

Skilled Hands in Turbulent Winds: Entrepreneurial Skills and New Venture Performance in Conflict-Ridden Northern Nigeria

Oluwaseun Kolade

De Montfort University, UK

Abiodun Egbetokun

National Centre for Technology Management, Ile Ife, Nigeria

Demola Obembe

De Montfort University, UK

Abstract. This paper investigated the relationship between entrepreneurial training, entrepreneurial skills and new venture performance in Northern Nigeria where, in recent years, Boko Haram terrorist insurgency has precipitated a severe humanitarian crisis and a high level of disruption to economic activities. The study is based on new survey data from a representative sample of 331 undergraduate entrepreneurs, analysed using Structural Equation Modelling and Ordinary Least Squares (OLS) regression. The results show that there is significant impact of entrepreneurship education on business performance partially mediated by entrepreneurial skills. The findings of this study also show that entrepreneurial skills are a significant moderator of the relationship between perceived environmental turbulence and new venture performance. These suggest that enhanced skills make a difference on business survival and performance amid the uncertainty, market disruption, and physical danger precipitated by the insurgency. Finally, the paper highlights the need for entrepreneurship education programmes to be designed around specific skills requirements and the peculiarities of the local contexts.

Keywords: entrepreneurship education, environmental turbulence, Boko Haram.

1. Introduction

Our study examines the impact of entrepreneurship education in the turbulent context of Northern Nigeria, where Boko Haram terrorist insurgency has precipitated significant losses of lives, the displacement of millions of people, and the destruction of properties and infrastructures to the tune of tens of billions of

This shortened version of the article is for promotional purposes on publicly accessible databases.

Readers who wish to obtain the full text version of the article can order it via the url

<https://www.neilsonjournals.com/JIBE/abstractjibe15koladeetal.html>

Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

© NeilsonJournals Publishing 2020.

dollars. The emergence and evolution of the terrorist insurgency in the region is associated with widespread poverty and youth unemployment, with thousands of impoverished and disillusioned youths lured by attractive but ultimately misleading agenda of anti-establishment egalitarianism. Given the subtext of widespread poverty and unemployment, entrepreneurship represents a viable pathway for the region's youth to escape the poverty trap and break free from the net of terrorist recruitment. Our study therefore investigates the role of entrepreneurship education in creating awareness and helping the youth to develop relevant skills necessary to achieve entrepreneurial outcomes, which include value creation, income generation and job creation. Provision of entrepreneurship education with specific skills development can empower the youth to change the narrative of poverty, co-create shared prosperity, and thereby draw more youth from the radius of terrorist influence.

Among policy makers and researchers across the globe, there is growing interest in the role of entrepreneurship as a key driver of development and economic growth (Oosterbeek, van Praag and Ijsselstein 2010; Klinger & Schündeln 2011; Peng, Lu & Kang 2012; O'Connor 2013). Using Schumpeter's ideas, the entrepreneur's role is usually described in terms of their impact as arrowheads of 'creative destruction'. In the search for new opportunities and profits, entrepreneurs, it is argued, bring new combinations and innovations into the economic system (Van Praag 1999) creating new opportunities with the introduction of entirely new products into the market and expanding the range of options for consumers and end users (O'Connor 2013). The entrepreneurial spirit is often nurtured through entrepreneurship education (Fayolle and Gailley 2015; Fayolle 2005; Wang and Wong 2004).

While there is general consensus about the positive impacts of entrepreneurship on economic development (Naude 2010), there is less agreement among scholars about the impact of entrepreneurship education on entrepreneurial outcomes, for instance in terms of new venture creation and business performance (Oosterbeek, van Praag and Ijsselstein 2010; Klinger and Schündeln 2011; Menzies and Paradi 2003). Scholars have pointed out that the need for entrepreneurship education can be partly dependent on the nature and challenges of the environment under which the entrepreneur operates (Ateljevic, O'rourke and Todorovic 2004; Flora 2006; Shah, Gao and Mittal 2015). Some environments bring peculiar challenges associated with regulation and access to credit (Djankov *et al.* 2002; Ardagna and Lusardi 2008). Furthermore, entrepreneurs often operate in turbulent environments characterised by high levels of inter-period change that creates uncertainty and unpredictability, sharp discontinuities in supply and demand, and low barriers to entry and exit (Calantone, Garcia and Dröoge 2003). It is therefore argued that, even when individuals have inherent entrepreneurship tendencies and attributes, they may not create new businesses, or expand existing ones, due to lack of knowledge and skills on how to work through the challenges and harness the opportunities of the

regulatory and institutional environment. Some of these obstacles can be overcome through specific entrepreneurship training (Klinger and Schündeln, 2011).

A considerable number of studies has been carried out on the impact of entrepreneurship activities and entrepreneurship education in turbulent environments. However, majority of these studies have focused on turbulence associated with market instability (Santos-Vijande and Álvarez-González 2007) and the challenge of technology obsolescence and rapid technological changes within and across sectors (Song and Montoya-Weiss 2001). Fewer studies, to our knowledge, have focused on entrepreneurship education in conflict zones, partly due to difficulties in accessing data. Furthermore, most of these entrepreneurship education studies tend to see entrepreneurship education as a homogenous construct, thereby giving little attention to the specificities of contents and approach, and specific needs associated with local contexts. Moreover, little attention has been given to the question: “how does entrepreneurship education influence new venture performance”?

To address these gaps in knowledge, we focus attention on investigating the impact of entrepreneurship education on new venture performance among young Nigerians. Furthermore, as explained in the subsequent sections of this paper, we operationalise the entrepreneurship education (EE) variable such that it focuses on contents and approach, and perceived learning of trainees. With this we examine the “how” of entrepreneurship education in terms of how the entrepreneurship skills created acquired or enhanced by EE mediates the link between EE and new venture performance. We posit specifically that improved skills is the main transmission channel for the effects of EE on firm performance. Existing studies typically overlook this mechanism. Furthermore, we investigate the moderating effects of entrepreneurial skills on the relationship between environmental turbulence and venture performance.

For our purposes, a sample of university undergraduates in Northern Nigeria provides an attractive empirical basis. Following a 2006 policy directive from the Nigerian government, entrepreneurship education is now compulsory across all universities. Against this background, we can easily construct a sample that includes individuals who have received entrepreneurship education and those that have not. The Northeast and Northwest regions of Nigeria offer an ideal setting for assessing perceived environmental turbulence. Over the past 15 years, the Boko Haram terrorist group has unleashed violence on these regions, leaving in their wake scores of thousands dead, more than three million people displaced, and billions worth of property destroyed. This destructive conflict is exacerbated by the prevalence of poverty and youth unemployment in the region. It is therefore a highly important context for a study examining the impact of entrepreneurship education in a turbulent context. Finally, undergraduate entrepreneurship is a common phenomenon across Nigeria (Siyabola *et al.* 2012). Undergraduates often start small businesses, sometimes out of sheer

interest and sometimes out of necessity. From a policy perspective, therefore, it is useful to understand how to support undergraduate entrepreneurship as a springbed for youth self-employment in the harsh business environment of Nigeria.

This study contributes to the literature on entrepreneurial human capital as a form of specific human capital (Skuras *et al.* 2005). First it discusses the impact of entrepreneurship education – viewed as an investment in entrepreneurial human capital – on entrepreneurial human capital assets in the form of entrepreneurial skills. It then illuminates the mediating and moderating effects of entrepreneurial skills on entrepreneurship outcomes in a turbulent environment. Sitting between human capital theory and institutional theory, the paper provides new insights on how entrepreneurship-specific human capital acquired through entrepreneurship education enables youth entrepreneurs to cope better and find alternative pathways to continuing entrepreneurship activities in a turbulent, conflict environment.

The rest of the paper is organised as follows: the theoretical underpinnings of this study are set out in the next section, along with the hypotheses. This is followed by a description of the empirical context and then the method for the study, before analysis and discussion of the findings. The paper concludes with summary of findings, highlights of policy implications and recommendations for future studies.

2. Theory and Hypothesis

2.1. Entrepreneurship Education

Entrepreneurship education (EE) programmes vary in terms of their objectives, their target audience, mode of assessment and evaluation, contents and theories, contexts and environments and methods and pedagogies (Fayolle & Gailly 2008; Walter & Dohse 2012; Fayolle, Verzat, & Wapshott 2016; Toutain *et al.* 2017). The identification of learning objectives and the peculiarity of target groups should inform appropriate teaching method and course content. Entrepreneurship education can be for, about, or in, entrepreneurship (Mwasalwiba 2012). Fayolle & Gailly (2008) highlighted three different learning processes in entrepreneurship education: learning to become an enterprising individual, learning to become an entrepreneur, and learning to become an academic. Liñán (2004) distinguished between four types of entrepreneurship education: entrepreneurship awareness education, education for start-up, education for entrepreneurial dynamism, and continuing education for entrepreneurs. Thus, the type of training required is sometimes associated with the growth stage of the enterprise, from existence

through survival, success, take off and resource maturity (Churchill & Lewis 1983), or the individual's stage in the entrepreneurship career path, from foundation to awakening, specialisation, creation, and maturing (Carayannis, Evans & Hanson 2003). Further, a reconceptualization of the individual-opportunity nexus in the entrepreneurship education process recognises the different starting points of individual students, and how this shapes not only the learning process but also the role of the educator in providing a platform that supports learners' individual journey (Thrane *et al.* 2016).

In effect, entrepreneurship education programmes are not homogenous. Course contents in entrepreneurship education vary from institution to institution, and are tailored to the needs of each learner group (Hynes 1996) or individual learner (Thrane *et al.* 2016). They are often defined by the policy or political contexts of the country or region (Busenitz, Gomez & Spencer 2000; Smallbone & Welter 2001). Nevertheless, some themes are common across the wide spectrum of entrepreneurship modules, including: financing and marshalling of resources, marketing, idea generation and opportunity discovery, business plan, and managing growth (Mwasalwiba 2012). Teaching methods are largely categorised into traditional forms featuring lectures and case studies, and action-based methods, which includes business/computer simulations, project work and creating business plans (Hynes 1996; Walter & Dohse 2009; Mwasalwiba 2012). In general, while much of current entrepreneurship teaching is dominated by traditional, "lecture-style" approaches (Williamson, Beadle & Charalambous 2013), most scholars agree that entrepreneurship education should incorporate action-based learning at its core (Leitch & Harrison 1999; Rasmussen & Sørheim 2006).

Given the heterogeneity of requirements and approaches highlighted in the foregoing, it is difficult to find universal criteria for measuring the impact of EE programmes. In essence, impact evaluation of EE programmes should be context and content specific. There are challenges associated with timeliness of evaluation, not least because of implications for expenses in time and money. There are also complexities related to the nested or hierarchical nature of EE programmes, especially with respect to isolating other factors that may have direct or moderating effects on outcomes (Borchers & Park 2011). Finally, there is the issue of timing. While funders and investors in EE programmes tend to be more interested in short term measures such as intentions (Fayolle & Gailly 2015), the most effective measures, such as new venture creations and innovation, typically require observation over a period of years (Borchers & Park 2011).

2.2. Entrepreneurship Education and Entrepreneurial Skills