weavon Republic, Abakaliki	6
3	De chicks Beauty Saloon, Abakaliki	6
4	Meks Publication, Abakaliki	8
5	GIG Logistics, Abakaliki	5
6	Dekings Agro Ventures	6
7	A.E Muoneke and sons Ltd	7
8	Freemanbiz Communication, Ishieke Campus, EBSU	8
9	Chuks Photos, Abakaliki	6
10	Our Family photos, Abakaliki	7
11	ST. Arivin Digital print, Abakaliki	8
12	High Chic signature Beauty Saloon	9
13	Houz of Gram, Abakaliki	8
14	Emmy Graphic digital press, Abakaliki	7
15	Omasweet cakes, Abakaliki	6
16	Chuzu Events, Abakaliki	9
17	Positive Imprint Event, Abakaliki	5
18	Royal Fabbytex Arts, Abakaliki	8
19	Adoration photos, Abakaliki	7
20	Explicit Salon, Abakaliki	7
	Total	140

Source: Field Survey, 2020

The total copies of questionnaire distributed were one hundred and forty (140), but the study received a total of one hundred and twenty (120) duly completed copies of the questionnaire which constitute a response rate of eighty six percent (86%). As earlier stated, the research instrument that was used by the researcher in collecting useful information on this topic was the questionnaire. The instrument was properly structured with close ended questions to elicit relevant reactions from the staff of the selected micro firms under study. It was also carefully designed to accommodate two sections. The first section is personal data which is meant to generate proper data regarding the respondents characteristics like sex, age, educational level while the other dealt on relevant aspects of the topic under study. A five point Likert scale was used to design the questionnaire which was used to generate data needed for the study.

To ensure validity of the research questionnaire, a set of the drafted questions was sent to an expert in research supervision, who ensured that the questions were clearly appropriate and covered the research objective of the study. A pilot study of two of the respondents was carried out. The combined effort led to modification of some questions, additions, and selection of some others leading to a set of questions that are clear, unambiguous with enough coverage of the research objectives.

The reliability of the instrument was ascertained with Cronbach's alpha which is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. The Cronbach's scale must be up to 0.7 and above for an instrument to be declared reliable. The Cronbach's alpha obtained from the scaled reliability test was 0.75 showing that the instrument was reliable.

Data were analysed using descriptive statistics while hypotheses were analysed using Ordinal Linear-by –Linear Association model (Log-Linear Regression Model).

Results

Analysis of Demographic Characteristics

Table 2: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	84	70.0	70.0	70.0
	female	36	30.0	30.0	100.0
	Total	120	100.0	100.0	
Missing	System	0	0.0		
Total		120	100.0		

Source: SPSS Version 23.0

Table 2 shows that there are 84 male respondents representing 70.0% while there are 36 female respondents representing 30.0%.

Table 3: Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent4.3
Valid Single	95	79.2	79.2	79.2
Married	25	20.8	20.8	100.0
Total	120	100.0	100.0	
Missing System	0	0.0		
Total	120	100.0		

Source: SPSS Version 23.0

Table 3 shows that there are 95 single respondents representing 79.2% while there are 25 married respondents representing 20.8%.

Table 4: Age

Age (years)	Frequency	Percent	Valid Percent	Cumulative Percent4.3
Valid 20 – 30	30	25.0	25.0	15.0
31 – 40	54	45.0	45.0	100.0
41 and above	36	30.0	30.0	
Total	120	100.0	100.0	
Missing System	0	0.0		
Total	120	100.0		

Source: SPSS Version 23.0

The above Table shows that 30 respondents representing 25.0% are between the age of 20 to 30 years, 54 respondents representing 45.0% are between 31 to 40 years while 36 respondents representing 30.0% are from 41 years and above.

Table 5: Response on the Effect of Family Background on Entrepreneurial Knowledge in Creating New Ventures

S/N	Options	SA	A	U	DS	SD	N	Total	Mean score	Decision
A	Encourages creative thinking and promotes a strong sense of self-worth and empowerment	75	20	12	8	5	120	512	4.26	Agreed
B	To develop abilities, knowledge, skills, attitudes and personal attributes important for the entrepreneurial activity	65	25	15	11	4	120	496	4.13	Agreed
C	Inculcates the ability to recognize business opportunities in one's life	5	15	20	30	50	120	255	2.12	Disagreed
D	The potential of generating new business ideas	80	20	10	5	5	120	525	4.37	Agreed
	Cluster Mean								3.72	

Source: Researcher's Computation, 2020

The Table shows that the respondents agreed that items in a, b and d are the effects of family background on entrepreneurial knowledge in creating new ventures because their respective mean was greater than 2.5 which is the cutoff point but they disagreed with ítem c The cluster mean was 3.72 showing agreed.

Table 6: Response on How Entrepreneurship Specific Education on Entrepreneurial Knowledge Affect New Venture Creation

S/N	Roles	SA	A	U	DS	SD	N	Total	Mean score	Decision
A	Entrepreneurship education is generally about improving certain beliefs, values and attitudes aimed at embracing business opportunities	80	22	10	4	4	120	530	4.41	Agreed
B	Possession of the potential to successfully overcome environmental forces that are unstable and uncontrollable and which can greatly affect decision making process.	70	30	10	6	4	120	516	4.3	Agreed
C	Inculcates the principles and ethics of business	79	21	11	7	2	120	528	4.4	Agreed
D	The ability to pursue business opportunities	6	14	19	32	49	120	256	2.13	Disagreed
	Cluster Mean								3.97	

Source: Researcher's Computation, 2020

The Table shows that the respondents agreed that items in a, b and c are the ways in which entrepreneurship specific education on entrepreneurial knowledge affects new venture creation because their respective mean was greater than 2.5 which is the cutoff point but they disagreed with item d. The cluster mean was 3.97 showing agreed.

Table 7: Response on How Family Background Promotes Entrepreneurial Skill Acquisition in New Enterprise Creation

S/N	Roles	SA	A	U	DS	SD	N	Total	Mean score	Decision
A	Financial support for new enterprise creation	79	21	12	6	2	120	529	4.40	Agreed
B	Acquisition of business ideas, skills and zeal for entrepreneurial activities	72	30	11	4	3	120	524	4.36	Agreed
C	Possession of planning skills needed in the successful creation and coordination of new enterprise creation.	5	13	20	32	50	120	251	2.09	Disagreed
D	Possession of communication skills which is a prerequisite in new enterprise creation	78	21	12	6	3	120	525	4.37	Agreed
	Cluster Mean								3.81	

Source: Researcher’s Computation, 2020

Table 7 shows that the respondents agreed that items in A, B and D are the ways in which family background promotes entrepreneurial skill acquisition in new enterprise creation because their respective mean was greater than 2.5 which is the cutoff point but they disagreed with item C. The cluster mean was 3.81 showing agreed.

Test of Hypotheses

The Researchers conducted a multiple regression analysis to determine the relationship between the independent and the dependent variables.

Decision Rule:

Reject the null hypothesis when the Sig. value is less than 0.05, otherwise accept the null hypothesis.

Hypothesis One:

H₀ Family background on entrepreneurial knowledge does not have significant effect in creating new venture.

H_a Family background on entrepreneurial knowledge has significant effect in creating new venture.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.115 ^a	.730	-.151	.55528

a. Predictors: (Constant), Family background on entrepreneurial knowledge does not have significant effect in creating new ventures

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.025	1	.025	3.081	.005 ^b
	Residual	1.850	6	.308		
	Total	1.875	7			

a. Dependent Variable: creating new venture

b. Predictors: (Constant), Family background on entrepreneurial knowledge does not have significant effect in creating new ventures

Table above shows that the R² is 73%. The R² is used to explain the goodness of fit. Therefore, since it is about 73%, it implies that about 73% change in the dependent variable is explained by the independent variables and the higher the R² the better fit the independent variables.

Table shows that the F – statistics is 3.081 while the Sig. value is 0.005. This shows that the model is significant and has a high goodness of fit.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.750	.481		3.639	.011
	Family background on entrepreneurial knowledge does not have significant effect in creating new ventures	-.050	.176	-.115	-.285	.785

a. Dependent Variable: creating new ventures

Decision

Given the decision criteria to reject H_0 if the probability value is less than 0.05, the table shows that the probability value is 0.011. We reject the null hypothesis (H_0) and conclude that family background on entrepreneurial knowledge has significant effect in creating new ventures.

Hypothesis Two:

H_0 Entrepreneurship specific education on entrepreneurial knowledge does not significantly affect new venture creation.

H_a Entrepreneurship specific education on entrepreneurial knowledge has significantly affect new venture creation.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.417 ^a	.874	.036	.50819

a. Predictors: (Constant), Entrepreneurship specific education on entrepreneurial knowledge does not significantly affect new venture creation.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.325	1	.325	4.260	.015 ^b
	Residual	1.550	6	.258		
	Total	1.875	7			

a. Dependent Variable: new venture creation

b. Predictors: (Constant), Entrepreneurship specific education on entrepreneurial knowledge does not significantly affect new venture creation.

Table above shows that the R² is 87%. The R² is used to explain the goodness of fit. Therefore, since it is about 87%, it implies that about 87% change in the dependent variable is explained by the independent variables and the higher the R² the better fit the independent variables.

Table shows that the F – statistics is 3.081 while the Sig. value is 0.015. This shows that the model is significant and has a high goodness of fit.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.027	.401		5.059	.002
	Entrepreneurship specific education on entrepreneurial knowledge does not significantly affect new venture creation.	-.153	.136	-.417	-1.123	.305

a. Dependent Variable: new enterprise creation

Decision

Given the decision criteria to reject H₀ if the probability value is less than 0.05, table shows that the probability value is 0.002. We reject the null hypothesis (H₀) and conclude that entrepreneurship specific education on entrepreneurial knowledge significantly affect new venture creation.

Hypothesis Three:

H₀ Family background does not significantly promote entrepreneurial skill acquisition in new enterprise creation

H_a Family background has significantly promote entrepreneurial skill acquisition in new Enterprise creation.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.067 ^a	.804	.161	.55777

a. Predictors: (Constant), Family background does not significantly promote entrepreneurial skill acquisition in new enterprise creation

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.008	1	.008	4.027	.035 ^b
	Residual	1.867	6	.311		
	Total	1.875	7			

a. Dependent Variable: new enterprise creation

b. Predictors: (Constant), Family background does not significantly promote entrepreneurial skill acquisition in new enterprise creation

The above table shows that the R² is 80%. The R² is used to explain the goodness of fit. Therefore, since it is about 80%, it implies that about 80% change in the dependent variable is explained by the independent variables and the higher the R² the better fit the independent variables.

Table shows that the F – statistics is 4.027 while the Sig. value is 0.035. This shows that the model is significant and has a high goodness of fit.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.467	.987		1.485	.028
	Family background does not significantly promote entrepreneurial skill acquisition in new enterprise creation	.067	.407	.067	.164	.875

a. Dependent Variable: new enterprise creation

Decision

Given the decision criteria to reject H₀ if the probability value is less than 0.05, from the table above shows that the probability value is 0.028. We reject the null hypothesis (H₀) and conclude that family background significantly promotes entrepreneurial skill acquisition in new enterprise creation.

IV Discussion of Results

The interpretation of the findings is presented in this section for each study objective based on result of the analysis conducted.

In examining the effect of family background on entrepreneurial knowledge in creating new ventures, the study discovered that family background on entrepreneurial knowledge has significant effect in creating new ventures due to the fact that the probability value of the response which was 0.011 was less than 0.05.

In determining how entrepreneurship specific education on entrepreneurial knowledge affects new venture creation, the analysis also shows that entrepreneurship specific education on entrepreneurial knowledge significantly affects new venture creation based on the premise that the probability value being 0.002 was less than 0.05.

To ascertain the extent to which family background promotes entrepreneurial skill acquisition in new enterprise creation, the study, from the analysis, reveals that family background significantly promotes entrepreneurial skill acquisition in new enterprise creation as the probability value of the response being 0.028 was less than 0.05.

Summary of Findings

The findings of the study include the following:

1. Family background on entrepreneurial knowledge has significant effect on creating new ventures.
2. Entrepreneurship specific education on entrepreneurial knowledge significantly affects new venture creation.
3. Family background significantly promotes entrepreneurial skill acquisition in new enterprise creation.

V Conclusion

The study concludes that family background on entrepreneurial knowledge, entrepreneurship specific education on entrepreneurial knowledge and family background significantly promote entrepreneurial skill acquisition in new enterprise creation

VI Recommendations

The following recommendations are made for this study:

- Different strategies within educational policies should be applied concerning young people who do not have contact with entrepreneurship within the family and the immediate social environment.
- For those young people whose initial preference is seeking employment within the state sector, entrepreneurial potential should be gradually developed—by encouraging the acquisition of knowledge about entrepreneurship, changing their attitudes and expectations, developing organizational skills and certain social skills, in order to adapt to the labour market and demands of the modern society, which is increasingly demanding personal flexibility and readiness for entrepreneurship.
- Encouraging the development of small family businesses should be one of the measures for development of entrepreneurial characteristics of youth, because family members play an important role in incitement of young people for entrepreneurship.

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