FACTORS INFLUENCING ENTREPRENEURSHIP DEVELOPMENT IN NIGERIA: 
THE ROLE OF LEARNING

A Thesis
Submitted to the Faculty of Graduate Studies and Research
In Partial Fulfillment of the Requirements
For the Degree of
Doctor of Philosophy
in
Education
University of Regina

By
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January 2019

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ABSTRACT

Entrepreneurship has been positioned as a panacea to the economic development challenges facing Nigeria. Subsequent Nigerian governments have sought to foster a vibrant entrepreneurial class by investing in entrepreneurship education at the tertiary level. While that investment has yielded increased levels of entrepreneurial participation, it has had limited impact in terms of entrepreneurial business growth. Thus, there emerges a need to understand what factors influence entrepreneurial business growth in Nigeria and how successful Nigerian entrepreneurs learn to grow their businesses to inform future national human resource development (NHRD) policy. Consequently, this study explored how successful entrepreneurs in Nigeria learn to grow a business and identified what knowledge, skills, and abilities they used to facilitate business growth. In addition, the study explored the factors that Nigerian entrepreneurs thought influenced business growth.

Using grounded theory as a research methodology, I conducted interviews with twenty successful Nigerian entrepreneurs to obtain data. The data indicated that successful Nigerian entrepreneurs are self-directed learners who engaged in a range of learning activities in which micro-learning processes incidentally occur. Further, participants identified eight task-related knowledge, skills, and abilities they relied on to succeed. They described five factors they believed influenced entrepreneurial business growth and noted that these factors influenced business growth in different ways. The data suggested that the human capital of the entrepreneur mediates the influence of the business environment on enterprise growth. Further, the data strongly indicated that the human capital of the entrepreneur, conceived as discrete task-related knowledge, skills,
and abilities developed over time, was the most important factor that determined whether business growth occurred.

Overall, the study advances our understanding of the role of learning in entrepreneurial growth in Nigeria and highlights the need to develop holistic NHRD policies that seek to develop the human capital of the entrepreneur, and the institutional environment to increase entrepreneurial success in Nigeria and engender economic development. The study offers recommendations for policy makers, educators in Nigerian Universities, entrepreneurs at large, and suggestions for future research.
ACKNOWLEDGEMENT

This dissertation would not have been possible without the contributions of many people. It is a product of the support, encouragement, critique, and prodding of many, and I would like to acknowledge their contributions. Special thanks to my co-supervisors, Dr. Marilyn Miller and Dr. Abu Bockarie for the encouragement, critique, and prodding, without which I would not have completed this journey. I appreciate your patience and wisdom in guiding me through this process, even during times when we disagreed. I appreciate the hours you spent reviewing several drafts of my work, the many editing suggestions, and the ways you challenged me to ground my work in the field of adult education and human resource development.

I would also like to express my gratitude to members of my Dissertation Committee, Dr. Twyla Salm and Dr. Ron Camp, for their insightful suggestions relating to the application of the grounded theory methodology, which enhanced the rigor of the dissertation. Your suggestions challenged me to examine the subjective processes in grounded theory data analysis and helped me make these processes more evident. For this, I am grateful. I would also like to thank Dr. Warren Wessel for your help editing and formatting the thesis. Your patience reviewing an early draft of my work and your suggestions enhanced the clarity of the thesis and for this, I am grateful. I am also grateful to the Faculty of Graduate Studies and Research (FGSR) for funding through different teaching assistant positions and awards. Thanks to my external examiner Dr. Elie Chrysostome for his timely critique and recommendations that strengthened the methodology of the dissertation. Once again, thank you all for your support and encouragement.
DEDICATION

“Trust in the Lord with all your heart and do not lean on your own understanding. In all your ways acknowledge him and he will make straight your paths” Proverbs 3: 5-6

I would like to dedicate my dissertation to God without whom I would not have been able to persevere. In loving memory of my beloved parents, Dr. Ernest A. Ogunade and Mrs. Esther O. Ogunade whose life work as passionate parents and impact on the lives of others, inspired me to embark on this journey. I would also like to dedicate my dissertation to my sister Adebimpe Ogunade. Without your love, encouragement, and support, I would not have been able to do this.
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CHAPTER ONE: BACKGROUND TO THE STUDY

1.1. Introduction

Scholars, international development organizations, and policy makers have identified entrepreneurship as a panacea to the economic development challenges facing developing countries (Acs & Virgil, 2010, United Nations, 2014). Much research has been conducted to facilitate a better understanding of entrepreneurship and its effects on economic development in both developed and developing countries (Wennekers & Thurik, 1999; van Stel, Carree, & Thurik, 2005). However, an emerging area of inquiry in the field of entrepreneurship is entrepreneurial growth, specifically, research detailing what factors influence entrepreneurial growth, how entrepreneurial business growth occurs (Gilbert, McDougall & Audretsch, 2006; Wright & Stigliani, 2013), and how best to measure business growth in research practice (Achtenhagen, Naldi, & Merlin, 2010). Despite increased research interest in entrepreneurial growth, only a few studies have investigated entrepreneurial growth in developing countries (Nichter & Goldmark, 2009) and a smaller subset of studies exist that explore how entrepreneurs learn to grow their business in developing countries such as Nigeria.

This qualitative study explored how successful entrepreneurs in Nigeria learn to grow a business and the knowledge, skills, and abilities needed to facilitate business growth. In addition, the study explored the factors that influenced business growth. My interest in these issues stems from my experience practicing entrepreneurship. While I was obtaining a Bachelor of Arts degree in Philosophy, two mandatory courses about entrepreneurship were introduced at the tertiary level of education in Nigeria to help students acquire knowledge about entrepreneurship to start and be successful in a
business enterprise. These mandatory courses about entrepreneurship at the University focused on teaching students about entrepreneurship and presenting entrepreneurship as a viable alternative to paid employment. These two courses covered topics such as the different types of entrepreneurship, characteristics of entrepreneurship, theory around the motivation of entrepreneurs, the different types of business organizations recognized under Nigerian law, Nigerian government regulatory agencies and their spheres of influence, and the sources of business finance in Nigeria (NUC, 2017). The National Universities Commission (NUC) designed the modules in these courses to encourage entrepreneurial participation as a viable alternative to employment, and to teach students how to start a business upon graduation. However, the courses did little to prepare Nigerian entrepreneurs for the challenges they will face after they started their business, which my experience demonstrates.

I had no ambition of becoming an entrepreneur at the time, but the courses piqued my interests, so that by the end of my coursework, my perception of entrepreneurship as a career choice had changed. The change in my perception motivated me to start a clothing retail business after I graduated, because I could not find a job. I assumed I had acquired the knowledge needed to succeed in this area of business. However, the many mistakes I made during my business foray led to my venture folding after a year, and made me question the expertise I thought I had acquired during my undergraduate degree. In hindsight, I made mistakes that included poor financial management and not having a plan to grow my business that significantly hampered growth. These mistakes caused me to think about what knowledge, skills, and abilities are needed to grow a business in Nigeria; how can one foster learning that supports
entrepreneurial growth; and what factors facilitate or hinder entrepreneurial business growth. Upon reflection, I realized that although the knowledge I acquired during these courses at the university helped me start my business, they did not prepare me for the challenges of growing a business in Nigeria.

As a result of my experiences, my doctoral research study explored how successful entrepreneurs in Nigeria learned to grow a business and attempted to determine what knowledge, skills, and abilities were needed to facilitate business growth. In addition, the study examined some factors that influenced business growth in Nigeria. Although I have an interest in understanding how entrepreneurs in rural and urban parts of Nigeria learn to grow a business, because of resource constraints, the study focused on how entrepreneurs in urban Nigeria, specifically in Lagos state, learned to build and grow their businesses. Thus, my reference to Nigeria in this dissertation should be construed as focused on urban Nigeria, in Lagos, and not on rural Nigeria.

Economic development with its attendant benefits of increased employment, increased household income, social stability, and national security is a goal that most world leaders strive to achieve. However, the path to achieving economic development in practice is fraught with countless obstacles. Some are ideological while others are more practical in nature. One prominent barrier is determining how to stimulate the economic growth that leads to development, given the reality of scarce economic resources. That is, determining what economic path a nation should adopt to achieve development, within existing levels of human, material, and technological resources. Schumpeter (1947) noted that throughout economic history, activities of entrepreneurs
have been identified as crucial to the utilization of scarce resources in creating technological novelties, which either enhance the production of existing products or create new products. These advances, in turn, create new markets and spur economic development in capitalist communities and economies (Schumpeter, 1947). Schumpeter described the activities of entrepreneurs as the creative response that accounts for the innovation at the heart of economic growth in capitalist economies. More recently, scholars have described evidence demonstrating the links between entrepreneurial activity and economic growth (Wennekers & Thurik, 1999; Acs, 2006).

However, over the last two decades, developing countries, such as Nigeria that have started transitioning to a capitalist economic system have found it difficult to develop the entrepreneurial talent needed to stimulate sustained economic growth. Policy makers in Nigeria have sought to stimulate economic growth by advocating increased entrepreneurship participation and sponsoring numerous entrepreneurship development programs (Ministry of Industry, Trade, and Investment, 2014). Some benefits of entrepreneurship typically highlighted in these programs are its effect on reducing income inequality, increasing employment, and stimulating overall economic growth in terms of increases in gross domestic product (GDP). In fact, in developing countries such as Nigeria, “the promotion of entrepreneurship and the promulgation of small and medium scale enterprise policy (SME) has become an important development prescription in recent years” (Acs & Virgil, 2010, p. 485).

One policy approach that has gained prominence in Nigeria is the promotion of entrepreneurial learning initiatives within the formal education system. These
entrepreneurial learning initiatives set out to teach individuals the knowledge, skills, and abilities needed to become entrepreneurs. The policy approach seeks to provide education and training to Nigerians, so that they can start businesses that will yield economic benefits. Policies promoting learning initiatives for entrepreneurship are informed by Theodore Schultz’s conception of entrepreneurship. Schultz (1980) characterizes entrepreneurship as being part of the human capital stock of a country that can be developed by investing in education. Thus, the education and training of a population for entrepreneurship is viewed as a way of facilitating job creation and economic development. This strategy has become a central feature of Nigerian national human resource development policy (Mitra, Abubakar & Sagagi, 2011).

National human resource development (NHRD) refers to “the rapidly emerging emphasis of HRD as a national agenda, often in the past labeled as manpower planning or human capital investment” (McLean, 2004, p.269). NHRD broadens the focus of traditional human resource development (HRD) practices to include the entire society but it shares the same foundational paradigms as HRD. The foundational paradigms shared by both HRD and NHRD include the learning and performance paradigms. The learning paradigm suggests, “HRD works to enhance individual’s capacity to learn, to help groups overcome barriers to learning, and to help organizations create a culture which promotes conscious learning” (Swanson & Holton III, 2009, p.146). Further, Swanson and Holton indicate that the performance paradigm in HRD implies that a goal of HRD should be to create and advance systems that enhance individual performance in specific fields of interest, and improve the field of interest in which individuals work.

Thus, one can see that promoting a better understanding of how entrepreneurs in Nigeria
learn specific knowledge, skills, and abilities that could help them improve their performance and grow businesses falls within the scope of the learning and performance paradigms of HRD and NHRD. Further, explaining how different environmental factors influence entrepreneurial business growth and how entrepreneurs learn to grow businesses despite these environmental factors, helps us to improve conditions for individual learning and to remove barriers to learning in policy and practice. In turn, such improved understanding impacts performance, and thus fits within the purview of HRD and NHRD.

Extant literature highlighting the constraints of the Nigerian business environment and its effects on entrepreneurs (Mambula, 2002, Mandah, 2012), raises questions about current NHRD policy and how these policies account for the myriad contextual factors that influence entrepreneurial business growth in Nigeria. Consequently, this qualitative study explored how entrepreneurs in Nigeria learned to grow a business and the knowledge, skills, and abilities needed to facilitate business growth. In addition, the study explored the factors that influence business growth in Nigeria. Schumpeter (1947) argued that myriad factors affect entrepreneurial business growth and theorizing about how these factors interact to produce business growth in Nigeria is needed to advance entrepreneurship participation and achieve sustained economic growth. Further, Baumol (1968) stated, “The first order of business in an economy which exhibits very little business drive is presumably to induce the appearance of increased supplies of entrepreneurial skills which would then be let loose upon the area’s industry” (p. 69). Detailing the role of learning in entrepreneurial growth in Nigeria helps us understand how best to increase the supply of “entrepreneurial skills”
among the general population and increase the probability of entrepreneurs successfully growing a business in Nigeria. The following sections of the chapter detail the research context, the research problem, the purpose of the study, research questions, an operational definition of key terms used in the study, the significance of the study, and the limitations and delimitations of the study.

1.2. Research context

Nigeria is a country in West Africa with the seventh largest population in the world listed at approximately 190,886,311 million people by international organizations such as the United Nations (World Bank, 2017). There are 36 states in Nigeria and one Federal capital territory called Abuja. Abuja is the capital of Nigeria but Lagos state is generally considered the commercial center of the country, due to its large population (approximately 13 million people), its proximity to seaports, and position as the previous capital of Nigeria. Nigeria is composed of over 250 ethnic groups with the most populous being the Hausa/Fulani group at 29 percent of the population, the Yoruba’s at 21 percent of the population, and the Igbo ethnic group at 18 percent of the population (CIA World factbook, 2016).

Nigeria attained independence from the British in 1960 and until 1999, the country experienced political instability because of frequent military coups and a civil war waged between 1967 and 1970. However, since 1999 Nigeria has had a stable democratic presidential system of government with successive presidents elected for four-year terms. The president is both the head of government and head of state and is the chief executive of Nigeria. The Federal government in Nigeria controls the security apparatus
of the country (Military and Police) and is ultimately responsible for the economic and social wellbeing of the Nigerian people. The federal government controls Nigeria’s economy by enacting general economic plans for growth and providing a share of the country’s oil revenues to the State governments to implement these plans in their regions. Nigeria’s current president Muhammadu Buhari was elected on March 28, 2015. Nigeria also has two other tiers of government, namely the State and Local governments. Each state in the Nigerian Federation is administered by an elected governor whose job is to administer the state government and to ensure that the State’s constitutionally assigned responsibilities, which can overlap with those of the Federal government, are fulfilled. When the responsibilities of the Federal and State government overlap and conflict, the Federal government’s authority trumps that of State governments. The responsibilities of the State government include building public infrastructure, providing healthcare and education, and stimulating economic development within the State in line with the plans enacted by the Federal government. Local governments (the third tier) are led by an elected local government chairperson who is charged with implementing State government policies at the grassroots level. The goal of the local government is to make government more accessible to the population at the grassroots.

Nigeria oil revenues, which represent 70 percent of the Nigerian government income, 11 percent of gross domestic product (GDP), and 94 percent of Nigerian export revenues are relied on to finance most government activities (PriceWaterCooper, 2015). The reliance on oil revenues has meant that fluctuating global oil prices have significantly affected Nigeria’s growth expectations, with GDP growth rate falling from 6.2 percent in
2014 to 3.0 percent in 2015 and inflation rising from 8.14% in December 2014 to 9.04% in December 2015 (Barungi, Odhiambo, Asogwa, & Zerihun, 2016). Declining economic statistics between 2013 and 2016 means, “Investors who had previously sought exposure to Nigeria’s high growth potential appear to be getting nervous” (PWC, p. 3). With reports of foreign investment leaving the country in excess of $22 billion in 2013 and 2014 (Omoh, 2015), the need for the government to diversify the economy to prevent global shocks from crippling the economy has become even more pressing. Thus, over the last five years, “a large service and agriculture sector independent of the oil has been developed to help insulate the real economy from a downturn in oil prices” (PWC, p. 6). This diversification has involved facilitating the growth of innovative industries that involves promoting entrepreneurship.

Nigeria has at least 250 ethnic groups spread throughout the country. However, each state has a “home” or indigenous ethnic group, which usually has the largest population in that area. For instance, Lagos State is located in western Nigeria and the Yoruba ethnic group is the main indigenous group in that area. Thus, it is safe to assume that there will be more Yoruba people in Lagos State than any other ethnic group. In Nigeria, family and ethnic national ties or culture play a large role in how people act and see themselves and these ties influence the way the country is run. This situation is demonstrated by the fact that a great number of traditional rulers in each state of the federation still play a role in influencing how people think and act in relation to local issues spanning business to politics. For instance, the traditional ruler of Lagos, called the Oba of Lagos, played a significant role in influencing the outcome of the State gubernatorial election in 2015 by openly campaigning for one candidate over the other
(Akoni & Olowoopejo, 2015). This example demonstrates that factors such as social beliefs and culture play a significant role in everyday life of Nigerians and likely influence entrepreneurial participation and business growth in some way.

1.3. Statement of the research problem

The systematic literature review of research in entrepreneurial learning conducted by Wang and Chugh (2014) led to many researchers calling for a new research agenda in entrepreneurship research. One important research focus that has emerged from Wang and Chugh’s literature review relates to the need to distinguish the knowledge, skills, and abilities entrepreneurs need to start a business from the knowledge, skills, and abilities they need to grow a business. Wang and Chugh consistently state that opportunity exploration, which consists of the discovery or recognition of an entrepreneurial opportunity and the steps taken to transform the opportunity to an actual entrepreneurial venture, is different from opportunity exploitation. They indicate that opportunity exploitation involves developing systems to efficiently exploit the opportunity over a long period and grow the business venture given the vagaries of the market. Wang and Chugh argue that the entrepreneurial learning literature suggests that entrepreneurial opportunity exploration and exploitation are heterogeneous. Thus, identifying a business opportunity and starting a business, and subsequently growing that business require a distinct set of skills. The authors buttress this distinction when they noted that:

While it is recognized that the processes of exploring and exploiting an opportunity are heterogeneous, more research is needed to understand how to develop the skills and resources required to explore and exploit opportunities. Entrepreneurs who create new ventures are not necessarily those who lead the new ventures through growth and prosperity. Opportunity exploration and
exploitation require different sets of skills and resources and involve different types of learning. (p. 33)

Thus, researchers have sought to investigate either entrepreneurial exploration in the form of the nature of start-ups or the entrepreneurial growth process. My study contributes to research about the entrepreneurial growth process by not only identifying how successful entrepreneurs in Nigeria learn to grow or exploit a business opportunity, but I have also identified the specific knowledge, skills, and abilities, entrepreneurs need to exploit an opportunity and grow a business. Further, this study advances research in the entrepreneurial growth process by identifying the factors that influence business growth in Nigeria and how they interact.

Over the last decade, elected governments in Nigeria have sought to stimulate economic growth in Nigeria by attempting to shift the focus of the economy from oil production to one primarily driven by entrepreneurial activity in different sectors. Consequently, economic development plans focused on facilitating greater entrepreneurial participation among the population have been initiated (Ministry of Industry, Trade, and Investment, 2014, National Planning Commission, 2004). However, the policies put in place by the government to facilitate entrepreneurship have failed to produce a vibrant class of entrepreneurs (Edoho, 2016). This failure raises questions about the viability of the government’s approach to entrepreneurship development that focuses mainly on encouraging entrepreneurial participation without also focusing on understanding the factors that influence entrepreneurial business growth. Mohammed, Ali, and Kachalla (2013) investigated whether promoting entrepreneurship participation through entrepreneurship education led to the growth of entrepreneurial firms in Nigeria.
The authors described that multiple factors must come together for entrepreneurial growth to occur and they recommended that more research is needed to explore how these factors influence business growth and how they interact.

Nigerian scholars like Adejimola and Olufunmilayo (2009) suggested that promoting entrepreneurship in post-secondary institutions is critical to instituting an entrepreneurial culture among youths. Their argument is that entrepreneurship education helps increase entrepreneurial intentions among youths, which in turn increases entrepreneurial participation, and ultimately leads to positive growth to help enrich the Nigerian economy. However, not much research exists that explores what constitutes effective entrepreneurship education and training in Nigeria. The evidence suggests that formal entrepreneurship education is ineffective (Odunaike & Amoda, 2013). Odunaike and Amoda found that in Nigeria, “The content of business education (entrepreneurship education) that prepares the individual for effective participation in business needs to be reviewed” (p. 127) to help develop effective formal and non-formal entrepreneurship education and training. The authors argued that participation in entrepreneurship without adequate knowledge, skills, and abilities, usually results in failure in Nigeria. This conclusion further highlights the need to explore the knowledge, skills, and abilities entrepreneurs in Nigeria need to grow their business, and how successful entrepreneurs learn these knowledge, skills, and abilities.

Further, very little research details the non-formal and informal ways entrepreneurs learn to grow their firms. In this regard, Shonubi and Saheed (2013) indicate that learning for entrepreneurs is “largely informal or incidental, driven by the
desires of those involved and seldom reliant upon formal or structured training” (p. 592). Thus, there is a need to investigate the ways entrepreneurs in Nigeria learn to grow their business beyond formal education to improve existing education and training programs, and possibly develop new NHRD policies that can produce entrepreneurs with the requisite knowledge, skills, and abilities needed to grow business ventures.

In addition, little research explores how the environment influences what entrepreneurs need to learn to grow a firm and the different ways entrepreneurs learn to grow a business given conditions in Nigeria. Little is known about how factors such as the level of economic development, technology, level of infrastructure development and cultural values, all of which constitute the external business environment, influence business growth. Thus, more research is needed to explore these connections. In their model, Herron and Robinson, Jr (1993) suggest that the external environment structure mediates the influences that affect entrepreneur behavior. Entrepreneurial behaviour is a product of motivation, personality traits, and skill, and they theorize that these affect the performance of a business venture. Herron and Robinson, Jr indicated that their model “clearly calls for research in the areas of entrepreneurial skills and aptitudes” (p. 292). Consequently, exploration of how entrepreneurs learn to develop the skills, knowledge and abilities needed to grow a venture is needed within the context of how social, cultural and economic factors influence business growth.

We need to know how socio-economic factors like poor essential public infrastructure, lack of access to finance, corruption, and increasing insecurity shapes or influences business growth in Nigeria. For instance, if state corruption is a factor that
influences business growth in Nigeria, what knowledge, skills, and abilities does an entrepreneur need to navigate state corruption in the civil service; and, how does an entrepreneur acquire those knowledge, skills, and abilities. What seems to be missing in published research are studies that show how environmental factors interact with entrepreneurial knowledge, skills, and abilities to influence business growth, what entrepreneurs need to know to grow a business, and how successful entrepreneurs in Nigeria learn those skills, knowledge and abilities. This study sets out to help address these gaps in the literature.

1.4. Statement of Purpose and Research Questions

The purpose of this study was to explore how successful entrepreneurs in Nigeria learn to grow a business and the knowledge, skills, and abilities needed to facilitate business growth. The study also explored the factors that influenced business growth in Nigeria. The research questions were as follows:

1) How do successful entrepreneurs in Nigeria learn to grow their business?

2) What knowledge, skills, and abilities do entrepreneurs need to enhance the growth of their business in Nigeria?

3) What factors do successful entrepreneurs in Nigeria believe influence business growth?

4) What suggestions can the participants offer to enhance business growth for entrepreneurs in Nigeria?
1.5. Significance of the study

This study is significant because few studies have explored the different ways entrepreneurs in Nigeria learn to grow a business. Further, even fewer studies have considered how different environmental factors influence business growth and how these environmental factors influence what entrepreneurs need to know to grow a business. The limited amount of research that explores the knowledge, skills, and abilities entrepreneurs in Nigeria use to grow a business and the influence of the environment on these knowledge, skills, and abilities, represents a significant gap in current research that my study helped to address. The work is also significant because it highlights the factors that either facilitate or hinder business growth in Nigeria and thus could help the country to develop formal and non-formal entrepreneurship development programs that are responsive to these factors.

The study not only identifies the factors that influence business growth in Nigeria but also theorizes about how these factors interact or work to facilitate business growth in the country. These results are significant because current economic development policy in Nigeria fails to account for how these factors interact to influence entrepreneurial business growth. Thus, developing evidence-based theory about how these factors influence entrepreneurial growth would help Nigerian policy makers design policies that address these factors and facilitate business growth. By identifying the knowledge, skills, and abilities needed to grow a business in Nigeria and theorizing about how entrepreneurs learn, the study details different ways entrepreneurs learn. This outcome is significant because it could help individuals involved in designing Nigerian
NHRD policy to create entrepreneurship development programs that are more likely to facilitate entrepreneurial business growth.

1.6. Operational Definition of key terms

**Business growth** means “an increase in size or an improvement in quality as a result of a process of development, akin to natural biological processes in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics of the growing object” (Penrose, 2009, p.1). Penrose indicates that the size of a firm is only an incidental result of this internal process of development or unfolding of potential, and is not representative of growth per se. Business growth therefore is an ongoing process occurring throughout the existence of a firm and is a product of the interaction between the internal resources of the entrepreneur like capital, knowledge, skills, abilities, and the external competitive business environment.

**Culture** refers to the attitudes, values, and beliefs that guide the behavior of people in general or members of a specific ethnic group (Hofstede, 1983). These attitudes, values, and beliefs are a product of the shared experience and history of the group and represent a way of seeing and learning about the world. The attitudes, values, and beliefs of groups about entrepreneurship, shapes how individual members of these groups perceive entrepreneurship and learn about entrepreneurship. The term culture can be used to refer to both the general beliefs and attitudes prevalent in a country or the attitudes and beliefs amongst a specific group in the country. In our discussion of how entrepreneurs learn in Nigeria, culture refers to the values, beliefs, and attitudes held by specific ethnic groups in Nigeria. Adopting this definition of culture is important because Nigeria is a
multicultural society, with ethnic groups with different beliefs and values about entrepreneurship, which could influence entrepreneurial business growth in different ways. For instance, Nigerians generally know that the Igbo cultural group, because of their shared history of being persecuted by the Federal government during the Civil war in the late 1960s and early 1970s, are more independent, eschew post-secondary formal education, and prefer to pursue entrepreneurial opportunities rather than seek wage employment. On the other hand, the Yoruba ethnic group has a history of seeking formal post-secondary education and this cultural difference based on shared experiences could have implications for the way the two ethnic groups acquire the skills, knowledge and abilities needed for business growth.

Economic development refers to sustained large-scale investment in human capital, entrepreneurship, infrastructure, and technology that leads to consistent increases in aggregate economic output referred to as economic growth in the short and medium term (Feldman, Hadjimichael, & Lanahan, 2016). Feldman et al. (2016) define economic development as “the expansion of capacities that contribute to the advancement of society through the realization of individuals’, firms’, and communities’ potential” (p. 8). This definition implies that economic development encompasses investment in a range of activities that affects not just individual economic actors, such as entrepreneurs, but also larger firms, entire industries, and private citizens in communities alike. The emphasis on developing individual and community potential situates adult education and human resource development as cogs in the economic development discourse because the focus of adult education and human resource development is investigating the underlying processes and theories that facilitate the development of human potential or
capacity. Thus, economic development deals primarily with the long-term investment in the capabilities of economic actors.

_Economic growth_ refers to “an increase in aggregate output” in an economy (Feldman et al., 2016, p. 6). Feldman et al. indicate that economic growth is usually a product of increases in factors of production like labor, land, and capital, but outputs also increase because of use of technology and innovation that enhances the efficiency of the production process. Entrepreneurship is seen as a critical innovation that changes the way the factors of production are organized to facilitate the emergence of profitable business organizations that drive economic growth. Economic growth is thus seen as a short-term increase in economic output that facilitates the process of economic development by providing the resources needed to expand the capacities that contribute to the advancement of the society.

_An Entrepreneur_ is an individual who is able to identify a business opportunity and build a venture to exploit the opportunity identified (Shane & Venkataraman, 2000). In this study, the key distinction between an entrepreneur and a small business owner is growth aspiration. That is, entrepreneurs exploit opportunities not just to meet subsistence, but also to achieve growth beyond what is needed for subsistence. In this study, a distinctive feature of the entrepreneur is her or his stated commitment to achieving growth by exploiting innovative opportunities. This study also considers only those individuals with formal registered businesses with requisite records as entrepreneurs.
Entrepreneurship education. A Global Entrepreneurship Monitor (GEM) special report on education and training defined entrepreneurship education as “the building of knowledge and skills either about entrepreneurship or for entrepreneurship through the formal schooling system” (Martinez, Levie, Kelley, Saemundsson & Schott, 2010, p. 8). Martinez et al. indicate that entrepreneurship education occurs in primary, secondary, and tertiary education institutions and in developing countries, the approach typically employs traditional teaching pedagogies such as lectures and class readings. Entrepreneurship education is primarily concerned with preparing individuals for participation in entrepreneurship and thus the focus is on disseminating the knowledge and skills people need to set up an enterprise (Gibb, 1993).

Entrepreneurial learning (EL). Cope (2005) as cited in Wang and Chugh (2014) characterizes entrepreneurial learning as a research area that “studies what entrepreneurs should or do learn in the process of exploring and exploiting an entrepreneurial opportunity in the creation of new ventures or management of existing firms, but more importantly, the specific processes of learning that takes place” (p. 24). Wang and Chugh state that entrepreneurial learning is an emerging area of research interest that focuses on how and when learning takes place among entrepreneurs, and how they acquire the skills and competencies needed to be successful. When entrepreneurial learning is used as a verb, it depicts the process of acquiring the knowledge, skills, and abilities needed to be an entrepreneur.

Entrepreneurial knowledge. Young and Sexton (1997) describe entrepreneurship knowledge as “the concepts… business owners integrate and use during the course of
Entrepreneurship knowledge includes facts and bodies of information that an entrepreneur uses to identify entrepreneurial opportunities and exploit these opportunities efficiently in a business to ensure business growth. Corbett (2005) suggests that “individuals must possess prior knowledge and the cognitive properties necessary to value such knowledge in order to identify new means-ends relationships” (p. 473) in the business environment for knowledge to be truly entrepreneurial. Cognition is thus an important part of discourse on entrepreneurship knowledge because individuals must understand, value or process information and concepts in such a way as to identify opportunities and exploit them in the business environment. Without being able to process information and relate new information to the business environment in the opportunity discovery process, knowledge cannot become entrepreneurial. Thus, entrepreneurial knowledge consists of three main elements, which are acquiring specific information about a potential product or service, the cognition of the value of the information in a specific business environment, and the operationalization of ways in which this information can be exploited in a business environment to yield profits.

**Entrepreneurial skills.** Entrepreneurship skills refers to the entrepreneur’s expertise or proficiency in the performance of tasks that establish and grow a business. In an exposition of entrepreneurial skill, Chell (2013) expands the distinction between knowledge, skills, and abilities by noting that knowledge concerns learning facts about what exists and skill involves “proficiency in performance and may be enhanced by practice and training” (p. 8). Though a distinction between knowledge, skill, and abilities is drawn, Chell indicates that skills draw on knowledge because an individual can only
be skillful in a field they possess adequate knowledge. Hence, Chell characterizes skills as, “multidimensional constructs; they comprise the cognitive-knowledge and what is learnt; the affective-emotional expression and what is experienced felt; the behavior-action at strategic, tactical and personal levels; and the context-sectoral, occupational, job and tasks levels” (p. 8). Incipient notions of what entrepreneurial skills mean can then be inferred from this characterization of skill. Entrepreneurial skills draw from entrepreneurial knowledge, are context dependent, and emerge as a result of lifelong learning and repetition that hones them and makes them more adept. Entrepreneurial skills are those skills critical to exploiting a business opportunity and growing a firm.

**Entrepreneurial abilities.** Bayon et al. (2015) explored the antecedents of perceived entrepreneurial abilities and defined these abilities as “the application of knowledge, skills, and experience to particular ends, that is ability in a particular domain is the use of knowledge, skills, and experience to execute tasks related to that domain” (p. 4). Thus, entrepreneurial abilities refer to the “demonstrable capacity to apply several knowledge and skills simultaneously in order to complete a task or perform an observable behavior” (Sam Houston State University, n.d, para. 3). Entrepreneurship abilities are thus observable behavior that apply entrepreneurial knowledge or skill that lead to entrepreneurial performance and yield growth. For instance, the ability of the entrepreneur to live frugally and transfer savings from such a lifestyle to the business is seen by some as an important aspect of growing a business. This behavior is neither knowledge that can be acquired cognitively nor a skill that can be honed by repetition. Living frugally is an observable behavior that is a product of both knowledge and skill. Thus, it falls into the eclectic sphere of entrepreneurship abilities. Developing an ability
like frugality would require that the individual have a cognitive understanding of the reason for being frugal (knowledge), value the reason enough to make a change in spending habits, initiate a change in spending motivated by the cognitive value of the end goal, and form new spending habits drawing on aspects of skill development such as repetition.

**Formal learning** “refers to learning in courses or programs leading to nationally and internationally recognized qualifications” (Misko, 2008, p. 10). It is highly structured and has a defined set of objectives and goals and is usually facilitated using an established written curriculum.

**Human capital.** When used in this dissertation, human capital refers to the task-related knowledge, skills, and abilities used by entrepreneurs to grow a business (Unger, Rauch, Frese, Rosenbauch, 2011). This conception of human capital is distinct from the classical economic conception, which views human capital as the general knowledge and skills (e.g. literacy and numeracy skills) acquired by investment in formal schooling and on-the-job training, which helps all individuals in society improve earnings per capita (Schultz, 1961; Becker, 1962, Kolstad & Wiig, 2015).

**Informal learning** is learning that is unstructured and “is largely invisible, because much of it is either taken for granted or not recognized as learning; thus respondents lack awareness of their own learning; the resultant knowledge is either tacit or regarded as part of a person’s general capability” (Eraut, 2004, p. 249). Marsick and Watkins (1990) describe informal learning as “a category that includes incidental learning [and] may occur in institutions, but it is not typically classroom-based or highly structured, and
control of learning rests primarily in the hands of the learner” (p. 12). Incidental learning is conceived of “as a by product of some other activity … and takes place in everyday experience although people are not always conscious of it” (Marsick & Watkins, p. 12).

**Learning.** In this study, learning refers to “the relatively permanent change in behavior, cognition, or affect that occurs as a result of one’s interaction with the environment” (Werner & DeSimone, 2009, p. 65). Learning involves some kind of change occurring as a result of the acquisition of a new skill, new knowledge or ability. The changes that occur as a result of learning are products of an individual’s interaction with the environment meaning some skill or knowledge had to be acquired for the change to occur. In this study, the entrepreneur learns when she or he acquires new knowledge, skill or ability that leads to a relatively permanent change in behavior, cognition or affect.

**Non-formal learning** is “learning in structured programs for developing skills and knowledge required by workplaces, communities and individuals. These do not lead to nationally or internationally accredited formal qualifications” (Misko, 2008, p. 10).

**National Human Resource Development (NHRD)** is a specialty area of human resource development that considers issues around the development of manpower as a national policy objective (McLean, 2004). NHRD goes beyond focusing on building skills to enhance productivity for the benefit of an organization, to building skills for the benefit of the community or nation. The study considers entrepreneurship education and training programs as part of NHRD in Nigeria.
1.7. Limitations and Delimitations of Research Design

This study data was obtained through detailed interviews with Nigerian entrepreneurs who have grown a business. The interviews explored how these entrepreneurs grew their business, what knowledge, skills, and abilities they relied on to grow a business and the factors that influenced the growth of their business. Although the research design was carefully prepared, there are some unavoidable limitations in this study. First, exploring how entrepreneurs in Nigeria learned to grow a business required a significant amount of self-reporting by the participants and the information offered by participants was not corroborated. The participants might have overstated the value of certain learning experiences or under-reported less obvious informal or incidental learning events. Another limitation of the study is that the interviews focused on the views of entrepreneurs and did not account for the views of other stakeholders in entrepreneurship development, such as government agencies and financial institutions. The study is also limited by the relatively small sample size chosen to explore how entrepreneurs learn, and the factors that influenced business growth. Entrepreneurs in different industries in Nigeria use myriad knowledge, skills, and abilities to grow their business. Although twenty entrepreneurs are an adequate sample size to develop a provisional theory of how successful entrepreneurs learn, it is not sufficient to grasp the full range of ways successful entrepreneurs in different industries learn to grow a business in Nigeria. Thus, the sample size chosen means that only some ways entrepreneurs learn to grow a business were identified and explored in the study. Further, I was only able to recruit successful male entrepreneurs for the study. Thus, the findings of the study are limited since they only offer insights into the ways successful male
entrepreneurs in Nigeria learn to grow a business as well as the knowledge, skills, and abilities they use to grow their businesses. The study does not incorporate the views of unsuccessful male entrepreneurs or successful and unsuccessful female entrepreneurs. It may be that successful female entrepreneurs in Nigeria learn differently and require a more diverse set of knowledge, skills, and abilities to grow a business. More research is needed to explore the learning experiences of successful female entrepreneurs in the country.

The study explored how Nigerian entrepreneurs learned to grow a business. Thus, the study is delimited because it focused on learning associated with business growth, as opposed to learning associated with starting a new business. Further, the study acknowledges that some overlap exists between learning needed to start a business and learning needed to grow a business. However, the study considers both qualitatively distinct and so it focused on how entrepreneurs learned to grow their business. Another delimitation is that the study only explored how entrepreneurs in urban Nigeria learned to grow their business. No consideration was given to how entrepreneurs in rural parts of the country learned to grow their businesses. Further, the study acknowledges that a significant proportion of private economic activity in Nigeria is carried out by small business owners in the informal sector of the economy, which is dominated by women. That sector contributes a significantly to the Nigerian GDP, and many of the successful entrepreneurs in the sector are female. However, because of the difficulty involved in obtaining reliable data about the informal economy in the country, the study was delimited by focusing on only successful entrepreneurs with formally registered businesses.
CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter presents the literature reviewed for the study. It examines the nature of entrepreneurship and its importance to economic development, the distinction between an entrepreneur and a small business owner, as well as, details the role of policy in entrepreneurship, while highlighting the evolution of Nigerian entrepreneurship policies. In addition, the chapter reviews selected literature about measures of entrepreneurial business growth, the factors that influence entrepreneurial growth, and the role of learning in entrepreneurial growth with special attention to the Nigerian context. Exploring selected literature on these issues offers the background information and hence acuity needed to investigate and understand the factors that influenced entrepreneurial growth in Nigeria and how entrepreneurs learned to grow their businesses.

2.2. Defining the concept of entrepreneurship

The interest in entrepreneurship derives from the mystique around the activities of the entrepreneur. How these activities lead to lucrative success in a capitalist economy and ultimately economic development has been a topic of interests for scholars across different fields, including economics, management, and human resource development. Further, the concept of entrepreneurship has been studied from multiple perspectives; and yet, it remains elusive because it is multifaceted, which has resulted in the complexity involved in defining the entrepreneurship phenomenon (Audretsch, Kuratko, & Link, 2015, p. 703). This complexity stems from the reality that entrepreneurs appear
as outliers in the world of business and economics, and their actions, development, successes, and failures have been described as chaotic, non-linear, and discontinuous by many scholars (Bygrave, 1993; Howorth, Tempest, & Coupland, 2005). Getting a clear understanding of the concept of entrepreneurship involves carrying out a review of the development of the concept and understanding how it has been viewed from different fields of academic research. Economic historians, such as Schumpeter (1947), were one of the earliest to identify and highlight entrepreneurship as critical to the growth of the capitalist economy. Schumpeter notes that entrepreneurship is the fulcrum that drives the cyclical boom and busts of the capitalist system. He distinguishes entrepreneurs from small business managers by noting that entrepreneurs are concerned with establishing a firm that embodies a new idea or innovation while small business managers are primarily concerned with the administration of an ongoing business concern. Baumol (1968) also distinguishes between the entrepreneurial function and the managerial function. He notes that the function of the entrepreneur is to locate new ideas and implement them, while the function of the manager is to ensure that a business runs at optimal levels of efficiency. Schumpeter identifies two key characteristics of an entrepreneur that set her/him apart from other economic actors. The first characteristic is the ability to perceive innovative opportunities; the second is the “will power adequate to break down the resistance that the social environment offers to change” (p. 157).

These descriptions of entrepreneurship suggest that the entrepreneur not only has to possess the knowledge needed to perceive or identify innovative opportunities within extant systems, but also the skill and ability to set up a business enterprise to take advantage of the innovative or entrepreneurial opportunity. At the same time, the
entrepreneur is expected to work within a social milieu to break down barriers to the
growth of a business opportunity. Critical to the definition of entrepreneurship is the
notion of innovation, which involves not just identifying new business opportunities in
terms of product or services, but also implies developing novel processes that an
entrepreneur uses to exploit unique entrepreneurial opportunities (Drucker, 1985, p. 20).
Simply put, innovation sets the entrepreneur apart from small business owners. Since the
entrepreneur through innovative thinking, either creates new goods or services or
identifies hidden value for existing goods and services. The entrepreneur subsequently
exploits the newly discovered value for entrepreneurial profits. Innovation in this sense
encompasses both the process of exploiting opportunities and the opportunities
themselves. Small business owners on the other hand, simply gamble on the existing
popularity of a business idea, “but create neither a new satisfaction nor new consumer
demand” (Drucker, 1985, p. 21). Thus creating value, creating new demand for products,
services, and generally exploiting innovative ideas is a feature that sets entrepreneurs
apart from small business owners. This distinction implies that entrepreneurs need
unique knowledge, skills, and abilities tailored to the social milieu in which they operate
to establish new ideas. They need these unique knowledge, skills, and abilities to identify
innovative opportunities and exploit these opportunities by navigating the vagaries of the
social environment they work in to be successful.

In their seminal work, Shane and Venkataraman (2000) present a conceptual
framework for entrepreneurship to enhance the quality of entrepreneurship research.
They identify defining the domain of entrepreneurship as a first step in advancing
entrepreneurship research. They contend that the field of entrepreneurship needs to look
beyond just the individual actions or abilities of the entrepreneur and consider the presence of lucrative opportunities in the environment to fully grasp the entrepreneurship phenomenon. Shane and Venkataraman delineate entrepreneurial opportunities from entrepreneurs and contend that the field of entrepreneurship “involves the study of entrepreneurial opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them” (p. 218). Thus, to properly understand entrepreneurship one must conceive of an entrepreneurial opportunity as objectively distinct. It is the discovery, evaluation and exploitation of these distinct entrepreneurial opportunities that sets the entrepreneur apart from other economic actors, like small business owners.

2.3. Entrepreneurship and entrepreneurial opportunities

Entrepreneurship cannot exist without entrepreneurial opportunity and these opportunities differ from other economic opportunities because they “require the discovery of new means-ends relationships” while other economic opportunities rely on efficiently optimizing existing means-ends arrangements (Shane & Venkataraman, 2000, p. 220). This description implies that entrepreneurs find or discover new ways that existing or new goods and services can be used in the market economy to develop a business based on this novel discovery. Entrepreneurial opportunity discovery entails identifying new combinations of goods, services, raw material, and methods of organizing these factors that can be brought to the market and sold at greater than their cost of production (Kirzner, 1997; Shane & Venkataraman, 2000). Opportunity discovery, and by extension entrepreneurship, does not mean re-inventing the wheel, but
rather implies finding innovative uses for new or existing goods, services, and raw materials, by discovering hidden value. In this regard, Kirzner (1997) notes, “Where shortages have existed, we understand the resulting price increases as driven by entrepreneurs recognizing, in the face of the uncertainty of the real world, the profit opportunities available through the expansion of supply through production, or through arbitrage” (p. 70). Thus, entrepreneurial opportunities when recognized, need not mean inventing something new but do involve, “Creating new information, as occurs with the invention of new technologies, exploiting market inefficiencies that result from imperfect information or information asymmetry in markets, and reacting to changes in the relative costs and benefits of alternative uses of resources that occurs with political, regulatory, or demographic changes” (Drucker, 1985, as cited in Shane & Venkataraman, 2000, p. 220).

Exploiting discovered opportunities includes not just creating a new firm or the sale of the opportunities to existing firms, but involves an entrepreneur developing procedures within a business using entrepreneurial knowledge, skills, and abilities to ensure that the expected value of potential entrepreneurial profits perceived within the hitherto unidentified opportunity, comes to fruition. Growing a firm or exploiting an opportunity involves being one of the earliest movers when bringing the business idea to industry, and helps guarantee a substantial portion of entrepreneurial profits for that idea. This early participation is necessary because once an entrepreneurial opportunity or information asymmetry is discovered and exploited profitably, it does not stay unknown for very long. As more business actors exploit the opportunity the lower the returns and the less profitable it becomes (Schumpeter, 1947). Possessing the requisite knowledge,
skills, and abilities to quickly develop a business organization that capitalizes on entrepreneurial opportunities discovered is thus another key feature of an entrepreneur. Without the entrepreneurial knowledge, skills, and abilities, an individual cannot accurately assess and efficiently exploit the business opportunity identified and, eventually, loses his or her investment in the business enterprise. This argument suggests that entrepreneurial knowledge, skills, and abilities are central to entrepreneurship opportunity exploitation in general and entrepreneurship development in particular.

Opportunity exploitation alludes to the growth of an enterprise and some scholars contend that the pursuit of business growth or improved performance is a distinctive feature that sets the entrepreneur apart from small business owners (Audretsch, Kuratko, & Link, 2015). Audretsch, Kuratko, and Link explore the diverse definitions of entrepreneurship and have identified business growth as one measure of performance used to distinguish entrepreneurs in the literature. This is because for non-entrepreneurial small businesses, growth is difficult to achieve because the opportunity they seek to exploit is not innovative; and, the market is mostly saturated, leaving little room for the high and consistent profits that would facilitate growth. Thus, most non-entrepreneurial ventures make due with surviving and eking out a living without growth aspirations. The entrepreneur on the other hand is committed to discovering and exploiting innovative opportunities, while also pursuing the growth of the firm.

Despite the distinction between the entrepreneur and small business owner, entrepreneurship must be viewed as a dynamic process. An individual who starts of as a necessity- entrepreneur or small business owner may over time transition to discovering
and exploiting progressively innovative opportunities and become more of an opportunity-entrepreneur. Lundstrom and Stevenson (2005) note, “Entrepreneurs are people who, at different stages of life and at different stages of managing and growing their own businesses, are at different stages of the entrepreneurial journey” (p. 42). This description points to the dynamism of entrepreneurship, and could involve an individual starting out as a small business owner and over time after a series of business transitions, become a high-growth or opportunity entrepreneur. Thus, scholars, such as Lundstrom and Stevenson have warned against the categorization of entrepreneurs into static types, because it ignores the “dynamism of the entrepreneurial process and the reality that people become entrepreneurs and develop over time” (p. 42). The reality that individuals can and do evolve from micro business owners into high growth entrepreneurs highlights the need for a better understanding of how entrepreneurship development occurs.

This review indicates that an entrepreneur is any individual who discovers innovative opportunities that exist in the business environment due to information asymmetries in an imperfect market, the emergence of new technologies, and changes in costs that are a product of policy or demographic changes. The entrepreneur then responds to these opportunities by developing a business to maximize profits from these opportunities, while breaking down social and economic barriers to maximizing these opportunities. Maximizing profits means challenging the status quo, which involves possessing the entrepreneurial acumen to monetize innovation and offer more efficient and profitable alternatives to current business practices.
Thus, in this study an entrepreneur is any individual who discovers innovative opportunities and establishes a business organization to exploit these opportunities profitably, with the goal of being a market leader. An entrepreneur also continually displays a commitment to the growth of the business organization. The entrepreneurial business organization is a vehicle through which innovative opportunities are exploited and thus the size of the business does not affect the definition of entrepreneurship. Two factors set the entrepreneur apart from small business owners. The first is the commitment to the discovery of innovative opportunities; and, the second is his/her commitment to exploiting the opportunities discovered and achieving growth over time. Discovering and exploiting innovative opportunities and a commitment to achieving growth over time are the distinctive features of entrepreneurship in this study. This working definition of entrepreneurship sets the ground for the empirical work in the study and helps clearly differentiate between entrepreneurial praxis and small business activities in Nigeria. This understanding of entrepreneurship guides the inquiry into the factors that influence entrepreneurial business growth and how entrepreneurs in Nigeria learn the knowledge, skills, and abilities they need to grow a business.

However, despite much research into the nature of entrepreneurship and its effect on the real economy, questions remain about how entrepreneurship influences economic development and why entrepreneurship has been placed at the heart of economic development policies in Nigeria. Consequently, the following section reviews literature that explores the nexus between entrepreneurship and economic development.
2.4. Entrepreneurship and economic development

Despite the adoption of polices to promote entrepreneurship in developing countries such as Nigeria, some controversy exists regarding whether entrepreneurship indeed leads to economic development (Leff, 1979; Sautet, 2013). Leff traces the link between entrepreneurship and economic development and observes, “Revisionist economics history has displaced the entrepreneur from his central role as determinant of a country’s economic performance and placed greater emphasis on structural macroeconomic conditions” (p. 51). Sautet points out that there is indeed a “puzzle of entrepreneurship and economic development” in that despite the existence of many small businesses in developing countries, there appears to be no corresponding economic development. Thus, recent studies in the fields of business and development economics must be closely considered to highlight the importance of entrepreneurship in the drive to achieve economic development and growth.

Acs (2006) explores whether entrepreneurship leads to economic development and argues that deciphering this puzzle requires researchers to identify the stage of economic development of the country in question and know what type of entrepreneurship is being observed. The author distinguishes between two types of entrepreneurship namely, opportunity entrepreneurship and necessity entrepreneurship, and traces different economic development outcomes to the prominence of each type of entrepreneurship. Opportunity entrepreneurship refers to “the active choice to start a new enterprise based on the perception that an unexploited or underexploited business opportunity exists” (p. 97). Necessity entrepreneurship refers to an individual’s decision
to start a business because no other alternative exist for paid employment. The “opportunity entrepreneur” thus harkens to our earlier definition of an entrepreneur, who identifies innovative opportunities that have potential for growth over time and develops a business to exploit these opportunities. Factors like innovative opportunity identification, exploitation, and commitment to growth over time set the opportunity entrepreneur apart from the necessity-entrepreneur.

Thus, “opportunity entrepreneurs expect their ventures to produce more high-growth firms” (Acs, 2006, p. 101). Necessity entrepreneurs on the other hand are motivated by subsistence and simply engage in a small business because they lack alternatives. Using Global Entrepreneurship Monitor (GEM) data, Acs (2006) demonstrates that countries with more “opportunity entrepreneurs” have higher levels of income per capita than countries with more “necessity entrepreneurs”. He suggests that increasing the ratio of opportunity entrepreneurs to necessity entrepreneurs in an economy would likely lead to higher levels of economic growth and development. Therefore, assuming a country has the right kind of entrepreneurship, economic growth and development follows entrepreneurial activity because the entrepreneur discovers innovative opportunities that can be exploited to increase income per capita irrespective of level of economic development.

Gries and Naude (2010) detail the link between entrepreneurship and economic development by describing an economic model that shows how entrepreneurial abilities are matched to opportunities in the modern sector of developing economies. The authors show how this matching process galvanizes the transition from a traditional agricultural
economy to a modern manufacturing economy. Their study offers theoretical evidence that shows how matching entrepreneurial abilities and opportunities fuels endogenous growth and leads to structural change in the economy. In addition, Acs and Audretsch (2003) note that entrepreneurs stimulate economic development by introducing new products to the market or new business processes that are more efficient, and thus enhance existing productive capacities in the economy and create new demand that in turn increases income per capita and leads to economic growth. The authors note that entrepreneurs become aware of these new products or opportunities by leveraging knowledge of industry practice to identify needs, and then create products to meet these needs. They posit that when disparities arise in the assessment of the value of new knowledge related to opportunities because every individual has different experiences, knowledge and value systems, an entrepreneurial opportunity emerges and the successful exploitation of the opportunity leads to economic growth.

Over the years, more studies have demonstrated an empirical link between entrepreneurship and economic development. These studies use variables such as gross domestic product (GDP), employment, productivity, and inequality as proxies to capture the essence of economic development. A systematic literature review of the empirical literature by Mirjam van Praag and Versloot (2007) found that entrepreneurs create more jobs when compared to other businesses and thus facilitate economic development, although the jobs they create are less stable and lower in quality when compared to those in established companies. Thurik, Carree, Stel, and Audretsch (2008) demonstrates the nature of the link between increases in entrepreneurial activity and a reduction in unemployment in developed OECD nations. They indicate that policies promoting
specific kinds of entrepreneurial activity have a stronger effect on reducing unemployment and stimulate growth in developed countries. In a study investigating the effect of entrepreneurship on inequality among rural Ethiopian farmers, Kimhi (2010) found, “An equal increase in entrepreneurial income reduces per-capita household income inequality” (p. 89). The study demonstrates that policies fostering rural entrepreneurship are likely to lead to both income growth and income distribution in rural regions of Africa.

Overall, these studies indicate that entrepreneurs contribute to economic development in a variety of ways. First, entrepreneurs advance economic development by increasing the number of jobs created in the economy by exploiting high-growth opportunities that produce new products and markets (Mirjam van Praag & Versloot, 2007; Thurik et al., 2008). Secondly, entrepreneurship helps facilitate the transformation of the economy from a traditional agricultural economy to a modern economy by exploiting technological advancements for profit (Gries & Naude, 2010). Third, entrepreneurship has been used as a viable tool to combat income inequality in rural Africa, and in this sense, alleviates poverty and fosters economic development (Kimhi, 2010).

The literature suggests that the way we define entrepreneurship influences whether entrepreneurship positively affects economic development (Acs, 2006). For instance, if we define an entrepreneur as an individual who identifies innovative opportunities and exploits these opportunities to achieve high-growth, then entrepreneurship leads to mostly positive outcomes in terms of economic development.
However, if we define entrepreneurship as simply small business initiation, as authors Acs (2006) as well as Mirjam van Praag and Versloot (2007) indicate, then this type of entrepreneurship has little to no impact on economic development as it merely provides subsistence for the entrepreneur. Given the importance of entrepreneurship to the economic development of nations, it is little wonder many countries especially developing countries, have sought to facilitate opportunity-entrepreneurship in numerous ways. The following section of the review considers the nature of entrepreneurship development, and how entrepreneurship development impacts entrepreneurial business growth.

2.5. Entrepreneurship development and its role in entrepreneurial business growth

Given the many contributions entrepreneurs make to the economic development of a nation, there is little wonder governments have sought to foster or develop entrepreneurship, with some countries like Nigeria even placing entrepreneurship at the heart of the national economic development plan (Ministry of industry, Trade, and Investment, 2014). However, there is not much clarity about the process involved in developing entrepreneurs at the center of economic growth. Thus, this section explores the meaning of entrepreneurship development, its components, and its role in facilitating business growth.

Referring to entrepreneurship policy Lundstrom and Stevenson (2005) highlighted the need to coordinate state and private economic actors to create the necessary conditions needed for increased entrepreneurship activity and entrepreneurial business growth. Entrepreneurship development is a broad term used with two distinct
but related meanings. The first meaning connotes positive efforts to foster entrepreneurial activity and entrepreneurial business growth in an economy. Entrepreneurship development here involves developing context specific entrepreneurship policy, creating the business environment comprised of institutions to support entrepreneurship in line with policy, and fostering the acquisition of entrepreneurship knowledge, skills, and abilities within the population. When used in a narrow sense, entrepreneurship development refers to offering entrepreneurs the human capital through training and education needed to succeed in the business environment. Thus, in the broad sense entrepreneurship development refers to a range of activities, including creating macro-economic policies to incentivize entrepreneurship, creating an enabling business environment by investing in institutions, and training and educating entrepreneurs. In the narrow sense, entrepreneurship development means to deploy specific training and education to improve entrepreneurial performance. Despite this distinction, any effort to invest in the human capital of entrepreneurs using training and education is part of a larger NHRD policy approach to enhance the performance of entrepreneurs and; as such, these interpretations of the entrepreneurship development are connected. Entrepreneurship development thus involves the promulgation of entrepreneurship policy to ensure the business environment is favorable to entrepreneurs, to introduce NHRD policy to furnish the population with entrepreneurship knowledge, skills, and abilities, and to foster a positive cultural attitude towards entrepreneurship. Each component of entrepreneurship development is complex and coordinating these components can seem daunting, the effects of which influence entrepreneurial outcomes such as entrepreneurship participation and business growth. Thus, it is important to
consider the literature exploring the different components of entrepreneurship development in Nigeria to better understand the role entrepreneurship policy, the business environment, entrepreneurship knowledge, skill and ability acquisition and societal attitudes play in the growth of entrepreneurial businesses in Nigeria.

2.5.1. Entrepreneurship policy

Scholars have described policy making in entrepreneurship as a complex and messy endeavor (Lundstrom & Stevenson, 2005, p. 5). This messiness is not just because entrepreneurship has been characterized as an ill-defined and multidimensional concept (Wennekers & Thurik, 1999, p. 29), but because of the dilemma involved in determining a priori what policy approach to entrepreneurship development works in a given environment. Constructing appropriate entrepreneurship development policy requires the policy maker to anticipate change and accurately project extant economic, social, and political factors that influence entrepreneurship into the future, which is a difficult if not impossible exercise under the best conditions. Exploring entrepreneurship development begins with a detailed look at entrepreneurship policy because it offers the framework from which other aspects of entrepreneurship development emerge. These other aspects include a conducive business environment for entrepreneurial growth, the proliferation of entrepreneurial knowledge, skills and abilities and positive societal attitudes towards entrepreneurship.

Entrepreneurship policy refers to a statement of intent or the position of the government in relation to entrepreneurs and their role in national economic development. Entrepreneurship policies create the enabling environment to facilitate increased levels
of entrepreneurial activity by designating entrepreneurship as a desirable economic activity and legislating measures to support and enhance entrepreneurship. Henrekson and Stenkula (2010) note that the goal of entrepreneurship policy is to “support an economic system that encourages socially productive entrepreneurial activity by individuals acting independent of business form” (p. 599). Entrepreneurship policy achieves this goal by instituting legal and financial rules that make entrepreneurship a more attractive option, thus motivating entrepreneurship participation. Entrepreneurship policy also achieves its objective of addressing gaps in entrepreneurial knowledge, skills, and abilities by offering entrepreneurship education and training to the general population. Thus, entrepreneurship policy has a broad scope, because it addresses the demand side of entrepreneurship, which involves motivating, educating and training individuals for entrepreneurship, developing an enterprise culture, as well as, creating an environment that fosters entrepreneurial activity (Lundstrom & Stevenson, 2005). In this sense, entrepreneurship policy sets the framework for other components of entrepreneurship development namely, shaping the business environment and ensuring adequate opportunities exist to obtain entrepreneurial knowledge, skills, and abilities.

However, it is necessary to distinguish entrepreneurship policy from small and medium scale enterprise (SME) policy. Stevenson and Lundstrom (2001) argue that entrepreneurship policy differs from SME policy in a number of substantive ways. For one, SME policy focuses on strengthening the competitiveness and productivity of established small firms in relation to larger firms in the economy. Acs and Szerb (2007) indicate that SME policy tries “to confront the cost disadvantage of small firms due to scale economies” (p. 112), and that alleviating this cost disadvantage distinguishes SME
policy from entrepreneurship policy. Entrepreneurship policy on the other hand deals with much broader issues and involves creating the enabling environment that encourages entrepreneurship participation, furnishing the population with the requisite entrepreneurship knowledge, skills, and abilities and developing the right socio-cultural attitudes to support increased entrepreneurship participation. While entrepreneurship policy enables the early stages of entrepreneurial awareness, opportunity recognition, start-up, and growth, SME policy tries to improve the competitiveness of small and medium sized firms after they have been established (Lundstrom & Stevenson, 2005).

Thus, developing adequate entrepreneurship policy is the first step in the entrepreneurship development process because policy frames or determines the business environment and the resources allocated to entrepreneurship knowledge, skill, and ability acquisition. Without relevant entrepreneurship policy, it becomes challenging to foster increased entrepreneurship participation and growth because the population might find entrepreneurship an unattractive option, since the environment stifles growth and because they lack the entrepreneurial knowledge, skills, and abilities to successfully engage in entrepreneurial activity. Gnyawali and Fogel (1994) state:

People will more likely be encouraged and feel competent to start a business when the social environment values entrepreneurship, when various opportunities are available for entrepreneurs, when they have sufficient knowledge and skills required to start and manage a business. (p. 45)

Overall, this argument highlights the integral role entrepreneurship policy plays in not just shaping the business environment that influences entrepreneurship practice, but also in shaping the attitude of the population towards entrepreneurship, and furnishing the knowledge, skills, and abilities needed to grow a business.
2.5.2. Evolution of SME and Entrepreneurship policy in Nigeria

Chronicling the development of entrepreneurship policy in Nigeria is messy, because it involves discriminating between entrepreneurship policy and small and medium enterprise (SME) policy. Lundstrom and Stevenson (2005) indicate that historically, entrepreneurship policy is related to and emerges from SME policy. This section chronicles the emergence of current Nigerian entrepreneurship policy from SME policy in 1980s.

Structural adjustment and SME policy from 1980 to 1993.

Entrepreneurship policy in Nigeria was not defined in the 1980s and early 1990s, but policies strengthening small and medium scale enterprise (SME) growth can be gleaned from initiatives developed by the Federal government and international organizations involved in the Nigerian economy. These initiatives include the Structural Adjustment Program (SAP) of 1985, the Fourth National Development Plan (1981-1985), and Central Bank of Nigeria (CBN) fiscal policy directives. One major initiative that shaped the development of SMEs in the mid-1980s was the structural adjustment program. Structural adjustments in Nigeria involved initiating macroeconomic policies like trade liberalization and free-enterprise expansion. These economic policies allowed SMEs to play a more prominent role in “local resource mobilization” (Ekpenyong, 2002, p. 39).

Prior to the 1980s, Nigerian government policies stifled free-enterprise by imposing a state-led import substitution policy and unilaterally expropriated assets the government deemed integral to public interests (Ekpenyong, 2002; Nafziger, 1986).
Highlighting how Nigerian government policy in the 1970s stifled SME development, Ekpenyong (2002) suggests that the import substitution policy of the government had negative effects on SME activity. First, the tariff structure implemented at the time categorized SME inputs as consumer goods, which drew higher tariff charges when compared to larger industrial producer inputs. This policy placed SMEs at a disadvantage. Secondly, the government heavily subsidized large-scale industry imports, making engagement in large-scale production more profitable than small-scale production. As a result of this policy, financial institutions chose to finance large-scale producers over SMEs because of the high tariff structure for SME inputs and import licensing laws. Further, import quotas meant that larger firms with subsidized inputs had lower default risk and higher profit margins. Consequently, during the import substitution era of the 1970s, larger industrial firms received most of the funding for economic development, leaving SMEs without viable sources of capital beyond personal and family savings.

In the early 1980s, weakened economic activity in industrialized countries led to the supply of oil outstripping demand, and falling oil prices ensued. This factor meant that Nigerian oil export earnings fell from 12 billion naira or 24 billion United States Dollars (USD) in 1980 to about 7 billion naira or 9 billion USD in 1983 (Central Bank of Nigeria, 2008). Due to poor fiscal planning, the Nigerian government had to borrow from the IMF and World Bank to meet the country’s basic social needs and to service its growing external public debt. The IMF and World Bank imposed a set of prescriptive economic policy conditions on the loans referred to as structural adjustments. Williamson (1993) identifies trade liberalization, the removal of barriers to foreign direct
investment (financial liberalization), privatization, and deregulation as key economic policies in structural adjustment programs. These macroeconomic policies initiated the process of opening up the Nigerian economy and paved the way for the development of SMEs.

To ensure free-market principles were established in the real economy, the Nigerian government set up policy initiatives to support the emergence of SMEs and adhere to the conditions of the Washington consensus (Sanusi, 2003). Sanusi opined that the Central Bank of Nigeria (CBN) played an influential role in the development of SMEs in the SAP era. The CBN established credit guidelines that required financial institutions to allocate at least ten percent of loans to SMEs from 1980. Coupled with direct loans to SMEs from the Nigerian Industrial Development Bank (NIDB), the World Bank assisted SME Loan I and II projects, and the National Economic Reconstruction Fund, the Nigerian government stimulated SME development by financing the economic activities of SMEs. Further, international organizations such as the United Nations Development Project (UNDP), the International Labor Organization (ILO) and USAID gave grants to finance SMEs in Nigeria (Ekpeyong, 2002)

Apart from financing SMEs, Sanusi (2003) notes that the Nigerian government also established agencies, for example, the National Directorate of Employment (NDE) charged with the responsibility of initiating vocational programs that trained youths on how to become self-employed. The agency administered “two credit guarantee schemes complemented by an entrepreneur development program to assist in the development of SMEs” (Sanusi, p. 7). Training and development agencies such as the Industrial
Training Fund (ITF) and the Centre for Management Development (CMD) were also set up to facilitate the acquisition of the knowledge and skills needed to strengthen SME performance in the country’s bid to become an exporter of finished goods. However, despite establishing the ITF and CMD, the Nigerian government’s SME policy largely overlooked the important role that a broader implementation of education and training programs plays in SME growth and development. Evidence from the Central Bank of Nigeria reveals that Federal government spending on education declined yearly between 1984 and 1987 from 716 million naira to 514.4 million naira (Central Bank of Nigeria, 2005, p.167). This decline suggests that during the SAP era, education and training was not considered a national priority and thus expenditure on education was subject to significant budget cuts.

SME policies from 1993 to 1999.

Between 1993 and 1999 the Nigerian political scene was volatile, as the nation endured a military coup d’état and two other administration changes. Consequently, little was done in terms of policy development for SMEs. Between 1993 and 1998, the Military regime of General Sani Abacha seized power and initiated the Family Economic Advancement Program (FEAP). The FEAP was established to provide “credit facilities to cooperative societies to support the establishment of cottage industries in rural and urban areas” (Ogwumike, 2002, para. 20). FEAP was a continuation of SAP era policies because the program sought to simultaneously alleviate poverty and stimulate economic growth by subsidizing credit to individuals engaged in small-scale businesses, such as farming and retail trading (Iganiga, 2008). The assumption was that if the finances were
provided, SME owners with little education and training would instinctively know how to successfully grow a business. Much like SAP era policies, this policy approach failed to account for the importance of the right kind of knowledge, skills, and entrepreneurial motivation needed to successfully grow a business venture in Nigeria. Acs (2006) indicates that the skill, knowledge, and motivation of those who wish to go into business plays a critical role in the economics of the entrepreneurial decision making process; and, as such, they should be given consideration in policy development. Education and entrepreneurial skill acquisition are important facets of SME development policies and the failure to provide the financing for SME education and training in FEAP appears to be a recurring problem in SME policy in Nigeria that has persisted over the years.

Further, the absence of the rule of law, and a system of accountability under subsequent military regimes between 1993 and 1999 meant that state corruption and poor economic management became the norm. Thus, FEAP and similar programs largely failed to alleviate poverty and stimulate economic growth.

*Entrepreneurship Development Policies and Programs from 1999 to 2007.*

For the first time in nearly two decades, Nigeria elected a democratic government in 1999. The newly elected government spent the first four years of governance strengthening democratic practices and tackling corruption. After re-election, the government embarked on an ambitious economic strategy that placed the private sector and entrepreneurs at the heart of wealth creation and poverty reduction (Okonjo-Iweala & Osafo-Kwaako, 2007; National Planning Commission, 2004). The strategy named the National Economic Empowerment and Development Strategy (NEEDS) was billed as a
comprehensive “home-grown” reform package that was developed by Nigerians for Nigeria with the goal of wealth creation, employment generation, poverty reduction, and value reorientation (National Planning Commission, 2004).

The NEEDS reform strategy set out to achieve its objectives by instituting macroeconomic reforms to empower people, promote private enterprise, and change the way the government operated. The NEEDS program identifies the private sector as the “engine of economic growth under NEEDS” (National Planning Commission, 2004, p. XI), and thus entrepreneurs and SMEs were seen as the drivers of the economy. The policy initiatives underlying this reform agenda include privatization, liberalization of the economy, and furnishing “cheap and easy access to finance by providing direct low-cost credit to the productive sectors as an incentive to jump-start the private sector” (National Planning Commission, p. 53). Thus, the Small and Medium Industries Equity Investment Scheme (SMIEIS) and similar programs were launched in 2001 to “facilitate the flow of funds for the establishment of new small and medium industry projects” (Sanusi, 2003, p. 10). The funding made available by the SMIEIS program excluded funding for retail or trading activities and was used exclusively for the productive sector of the economy. The SMIEIS program allowed participating financial institutions to set aside ten percent of their profit before tax annually, to be invested in SMEs. Sanusi argued that the goal was for the participating financial institutions to offer the requisite financial, technical, and managerial support to SMEs. However, SMIEIS experienced limited success because participating banks failed to invest allocated resources to SME financing because of their high-risk profile and high loan default rate (Ministry of
Industry, Trade, and Investment, 2014). Consequently, the SMIEIS program was discontinued in 2008.

The NEEDS strategy developed and monitored the small and medium scale sub-sector of the economy by setting up the Small and Medium Enterprises Development Agency (SMEDAN) in 2003. This agency is charged with the responsibility of implementing the private sector led economic development ambitions of NEEDS. SMEDAN coordinates activity in the SME sub-sector by developing policy, initiating SME support programs, providing access to industrial infrastructure, conducting vocational training and skill development for the unemployed, and linking SMEs to internal and external sources of financing (SMEDAN, 2015). SMEDAN represents the government’s first attempt at articulating a coordinated strategy to facilitate SME development in Nigeria. SMEDAN is the premier agency in charge of all matters relating to starting and growing micro and small enterprise (MSEs) in Nigeria (SMEDAN, 2010). To carry out its strategic mandate under NEEDS, SMEDAN laid out a national policy on micro, small, and medium scale enterprise (MSME) in 2007. Although the strategic goal of SMEDAN is to strengthen existing firms in the SME sub-sector of the economy, the agency also offers vocational and technical skills training to individuals so that they developed the skills needed to be self-employed.

During this era, the Nigerian government began to recognize the important role education and training plays in SME growth and entrepreneurship development. The Nigerian government introduced a mandatory entrepreneurship course in tertiary education institutions, as part of its strategy to help Nigerian youth acquire the skills
needed to engage in entrepreneurship (National Planning Commission, 2004). This education curriculum offered knowledge about the different types of business organizations recognized in Nigerian law and presented entrepreneurship as a viable alternative to seeking paid employment. The course was standardized in all Federal government funded universities and taught students about entrepreneurship by covering topics such as the history of entrepreneurship and management theories.

*Entrepreneurship Development Policies and Programs from 2007 to date.*

In 2007, a new civilian administration was democratically elected in Nigeria and President Yar’adua launched a seven-point reform agenda to foster economic and social development. The agenda identified diversifying the economy and creating wealth through formalized micro and small enterprises as a key part of Yar’dua’s plan (Nigerian High Commission, 2009, p. 23). However, shortly after being elected, President Yar’adua fell ill and the implementation of his policies stalled. He died in 2010 and Vice President Goodluck Jonathan became President. Little was done in terms of entrepreneurship policy development between 2010 and 2013 because of political uncertainty caused by the transition from President Yar’adua to President Jonathan, and the controversial re-election of President Jonathan in 2011. In 2014, President Jonathan launched the National Enterprise Development Program (NEDEP) with the aim of creating one million jobs annually by strengthening the MSME sub-sector of the economy (Ministry of Industry, Trade, and Investment, 2014). President Jonathan indicated that the goal of NEDEP was not just to train “Nigerians to harness the unbridled entrepreneurial energy in our society, but also to provide them with affordable
and accessible finance to act as a catalyst for their ambitions” (Ministry of Industry, Trade, and Investment, 2014, p. 5).

NEDEP attempts to achieve this lofty goal by leveraging the resources of existing Federal agencies. The federal agencies involved with implementing NEDEP are the Bank of Industry (BOI), the Small and Medium Enterprise Development Agency (SMEDAN), and the Industrial Training Fund (ITF). The goal of NEDEP is to use the resources of these federal agencies to “address the challenges stifling the growth of the MSME sector in Nigeria” (Ministry of Industry, Trade, and Investment, 2014, p. 7). The NEDEP program used the results of the 2010 SMEDAN survey to identify six challenges facing the SMEs in Nigeria. These challenges included the lack of access to finance, poor access to local and international markets, need for better infrastructure, the need for entrepreneurs to acquire technical skills, the need for business development skills, and youth inclusion in the entrepreneurial process. NEDEP proposed strategies to address the challenges facing entrepreneurs in Nigeria and each Federal agency involved in the program is expected to play a role in implementing these strategies.

For instance, the Bank of Industry (BOI) is charged with facilitating increased access to finance for SMEs in Nigeria. The BOI achieves this goal by coordinating financial policy with the Central Bank of Nigeria and ensuring that policies supporting SME financing are properly implemented. The BOI is supposed to ensure financial policy initiatives such as the Micro, Small, and Medium Enterprise Development Fund (MSMEDF) and the Bottom of the Pyramid Scheme (BOP) are used for that specific purpose. The BOI also administers the SME credit guarantee scheme, which guarantees
private financial institutions 80 percent of the loans given to entrepreneurs. Besides these initiatives, the BOI is also involved in directly financing SMEs in Nigeria through its cooperative lending scheme (Ministry of Industry, Trade, and Investment, 2014, p. 20). These financial initiatives create the framework conditions that could facilitate increased entrepreneurial activity in Nigeria if implemented properly, and could help to “reduce the penalties associated with bankruptcy and the resulting stigma of failure” and as such, they create opportunities for entrepreneurial activity to thrive (Lundstrom & Stevenson, 2005, p. 46).

NEDEP also leverages the resources of SMEDAN and the ITF to implement training and development initiatives such as the National Industrial Skills Development Program (NISDP). The objective of the NISDP is to “train and develop a highly skilled entrepreneurial workforce for small and medium scale enterprises in areas where we have competitive and comparative advantage” (Ministry of Industry, Trade, and Investment, 2014, p. 30). The major objectives of the NEDEP program were to offer entrepreneurs the business development skills they needed and provide the unemployed with vocational and technical training skills. However, such agencies like SMEDAN and ITF charged with training and developing highly skilled Nigerian entrepreneurs have done little to identify the entrepreneurial knowledge, skills, and abilities needed to grow a business in Nigeria. Rather, the focus of SMEDAN and ITF has been to advance vocational education and training for unemployed youth, which although socially valuable, because it increases the number of self-employed artisans, has done little to facilitate the emergence of a highly skilled entrepreneurial class in Nigeria. NEDEP also funds initiatives such as the University Entrepreneurship Development Program
(UNEDEP) and the Youth Enterprise for Innovation in Nigeria program (YOUWIN) to develop entrepreneurial talent at the tertiary level of formal education and among the youth population in general (Ministry of Industry, Trade, and Investment, p. 33).

The presence of multiple programs within NEDEP dedicated to the education and training of entrepreneurs is a significant improvement on SME policies from previous years. However, the dizzying array of smaller programs sponsored by NEDEP raises questions about the ability of the three participating federal agencies to properly administer NEDEP. This skepticism is especially the case when one considers Nigeria’s documented history of poor administrative practices that have impeded the achievement of policy objectives (Lewis, 1994). Recent Nigerian news reports have suggested that inter-agency competition, poor program coordination, and poor funding have led to failures to meet interim policy objectives in NEDEP and commentators have labeled the NEDEP initiative a white elephant project (Aroloye, 2015).

*SME and Entrepreneurship policy in Nigeria and the education of entrepreneurs.*

A review of SME and entrepreneurship policy development in Nigeria highlights several problems that have hampered entrepreneurship development in Nigeria. The most important problem is the dearth of relevant education and training needed not only to motivate the interest of Nigerians in entrepreneurship, but to also help people identify innovative opportunities in the challenging business environment. SME policies during the SAP era virtually ignored the training and development of SME owners and focused mainly on financing SMEs in a bid to offer them comparative advantage over large firms, without taking into account the knowledge, skills, and abilities needed to grow a
firm. The NEEDs policy of the early 2000s made significant strides in education and training of future entrepreneurs by advocating for universal basic education to empower Nigerians (National Planning Commission, 2004) and by introducing a mandatory course in entrepreneurship at the tertiary level of education to promote entrepreneurship. However, these initiatives fell short of equipping entrepreneurs with the practical knowledge, skills, and abilities they needed to grow a business because the education simply focused on instructing students on topics such as management theory, the history of entrepreneurship, and different types of business organizations recognized under Nigerian law. The education did little to facilitate entrepreneurship skill and competency acquisition relevant to the Nigerian business environment needed to grow a business.

Even though the national policy on SMEs set forth by SMEDAN identified “establishing non-formal education and training courses for SMEs owners, managers, and workers” as a key human resource development (HRD) objective (SMEDAN, n.d, p. 22), in practice, little was done in terms of entrepreneurship NHRD policy implementation. Factors such as weak stakeholder buy-in from public agencies and private partners, the lack of commitment to micro and small enterprise development by all tiers of government, and poor funding have hampered the successful implementation of the national policy on micro, small, and medium enterprises (MSME) by SMEDAN (Ministry of Industry, Trade, and Investment, 2014, p. 17). Further, SMEDANs focus on vocational training and education to help unemployed youth achieve self-employment as artisans means that beyond the mandatory course about entrepreneurship in tertiary education instituted during the NEEDS policy era, little was being done from a policy standpoint to develop the highly skilled class of entrepreneurs needed to foster economic
growth in Nigeria. Although entrepreneurial education in Nigerian tertiary institutions encourages or motivates entrepreneurial participation, scholars (see, for example, Essia, 2012; Edoho, 2016) indicate that this tertiary course does not prepare Nigerian youth for the challenges of growing a business. If achieving rapid economic growth through entrepreneurship is the goal of entrepreneurship policy in Nigeria, then more research needs to be done to identify the specific knowledge, skills, and abilities entrepreneurs in Nigeria need to grow a business and how entrepreneurs best acquire these core knowledge, skills, and abilities. This kind of research will help ensure that Nigerian NHRD policymakers, educators, and entrepreneurs are aware of the entrepreneurial acumen needed to succeed in Nigeria, and could foster the kind of research based NHRD policy that if implemented could help develop a class of highly skilled entrepreneurs who can drive economic growth in the country.

2.5.3. Entrepreneurship business environment.

The business environment in this analysis refers to external factors beyond the entrepreneurs’ direct control that influences entrepreneurship decision making and the overall performance of the enterprise. These external factors include the institutional frameworks that facilitate and regulate the efficient functioning of private businesses. These frameworks include the legal, financial institutions and government procedures such as taxation, import/export duties, economic policy and other bureaucratic measures. These factors either enhance entrepreneurial activity or hamper entrepreneurship and growth. Institutions play an important role in shaping the business environment since they have an enduring effect on how people think, feel and act. North (1991) argues that
institutions are the “humanly devised constraints that structure political, economic, and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal rules (constitutions, laws, property rights)” (p. 97). Institutions inform individual economic choices, making them an appropriate framework to study entrepreneurship. The institutional context can be gleaned from rules enacted by regulatory bodies such as government agencies, courts, and professional bodies, whose sanctions ensure conformance. One observation that emerges from this description of institutions is that they are not static, but dynamic, malleable, and subject to change over time. Institutions are thus seen as a vital component of a business environment, which involves more than just legal and financial institutions and includes property rights laws, tax laws, and venture capital. The business environment is also shaped by economic and monetary policies in a country and public attitude towards entrepreneurship. Further, the business environment is influenced by the existence of non-financial assistance for entrepreneurs including business incubators, entrepreneur social networks, and the existence of the necessary public infrastructure such as good roads, transportation and electricity that eases the cost of entrepreneurship (Gnyawali & Fogel, 1994). The following section reviews literature on the components of the business environment, and how they might influence entrepreneurship development.

2.5.4. Economic and monetary policy and their impact on the business environment

For markets to efficiently and effectively allocate resources and function optimally, certain rules of market practice must exist to not only ensure that private transactions between buyers and sellers are honoured, but also to regulate practices to
ensure markets remain free and not devolve into a monopoly. These market regulations are typically initiated by the government. Trebing (1969) identifies three forms of government regulation, namely policies established to regulate market practices, policies set up to maintain a competitive market, and policies designed to facilitate macroeconomic growth (p. 87). These forms of regulation are designed to achieve different objectives and their objectives, which determine how frequently they are applied to free market operations. In developing countries, forms of government regulation concerning economic and monetary policy play an important role in shaping the business environment and entrepreneurship development because these policies determine the prices at which goods and services are traded. Rapid changes in economic and monetary policy under certain circumstances, could adversely limit entrepreneurial profits by increasing the cost of exploiting an entrepreneurial opportunity. For instance, in Nigeria anecdotal evidence suggests that the recent monetary policy decision by the Federal government to devalue the naira (Nigerian currency) and change the auction system used by economic actors to access foreign exchange (FX) has had an adverse effect on the business environment and by extension entrepreneurship in the country.

The existence of an FX policy that pegs the value of foreign currency exchange rates outside the workings of demand and supply has created arbitrage opportunities in parallel FX markets that have negatively affected entrepreneurs. The existence of these parallel FX markets caused by the government’s FX policy makes accessing foreign currency difficult for entrepreneurs who need it to import raw materials for production or export finished goods to buyers abroad. The FX policy that artificially pegs the value of the naira without regard to the vagaries of demand and supply has led to a scarcity of
foreign currency in government-sanctioned institutions such as banks and bureau de changes. Entrepreneurs with legitimate business needs in Nigeria are forced to find foreign currency in parallel markets at significant premiums. Hence, there is currently price volatility in a wide range of goods and services in the country that is a direct result of the current FX policy of the government. As a result of the price volatility, buyers and sellers cannot say from one day to the next how much a particular product or service will cost. This uncertainty has created a very difficult business environment for entrepreneurs in the country because these price fluctuations wipe out profits in a heartbeat and make it almost impossible to plan for the cash flow as well as the profits that engender entrepreneurial growth and development in the country. Thus, as this example illustrates, monetary and economic policy as a form of regulation plays a significant role in shaping the business environment.

Further, the increase in transactional costs associated with the regulation of market practices in an industry could adversely influence business growth because entrepreneurial start-ups typically have limited funding capacity to carry out business operations. In addition, the increased transactional costs associated with regulation of market practices places added strain on the finances of entrepreneurs and hampers entrepreneurial business growth. In this regard, Bailey and Thomas (2015) offer evidence demonstrating that increased government regulation of market practices in industries is associated with a decrease in small enterprises, while having essentially no effect on the number of large businesses. Bailey and Thomas suggest that increased regulation designed to regularize market practices may be beneficial to larger firms that can bear the costs associated with these regulations due to economies of scale. Further,
regulation also limits competition by setting up barriers to market entry for smaller firms. Van Stel, Storey, and Thurik (2007) have demonstrated that of the four major effects of regulation “Only the minimum capital requirement is an obstacle to entrepreneurship because even skillful entrepreneurs may not be able to overcome this without access to assets” (p. 181). Overall, this review suggests that government regulation in its different forms shapes the business environment and by extension impacts entrepreneurial firms by either denying entrepreneurs access to the market or increasing price volatility within the market, which has a disproportionately adverse effect on entrepreneurial ventures.

2.5.5. Legal Institutions and the business environment.

Legal institutions are laws and regulations that enshrine individual rights and responsibilities and regulate human interactions by creating a system of sanctions and incentives to proscribe certain behaviors and promote others (North, 1990). Legal institutions include property rights, the rule of law, and contract rights, which are either enshrined in laws enacted by parliament or evolve from common law (North, 1990). Legal institutions serve two main functions; the first function is that they protect the entrepreneur from government expropriation of rents and secondly, they help safeguard returns on investment by limiting theft by employees and competitors. Thus, without such legal institutions, the “firm is always at risk of not getting the returns from its assets (tangible or intangible) due to actions by government, its own employees, or other firms” (Claessens & Laeves, 2003, p. 2402).

In developing countries such as Nigeria, the risks of government expropriation, employee and competitor theft are perceived as significantly higher than in developed
countries because of the absence of fully developed legal institutions that safeguard and promote the property rights of individuals. For instance, in Nigeria the Land Use Act was promulgated in 1978 and is still a part of the 1999 Nigerian constitution. This Act gives the Federal and State governments the right to expropriate land from private owners at anytime “for overriding public interest” with some compensation (Mabogunje, 2011, p.8). This risk of government expropriation means increased uncertainty and makes entrepreneurship an unattractive option to some investors.

Property rights influence entrepreneurial business growth because they help the entrepreneur obtain investable resources used in business activities with high growth potential (Claessens & Laevens, 2003). Claessens and Laevens demonstrate that better property rights lead to higher firm growth because they allow entrepreneurs to channel investible resources into high growth areas that are protected by legal institutions. For instance, in developed countries such as the United States of America, strong property rights laws helped facilitate investment in lucrative software computing patents by firms in Silicon Valley (for example, Uber, Whatsapp and Snapchat), which in turn has helped these firm grow significantly over the last decade. Strong property rights ensure entrepreneurs use investible resources in endeavors that yield optimal returns. Claessens and Laevens found that the effect of insecure property rights on the asset mix of firms is as important as the lack of financing, because the former impedes the growth of firms to the same quantitative magnitude. This implies that strong property rights laws are critical to entrepreneurial decisions because they help determine in which areas an entrepreneur invests and whether the entrepreneur will obtain optimal returns on investments.
In developing countries with weak property right laws, if an individual has a choice to start a software enterprise or invest in the stock or bond market, the higher risks associated with starting an enterprise and the potential losses due to copyright infringement as an expression of weak property right laws, would make investing in the stock or bond market a more attractive option for the individual over the long term. Thus, weak property rights and legal institutions in developing countries could potentially influence economic/entrepreneurial decision making by making entrepreneurship a less attractive option due to the increased risks of losing investments when they are not protected by strong property right laws.

Legal institutions have also been shown to lead to increased labor productivity and increased gross profits (Yasar, Paul, & Ward, 2011). Yasar et al. using firm-level data found, “significantly positive association between firms’ performance, in terms of labor productivity or gross profits, and their expectations that the legal system will enforce their contractual and property rights” (p. 656). This result suggests that if an entrepreneur believes that his or her property or contractual rights are secured and returns on investment are more secured as is the case in most developed countries, more investment in the enterprise in terms of finances and labor ensues and productivity increases. However, in cases where the entrepreneur believes property and contract rights are not secured as is the case in developing countries, productivity in entrepreneurial ventures may be low because there is no guaranty that increased efforts would lead to increased rewards in the future. This review indicates that strong legal institutions are positively associated with better asset allocation among entrepreneurs towards high-growth activities, increased labor productivity, and increased gross profits.
2.5.6. Financial Institutions and the business environment.

Gilbert, McDougall, and Audretsch (2006) identify financial capital as a driver of entrepreneurial growth. They note, “the amount of financing required to obtain growth is often beyond that which can be garnered from one’s own network of personal resources” (p. 933). The difficulty involved in achieving growth in the absence of long term financing options obtained from banks, venture capitalist, capital markets, and other sources brings to the fore the importance of financial institutions to entrepreneurial growth.

Beck and Demirguc-Kunt (2006) suggest that poor access to financial institutions places growth constraints on entrepreneurs and limits their ability to efficiently exploit opportunities identified. The absence of sufficient finance for business growth has been described as the “finance gap” where “a firm had grown to a size where it had made use of short-term finance but was not yet big enough to approach the capital market for longer-term finance” (Chittenden, Hall, & Hutchinson, 1996, p.60). Chittenden et al. state that the existence of finance gaps forces the entrepreneurial firm to “choose between reducing its growth to keep pace with its internally generated funds, acquire a costly stock market quotation, or seek that most elusive form of finance- venture capital” (p. 61). The existence of finance gaps makes different types of financial institutions important to entrepreneurs.

The absence of long-term financing options is a common challenge facing entrepreneurs worldwide. However, the challenge is exacerbated in developing countries because of the greater risks associated with financing in developing economies (Bigsten
& Soderbom, 2005). Bigsten and Soderbom indicate that these risks are driven by “uncertainty with regards to prices (including foreign exchange rates), demand, customer payment, reliability of infrastructure, corruption and so on” (p. 9). The higher risk profile of African firms is a major constraint to growth and suggests that authorities in Africa need “to continue to find ways of reducing barriers to entry to the stock market for small firms and the need for financial institutions to develop innovative solutions to agency problems…rather than relying on collateral” (Chittenden et al., p. 67). The higher risk profile of African firms may be responsible for the lower use of financial services by entrepreneurs inside Africa, when compared to their North American or European counterparts (Beck & Cull, 2014). This high-risk profile leads to a vicious cycle where the difficulty involved in accessing long-term finance limits entrepreneur’s profits, which in turn forces African entrepreneurs to shun financial institutions in favor of self-financing options. Further, Beck, Demirguc-Kunt and Maksimovic (2005) indicate that increased financial access by small firms reduces growth constraints and increases firm growth in terms of employment. Thus, increased access to finance has the potential to spur the decisions to increase production of goods or service to maximize profits before diminishing returns on the entrepreneurial opportunity sets in. This increase in production of the goods or services typically requires more labor and thus employment growth in entrepreneurial firms in developed and developing economies becomes a corollary of increased access to finance. This argument suggests some nexus among increased entrepreneurial financing, strong legal institutions, and economic policies that incentivize entrepreneurial activity subsists. Understanding how the factors in the business environment interact to produce the conditions that increase the probability of
entrepreneurial business growth should be the focus of entrepreneurship development policy research. An understanding of what factors in the business environment and otherwise influence entrepreneurial business growth in Nigeria, and how these factors interact remains unclear, hence the need for this study.

Beck, Demirguc-Kunt, and Singer (2013) explore how different types of financial institutions influence the entrepreneur’s access to financial services. The results of the study indicate, “the dominance of banks in the financial systems of most developing countries is rather detrimental for firms’ access to financial services” (p. 30), and that low-end financial institutions and specialized lenders seem better suited to finance entrepreneurs in low-income countries. This result suggests that more specialized lenders, such as cooperatives and angel investors are needed in developing economies. Olutoye (2012) and Rubin (2010) indicate that Venture capital (VC) is one possible means of financing high-growth entrepreneurship and innovation in underserved communities. However, the OECD (2011) has noted that “venture capital is only appropriate for a small proportion of start-ups (high-growth firms which are usually technology or science based companies with scalable, high-growth business models) and therefore should not be viewed as the panacea for new venture financing” (p. 22). The OECD report indicates that specialized lenders like angel investors “support a wider range of innovation than VC firms as they traditionally invest locally and in a wider range of sectors than venture capitalists” (p.10). Harrison and Mason (2010) also indicate that angel investors serve as an important part of financing in the seed and early stages of a firm’s formation.
These observations suggest that an increased number of angel investors could help improve the business environment in developing countries and help entrepreneurs access the resources needed to quickly exploit entrepreneurial opportunities. Further, in developing countries the existence of a thrift or local cooperative savings programs that offer credit facilities similar to those of angel investors have proved quite popular (Otto & Ukpere, 2011). Financial institutions play a significant role in shaping the business environment since they increase the potential for profit in firms of all sizes but specifically among entrepreneurs. This review suggests that limited access to financial institutions creates a harsh business environment and constrains entrepreneurial firms. The review also indicates that the type of financial institutions used to finance entrepreneurial activities impacts growth and that smaller specialized lenders like angel investors and local thrift or cooperative societies may be more suitable to financing entrepreneurial firms in developing economies. However, little is known about what knowledge, skills, or abilities successful entrepreneurs in challenging environments such as Nigeria use to navigate weak financial institutions and how they acquire these skills. Hence the need for this study.

2.5.7. Socio-cultural Institutions and the business environment.

Socio-cultural institutions refer to the beliefs, values, and practices that guide behavior in a society and form an integral part of the business environment. Granovetter (1985) and Shane (1993) have noted that the economic actions of firms in post-industrial free market economies are embedded in social relations and that the firm’s economic decisions are influenced by socio-cultural institutions. This interaction suggests that an
economic decision of an entrepreneur to identify an opportunity and build a business to exploit this opportunity and potentially grow the business is influenced by the values and norms of the society. One prominent socio-cultural institution in the literature is national culture. Hofstede (1983) described it as “collective mental programming” and “conditioning that we share with other members of our nation, region, or group but not with members of other nations, regions or groups” (p. 76). National culture reflects the behavioral norms that impact all aspects of everyday life in a society, including the economic decisions of an entrepreneur. Hofstede identifies different dimensions of national culture to include uncertainty avoidance, power distance, individualism/collectivism, and masculinity/femininity. These dimensions of culture have been shown to influence the business environment and the success of entrepreneurs in developing and developed contexts (Takyi-Asiedu, 1994; Pinillos & Reyes, 2011).

Hofstede (1986) states that uncertainty avoidance refers to ways societies deal with the fact that the future is unknown. Societies with weak uncertainty avoidance socialize their members to accept and be comfortable with uncertainty. In societies with strong uncertainty avoidance members have higher levels of anxiety about the future and have institutions set up to exert control on the future and avoid risk. Power distance has to do with the ways a society deals with inequality. Individualism and collectivism refers to nature of relationships between individuals in a society and the degree to which family or community ties binds individuals in a society. Finally, in masculinity/femininity refers to the degree to which a society accepts gender based divisions of roles or functions.
Takyi-Asiedu (1993) explored socio-cultural factors that inhibit entrepreneurship in sub-Saharan Africa. He uses Hofstede’s dimensions of culture to conduct a theoretical analysis of practices and beliefs that stifle entrepreneurship development. Takyi-Asiedu identifies high power-distance and a collectivist culture in sub-Saharan Africa as key impediments to entrepreneurship development. Specifically, he suggests that the lack of a social welfare system and the collectivist culture means that younger and more vulnerable members of the family are encouraged to pursue the security of paid employment in established professions rather than uncertain entrepreneurial ventures, so that they can help with family needs. In cases where the individual engages in entrepreneurship, the collectivist cultural expectation is that the profits, which should be re-invested in the enterprise, are used to support the family, which limits the growth of the enterprise. Further, the social expectation that the entrepreneur should provide for the immediate and extended family drains the financial resources of the business and most times leads to failure, which in turn discourages people from engaging in entrepreneurship. Thus, in developing countries with collectivist cultures the “profit motive is subjected to many other priorities here, which explains why the per capita income level of these countries is lower” (Pinillos & Reyes, 2011, p. 28).

Pinillos and Reyes (2011) explored how one dimension of Hofstede’s national culture, individualist and collectivist orientation relate to total entrepreneurial activity and demonstrate the role the level of development of the society plays in moderating this relationship. They found “the relationship between individualism and entrepreneurial activity (whether the motivation is necessity or opportunity) is statistically significant. The relationship is positive for the relatively rich countries and negative for the relatively
poor ones” (p. 32). The results demonstrate a positive relationship between countries with an individualist cultural orientation and high entrepreneurial activity. Nevertheless, this relationship is moderated by the level of economic development of each country. Thus, developed or rich countries with individualist cultures have high levels of entrepreneurial activity, while less developed or poor countries with individualist cultures have low levels of entrepreneurial activity. The authors indicate that countries with collectivist cultures can also have high entrepreneurship activity levels since social networks (families and cooperatives) present some financing options that replace the more formal financing options prevalent in individualist cultures (p. 27). The results of the study imply that culture, specifically the individualist and collectivist dimension of culture, plays an important role in motivating people to participate in entrepreneurial activity, however, other elements of the socio-cultural business environment such as the level of economic development also influence entrepreneurship decision making.

Besides national culture, scholars in less developed countries in sub-Saharan Africa have also identified other socio-cultural factors including official corruption, bureaucratic procedures, and the paucity of important infrastructure (good roads, electricity and water) as important factors that shape the business environment (Takyi-Asiedu, 1993; Okpara, 2011; Agboli & Ukaegbu, 2006). Agboli and Ukaegbu conducted a study that explored the business environment in south eastern Nigeria and its impact on entrepreneurial activity. The authors found that “inadequate infrastructure, access to credit, utility prices, official corruption and bureaucratic burden, in that order, stand out as constraints” (p. 13) to entrepreneurial activity in Nigeria. These socio-cultural elements of the business environment in Nigeria increase the cost of doing business and
make the efficient exploitation of entrepreneurial opportunities challenging. Despite the socio-cultural factors that make the business environment difficult, entrepreneurial success stories still exist in Nigeria. Studying how these entrepreneurs managed to grow their businesses could help advance entrepreneurship policy and development.

Okpara (2011) identifies four factors most commonly associated with enterprise failure in Nigeria namely, financial constraints, management problems, corruption and poor infrastructure. That three of these factors are elements of the business environment is instructive to note. Okpara advances our understanding of the influence of the environment on entrepreneurial performance by indicating that the entrepreneur plays a role in enterprise growth. In this regard, Welter and Smallbone (2011) suggest that the socio-cultural institutional context not only influences entrepreneurial outcomes in challenging environments but also that the entrepreneur may also play a role in influencing institutions. Thus extending the static approach to socio-cultural institutional analysis to one that takes “into account recursive relations between institutions and entrepreneurial behavior” (p. 120). Despite the move towards a more dynamic model of socio-cultural institutional analysis, very little research exists that highlights the specific knowledge, skills, and abilities successful entrepreneurs use to navigate the dilemmas posed by socio-cultural institutions. Further, not much research explores how successful entrepreneurs learn to navigate socio-cultural institutions to achieve growth objectives.

The literature reviewed highlighted the different constraints the business environment places on entrepreneurs and suggests that the institutional environment shapes entrepreneurial outcomes such as employment growth, enterprise productivity,
and the nature and pace of growth (Beck, Demirguc-Kunt & Maksimovic 2005; Yasar, Paul, & Ward, 2011; Welter & Smallbone, 2011). However, the literature reviewed is silent about the creative ways entrepreneurs have responded to these institutional constraints to achieve enterprise growth. Thus, there is a need to explore how successful Nigerian entrepreneurs have been able to respond to the constraints of the business environment by learning and deploying context specific knowledge, skills, and abilities to achieve business growth.

The review of the literature indicates that social cultural institutions such as national culture shape the public’s attitudes towards entrepreneurship and influences the individual’s decision to participate in entrepreneurship. The review demonstrates that national culture plays a critical role in determining how people think of and perceive entrepreneurship. When the social burdens on entrepreneurs are high, as is the case in Nigeria and other developing countries, fewer people will be inclined to assume those burdens leading to reduced entrepreneurial participation. Further, the review shows that other elements of the social-cultural institution, such as corruption and the poor infrastructure, also play a role in shaping a business environment. Entrepreneurship knowledge, skills, and abilities have also emerged as important factors that determine entrepreneurial success and there is a need to explore how improving entrepreneurship knowledge, skill, and abilities, and facilitating entrepreneurial learning influences entrepreneurship development.
2.6. Entrepreneurial learning and entrepreneurship development

Since Young and Sexton’s (1997) published their seminal paper, “Entrepreneurial learning: A conceptual framework”, considerable research effort has been devoted to defining and conceptually clarifying how entrepreneurs acquire knowledge, skills, and abilities. This research stream has been called entrepreneurial learning (Rae, 2004; Taylor & Thorpe, 2004; Cope, 2005; Corbett, 2005). Young and Sexton define entrepreneurial learning as “the cognitive processes entrepreneurs employ to acquire, retain, and use entrepreneurial knowledge” to achieve growth (p. 225). Young and Sexton emphasize that learning associated with the growth of a business is what distinguishes entrepreneurial learning from small business learning. They note that entrepreneurial learning “differs specifically from small business learning in its emphasis on learning for problem solving associated with growth” (p. 226). The distinction between entrepreneurial learning and small business learning speaks to the feature of being growth oriented, which sets an entrepreneur apart from small business owners. However, since Young and Sexton’s seminal paper many scholars have explored the concept and the following section explores some of that research.

Thomas (2006) identifies three broad approaches that characterize entrepreneurial learning research, which are the cognitive approach, the networking approach and the experiential approach. Each approach is qualitatively distinct with characteristics that define an emergent field. Although defined theories of entrepreneurial learning are still emerging (Cope, 2005), these approaches represent ways in which researchers have understood the phenomenon.
Cognitive approach. The cognitive approach to entrepreneurial learning generally emphasize the importance of individual cognition and critical reflection in learning about business management and new enterprises. This approach highlights the mental learning processes that entrepreneurs use to acquire the factual and experiential knowledge needed to successfully grow an enterprise (Young & Sexton, 1997). Young and Sexton describe the cognitive processes entrepreneurs use to acquire, retain and utilize entrepreneurial knowledge for their ventures. Drawing on research in cognitive psychology, the authors describe the importance of critical reflection in becoming aware of the gaps that may exist between “desired states of knowledge and abilities and their perceived current levels of knowledge and competence” (p. 227). Learning in this context is described as a hierarchical movement from lower levels of competence and awareness, to higher-levels with critical reflection seen as the catalyst for this movement (Cope, 2003). Cope sees critical reflection as crucial to facilitating entrepreneurial learning because that process involves challenging personal behavioral patterns, assumptions and norms that may prevent the entrepreneur from identifying new opportunities or creative avenues for growth. The idea that critical reflection plays an important role in learning was first popularized by Mezirow.

Entrepreneurial knowledge in the cognitive approach is defined in terms of domain knowledge and competencies needed to succeed in a venture and is thus viewed as a discrete product that can be acquired through formal education and training (Thomas, 2006). Thomas advances the cognitive approach by identifying core competencies of entrepreneurial learning to develop the field as, “an observable construct that subsequently allows appropriate intervention from an education and
training perspective” (p. 310). Cognitive approaches typically favor formal education and training programs because they facilitate the dissemination of discrete knowledge. If gaps are identified during critical reflection, measures are taken to eliminate the differences between the “perceived current and the desired states of knowledge pertaining to a specific phenomenon or topic area” (Young & Sexton, p. 227), using formal training and education. Consequently, Young and Sexton state studies adopting this approach emphasize the importance of the acquisition, storage and utilization of domain specific knowledge in long-term memory for future entrepreneurs (Young & Sexton, 1997).

Corbett (2002) advances the cognitive approach by showing how the rate at which an individual understands and processes information, influences their ability to recognize opportunities for entrepreneurial ventures. The author highlights the importance of general and domain specific knowledge in the recognition of new opportunities. Corbett demonstrates how an individual’s learning modes or preferences mediate the interaction between human capital stock (knowledge or information) and an individual’s ability to recognize opportunities. This approach suggests that the ways entrepreneurs cognitively process information in relation to the needs in the business environment determines whether the entrepreneur has the capacity to recognize and exploit opportunities. The goal of studies using this approach is to apprehend identifiable entrepreneurial cognitions and detail how entrepreneurs process information in relation to the business environment to recognize and exploit opportunities. Entrepreneurial cognitions are, “The knowledge structures that people use to make assessments, judgments, or decisions involving opportunity evaluation, venture creation, and growth”
(Mitchell et al., 2002, p. 97). One shortcoming of this approach is its inability to simulate the dynamic business environment in which entrepreneurs operate (Hindle, 2002). In summary, the main features of the cognitive approach are its emphasis on the individual as the principal source of knowledge, the importance of critical reflection and cognitive styles as determinants of entrepreneurial learning. Further, this approach promotes entrepreneurial learning and development through formal interventions like training and formal education, which teaches discrete facts or knowledge of business creation and growth.

Social constructivist/network approach. The social constructivist approach is distinct from the cognitive approach in that it recognizes the importance of the social dimensions of life in entrepreneurial learning. This approach primarily draws from Bandura (1969) social learning theory and other social learning perspectives (Rae, 2006; Hamilton, 2011). Taylor and Thorpe (2004) describe this approach to entrepreneurial learning by demonstrating the impact of the social context and relationships on learning during the decision making process of entrepreneurs. The authors set out to refute the validity of the individualistic cognitive approach to entrepreneurial learning by demonstrating that entrepreneurial learning involves a process of co-participation in which the social, historical and cultural aspects of business are brought to bear on the entrepreneur. They identify personal networks and the information sharing that goes on through co-participation as integral to the learning process and decision making of entrepreneurs.

Rae (2005) lays out a triadic model of personal, social and environmental emergence of entrepreneurial learning, highlighting how learning in enterprises depends
on the context and emerges through a series of negotiations between individuals and other actors in the social realm. Deakins and Freel (1998) not only state, “local networks have for some time been recognized as a source of entrepreneurial learning”, but they go further to identify the “abilities of the entrepreneurial team” as critical to the learning process (p. 149). This approach also heavily draws on Lave and Wenger’s situated learning and communities of practice learning theories (Hamilton, 2011).

Further, because of the embedded nature of entrepreneurial learning in the social constructivist approach, knowledge acquisition occurs in increasingly more informal and incidental ways, making it less amenable to traditional formal instructional strategies. Critical to the idea of informal networks is the relevance of the entrepreneur’s ability to leverage social capital to achieve business goals (Karatas-Ozkan, 2011). Karatas-Ozkan posits entrepreneurial learning to be relational, and identifies social capital or social networks as an important tool entrepreneurs use to negotiate the different obstacles encountered in the course of identifying opportunities and growing a business.

In summary, the key characteristics of the social constructivist approach to entrepreneurial learning is its position that business know-how is socially constructed, reliant on networks, contextual, situated in practice and to a large extent informal and incidental. This approach is transformative and challenges the static cognitive conception of entrepreneurial learning (Hamilton, 2011). Thus, while the cognitive approach focuses on the individual as the source of business knowledge, the social constructivist approach sees knowledge as socially constructed and emanating from social networks that constitute a form of capital.
Experiential approach. The experiential approach to entrepreneurial learning is characterized by studies that highlight the primacy of experience in the learning process of the entrepreneur (Politis, 2005; Erikson, 2003). This model draws predominantly from Kolb’s experiential learning theory and the approach highlights the importance of critical learning events in the acquisition of entrepreneurial know-how. Critical learning events are unplanned business experiences that present challenging scenarios for the entrepreneur and may test the competence of the entrepreneur causing him/her to re-evaluate and alter behavior (Deakins & Freel, 1998). Critical learning events represent dynamic catalysts of change that facilitate continuous learning and growth in businesses. These events include demonstrated success and failures of business from which entrepreneurs can learn. Acs and Virgil (2010) state, “potential entrepreneurs observe the strategies and business operations of existing entrepreneurs and gather information about potential markets, input suppliers, and production techniques. Additionally, potential and existing entrepreneurs also learn from failing and failed business” (p. 493). In this sense, both positive and negative experiences provide opportunities to learn because they demonstrate successes and failures in business.

Another characteristic of this approach is its integrative perspective seeking to combine elements of the cognitive approach and the social constructivist approach. Erikson (2003) highlights both the cognitive and the social dimensions of entrepreneurial learning by identifying social experience, mastery experience, and vicarious experiences as key components of entrepreneurial competency. For the author, competency and self-efficacy are critical components of entrepreneurial pursuits because they demonstrate that mastery experience, obtained from repeated performance, is the best way to develop
a strong sense of self-efficacy. When encountered during the development of mastery experience, success and failure helps to build confidence in the entrepreneur’s ability to effectively manage crisis, and thus represents a critical learning event gleaned from experience.

Politis (2005) advances the experiential approach by explaining how entrepreneurial knowledge is derived from practical life events. He sets out to distinguish between entrepreneurial experiences and the entrepreneurial knowledge that can be gained from such experiences. He proposed a dynamic framework that shows how knowledge is derived from experience. Entrepreneurial experiences offer the prior stock of information or human capital needed for entrepreneurs to recognize new business opportunities in the environment. For Politis, knowledge is derived from the two-pronged transformative process of exploitative and explorative thinking. These are cognitive styles used to derive information from experiences and determine if information can be exploited as currently constituted, or explored to develop new opportunities. Consequently, although this approach affirms the importance of cognitive styles in the learning process, experience is the site from which entrepreneurs gather information that is subsequently processed to arrive at entrepreneurial opportunity.

One major criticism of the experiential learning approach is that its limits the range of development interventions available because of its emphasis on prior experience and critical learning events. This limitation excludes individuals with little or no entrepreneurship or management experience from being able to acquire the knowledge, skills, and abilities needed to succeed as entrepreneurs. These conceptual approaches to
entrepreneurial learning merely represent the ways researchers have conceived the phenomenon. Each approach is limited because entrepreneurship is multidimensional, dynamic, and evinces dimensions that require cognitive, social and experiential inputs, and is at once an art as well as a science (Henry, Hill & Leitch, 2005). Wang and Chugh (2014) in a systematic literature review suggested that research in entrepreneurial learning is fragmented. They consequently highlighted the need for an explanatory framework or theory that accounts for the different ways entrepreneurs learn. Further, the authors noted that not many researchers have considered how entrepreneurs learn to exploit a business opportunity, as distinct from learning to identify an opportunity and starting a business. This study advances research in entrepreneurial learning by considering how successful entrepreneurs in Nigeria learn to grow or exploit a business opportunity and what discrete knowledge, skills and abilities they needed to learn to grow their business. The review indicates that though there is glut of research describing what entrepreneurial learning is, not many studies have explored how entrepreneurial learning occurs during business growth. This study thus sets out to help address this gap by looking at how successful Nigerian entrepreneurs learn to grow a business. The final section of the literature review will consider literature exploring the nature of business growth and measures of business growth.

2.7. Entrepreneurial business growth

Business growth and specifically entrepreneurial business growth, is significant to the entrepreneurship development discourse because without growth, the possibility of a new enterprise surviving is significantly reduced. Bruderl, Preisendoerfer, and Ziegler
(1992) demonstrate that a young enterprise’s survival is directly linked to the ability of
the entrepreneur to be profitable. Because being profitable is a measure of business
growth, one can assume that business growth helps ensure the survival of a young firm.
Developing countries such as Nigeria, which are looking to foster entrepreneurship
development must consider how to facilitate increased levels of entrepreneurship
participation, and more importantly, stimulate higher levels of growth among existing
enterprises. However, achieving growth has proven elusive for many young enterprises,
which leads to the high failure rate of entrepreneurs across the globe. Consequently, the
meaning of business growth must be clarified for the current study. To achieve that
clarity, I explored the literature on entrepreneurship business growth and examine
measures of business growth.

Penrose (2009) characterizes business growth as:

An increase in size or an improvement in quality as a result of a process of
development, akin to natural biological processes in which an interacting series
of internal changes leads to increases in size accompanied by changes in the
characteristics of the growing object. (p. 1)

Drawing from Penrose’s characterization of business growth, the size of a firm is seen as
an incidental result of the internal process of development or unfolding of potential, and
does not represent growth per se. Here, entrepreneurial business growth is seen as an
evolving process that occurs throughout the lifecycle of a firm. Growth is a product of
the interaction between internal resources of the entrepreneur such as capital, knowledge,
skills, and attitudes, and the external competitive business environment. Growth not only
changes the size of a firm but potentially could alter the kind of firm in terms of type of
services or goods rendered to the public. Thus, growth in this sense is unpredictable in
that new needs and opportunities constantly emerge, which may lead to a change in the organization to fulfill those needs.

Business growth is also described as non-linear, complex, and multidimensional, and cannot be limited to an arbitrary measure (Achtenhagen, Naldi, & Melin, 2010; Stanworth & Curran, 1976). Business growth is an evolving phenomenon and, over the years, researchers have used different indexes to measure growth in enterprises (Dobbs & Hamilton, 2007). One prominent measure of growth used in the literature is the increase in the number of employees over time (Nichter & Goldmark, 2009). Nichter and Goldmark note, “The vast majority of researchers studying small firm growth in developing countries rely on employment growth (as a measure of growth) because it is often extremely difficult to obtain reliable financial data for small firms” (p. 1454). In this vein, McPherson (1992) who investigated how micro and small firms grow in Southern Africa, also used the annual increase in the number of employees as a measure of business growth. McPherson’s use of the increase in number of employees as a measure of growth confirms the importance as a growth measure in the literature, especially in developing countries. Given the importance of this measure, this study uses the increase in the number of employees as one of the measures used to recruit potential participants. It must be noted that like other measures of business growth the increase in number of employees alone is not a reliable measure of growth in developing countries. One of the reasons for this is because in developing countries such as Nigeria with a strong sense of family solidarity, the increase in the number of employees may simply be a result of hiring family members and not reflect the growth of a business. However, when the increase in the number of employees is used in concert with other qualitative
criteria for assessing growth, the researcher may be able to gain a clearer idea of the
growth trajectory of the enterprise.

Researchers have used different measures, such as increases in annual revenues, as a proxy for growth, which highlights the reality of, “disagreement on what formulas or calculations would best capture the amount of growth of a firm persists” (Achtenhagen, et al., 2010, p. 294). Achtenhagen et al. opine that a gap exists between the objective measures of growth used in academic literature and the subjective perceptual measures of growth used by entrepreneurs in practice. They note, “a gap exists between what entrepreneurship scholars define as growth and what practitioners appear to understand as growth” (p. 301). These authors argue the importance of the process view of growth and the role of internal development of business structures in the growth of a firm, factors that cannot be quantified. They note that most researchers focus on increases in size (revenue, employment increases) and ignore the complexity and multidimensionality of the growth process.

Thus, Achtenhagen et al. state that the “crucial challenge for the future study of growth lies in how to capture this complexity and multidimensionality, by not treating growth as a dependent variable” (p. 307). They suggest more qualitative studies that incorporate the perceptions of entrepreneurs, as one way of capturing this complexity. Further, Achtenhagen et al. note that entrepreneurs think they have grown their business when they consider the internal development of business structures of their firm and compare the value of their business with the competition. Consequently, my study used a qualitative design to include the entrepreneurs’ perception of the value of the firm in
relation to the competition as an indication of business growth and a criterion to select participants for this study.

One corollary of this review is that government policy makers need to account for factors such as the business environment, entrepreneurship knowledge, skills, and abilities and how entrepreneurs best learn, while designing policies to foster entrepreneurship development and business growth. Further, this review of literature highlights elements of the business environment that include the government’s economic and monetary policy, financial and legal institutions and socio-cultural institutions, which influence the rate of the growth of enterprises. However, little is known about the factors that successful Nigerian entrepreneurs believe influence business growth besides the elements of the business environment. Further, not much is known about how the different factors that influence business growth interact, hence the need for my study.

Figure 1 (in Appendix A) presents a conceptual model based on the literature reviewed in this chapter. The model depicts the different factors that influence entrepreneurial activity and economic growth. The model highlights the connections among factors like entrepreneurship policy, the business environment, the knowledge, skills, and abilities of the entrepreneur, on the one hand and economic growth on the other. This literature review highlights the need for more research that explores how these factors interact, what entrepreneurs need to learn to grow a business, and how entrepreneurs learn to grow a business.
CHAPTER THREE: RESEARCH DESIGN

3.1. Introduction

The purpose of this research study is to explore how successful Nigerian entrepreneurs learned to grow a business and to determine what knowledge, skills, and abilities they need to facilitate business growth. In addition, the study explored the factors that influenced business growth. This chapter details the research design used to achieve these purposes. This chapter details the theoretical orientation underlying the assumptions used in this study, identifies grounded theory as the chosen research methodology, and describes elements of the research design, such as the participant selection criteria, as well as data collection and analysis methods. The chapter sheds light on different aspects of the research design, highlighting the importance of the constructivist theoretical orientation in the choice of research methodology and research method. Finally, I describe the important role this orientation plays in data analysis and the interpretation of findings. Revealing the systematic procedures or choices made in the research design helps to ensure the findings are credible and transferable to similar socio-economic contexts.

3.2. Theoretical orientation of the study

Detailing the theoretical orientation of my study is important because it reveals the underlying assumptions I held prior to embarking on this research. These assumptions lay bare my belief about the existence of reality (ontology) and what I believe can be known (epistemology) about reality. The theoretical orientation of a study exposes the biases of the researcher and allows other researchers to situate or apply
findings appropriately. Exploring the underlying assumptions in any research is important because:

Methodological interest in the design, process and outcomes of research requires researchers to do more than draw conclusions from evidence or data that they have collected, since it is the researcher’s interpretation of what is worth knowing and how to collect the knowable and then interpret it, which is the essence of the research process. (Scott, 2014, p. 31).

Hence, exploring the theoretical orientation or how I come to determine what knowledge, skills, and abilities, entrepreneurs need to grow a business in Nigeria is worth knowing. As well, describing how I went about collecting and interpreting the data helps readers properly assess the value of this research endeavor.

A theoretical orientation is “essentially a coherent, systematic view of what is believed to be true, real, and of value” (Paul, 2005, p. vi). This definition of a theoretical orientation highlights that every theoretical orientation has an underlying ontology, epistemology, and a set of values. Ontology refers to a systematic theory of being and what the researcher regards as real, and epistemology refers to a general theory of knowledge. An epistemology is how people in general and researchers in particular arrive at knowledge and determine what is true and knowable. These concepts are the fulcrum around which a researcher’s theoretical orientation revolves and suggests that the researcher investigates what she/he thinks is real and knowable and values or privileges this knowledge as “truth/truths”.

Simply put, a theoretical orientation is a perspective and way of knowing the world that greatly influences how research is carried out and what counts as real and knowable. For instance, if a researcher believes only statements that are experimentally
verifiable are real, then for the researcher, true statements can only be arrived at through verifiable scientific experimental methods. This standard implies that any knowledge obtained from means other than verifiable experimental methods is meaningless, because they have no verifiable existence and hence they cannot be classified as knowledge at all. Therefore, it becomes clear that the theoretical orientation researchers adopt play a defining role in the choice of research methodology, methods, and research outcomes and that orientation should be described clearly in the research design.

3.2.1. Awareness of my theoretical orientation and journey to discovery of constructivism.

When I began my doctoral program, the importance of a theoretical orientation in research was not apparent to me. I first encountered discourse on theoretical orientations in Dr. Paul Hart’s Advanced Studies in Educational Research Class (ED 910) and I was skeptical of the need for such a requirement in research. I was skeptical because my exposure to research had largely been quantitative; and, hence my theoretical orientation was largely positivist, although I was not aware of my orientation at the time. This predisposition to positivist thinking made me skeptical of other orientations introduced in class. I doubted the claims to truth and knowledge of most qualitative research methods, and wondered why these orientations were even needed when positivist experimental research design was so successful in the social sciences and sciences. When it came to writing my research topic and proposal, I had several debates with my supervisors about the suitability of the quantitative methodology to my research. They suggested I use qualitative methodologies since my questions were mostly exploratory,
but because of my positivist orientation, I thought that my research would be of little value if I used qualitative methodology and methods. Therefore, the constructive debates with my supervisors and internal struggle persisted for about a year, and I was not sure how to proceed with my research project.

A year later, I took the ED 920 doctoral seminar with Dr. Paul Hart and in this course, we were encouraged to make some progress in writing a proposal for our thesis. Some texts were recommended to help in this task. These text by Jackson and Mazzei titled *Thinking with Theory in Qualitative Research* and the one by Schram, T. H. titled: *Conceptualising and Proposing Qualitative Research* helped simplify the theoretical orientation discourse by making clear how the researcher’s theoretical orientation influences a whole gamut of research design decisions. The Schram text offered a systematic guide of how to negotiate between different theoretical orientations and determine which theoretical orientation assists researchers explore their research questions. These texts made me realize that for a researcher, theoretical orientations ought not to be dogma, but rather should be malleable depending on the research purpose and questions. I realised that different orientations and the research methodologies that emerge from them, are tools used by researchers in the quests for understanding and knowledge. I also embraced the idea that a wide array of theoretical orientations exists and each orientation is suited to different research problems, purposes, and questions. Accordingly, I began considering which theoretical orientation would help me explore my research problem. The problem in my study is the limited research that explains what knowledge, skills, and abilities successful entrepreneurs in Nigeria use to grow a
business, how these entrepreneurs go about learning these knowledge, skills, and abilities and what factors influence the growth of a business enterprise in Nigeria.

Discussions during the ED 920 seminar course sparked my interest, and led to a series of conversations with my supervisors that made me realize the need to adopt a new theoretical orientation for this study. Subsequently, I decided to choose constructivism as the theoretical orientation for this study. I chose constructivism because I was primarily concerned with what knowledge, skills, and abilities successful entrepreneurs in Nigeria thought were significant in the course of growing their business, and how they learned those knowledge, skills, and abilities. This distinction is relevant because Achtenhagen, Naldi, and Melin (2010) indicate that a disconnect exists between what scholars refer to as business growth and what entrepreneurs consider business growth. Thus, there may also be a disconnect between what knowledge, skills, and abilities scholars see as critical to business growth in Nigeria and what entrepreneurs see as important to achieving growth.

Hence, it became important to adopt a theoretical orientation that draws on the perspectives of entrepreneurs to construct a theory of what knowledge, skills, and abilities entrepreneurs in Nigeria need to know to grow a business, how they learn these knowledge, skills, and abilities, and what factors influence business growth. My understanding of the constructivist orientation is that it offers participants and the researcher the opportunity to collaboratively create knowledge, thus addressing concerns about the accurate representation of participants’ experiences. In constructivism, the data and findings are not seen as objective and representative of the views of just the
participants, but data also represents how the researcher perceives and interprets participants’ representations of their experiences. Hence, any research process with a constructivist orientation ought to be a collaborative meaning making exercise, in which the interpretations of both the participant and the researcher meld to form a credible representation of reality. Identifying constructivism as the orientation best suited to this research gave me a lot of freedom and allowed the research problem to guide my choice of methodology and methods. The following section briefly details the nature of the constructivist orientation and its features.

3.2.2. Nature and features of the constructivist theoretical orientation.

Constructivism has been defined as “an interpretive stance which attends to the meaning-making activities of active agents and cognizing human beings” (Lincoln, 2005, p. 60). As a theoretical orientation, proponents of constructivism suggest that human beings play an active role in determining what is real and what can be known. In constructivism, the meaning making ability of the human mind organizes reality and creates knowledge. Constructivists believe “These meaning-making activities embody both physical and temporal data, acquired through the senses, and the interaction of these physical and temporal data with values, beliefs, opinions, prejudices… and other forms of mental processes and received and created knowledge of both individuals and groups” (Lincoln, p. 60). This description suggests that constructivism involves more than just physical encounters in the world by delving into how individuals come to understand these encounters, make meaning, and form knowledge based on these encounters.
The underlying ontology of the constructivist orientation is that reality is what makes sense or meaning to people that have had temporal or physical experiences. For the constructivist, objective or physical reality exists independent of the human mind but it lacks meaning until cognized by the human mind. Hence, the temporal/physical world by itself has no meaning until the human mind cognizes it and ascribes meaning, finds uses for it, and names it. Meaning in this context is derived from the experiences of the individual and society, and thus knowledge has a social dimension to it. Relating this to the research purpose means that I am primarily concerned with identifying what factors Nigerian entrepreneurs who have successfully grown a business think influence business growth, how they learned, and what knowledge, skills, and abilities they needed to grow.

Here, the focus is not on the factors themselves and how they influence other parts of human life, but rather on how entrepreneurs see these factors influencing their business on a day-to-day basis and shedding light on how entrepreneurs construe learning and the role it plays in the growth of an enterprise. Identifying what factors entrepreneurs think influence business growth and the knowledge, skills, and abilities they rely on to grow a business is context dependent because the meanings entrepreneurs ascribe to their experiences have social elements. Because this study seeks to highlight what factors entrepreneurs think influence the growth of their business and the knowledge, skills, and abilities they rely on to grow a firm, the predisposition to constructivism in this study seems apparent.

Another important feature of constructivism is its epistemological presupposition. The primary epistemological position of constructivism is that since reality is multiple
and constructed by different minds in different contexts, then the knowledge that derives from this reality is also multiple. This feature suggests that “knowledge derived by conventional (rationalist, experimentalist) methods is not the only knowledge worth having” (Lincoln, 2005, p. 62). Constructivists posit that knowledge derived from other “non-conventional” methods is of equal value, because they represent ways in which people cognize, construct, and interpret the physical world around them. These non-conventional methods are only considered non-conventional because the rationalist/positivist theoretical paradigm has become so pervasive as to render other orientations obscure or meaningless. Knowledge for the constructivist is not insular and determined by the individual alone. As alluded to earlier, knowledge draws on shared social understanding of experiences, and, in this sense, should be acknowledged as empirical and offering a far richer representation of the variation that exists in reality.

Constructivist knowledge typically runs counter to established positivist narratives and seeks to “recover a fuller and richer description of social life as it is experienced by all research participants” (Lincoln, p. 62). Finding fuller and richer descriptions of social events such as what knowledge, skills, and abilities entrepreneurs in Nigeria need to grow a business and the factors that influence business growth will help policy makers address the complex problems that have arisen in the course of developing and implementing entrepreneurship policy that can lead to sustained economic growth in Nigeria.

This outcome of fuller descriptions of the details needed to understand what entrepreneurs need to learn to grow and the factors influencing entrepreneurial growth, allows us to develop novel and unique pathways to solving the problems that have
beleaguered entrepreneurship development in Nigeria for years. Hence, constructivism as a theoretical orientation offers me the opportunity to recast the discourse in entrepreneurship development in Nigeria in a new light and from the perspective of the entrepreneur. The next section of this chapter describe the methodology used to achieve my research objectives and why I think the methodology best suits the research purpose.

3.3. Research Methodology

Choosing a research methodology aligned to the constructivist orientation was challenging because there exists a plethora of research approaches such as phenomenology, case study approach, and grounded theory that draw on the orientation. However, after a close look at these methodologies, I decided to use the grounded theory research methodology for a few important reasons. The first reason is that there is paucity of studies investigating what knowledge, skills, and abilities successful Nigerian entrepreneurs needed to learn to grow a business, the way they learned those knowledge, skills, and abilities, and what factors influence business growth there. Makela and Turcan (2007) suggest that inadequate substantive theory or research on a subject is one often-used reason entrepreneurship researchers use grounded theory (p. 133). Hence, because of limited research in this area, a grounded theory methodology seemed to be the most appropriate for my research questions.

The second reason grounded theory is suited to my study is that this methodology is well suited to investigating social processes (Schram, 2006). Strauss and Corbin (1990) describe a process as referring to “the linking of sequences of action/interaction as they pertain to the management of, control over or response to, a phenomenon” (p.
In my study, the social process is how entrepreneurs learn discrete knowledge, skills, and abilities and use this acumen to grow a firm. In addition, this social process involves understanding how different factors such as elements of the business environment and learning, interact to influence business growth in Nigeria. Schram notes that research questions or purposes that best fit grounded theory reflect the researcher’s commitment to understanding the process by which reality is constructed. Since this study explores the process of how entrepreneurs in Nigeria learn the knowledge, skills, and abilities needed to facilitate business growth, and the factors that influence business growth, the grounded theory methodology seemed to be the most appropriate methodology for this research.

Finally, I chose grounded theory because its stated goal is to “generate theory that accounts for a pattern of behavior which is relevant and problematic for those involved” (Glaser, 1978, p. 93). Understanding what knowledge, skills, and abilities entrepreneurs need to grow a business in Nigeria, what factors influence entrepreneurial growth, and how these translate to developing a vibrant entrepreneurial class that fosters economic growth and development has been a problem that has beleaguered Nigeria for some time (Mitra, Abubakar, & Sagagi, 2011). Because my study attempts to explore entrepreneurship as a pattern of behavior in Nigeria, I think grounded theory offered the best framework for conducting the study. However, upon identifying grounded theory as best suited to address the purpose of this study, I encountered different debates within the grounded theory tradition that led to much angst in deciding what variant of grounded theory I should employ in this study. In the following sections, I offer some details about the methodology.
3.3.1. **Defining Grounded Theory.**

Grounded theory (GT) is a qualitative research methodology that consists of methods that offer, “Systematic guidelines for collecting and analyzing data to build middle-range theoretical frameworks that explain the collected data” (Charmaz, 2000, p. 509). Key elements of GT include the use of theoretical sampling to identify potential participants, the use of the constant comparative analysis method to analyze data as soon as the first bit of data are gathered, and developing or generating substantive theory as an end product of the GT research process (Glaser & Strauss, 1967; Corbin & Strauss, 1990). The goal of the GT methodology is to explain social processes. The methodology was first proposed in 1967 by Barney Glaser and Anselm Strauss in their seminal work *The Discovery of Grounded Theory: Strategies for Qualitative Research* and the theory has been the subject of much debate since then. The book represents, as Glaser put it, the “beginning formulations and first attempt to write a method that closed the gap between theory and method” (Glaser, 2016, p. 4). However, following the publication of this work, a split in opinion of what GT constitutes emerged between Glaser and Strauss, which led to further debates about the methodology. For instance, Charmaz (2008) classified Glaser’s interpretation of grounded theory and Anselm Strauss’s notion of grounded theory as objectivist noting, “Distinguishing between a social constructionist and an objectivist grounded theory provides a heuristic device for understanding divisions and debates in grounded theory and indicates ways to move the method further into social constructionism” (p. 398).
Charmaz (2008) notes that underlying the objectivist approach to grounded theory is a positivist epistemological position that assumes “a single reality that a passive, neutral observer discovers through value-free inquiry. Assumptions of objectivity and neutrality make data selection, collection, and representation unproblematic; they become givens, rather than constructions that occur during the research process, and they shape its outcome” (p. 402). The objectivist grounded theory has also been referred to as traditional or classical grounded theory and is “considered to be closer to quantitative designs in their epistemology than are more recent approaches to grounded theory” (Olson, 2011, p. 17). On the other hand, Glaser (2002) critiques Charmaz’s notion of grounded theory as not grounded theory at all, but an attempt to remodel grounded theory to suit the traditional qualitative data analysis (QDA) approach because of its focus on descriptions and not on developing of abstract concepts from data. For Glaser, detailing how these concepts are developed from data and how concepts relate to each other and explain the social world is the epitome of GT, and, he considers the constructivist grounded theory orientation popularized by Charmaz a misnomer because grounded theory already builds or constructs theory from data. These debates within the methodology highlight the need to detail what variant of GT I choose and how I used it. The following section will describe the key features of constructivist GT, and subsequent sections on sampling and data analysis detail the specific ways I carried out these activities in line with the main features of constructivist GT.
3.3.2. Constructivist GT

I choose constructivist GT as the methodology for this study because its assumptions align with the constructivist theoretical orientation I adopted for this study. Constructivist GT is a comparatively recent variant of the grounded theory methodology with its own unique assumptions and methods. Its principle proponent is Kathy Charmaz, and, the features and methods described here are derived from her work. Constructivist GT reimagines the fundamental assumptions of classical and Strauss / Corbin’s GT and contests the methods that derive from these assumptions. However, constructivist GT also shares some assumptions with classical and Strauss and Corbin’s GT. For one, constructivist GT affirms the primacy of inductively derived knowledge, and Charmaz (2008) notes that grounded theory irrespective of type “begins with inductive strategies for collecting and analyzing qualitative data for the purpose of developing middle-range theories” (p. 397). Thus, using inductive methods to develop a theory that explain complex social processes is a hallmark of the grounded theory methodology irrespective of underlying assumptions. Despite this similarity, there are some significant differences between constructivist GT and its predecessors highlighted by its definition, features, and methods.

Simply put, constructivist GT sets out systematic methods by which researchers can obtain an “abstract understanding of the empirical phenomena and contend that this understanding must be located in the studied specific circumstances of the research process” (Charmaz, 2008, p. 398). For Charmaz (2008), this goal is distinct from that of classical or objectivist GT that is to arrive at objective explanations and ultimately
predictions that are distinct from the research site and process. Abstract understanding differs from objective explanations because the former attempts to unravel meaning in individual accounts of empirical events, while the later seeks to transcend individual accounts to arrive at objective truth and knowledge by removing researcher bias. In constructivist GT, arriving at abstract understanding means acknowledging that reality is a construction of the mind and that many constructions or interpretations can be created for a particular empirical phenomenon. The goal in constructivist GT is to anchor this abstract understanding or meaning reconfigured by the researcher in the data or experiences of participants. The researcher plays a more active role in the creation of knowledge and does not just exist as an unbiased observer, as knowledge and truth emerges. The researcher in constructivist GT not only creates knowledge but is also afforded the latitude to amend research procedures to facilitate a better understanding of the phenomenon. Constructivist GT methods are seen as “flexible, heuristic strategies rather than as formulaic procedures” (Charmaz, 2000, p. 510). In this sense, constructivist GT is not as prescriptive as classical and Strauss and Corbin’s conception of GT. This feature is what drew me to this approach. Its flexibility allows for innovative uses of the methodology in different fields and makes it useful in research areas with little theoretical development by offering flexible guidelines that facilitate rigorous inquiry for theory building.

Constructivist GT can be seen as “actively repositioning the researcher as the author of a reconstruction of experience and meaning” (Mills, Bonner, & Francis, 2006, p. 26). This aspect of constructivist GT highlights one of its defining features. Namely, the idea that GT ought to be driven by the meaning researchers make of participants
constructed worlds and hence the abstract understanding of the phenomenon should always be seen as a partial truth that is always emergent and subject to change given new data. In constructivist GT, the researcher is not an impartial observer of objective data as other GT variants suggest, but is actively involved in making meaning of the creations of participants. The researcher in constructivist GT is thus inexorably entwined in the process of trying to “find what research participants define as real and where their definitions of reality take them” (Charmaz, 2000, p. 523) and the resulting theory says as much about the researcher as its does the participants. Mills, Bonner and Francis (2006) indicate that in constructivist GT, a constructivist theoretical and epistemological position is adopted as opposed to the positivist and post-positivist epistemological positions that dominate classical and Strauss and Corbin’s conceptions of GT respectively.

Other distinctive features of constructivist GT are its conception of writing memos, coding techniques, and the types of categories it develops (Charmaz, 2000). In constructivist GT, extensive use of raw data in the course of memo writing is encouraged to facilitate a closer engagement with the experiences of participants. This closer engagement with participant’s experiences facilitates an understanding of the phenomenon that translates to dense abstract concepts in the theory. Using raw data in memo writing does not occur to guarantee the objectivity of the researcher, but rather, affords the researcher rich descriptions that foster a deeper understanding of how participants construct the problem or phenomenon being researched. In objectivist GT, memos are spaces were the researchers could think theoretically or independently of the data and find hitherto hidden hypothetical relationships among categories. However, in
constructivist GT, the researcher seeks implicit meaning in the data in the course of memo writing by constantly pouring over excerpts of raw data seen as relevant to the concept or category being explored. Similarities do persist between memo-writing in objectivist GT and constructivist GT. For one, the central purpose of memo-writing, which is to develop theoretical categories and to explore the properties of these categories, remains the same across traditions of GT (Glaser, 1978, Strauss & Corbin, 1990, Charmaz, 2014). Thus, although the process of memo-writing and the orientation towards memo-writing may differ depending on the variant of GT, the goal of memo-writing remains the same irrespective of tradition. That goal is to foster theoretical analysis of codes and “prompt you to elaborate processes, assumptions, and actions covered by your codes or categories” (Charmaz, 2014, p. 171).

Another feature that distinguishes constructivist GT, is its conception of coding and how coding proceeds. Coding in constructivist GT differs from other GT in that it attempts to search for implicit meaning in the data not readily available (Charmaz, 2014). The process or sequence of analysis adopted to achieve this objective is also nominally different from other GT traditions. For one, the first stage of the coding sequence in constructivist GT is called initial coding. In initial coding, the analyst sticks close to the data and attempts to code words that reflect specific actions using gerunds (Charmaz, 2014, p. 116). In this stage of coding, the analyst must be careful to code for actions and meanings in the data and not simply describe the participants’ views. Although the analyst must keep an open mind in initial coding in constructivist GT as in other GT traditions, knowledge of sensitizing concepts helps the analyst to ask the right kind of questions of the data during initial coding. Asking the right questions of data will
lead to more meaningful analysis and initial codes. Although these sensitizing concepts constitute pre-conceived notions about the topic under inquiry they represent the “starting points for initiating your analysis but do not determine the content” (Chamaz, 2014, p. 117). This suggests that it is impossible to engage in research without some pre-conceived notions and constructions of the problem. The goal for the analyst is to not allow those ideas to shape initial coding, but to use them as a guide to ask questions of the data in the initial coding process.

The second stage of coding in constructivist GT is focused coding. Focused coding means, “using the most significant and/or frequent earlier codes to sift through and analyze large amounts of data” (Charmaz, 2014, p. 138), and is thus similar in meaning to selective coding in classical GT. In focused coding, the analyst decides which codes appear meaningful enough to explain the problem and explores the properties of this concept. In constructivist GT, the focused code need not be the code that recurs most in the data, but could be the code that sheds light on implicit processes or unexamined aspects of the phenomenon. Focused coding in constructivist GT does not occur in a linear or rote way, where a researcher simply has to identify the most frequently occurring code as in selective coding in classical GT. However, focused coding is flexible and depends on what the researcher thinks tells the full story of the phenomenon. Drawing on theoretical sensitivity and sensitizing concepts, the researcher has the freedom to explore other codes thought to explain the phenomenon and such coding forms a major part of the analysis section. Theoretical sensitivity is “the ability to understand and define phenomena in abstract terms and to demonstrate abstract relationships between studied phenomena” (Charmaz, 2014, p. 161). Charmaz (2014)
indicates that coding and theoretical sensitivity function in tandem in constructivist GT and is played out in the course of focused coding.

Overall, the review shows that the constructivist theoretical orientation is a major feature that sets constructivist GT apart from other iterations of GT. I also detail how methods in constructivist GT like memo-writing and coding differ from classical GT and Strauss and Corbin’s GT because of its constructivist assumptions. The constructive theoretical orientation is the reason I choose constructivist GT as a methodology.

3.4. Participant selection

Participants in this study were entrepreneurs who have identified a business opportunity and have built a formally registered business to exploit this opportunity in Lagos, Nigeria. Drawing from the literature on business growth, I used three criteria to select participants for interviews. An entrepreneur would be considered to have grown his/her business in this study, if he or she met these criteria.

1) The entrepreneur has to have a formal business registered with the Corporate Affairs Commission, the regulatory body in charge of business formalization in Nigeria.

2) The entrepreneur must express that the firm’s internal business structures have developed and led to an increase in the value of the firm, when compared with other firms in the industry.

3) The entrepreneurs must verbally affirm they increased the number of employees in the business at least once over a three-year period.
These criteria were used to identify entrepreneurs who had achieved a level of
growth in their business. The first criterion for participant selection was considered
mandatory because it delimited the study by focusing on entrepreneurs in the formal
sector of the economy. I identified a pool of participants who fit this profile by
contacting the Lagos Chamber of Commerce to obtain a list of its members from their
member directory. I then contacted businesses on the directory that had joined the
Chamber of Commerce over the last five years by phone to conduct a preliminary
screening interview. During the screening interview, I ascertained if the entrepreneurs
were still in business, whether they considered their business to have grown, whether
they had increased the number of employees, and whether they would like to participate
in the study. After this process, twenty entrepreneurs chose to participate in this study.
Due to resource constraints, I was unable to recruit any female participants even though
anecdotal evidence suggests considerable number of successful female entrepreneurs
exist in Nigeria. In the future, researchers could recruit female entrepreneurs who meet
these criteria by contacting government supported associations for female entrepreneurs
such as the Nigerian Association of Women Entrepreneurs to recruit participants.
Expanding the research in this way could offer perspectives that enrich our
understanding of how Nigerian entrepreneurs learn to grow a business.

3.5. Theoretical sampling

One hallmark of the grounded theory methodology is the use of theoretical
sampling as a guide to data collection for generating theory (Corbin & Strauss, 1990).
Theoretical sampling is “the process of data collection for generating theory whereby the
analyst jointly collects, codes, and analyzes data and decides what data to collect next and where to find them, in order to develop theory as it emerges” (Glaser & Strauss, 1967, p. 45). In this study, I began theoretical sampling by collecting, transcribing, and coding data from entrepreneurs with formally registered businesses, who believe they had grown their business, and have increased employment at least once in three years. After transcribing and carrying out early initial coding, potential concepts emerged. These concepts informed the follow-up questions I asked subsequent participants during interviews. Thus, as categories and concepts began to emerge, I used these categories to form questions that served to evolve my follow-up questions during subsequent interviews. I used these questions as guides in data collection and they helped me detail the properties of each emerging category, and facilitated conceptual density and variation.

For instance, the first interview was carried out on September 25th 2016, with Bill (see Table 1 for participant descriptions). Immediately after the interview, I transcribed the interview and carried out a preliminary analysis of the data. In response to a question about how he remained in business despite the countless difficulties he encountered, Bill noted that persistence played a key role in his success. When asked to elaborate, Bill stated:

I won’t just say persistence. I would say having belief in what you are doing. What drove persistence essentially was the belief that we will succeed. That ultimately the market will turn and we will succeed. That believe was driven by experience. We had that experience of that software market before (in Soft Solutions). I had operated in the market before and my partner also operated in the market, so it (our persistence despite the challenges) was driven by a belief in the market which was in turn based on our prior experience in the market. Of course some of it is share persistence and having a never say die attitude but that
can only carry you so far. Because at some point in time, operating costs are going to mount and you are going to be forced to quit if all you have is persistence. But it is belief that markets will turn around. So we were having engagements with the market place, we were talking with people (potential clients), putting proposals in front of people, and many of them were not yielding any business because the market was going through a recovery period. But then we kept at it, until the major contract with the government occurred and then we were really able to maintain our focus in looking for new business and grow the business to the point we are today.

During memo-writing after the interview, I observed that Bill identified having the belief that the market will become favorable as an important element of persistence. Bill notes that persistence as an ability can only sustain a business to certain extents and may not be sufficient to grow a business. He indicated that persistence driven by experience played an important role ensuring he remained in the industry despite poor results. His statement coupled with the literature on experiential learning highlighted the importance of experiential learning in the emergence of persistence needed to stay in business in times of difficulty. Consequently, I asked other participants I interviewed about whether having experience in an industry helped them develop belief in the industry and to be more persistent when sales are low. Further, while memo-writing, I realized that my lack of experience in the retail industry prior to starting a business, may be one reason why I was not persistent when my business floundered. If I had experience in the industry, I might have been able to identify the ebbs and flow of the market, which would have better prepared me for the major shifts in the volume of sales that my business experienced. The first five months after I started my business was characterized by increasing sales month over month, and I expected sales to increase continually. However, when sales started declining rapidly and my marketing strategies proved ineffective, I began to doubt the sustainability of my business. Thus Bill’s account, the
literature, and my experience, highlighted the importance of experiential learning to
developing abilities such as persistence over time. Consequently, I asked subsequent
participants questions about whether they thought having experience in an industry
helped them develop the persistence needed to stay in business when their business was
not doing well. Thus, a concept that emerged in my first interview was used to form a
follow-up question in subsequent interviews. This process embodies the idea of
theoretical sampling in grounded theory.

Using theoretical sampling to guide data collection alerted me to unrecognized
knowledge, skills, and abilities that the entrepreneurs frequently used to grow their
business and the implicit ways these knowledge, skills, and abilities impacted growth.
Using theoretical sampling also helped me ask follow-up questions that highlighted some
hidden factors such as low labor productivity that influenced business growth. These
follow-up questions would not have been asked, if I had not carried out theoretical
sampling by conducting an initial analysis of the data while in the field. Glaser and
Holton (2004) aptly describe this process by noting that “only as the researcher discovers
codes and tries to saturate them by theoretical sampling in comparison groups, do the
successive requirements for data collection emerge both 1) what categories and their
properties to be sampled further, and 2) where to collect data” (Theoretical Sampling
section, para. 51). Although the codes I created did not influence who I had to interview,
they did inform the follow-up or clarifying questions I asked during interviews. Overall,
using theoretical sampling throughout the course of the data collection process helped
ensure the follow-up questions asked during interviews explored the properties of each
emerging concept, detail variation or conditions under which each concept emerged, and
facilitated the integration of these concepts in the focused coding stages of analysis. Using theoretical sampling helped ensure that emergent theory was conceptually dense enough to explain what knowledge, skills, and abilities entrepreneurs in Nigeria used to grow a business, how they learned these knowledge, skills, and abilities, and detailed the factors that influenced business growth. Finally, using theoretical sampling also ensured the emergent theory clearly explains the conditions under which learning specific knowledge, skills, and abilities led to the growth of an enterprise and develops an explanation that fits what happens in Nigeria.

3.6. Data Collection

A number of methods have been used to collect data for studies using grounded theory methodologies. Unstructured interviews, field notes, and memos have been identified as important methods of collecting data in grounded theory research (Dey, 1999; Knox & Burkard, 2009; Glaser, 2002; Charmaz, 2014). Dey (1999) notes that qualitative methods are considered useful in grounded theory for exploring data and developing concepts, with data collection proceeding through mostly unstructured methods including interviews and the use of documentary materials. In depicting the nature of unstructured interviews in grounded theory research, Dey states, “Interviews, for example, might resemble long conversations at the start of the study, but become highly selective and focused on particular topics (and therefore much shorter) by its close” (p. 6). Knox and Burkard (2009) suggest unstructured interviews are used in methodologies such as grounded theory and ethnography. They describe these interviews as akin to friendly conversations that involve “an evolving set of questions, such that
later participants respond to queries quite different from those to which earlier participants responded” (p. 567).

However, the literature suggests that the difference between unstructured and semi-structured interviews seems rather fluid. For example, DiCicco and Crabtree (2006) state, “No interview can truly be considered unstructured; however, some are relatively unstructured and are more or less equivalent to guided conversations” (p. 315). Merriam (1988) also describes interviews as existing on a continuum where “highly structured questionnaire-driven interviews would be at one pole and open-ended, conversational formats at the other” (p. 73). I considered using unstructured interviews as the primary means of data collection but decided against them because I agree that using unstructured interviews makes “it difficult to compare findings across cases if participants have not responded to the same questions” (Knox & Burkard, 2009, p. 567).

I decided to use semi-structured interviews for two reasons. First, they allow me to gather specific information about the knowledge, skills, and abilities entrepreneurs use to grow a business, the factors associated with business growth, and how entrepreneurs learned to grow their business. Using semi-structured interviews made the task of comparing accounts of learning experiences and developing concepts during data analysis easier. Secondly, semi-structured interviews have been used in other grounded theory studies to good effect (Waring, 1995; Brooks, 1998; Yang, 2011), and thus seemed to better suit the purposes of my study. Merriam (1988) describes semi-structured interviews as being:

Guided by a list of questions or issues to be explored, but neither the exact wording nor the order of the questions is determined ahead of time. This format
allows the researcher to respond to the situation at hand, to the emerging worldview of the respondent, and to new ideas on the topic. (p. 74)

During semi-structured interviews, I posed the same set of questions to each participant, and was able to gather comparable responses, which led to emergent concepts that informed the development of probing questions that were asked during follow-up interviews. Although I used the guiding questions as a starting point for all initial interviews, the exact wording and order of questioning during interviews was fluid, and probes formed using emerging concepts from the first few interviews, were used to expand the properties of emergent categories in the data. I have included the interview protocol with guiding questions in the appendix (See Appendix B). I carried out one semi-structured interview with each participant lasting approximately one-hour to explore/discuss the questions in the interview protocol, as well as, ask follow-up probes developed from prior interviews. I also had follow-up interviews with a few participants. These interviews lasted approximately forty-five minutes and centered on exploring the emerging concepts identified in initial interviews. All interviews except one was conducted in the English language. I had to use pidgin English and the Yoruba language to convey the meaning of a few questions to one participant.

I wrote detailed memos while transcribing and analyzing data from each interview; and, used these memos as a data source in the study. I used memo-writing as a data source because “memo-writing constitutes a crucial method in grounded theory because it prompts you to analyze your data and codes early in the research process” (Charmaz, 2014, p. 162). Using memos as data ultimately helped create “an interactive
space for conversing with yourself about data, codes, ideas, and hunches” (Charmaz, p. 162).

3.7. General characteristics of the sample

Following the recruitment and participant selection process detailed earlier, I recruited 20 participants to take part in the study. All participants were male with ages ranging from 27 to 60 years. Despite my efforts to recruit female entrepreneurs for the study, my efforts proved futile primarily because a majority of the members of the Lagos Chamber of Commerce, from where I drew my sample, were male. However, I did contact a few suitable female entrepreneurs who were members of the Chamber of Commerce; however, they declined to participate in my study. Other female entrepreneurs I contacted during snowball sampling either did not have a registered business, or were too busy with other commitments to participate in the study. What seemed clear from the participant recruitment process was that very few female entrepreneurs chose to register their business with the Chamber of Commerce. Future researchers should seek to recruit female entrepreneurs from female entrepreneurship associations in Nigeria. Such a focus on women might reveal some differences in the knowledge, skills, and abilities female entrepreneurs in Nigeria need to succeed when compared to their male counterparts.

The participants recruited for this study were from different national groups in Nigeria. Fifteen participants were from the Yoruba national group, two from the Igbo national group, one from the Ijaw national group, one from the Tiv national group, and one from the Benin national group. Although my desire was to recruit participants from
all major national groups in Nigeria, I was unable to recruit any Hausa entrepreneurs for this study. More Yoruba entrepreneurs were in the study because these participants were recruited from Lagos state and the Yoruba national group are indigenous to that state. The participants recruited for the study were involved in business enterprises in different industries in the Nigerian economy, and ranged from the software industry, to food services, dry-cleaning, and lumber exporting sectors of the economy. Thus, the entrepreneurs interviewed came from a considerable range of industries, and, by extension; they had disparate training and backgrounds. Another demographic to note was the education of the entrepreneurs who took part in the study. Eighteen of the twenty participants had either a college education or an advanced college degree. Only two participants held only a high school diploma. The table below contains an overview of the general characteristics of the sample.

Table 1. Overview of general characteristics of participants

<table>
<thead>
<tr>
<th>Participant</th>
<th>Year of Registration</th>
<th>Education</th>
<th>Age</th>
<th>Gender</th>
<th>Ethnic Nationality</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill</td>
<td>2011</td>
<td>Master’s degree</td>
<td>43</td>
<td>Male</td>
<td>Yoruba</td>
<td>ICT services</td>
</tr>
<tr>
<td>Thomas</td>
<td>2012</td>
<td>Bachelor’s degree</td>
<td>46</td>
<td>Male</td>
<td>Yoruba</td>
<td>Bakery/ Agric. processing.</td>
</tr>
<tr>
<td>Charles</td>
<td>2013</td>
<td>Master’s degree</td>
<td>32</td>
<td>Male</td>
<td>Igbo</td>
<td>Construction/engineering</td>
</tr>
<tr>
<td>Aaron</td>
<td>2005</td>
<td>High school</td>
<td>36</td>
<td>Male</td>
<td>Yoruba</td>
<td>Marketing/printing serv.</td>
</tr>
<tr>
<td>Dave</td>
<td>2008</td>
<td>Master’s degree</td>
<td>37</td>
<td>Male</td>
<td>Yoruba</td>
<td>Educational consulting.</td>
</tr>
<tr>
<td>Kade</td>
<td>1994</td>
<td>Master’s degree</td>
<td>58</td>
<td>Male</td>
<td>Yoruba</td>
<td>Timber trading</td>
</tr>
<tr>
<td>Isaiah</td>
<td>2011</td>
<td>Master’s degree</td>
<td>44</td>
<td>Male</td>
<td>Yoruba</td>
<td>Foreign exchange trading</td>
</tr>
<tr>
<td>Wole</td>
<td>2000</td>
<td>Master’s degree</td>
<td>50</td>
<td>Male</td>
<td>Yoruba</td>
<td>Livestock Farming</td>
</tr>
<tr>
<td>Name</td>
<td>Year</td>
<td>Degree</td>
<td>Age</td>
<td>Ethnicity</td>
<td>Occupation</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>--------</td>
<td>-----</td>
<td>-----------</td>
<td>-----------------------------</td>
<td></td>
</tr>
<tr>
<td>Chris</td>
<td>2012</td>
<td>Master’s degree</td>
<td>27</td>
<td>Male</td>
<td>Igbo</td>
<td>Generator production</td>
</tr>
<tr>
<td>Ralph</td>
<td>2013</td>
<td>Bachelor’s degree</td>
<td>32</td>
<td>Male</td>
<td>Tiv</td>
<td>Charcoal exporter</td>
</tr>
<tr>
<td>Jay</td>
<td>2000</td>
<td>Bachelor’s degree</td>
<td>45</td>
<td>Male</td>
<td>Yoruba</td>
<td>Farming</td>
</tr>
<tr>
<td>Tobi</td>
<td>2002</td>
<td>Bachelor’s degree</td>
<td>34</td>
<td>Male</td>
<td>Yoruba</td>
<td>Movie Production</td>
</tr>
<tr>
<td>Wilson</td>
<td>2000</td>
<td>High school dip</td>
<td>47</td>
<td>Male</td>
<td>Yoruba</td>
<td>Surveyor</td>
</tr>
<tr>
<td>Larry</td>
<td>2010</td>
<td>Bachelor’s degree</td>
<td>37</td>
<td>Male</td>
<td>Yoruba</td>
<td>Estate manager</td>
</tr>
<tr>
<td>Philip</td>
<td>2007</td>
<td>Bachelor’s degree</td>
<td>34</td>
<td>Male</td>
<td>Benin</td>
<td>Event Management</td>
</tr>
<tr>
<td>Bola</td>
<td>2007</td>
<td>High school dip</td>
<td>32</td>
<td>Male</td>
<td>Yoruba</td>
<td>Power distribution</td>
</tr>
<tr>
<td>Barry</td>
<td>2005</td>
<td>Bachelor’s degree</td>
<td>48</td>
<td>Male</td>
<td>Yoruba</td>
<td>ICT training</td>
</tr>
<tr>
<td>Ola</td>
<td>1998</td>
<td>Bachelor’s degree</td>
<td>40</td>
<td>Male</td>
<td>Yoruba</td>
<td>Builder</td>
</tr>
<tr>
<td>Kyle</td>
<td>2011</td>
<td>Bachelor’s degree</td>
<td>36</td>
<td>Male</td>
<td>Yoruba</td>
<td>Dry-cleaning</td>
</tr>
<tr>
<td>Michael</td>
<td>2000</td>
<td>Bachelor’s degree</td>
<td>60</td>
<td>Male</td>
<td>Yoruba</td>
<td>Engineering</td>
</tr>
</tbody>
</table>

### 3.8. Data analysis and interpretation

I used two coding techniques from Charmaz’s (2014) constructivist approach to grounded theory to analyze data, namely *initial coding and focused coding*. Charmaz indicates that initial coding is categorizing segments of raw data in a way that simultaneously summarizes and accounts for each piece of data. Initial coding identifies and abstracts key ideas in words, phrases, sentences, and paragraphs of text, and forms codes that represent text. In initial coding, the goal is to “remain open to all possible theoretical directions indicated by your readings of the data” (Charmaz, p.114). To ensure initial codes closely stick to the words, phrases and sentences they are supposed to represent, I constructed each initial code using gerund phrases that represent the main
idea in each line of the transcript. The following excerpt from Bill’s interview shows initial codes derived from the excerpt and highlight the use of gerund phrases during this step. In response to a question about what knowledge, skills or abilities he relied on to overcome the challenges he faced in business Bill noted:

**Table. 2 Initial coding using gerunds**

<table>
<thead>
<tr>
<th>Excerpt of transcript of interview with Bill</th>
<th>Initial codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lot of it was financial juggling and a lot of it was making several commitments. You know in my early technology career and in my job and eventual partnership in Soft Solutions, one of the things we did was to create accounting software. So I had a very good understanding of accounting and a very good understanding of reading financial statements. So I could know very quickly when my business was in trouble and when my business was not going to be in trouble. I could get a sense of what was needed to get myself out of impending financial difficulties based on my reading of the financial statement. And that knowledge helped to at least forewarn me of issues and then allowed me to take necessary steps. Sometimes there is nothing you can do about it. I mean if I know that cash flow is looking difficult or I have customers who I am signed up with but they are not paying as expected and projects are stalling, sometimes you can not do anything about it. But at least you get a sense that this situation would give you cash flow difficulties going forward and then appropriately decide what you need to do. In terms of what we needed to do in challenging circumstances, many times I had to find extra cash resources from my personal reserves to ensure operating</td>
<td>Juggling financial resources and making multiple commitments</td>
</tr>
<tr>
<td></td>
<td>Creating an accounting software in early career</td>
</tr>
<tr>
<td></td>
<td>Having an understanding of accounting and reading financial statements</td>
</tr>
<tr>
<td></td>
<td>Ascertaining business performance using records</td>
</tr>
<tr>
<td></td>
<td>Addressing impending financial difficulties using financial knowledge</td>
</tr>
<tr>
<td></td>
<td>Alerting me to problems and taking steps</td>
</tr>
<tr>
<td></td>
<td>Nothing can be done occasionally</td>
</tr>
<tr>
<td></td>
<td>Addressing cash flow or delayed payments may not help sometimes</td>
</tr>
<tr>
<td></td>
<td>Getting a sense of cash flow difficulties using records</td>
</tr>
<tr>
<td></td>
<td>Facilitating appropriate decisions using records</td>
</tr>
<tr>
<td></td>
<td>Using personal reserves to finance operations</td>
</tr>
</tbody>
</table>
costs of business is covered and the business continues. I had a local partner also, a colleague who had worked with me in the past and sometimes he would have to chip in, in terms of not taking out his monthly compensation. Obviously many times I also had to do that and so we found a way to ride through the storm of those financial challenges by tapping into personal resources.

<table>
<thead>
<tr>
<th>Initial coding using gerund phrases allowed me to detail how a successful entrepreneur learned, what was learned, and why the knowledge is important to the growth of a business in Nigeria.</th>
</tr>
</thead>
</table>

Initially coding each line of data using gerund phrases allowed me to detail how a successful entrepreneur learned, what was learned, and why the knowledge is important to the growth of a business in Nigeria.

The second of stage of coding in analyzing my data is called focused coding. During focused coding, I used the constant comparative method of analysis to compare the initial codes derived from the responses of participants and to highlight codes that recur. These recurring initial codes were then considered to have emerged as focused codes in the study. I detail the focused coding process that I used by using excerpts from the transcripts of Bill’s, Isaiah’s and Kyle’s interviews. When asked to identify differences between the way he conducted business before growth occurred and the way he conducted business after growth occurred Isaiah stated that:

**Table 3. Initial coding using Isaiah’s excerpt**

<table>
<thead>
<tr>
<th>Transcript of Isaiah’s interview</th>
<th>Initial codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lots of differences. One of the areas I improved in is checking for profitability. In the past we usually lumped up all our transactions and any margin we made was lumped together. But as we started</td>
<td>Checking for profitability using business records</td>
</tr>
<tr>
<td></td>
<td>Lumpining margins in the past</td>
</tr>
</tbody>
</table>
Separating each transaction with growth
Determining profitability using records
Making decisions based on profitability of transactions
Using records to plan
Tracking expenditure on transactions to ensure profits

Having and understanding financial records is important
Paying attention to records as growth occurred
Focusing daily on financials as growth occurred
Spending time daily to review financials is difficult
Reviewing financial records daily helps decision making
Reviewing records curbs staff tendency to defraud
Monitoring and controlling cash flow
Reviewing records encourages staff transparency

When asked whether he thought knowledge of how to develop and read financial records are important to growth, Kyle stated:
Table 4. Initial coding using Kyle’s excerpt

<table>
<thead>
<tr>
<th>Transcript of interview with Kyle</th>
<th>Initial code</th>
</tr>
</thead>
</table>
| No you can’t get by without that knowledge because finance is the blood stream of the business. So you cannot rule out finance in any business. My dad did a little bit of accounting back in the day. So he but the books and financial aspect of the business together. So he taught me the finance and taught me how to put the books together and that is what I have been following since then. But any other knowledge of finance and how to do it better I do not know. But the audit aspect, cash flow, sales, how you separate your monthly revenue from other months, he explained that to me and thankfully that was what he did for me and I am benefiting from it also. | Surviving without financial knowledge is impossible  
Discounting finance in business is impossible  
Father learned accounting in the past  
Father developed the books and financial records  
Learning about finance and record keepings from father  
Being unaware of alternative record keeping methods  
Learning auditing and day to day review of financial records from father  
Benefiting from financial knowledge |

Further, during Kyle’s interview in response to a question about what suggestions he would give an entrepreneur not currently experiencing growth but wishes it, he stated:

Table 5. Initial coding using Kyle’s excerpt

<table>
<thead>
<tr>
<th>Transcript of Kyle’s response</th>
<th>Initial codes</th>
</tr>
</thead>
</table>
| I would say the person should look inward and that is why we keep a chart of our revenues and that chart guides us. By the time we look at our numbers for January and February and see the growth numbers to determine what was wrong. If we find a wide discrepancy between what we make from month to month we investigate by going to the books to find out which areas fell short. I look at our factory, our collection sites and our marketing site and if I notice it is the | Looking inward for growth  
Charting revenues using records to guide decisions  
Looking at monthly financial records to identify problems  
Investigating discrepancies using financial records  
Investigating parts of the business to identify faltering areas |
marketing that fell short then I get involved in doing more marketing for that month. Because I know this is the area losing me money so I concentrate on that area to make sure it is up to par with the other areas. So for a person not experiencing growth has to look at the books or business records. To determine what part of the business is not profitable and find solutions to that problem. If it is just the company at large you have to identify which staff is not effective and causing losses. So the person should look at those areas.

Addressing areas of business that lag behind based on records
Concentrating on faltering aspects of the business
Analysing business records helps with growth
Determining what aspects of the business is faltering
Addressing human resource concerns affecting overall company performance

During focused coding, I identified the initial code that recurred most often. In this instance, the idea that having detailed financial records, and being able to read and analyze them is important to the growth of a business in Nigeria. The table six illustrates the focused coding process:

Table 6. Focused coding process

<table>
<thead>
<tr>
<th>Excerpts of transcripts</th>
<th>Initial codes of Bill, Isaiah and Kyle</th>
<th>Selection criteria of focused code</th>
<th>Focused code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excerpt from Bill, Isaiah, and Kyle’s interviews</td>
<td>Juggling financial resources and making multiple commitments, creating an accounting software in early career, <strong>having an understanding of accounting and reading financial statements</strong>, ascertaining business performance, addressing impending financial difficulties, alerting me to problems and taking steps, nothing can be done occasionally, addressing cash flow or delayed payments may not help sometimes, alerting you to cash flow difficulties, facilitating appropriate decisions, using personal reserves to finance operations, obtaining contributions from partner, checking</td>
<td>Recurring initial code</td>
<td>Developing, understanding of, and using financial records</td>
</tr>
</tbody>
</table>
for profitability, lumping margins together in the past, separating each transaction with growth, making decisions based on profitability of transactions, tracking expenditure on transactions to ensure profits, having and understanding financial records, focusing daily on financials as growth occurred, taking time daily to review financials is difficult, doing daily financial reviews helps decision making, curbing staff’s tendency to defraud, monitoring and controlling cash flow, reviewing records encourages staff transparency, surviving without financial knowledge is impossible, father learnt accounting in the past, father developed the books and financial records, learning about financial records from father, being unaware of alternative record keeping method, learning auditing and day to day review of financial records from father, benefiting from financial knowledge, Looking inward for growth, charting revenues to guide decisions, looking at monthly financial records to identify problems, investigating discrepancies using financial records, investigating parts of the business to identify faltering areas, addressing areas of business that fall short based on records, concentrating on faltering aspects of the business, analysing business records helps with growth, determining what aspects of the business is faltering, addressing human resource concerns if the company as a whole is losing short.

(Yellow highlights indicate recurring initial codes)

The initial codes from several participants consistently highlight the importance of having business records and specifically financial records, and being able to read and understand those records. Thus, knowing how to develop, read and understand the
financial records emerged in the focused coding process, and thus is significant knowledge entrepreneurs need to have to successfully grow a business in Nigeria.

After identifying each focused code, I then expanded each one conceptually by writing memos about the ideas represented based on my review of literature in the field, a detailed description of how each participant used the focused code, and theoretical sensitivity developed while conducting and transcribing interviews. I used this sequence because a “theorist works with conceptualizations of data, not the actual data per se. Theories can’t be built with actual incidents or activities as observed or reported; that is, from raw data” (Corbin & Strauss, 1990, p. 7). I then integrated each concept that represents the focused code to form categories, which constitute provisional answers to the research questions. To arrive at categories that offer provisional answers to the research questions, I used the same criteria I used during conceptual development of focused codes. The first criteria involved comparing the idea expressed in the focused code to relevant literature. Second, I reviewed particular descriptions of how participants used the focused code. Finally, I used theoretical sensitivity, which means understanding how and under what circumstances participants used the focused code based on being steeped in the data to arrive at a category that explains the focused codes. These criteria were used to develop a category that integrates the focused codes. The goal being to arrive at categories that fit an abstraction of participant’s descriptions and offers an explanatory framework for disparate focused codes or concepts. Table seven illustrates the data analysis process used in my study and highlights the criteria used to abstract or conceptually develop focused codes and create categories.
Table 7. Data analysis process

<table>
<thead>
<tr>
<th>Transcripts from interviews</th>
<th>Initial codes</th>
<th>Selection criteria of focused codes</th>
<th>Focused codes</th>
<th>Focused code conceptual development criteria</th>
<th>Criteria for category development</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excerpts from interviews</td>
<td>Initial codes</td>
<td>Recurring idea</td>
<td>Focused codes</td>
<td>• Review of relevant literature</td>
<td>• Review of relevant literature</td>
<td>Categories that offer provisional answers to research questions</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Participants descriptions of focused code</td>
<td>• Participants descriptions of focused code</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Understanding of literature and data (theoretical sensitivity)</td>
<td>• Understanding of literature and data (theoretical sensitivity)</td>
<td></td>
</tr>
</tbody>
</table>

To construct a category that explained the focused codes used to describe how successful Nigerian entrepreneurs learn, I reviewed the literature on learning related to each focused code. I then compared focused codes to concepts in the literature to identify concepts in the literature that represent the central idea of the focused code. I compared concepts describing learning in the adult education and entrepreneurial learning literature to descriptions of learning given by participants in the raw data and the focused codes derived from these descriptions. I compared the concepts in the adult learning literature to my data by identifying the major terms that undergird the concepts in the literature and searching data to see if participants expressed similar ideas, or if when seen as a whole, the ideas expressed in the data implied the major terms of the concept in the adult learning literature. During this comparison, I wrote different iterations of my data analysis chapter and used this chapter to think through the data and identify connections.
between the ideas expressed in the data and key ideas that constitute concepts in the adult education and entrepreneurial learning literature.

For example, participants identified different ways they learned the knowledge, skills, and abilities they used to grow their business. They learned from experiences in the industry, interacting with people socially, from engaging in formal education and training, from engaging in non-formal learning activities, and by teaching themselves in informal settings. The adult learning literature identifies different particular learning processes such as experiential learning, social learning, and auto-didactic learning. During constant comparative analysis, I realized that the ideas participants expressed in focused codes closely paralleled concepts used in the adult education literature. I also realized that the concept of self-directed learning in the adult education literature helped explain how different focused codes about learning fit together. Thus, through constant comparison self-directed learning emerged as a category that explained the focused codes and thus became a provisional explanatory framework to one of the research questions.

Self-directed learning in adult education has evolved and is used in two separate but connected ways. First, self-directed learning depicts a “process of learning, in which people take the primary initiative for planning, carrying out, and evaluating their own learning experiences” (Merriam, Caffarella, & Baumgartner, 2007, p. 110). Early scholars such as Knowles (1975) and Tough (1967) describe self-directed learning as a “self-teaching project” in which the learner “assumes most of the responsibility of planning his strategy, maintaining his motivation, and making certain throughout the
learning process that everything necessary for success is done. The initiative, responsibility, and control reside in the learner, not in someone else” (p. 4). Emphasis in this sense is placed on self-directed learning as a process in which each individual controls all aspects of the learning process and involves a metacognitive skill in which adults assess what needs to be learned and how best to go about learning. Candy (1991) advanced this concept by conceiving of self-direction or self-directedness as an attribute that drives the self-directed learning process. Candy indicates that self-directedness is not a static attribute all adults possess in equal measures, but that there are degrees of self-direction that impact how consistently individuals deploy the process of self-directed learning. Thus, adults who display a higher degree of self-directedness tend to engage in more self-directed learning activities than some others.

Further, exploring the concept of self-directed learning, Merriam et al. (2007) explore different models of self-directed learning. They highlight Spear’s interactive model of self-directed learning, and note that his model, self-directed learning does not occur in a linear manner, but is composed of three clusters, which are opportunities in the environment, past or new knowledge, and chance occurrences (p. 112). In the interactive model of self-directed learning, “a successful self-directed learning project is one in which a person can engage in a sufficient number of relevant clusters of learning activities and then assemble these clusters into a coherent whole” (p. 112). I compared this key idea of the self-directed learning concept with particular accounts of how participants learned in the raw data, initial, and focused codes. I found striking similarities between the “sufficient number of relevant clusters of learning activities” described in the literature, and the different particular descriptions of learning in the data
and in the focused codes. I began to see how the different descriptions of learning in the raw data and highlighted in the focused codes were parallel to “clusters of learning activities” that characterize self-directed learning. Thus, when taken as a whole, I saw the raw data and focused codes as evidence of self-directed learning being a prominent process in the practice of successful entrepreneurship in Nigeria.

The data presented next offer three examples of how the data analysis in my study proceeded. Using transcripts of the interviews with three participants, I illustrate how the concept of self-directed learning emerged as a provisional answer to one of the research questions. When asked to describe the knowledge skills and abilities he used to grow a business and how he acquired them, Thomas noted:

### Table 8. Excerpt of Thomas’s transcript illustrating self-directed learning

<table>
<thead>
<tr>
<th>Transcript of Thomas’s interview</th>
<th>Initial codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>So I derived my knowledge, like I said earlier from reading a lot. I subscribe to Bloomberg, Reuters, and I attend food expos. I attended one last week on packaging food. So anything related to baking. Some are free and some I pay to attend, both within and outside Nigeria. In fact, in November, my wife is going to Dubai to attend one of the biggest conferences in the middle east named Gulf Food. I told her to get her ticket so she can go. So you need to interface with professionals, with colleagues, with competitors, with vendors, with practitioners, because you see it is a value chain. So you need to interact with people from within that industry and the only way you can interact is to attend workshops etc. Now for the skill, you need to be hands on. Hands on in the</td>
<td>Deriving knowledge from reading</td>
</tr>
<tr>
<td></td>
<td>Attending food expos helped with knowledge</td>
</tr>
<tr>
<td></td>
<td>Attending baking related events</td>
</tr>
<tr>
<td></td>
<td>Paying to attend sometimes</td>
</tr>
<tr>
<td></td>
<td>Spouse attending food conference in Dubai</td>
</tr>
<tr>
<td></td>
<td>Informing her to purchase tickets in advance</td>
</tr>
<tr>
<td></td>
<td>Developing relationships with industry participants, colleagues, competitors</td>
</tr>
<tr>
<td></td>
<td>Interacting with industry participants by attending workshops, expos etc</td>
</tr>
<tr>
<td></td>
<td>Being hands on to acquire skill</td>
</tr>
</tbody>
</table>
sense that you must go to school. I told you by this time last year I was attending a one-month course on baking technology. The entire value chain of baking technology. Not just bread but anything you can bake. There is another course I will attend next February, that is a three-month course. So you develop your skill when you…engage in the practical aspect of the business. From the way you mix your dough, how you mix your condiments, how you take your dough out, the temperature of the bread. You know it gives you the entire system. …knowledge comes with it as well, but the actual skill itself you can only develop the skill in a place like the bakery or you go to a training school. Abilities for me go back to my academic qualifications, your background and mindset that I will not fail. I developed that attitude right from when I was young. Maybe it is God. God gave me this boldness but I face challenges head on. So if you don’t have that there are bumps and discouraging situations you will encounter and if you cave in you can’t talk of ability. There must be an inner strength for you to say no, this is the right way to go, I believe in what God has given me and I trudge on. I have been in business for about twenty-six years and it has taken a lot of grit and guts. So it takes a lot.

Attending baking technology course to acquire hands-on skill
Learning about the entire value chain of baking
Learning everything about baking
Attending a three-month course to practice
Engaging in practical aspects of the business develops technical skill
Practicing the elements of baking develops skill
Practicing also grants knowledge
Developing technical skill only in bakery or training school
Academic qualifications, experiences and self-confidence make up abilities
Developing abilities from an early age
Believing God gave him natural abilities
Caving in implies you don’t have the ability
Persevering and believing in the venture
Engaging in business for a long time requires grit or perseverance

Thomas’s account of how he acquired the knowledge, technical skills, and abilities he has used to survive and thrive in Nigeria and the initial codes derived from this account indicate that he has consistently engaged in different forms of learning over his career. His account suggests that he seeks learning opportunities in his environment, draws from his baking experience to develop skill, and suggests God as at least partly
responsible for him having certain abilities. This account closely parallels the elements of the clusters that constitute the interactive model of self-directed learning, that is, “The opportunities people find in their own environments, past or new knowledge, and chance occurrences” (Merriam, Caffarella, & Baumgartner, 2007, p.112). These parallels led me to compare data from other participants to determine if the descriptions of how they acquired the knowledge, skills, and abilities that they used to grow a business, closely paralleled the key ideas in the interactive model of self-directed learning. Further, Thomas’s account suggests that he deliberately planned to acquire a discrete set of knowledge and skills over time. This act of being primarily responsible for the planning, execution, and assessment of learning activities over the course of one’s adult life embodies self-directed learning. Illustrating this point, Thomas stated that the knowledge used to grow his business was deliberately acquired by reading about issues related to management of a baking business. Thomas planned trips to conferences and expos in food and baking for himself and his wife so they could learn at these expos. By choosing to attend expos and conventions about the baking technology value chain, he engaged in social learning by interacting with industry participants. Further, he identified the deliberate steps he executed to acquire baking skills. By attending a one-month baking technology course to understand the entire value chain of baking, he showed a deliberate plan to acquire this skill. Taken together, the multiple learning activities that Thomas engages in over time, and his ability to fit the different clusters of knowledge, skills, and abilities together, and then deploy them to facilitate growth in his business illustrate considerable self-directedness.
When Chris was asked to identify the knowledge, skills, and abilities he relied on to grow his business and how he learned these knowledge, skills, and abilities, he stated:

**Table 9. Excerpt of Chris’s transcript illustrating self-directed learning**

<table>
<thead>
<tr>
<th>Excerpt from Chris’s interview</th>
<th>Initial codes</th>
</tr>
</thead>
</table>
| **In this business I think you need to be patient and you need to have good listening skills. Because I wasn’t trained formally in this field but I feel I am a business developer, so wherever I go believe I can be effective. But in this business the people involved in the technical part of creating the generators we sell, like the mechanics are the most knowledgeable. So you need to get down to their level and try to be friendly with them so you can learn from them. Because it is not just about me calculating how much I can make from a particular deal, but my job also involves educating customers about certain technical aspects of our products and so you need to have the listening skills and patience to learn about the products you offer. You also need to be good with operations management and read business manuals to get the knowledge needed to manage the operations of our enterprise. I tend to read a lot, and tend to go for seminars at the chamber of commerce and industry. Also you need to try to be charismatic because without it people won’t recommend you if you are not. For instance, with Jumia we get a lot of orders from them and I feel that my relationship with Jumia is largely responsible for the increasing number of orders we obtained from Jumia. So one needs to be humble so you can learn from people and be amiable to prospective clients and** | **Needing to be patient in this business**  
**Having good listening skills is important**  
**Having self-belief about being effective**  
**Acknowledging technicians are the most knowledgeable**  
**Relating socially with technicians and being friendly**  
**Understanding how technicians think and learning from them**  
**Not about calculating profits**  
**Educating customers about products is important to sales**  
**Learning from technicians by being patient and having listening skills helps**  
**Being proficient in operations management is important**  
**Reading business manuals to manage operations better**  
**Reading a lot**  
**Attending seminars at the chamber of commerce**  
**Being charismatic to gain customers trust and recommendations**  
**Being charismatic and building relationships increased orders**  
**Being humble to learn from people**  
**Being amiable to industry participants facilitates learning**  |
partners, so you can learn a lot from them.

Chris identified a number of abilities, knowledge, and skills, and noted how these abilities, knowledge, and skills helped him grow his business. For instance, he identified showing patience and listening as important abilities needed to develop his business. As a result, he was able to listen to and learn from technicians, and use that knowledge to educate customers, which helped him build trust with clients to facilitate more sales. However, he noted that being charismatic and amiable, also helped him build trust with clients and facilitated increased sales. In this sense, we see how Chris uses disparate abilities learned in different ways to achieve the objective of building client trust and facilitating the initiation of business relationships because of that trust. This account of learning closely parallels the interactive model of self-directed learning because in this model “self-directed learning projects do not generally occur in a linear fashion- that is, one cluster does not necessarily bear any relation to the next cluster. Rather information gathered through one set of activities (one cluster) is stored until it fits in with other ideas and resources on the same topic gleaned from one or more additional clusters of activities” (Merriam, Caffarella, & Baumgartner, 2007, p. 112).

Chris identified two different accounts of how he built client trust. The first was learning from technicians through listening, and the second was learning how to use charisma, amiability, and humility (qualities valued in the Nigerian society), to build trust with clients, which in turn led to growth. Each approach used by Chris speaks to different learning clusters that he uses concurrently to gather and store information about
social values, and information about his products. He then merges this information gathered from disparate learning clusters, and uses it to build relationships that facilitate increased sales. Chris indicated that he is continually engaged in planning, executing, and assessing his learning when he notes how he learned about operation management by reading and attending seminars with the chamber of commerce. He gathered information about operations management from multiple learning clusters (learning by reading and attending seminars). These examples illustrate that Chris possesses an high degree of self-directedness when it comes to learning the knowledge, skills, and abilities he needs to grow his business.

During his interview, Charles identified technical expertise and being an expert in every aspect of his business as important to growth. When asked how he acquired these knowledge and skills, he responded:

Table 10. Excerpt of Charles’s transcript illustrating self-directed learning

<table>
<thead>
<tr>
<th>Excerpt from interview with Charles</th>
<th>Initial codes</th>
</tr>
</thead>
</table>
| I asked questions. I asked questions a lot. I think one of the problems I have now is that I ask less questions these days. I used to ask questions every where I go. I meet a fellow contractor and I ask “how do you work to achieve your objective?” and he explains the processes he used to solve problems and I adapted his response to suit my situation. So I ask questions and we brainstorm and I pick a number of key points that will help me in my business. So on the technical side I have a “big brother” that is a civil engineer and I ask him for help when I encounter problems. I had never done a pile foundation and I got a contract to do that type of | Asking a lot of questions  
Asking less questions may have led to problems  
Asking peers questions everywhere in the past  
Asking peers questions and adapting solutions to suit situations  
Asking questions and brainstorming helped in business  
Asking mentors in the industry for help  
Obtaining a contract to complete a unique project |
foundation and I was anxious about it because the client wanted to spend several million on a pile project. So I called my civil engineer friend and took him around the work site and picked his brain. Then at night, thank God for the internet, I just googled pile foundation, because this was my first experience with pile foundation. There are engineers who work their entire career and won’t experience the construction of that foundation because depending on where you are located in Nigeria, you may not need that type of foundation. Places like in the east and Abuja were the soil is very solid you do not need that kind of foundation. The total cost of that foundation was 15 million naira. Imagine doing a foundation that costs that much for the first time. I knew what was at stake, I knew how much was being spent, and I didn’t know much about it. I had to pick brains and study. It was during that period I learned about 2D. Which means the pile cap must be two times the pile diameter. So I went to the internet googled it and checked and was able to confirm what my colleague said. So when I got to the work site, my employees asked me how they should tie the beam and I was able to give detailed instructions on how to go about the project, meanwhile I just learnt about it. The building came out great and structurally sound and is standing till this day.

Charles indicated that he learned the knowledge and skills important to growth by being inquisitive and asking mentors and colleagues a lot of questions. He stated that consistently engaging in different learning activities by asking experienced mentors
questions and adapting the information gathered from these clusters to his situation helped him develop the technical and business acumen needed to grow his business. His journey closely mirrors the interactive model of self-directed learning in which an individual gathers information from multiple learning clusters, and then reconstitutes the information in ways that solve real world problems. Charles said that he consistently asked questions, and his consistency speaks to the high degree of self-directedness driving his information gathering through different learning activities. In one moment of reflection, Charles implied that his business encountered some performance difficulties because he had not been consistently asking questions. This realization lends credence to the observation that his high-degree of self direction evidenced by consistently engaging in self-directed learning activities had an impact on long term firm performance, which in turn impacts growth.

Some similarities can be drawn from the explanations of learning given by Thomas, Chris, and Charles. First, these three participants indicated that overtime they consistently engaged in specific learning activities or clusters and that they then put together the information gathered from these clusters in such a way as to make it useful to them in their business. Further, all three participants identified specific learning activities such as social learning from colleagues and industry participants, and engaging in personal development through reading to gather the information needed to succeed. Finally, they all assessed their learning based on specific outcomes in their business, including the successful execution of important construction projects, successfully developing client trust which facilitated sales, and successfully dominating a growing market for baked goods. Thus, Table eleven illustrates how the coding process unfolded
and self-directed learning emerged. The first column from the left depicts the excerpts from interviews with Thomas, Chris, and Charles. The second column present all the initial codes derived from the excerpts of the transcript. The third column depicts the selection criteria for the emergence of focused codes. The forth column highlights the focused codes that recur in the data. The fifth column depicts the criteria used during memo-writing to develop concepts and the category. The final column highlights the category that explains the different focused codes and represents an explanatory framework that helped me understand how successful Nigerian entrepreneurs learn to grow their business.

Table 11. Self-directed learning data analysis process

<table>
<thead>
<tr>
<th>Transcript</th>
<th>Initial codes</th>
<th>Selection criteria for focused codes</th>
<th>Focused codes</th>
<th>Focused coding conceptual development criteria and category development</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excerpt of Thomas, Chris, and Charles</td>
<td>Deriving knowledge from reading, attending food expos helped with knowledge, attending baking related events, paying to attend sometimes, choosing spouse to attend food conference, informing her to purchase tickets in advance, developing relationships with industry participants, interacting with industry participants by attending workshops, expos</td>
<td>Recurring idea</td>
<td>Deriving knowledge of operations and technical expertise from reading manuals and research, Learning from industry participants, experienced colleagues and technicians and building relationships at events, expos, and conferences</td>
<td>1) Review of adult learning literature 2) Particular descriptions of learning in the data. 3) Understanding of literature and theoretical sensitivity</td>
<td>Self-directed learning.</td>
</tr>
</tbody>
</table>
etc., being hands on to acquire skill, attending baking technology course to acquire hands-on skill, learning about the entire value chain of baking, engaging in practical aspects of business develops skill, practicing the elements of baking develops skill, practicing also grants knowledge, developing skill only in bakery or training school, academic qualifications, experiences and self-confidence make up abilities, developing abilities from an early age, believing God impacts the development of abilities, caving in implies you don't have the ability, persevering and believing in the venture, engaging in business for a long time requires grit or perseverance, needing to be patient in this business, having good listening skills is important, having self-belief about being effective, knowing technicians are the knowledgeable, understanding how technicians think and learning from them, educating customers about products is important to sales,
learning from technicians by being patient and having listening skills helps, being proficient in operations management is important, reading business manuals to manage operations better, reading a lot, attending seminars at the chamber of commerce, being charismatic to gain customers trust and recommendations, being charismatic and building relationships increased orders, being humble to learn from people being amiable to industry participants facilitates learning, asking a lot of questions, asking less questions may have led to less growth, asking peers questions everywhere in the past, asking peers questions and adapting solutions to suit situations, asking questions and brainstorming helped in business, asking mentor in the industry for help, obtaining a contract to complete a project, having no knowledge of how to complete the project, anxiety about the project’s monetary value and inexperience, calling my mentor
and learning how to execute the project, seeking information from the internet, learning how to execute the project using google, carrying out the project is a rare occurrence in engineering, location determines whether the foundation is needed, building the foundation costs 15 million naira, engaging in an expensive project without experience, learning technical information from experienced colleague, confirming technical information gained from colleague, directing employees based on information recently acquired, succeeding in the building project.

(The yellow and green color highlights indicate an initial code that recurs and emerges as a focused code).

The process of developing a category came together during memo-writing, writing of different drafts of my thesis, and constantly reworking the coding process to ensure that the codes stick closely to the data. My process involved writing different iterations of my codes, receiving critique, and reworking the initial and focused coding process to ensure they substantively reflected the data.
However, this process evolved depending on the research question being analyzed. For example, when trying to explain how successful Nigerian entrepreneurs learned to grow their business, I could not simply rely on the initial and focused coding because these levels of coding were too specific and did not highlight how different focused codes fit together. I had to abstract the focused codes and form concepts during conceptual development, so I could more efficiently sort and organize large sections of data to find ways that the data fit together. This additional layer of coding was needed because to create a category that explained how successful entrepreneurs learned required abstraction of particular incidents in data, and because focused codes are simply recurring incidents, then an additional layer of abstraction was required. Early proponents of grounded theory stated that concepts were the basic units of theory and a theory or explanatory framework “can’t be built with actual incidents or activities as observed or reported; that is, from raw data” (Corbin & Strauss, 1990, p. 7). This describes the importance of creating concepts which are basically labels for focused codes derived from the data and the literature.

When I was coding responses that offered explanations to the first research question, which asked how successful entrepreneurs learnt the knowledge, skills, and abilities they used to grow their business, I used concepts taken from the adult learning literature such as auto-didactic learning, social learning, formal learning, and experiential learning to label the recurring focused codes that emerged. For instance, the focused code “deriving knowledge of business operations and technical expertise from reading manuals and research” was coded as representing instances of auto-didactic learning, a concept derived from the adult learning literature. Auto-didactic learning refers to self-
teaching or self-learning that occurs outside formal institutions and without mentors. An example is when an individual decides to teach themselves how to carry out a specific task. Reading books, and watching internet videos, and then implementing the information acquired in these activities constitutes auto-didactic learning. Thomas, Chris, and Charles stated that they read books and carried out research using the internet to gain the knowledge needed to manage operations. These actions recurring in the data emerged as focused codes and were subsequently labeled autodidactic learning.

Further, I conceived the focused code “learning from industry participants, experienced colleagues and technicians and building relationships at events, expos, and conferences” highlighted in Table 10, to represent instances of engaging in social learning within networks. Using the concepts derived from the literature that closely represent the focused codes rather than the focused codes themselves, helped me to readily arrive at a category that integrated the specific learning concepts identified in the data and explained how successful entrepreneurs learned to grow their business.

After labelling focused codes using concepts derived from the literature, I carried out a second level of abstraction during memo-writing to integrate the different concepts. The second level of abstraction involved creating a category that embodied all the concepts initially created. Categories in grounded theory are “higher in level and more abstract than the concepts they represent. They are generated through the same analytic process of making comparisons to highlight similarities and differences that is used to produce lower level concepts. They provide the means by which a theory can be integrated” (Corbin & Strauss, 1990, p. 7). Thus, creating a category is one way of
integrating the data in concepts and developing an explanatory framework that explains the social process under investigation. By using the category of self-directed learning derived from the adult learning literature, I applied an additional level of abstraction that helped explain how the specific learning concepts used to label focused codes fit together and how, taken together, self-directed learning led to the growth of enterprises. I conceived of self-directed learning as a category that explained the different learning activities participants engaged in to learn the specific knowledge, skills, abilities they needed to grow their business. This additional layer of coding was needed because creating a category that explains how successful entrepreneurs learn required integrating concepts, which are labels used to represent focused codes. Thus, self-directed learning emerged as the category that integrated the different ways successful Nigerian entrepreneurs learned to grow a business.

I used this additional layer of abstraction to integrate concepts and explain the underlying social process. The two processes I sought to explain in my study were how successful Nigerian entrepreneurs learned to grow a business and the ways different factors influenced business growth. The second process emerged as a corollary of identifying the factors that influenced entrepreneurial business growth in Nigeria. For example, I used this additional layer of abstraction to explore how the different factors participants identified influenced business growth. Since the second research question simply focused on identifying what knowledge, skills, and abilities entrepreneurs used to grow a business, I did not use this additional layer of abstraction while analyzing responses to that research question during memo-writing. I did not use this additional layer of coding because my goal was to arrive at specific knowledge, skills, and abilities.
successful entrepreneurs used in the Nigerian business environment and abstracting the focused codes during conceptual development would have decontextualized the data and made it less meaningful. Ultimately, using memos, relevant literature, draft write-ups, and evolving codes, I developed concepts and categories described in chapter four. Those concepts and categories describe how successful entrepreneurs in Nigeria learn, how they use specific knowledge, skills, and abilities to grow their business, and how the factors that influence entrepreneurial growth interact.

3.9. Ethical considerations

Schram (2006) identifies four major ethical dilemmas that need to be negotiated in qualitative research. These include the ethical presentation of self, disclosure and exchange, making public the private, and disengaging and staying in touch. Ethical presentation of the self and posturing is the idea that researchers ought to be honest and acknowledge the goals of the research and the reason for involving participants. Ethical presentation of the self also involves balancing my research commitments with a desire to engage authentically with participants in the field (Schram, 2006). To negotiate the dilemma of presentation of self and posturing, I was forthright about the purpose of my study in all dealings with participants. During preliminary phone interviews, I informed participants of the nature of the study, its purpose, and the procedures put in place to ensure confidentiality. I also informed them of the research problem and the importance of understanding how entrepreneurs learn to succeed in Nigeria. I positioned myself as a learner who wanted to understand how participants successfully go about their professional practice. As a learner/researcher, I developed a rapport with participants by
engaging them in settings where they were most comfortable. Thus, interviews took place in different locations ranging from professional offices, private residences, to public spaces. My goal was to build a rapport that fostered engaged responses from participants.

Disclosure and exchange involves the dilemma of determining to what extent the researcher discloses information about the study and to what extent the information disseminated influences participants, and prevents them from responding and engaging in the most natural way possible (Schram, 2006). To address this dilemma, I decided to discuss with them the research problem, the goals of the study, and the significance of the study to participants. This information helped explain the importance of the study and the need to be as forthright as possible. However, I refrained from discussing ideas in extant literature, so as not to influence participant’s responses. To fulfill the ethical requirements of exchange, I obtained research and ethics approval from the Research Ethics Board at the University of Regina. A copy of this approval form can be found in Appendix D. Participants were selected based on the three criteria described earlier and screened over the phone to determine if they were willing to participate in the study. Entrepreneurs who chose to participate where asked to sign an informed consent form included in Appendix E. I personally transcribed interviews to protect the identity of participants and ensure confidentiality.

3.9.1. Trustworthiness, credibility, and transferability.

With the proliferation of qualitative research methodologies, Denzin (2009) indicates evaluating the trustworthiness of qualitative inquiry has become difficult. Each
qualitative methodological approach has its own purposes and methods; and, consequently different ways of determining whether they are trustworthy (Krefting, 1991). Citing Lincoln and Guba (1985), Krefting notes that truth value is a critical element of trustworthiness and defines truth value as when a “researcher has established confidence in the truth of the findings for the subjects …it establishes how confident the researcher is with the truth of the findings based on the research design, informants, and context” (Krefting, p. 215). The concept of trustworthiness consists of components like credibility and transferability (Morse, Barrett, Mayan, Olson & Spiers, 2002). Thus, to establish the trustworthiness of this study, I briefly define credibility and transferability and detail the strategies I used to ensure my study is credible and transferable, and thus trustworthy.

*Credibility Strategies:* Cooney (2011) stated, “that a study is credible when it presents such a vivid and faithful description that people who had that experience would immediately recognize it as their own” (p. 19). I strived to attain credibility by providing research participants copies of the transcripts of the interviews to ensure the opinions expressed in the transcripts reflect their perspectives on the knowledge, skills, and abilities entrepreneurs use to grow a business and the factors that influenced business growth in Nigeria. Offering participants, the opportunity to review transcripts and research findings is a recognized strategy of establishing credibility described as member-checking (Morse et al, 2002; Krefting, 1991). Secondly, the literature suggests that spending time with participants is another way of ensuring credibility in a qualitative study. Prolonged engagement with participants allowed me to clarify concepts that emerged in the early stages of the study. Krefting (1991) suggests that an important
strategy in ensuring credibility in any study is to spend some time with informants to allow the researcher to check or verify perspectives, and to enable the informants to become accustomed to the researcher. To fulfill this strategy, I spent three months in Lagos, Nigeria, conducting interviews with twenty participants. I carried out an interview with each participant, and in some cases, conducted follow-up interviews with participants to clarify their perspectives and thus increase credibility.

Finally, to ensure credibility in my study, I adhered to techniques of the grounded theory methodology by ensuring every concept earned its way into the study by being repeatedly present in interviews (Corbin & Strauss, 1990). Credibility requires, “Adequate submersion in the research to enable recurrent patterns to be identified and verified” (Krefting, 1991, p. 217). I used field notes and memos to track the development of concepts and categories. This use of field notes and memos helped to ensure that only recurring patterns and concepts were highlighted during analysis. Being reflexive through the use of detailed field notes and memos is a recognized strategy of ensuring credibility in grounded theory research (Charmaz, 2014). These measures not only enhance the credibility of the study, but also contribute to its overall trustworthiness.

Transferability strategies: Transferability has been described as “the degree to which the results of qualitative inquiries can be applied in other contexts or settings” (Trochim, 2006, Qualitative validity section, para. 3). This concept depicts the ability to “transfer research findings or methods from one group to another, or how one determines the extent to which the findings of a particular inquiry have applicability in other contexts or with other subjects/participants” (Thomas & Maglivy, 2011, p. 153). Thomas and
Maglivy suggest that transferability can be established by providing dense descriptions of the population studied and by giving details of demographic and geographical boundaries of the study. Consequently, a description of the general characteristics of participants involved in the study was included in section 3.7 of this chapter. Chapter 1 offered a description of the population, geography, and policy context in Nigeria. These descriptions help to establish the limits of transfer of the findings by specifying under what conditions entrepreneurial learning for firm growth occurs in Nigeria. By giving sufficiently dense descriptions of the context and participants, this study makes the underlying conditions that lead to entrepreneurial growth more apparent and the findings more transferable and trustworthy. Despite these measures, the transferability of results is limited, because the grounded theory methodology only offers the tools needed to develop provisional theories that explain social processes in a specific context and does not seek generalizations.
CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1. Introduction

This chapter presents an analysis of the data obtained from interviews with twenty Nigerian entrepreneurs, and highlights concepts and categories constructed from focused codes that I believe offer provisional explanations that address the research questions posed in Chapter One of this dissertation. This chapter presents aspects of the data analysis process specifically detailing how I used initial and focused coding to arrive at categories that explain how successful entrepreneurs learn, how they use specific knowledge, skills, and abilities to grow their business in Nigeria, and what factors entrepreneurs believed influenced the growth of a business. Concepts are the basic units of analysis in grounded. Concepts in my study are abstractions of focused codes, raw data, and relevant literature. When integrated into categories, these concepts form the basis of the explanatory framework used to detail how entrepreneurs learn, how they use specific competencies to grow a business, and how factors influencing entrepreneurial business growth interact. Concepts in this sense are indicators or labels used to represent a series of common actions or experiences of participants in the course of growing their businesses. Concepts are thus an analytical construct used to represent common experiences of participants and are subsequently integrated into categories that explain social processes.

I illustrate how I arrived at these concepts by presenting segments of raw data, initial codes, and focused codes, which together with the accessed literature, are used to create concepts. I detail how these focused codes are labeled to form concepts and then show how each category integrates concepts and explains how entrepreneurs learn, how
they use specific knowledge, skills, and abilities and how different factors identified by participants influence entrepreneurial growth. In the first section of this chapter, I restate the purpose of the study and the research questions I set out to answer. Next, the chapter details the segments of data, initial codes, focused codes, and literature that together led to the emergence of concepts and categories that offer provisional explanations that address the research questions. Finally, I detail a few suggestions successful entrepreneurs think would help enhance business growth. The goal of this chapter is to highlight aspects of the data analysis process and present the findings of the study.

### 4.2. Research Purpose and Questions

The purpose of this study was to explore how entrepreneurs in Nigeria learn to grow a business and the knowledge, skills, and abilities needed to facilitate business growth. The study also explored the factors that influenced business growth. The goal was to identify the factors that influenced business growth and how entrepreneurs learned the knowledge, skills, and abilities needed to grow a business in a challenging environment, to foster the development of effective and contextually relevant entrepreneurship development policies that produced high growth businesses. This study investigated four research questions to achieve its purpose:

1) How do successful entrepreneurs in Nigeria learn to grow their business?

2) What knowledge, skills, and abilities do entrepreneurs need to enhance the growth of their business in Nigeria?

3) What factors do entrepreneurs in Nigeria believe influence business growth?
4) What suggestions can participants offer to enhance business growth for entrepreneurs in Nigeria?

I present each category and concepts within each category as a response to the research questions and I review the literature used to develop the concept. Further, I present segments of raw data used to develop concepts and detail the initial and focused coding processes. I also show how I used elements of concepts derived from the literature as a lens to think through the data and draw parallels between each focused code and concepts derived from the literature. These concepts were used to begin the formation of an explanatory framework to shed light on what successful entrepreneurs in Nigeria needed to learn to grow a business, how learning occurred, and the factors that influenced the growth of their business.

4.3. How do entrepreneurs in Nigeria learn to grow their business?

To explore this research question, I asked participants how they acquired the knowledge, skills, and abilities they used to grow their businesses. Tables 7, 8, and 9 detail the responses and initial codes of Thomas, Chris, and Charles respectively to this question. The responses of all the participants to this question and the entire data analysis process is presented in Appendix E. I asked all participants this question during interviews and their responses were varied. Bill and Philip, responses to the question and the initial codes derived from their responses are explored below.
Table. 12 Bill’s response and initial codes

<table>
<thead>
<tr>
<th>Excerpt from Bill’s interview</th>
<th>Initial codes</th>
</tr>
</thead>
</table>
| By the nature of the business we are in, growth has to be opportunity based. This means it has to be sales led. So if I am not growing my sales it is foolhardy to be growing my costs. All organizational growth is usually sales led, in terms of what skill sets we needed to drive growth. We had to sell more and sell better to get more clients. The difference was when we kicked off the business the sales activities were primarily through us, but has the business expanded the sales activities was primarily through other people and of course we complemented the other people and managed their activities when appropriate. But for me personally in terms of what skill set has been useful in the growth of the business, clearly the experience I have had in running a similar business in the past has helped. Like I said, I was made a partner in that firm before I eventually became the CEO of that company. So I have had the experience running a business from top to bottom, leading it and managing the business from a financial perspective, from an human resource perspective, and from an operations perspective. So business management was not a new thing to me. I also did an MBA at the University of #### in the UK when I was with IT Solutions and I did an MBA with a thesis that centered on “how the internet enables small and medium scale businesses compete”. So I had gone through the literature of what makes businesses fail, which businesses emerge as high growth businesses, and what helps businesses to grow. And it has always been a subject that fascinates me. So I have had both the academic background in business management and I have had the practical background in business management. So whatever challenges we went through in those | Growing is based on opportunities  
Growing is sales led  
Growing sales prior to growing costs  
Growing an organization is driven by growing sales  
Selling more and better to get more clients improved growth  
Selling was initially self-driven  
Selling now driven by employees and managed by us  
Operating a similar business in the past helped me to grow  
Becoming a partner and eventual CEO of prior organization  
Managing a business from top to bottom and understanding functional aspects of the business  
Leading and managing functional areas  
Understanding business management was not new  
Completing an MBA with a thesis related to his business  
Learning from reading literature about business growth during MBA  
Wondering about business growth and what helps businesses to grow  
Having academic background and practical experience |
early years and I believe we will still encounter challenges as we grow, they were not challenges that were entirely strange to me. I had lived through some of those challenges. I had read about some of those challenges, so it was not entirely new. We just had to…. As long has we had belief that there was an opportunity there in that marketplace (industry) we just had to buckle down and focus on how to do the needful to achieve growth and that has really been it.

Encountering challenges were not strange because of experience
Experiencing some challenges
Reading about some challenges
Doing what is necessary to achieve growth based on belief

Bill’s response indicated that he learned the knowledge, skills, and abilities he needed to grow over time from experiences he gained as an employee and, eventually as a partner and CEO of a technology company. He stated that his experiences leading the business from financial, human resources, and operations perspectives, vital parts of the firm’s management, prepared him for the challenges he faced when he started his business.

Further, he stated that he learned from the formal education and training he gained while at the university. However, he said that he has always been fascinated by businesses, and wondered about what makes a business successful. This fascination illustrates the high degree of self-direction that drove him to engage in different learning activities over time. When talking about his journey to become an entrepreneur, Bill stated that his father was an entrepreneur and invested in stocks and bonds. He noted that when his father received annual reports:

That was something I found quite exciting to read. To read the annual reports to read the chairman’s statement and to read the CEO’s statement and get a sense of how they where able to grow their business or what they have done or how the businesses have changed from year to year. Often those annual reports proved as an inspiration for me, because I always thought that someday I would be in one of these annual reports. So that kind of provided the familiarity with the
entrepreneurship space that made me comfortable with the concept of entrepreneurship.

This quotation illustrates Bill’s fascination with entrepreneurship and business growth; and this fascination drove him to read about entrepreneurs early in life. This experience may have helped him to succeed later in life. Thus, Bill engaged in disparate learning activities over time.

Table 12 illustrates Philips response to the question about what knowledge, skills, and abilities he used to grow his business and how he learned these knowledge, skills, and abilities.

**Table 13. Philips response and initial codes**

<table>
<thead>
<tr>
<th>Excerpt from Philips interview</th>
<th>Initial codes</th>
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</table>
| Number one is being able to market my services. That comes with being confident about what I was offering and being able to articulate and communicate effectively and that was my major challenge as an entrepreneur. I was not an outgoing person but I think with time I kept meeting people and talking to people. I attended a few seminars, got trained, and I got formal and informal training on how to engage people and market service. Also making mistakes and having my clients correct me and learning from those mistakes all helped me improve. So now I do not think it is a challenge to communicate and market my services. But with time I have been able to learn and there are still areas I need to improve in. I know that this skill does not come in a day and that communicating and marketing will improve because as an entrepreneur you are the marketer for your business at the beginning until the | Being able to market services  
Marketing implies being confident and communicating effectively  
Meeting people over time helped  
Attending seminars and training on marketing services  
Making mistakes and being corrected by clients  
Communicating no longer a challenge  
Knowing skill improvement is ongoing |
business can afford to hire a marketer or the business develops such a good reputation that your customer becomes your marketers. So I think that is where I have improved in basically marketing and communicating my ideas. Using technology like emails and the internet to enhance my business is another skill I learned informally. Just engaging the system. What ever platform was popular I learnt about like Facebook, Twitter, Snapchat, Instagram, Yahoo, Dropbox, I-cloud, mobile phones and stuff like that. Although I studied computer science in school, our syllabus was archaic and even our professors told us to go to other institutions like Abtec or Oracle to get the knowledge we need. But I learnt more informally by just using the applications and reading the manual and descriptions of how to use these platforms and also some seminars I attended.

Marketing until you can afford a marketer or develop a reputable brand
Improving marketing and communication of ideas
Using technology to enhance growth
Learning about technology informally
Engaging with technology
Learning how to use different platforms
Studying computer science in formal education
Advised to learn through non-formal training institutions
Learning about technology applications informally
Reading the manuals and descriptions of how to use platforms
Attending non-formal seminars

Philip identified a few learning activities he engaged in to develop the different knowledge and skills he needed to grow his business. He noted that being able to market his services was crucial to the growth of his business, but that initially he lacked the confidence and the ability to communicate his services effectively. He set out to address this weakness by attending seminars to learn how to effectively market his services.
Further, he noted that he improved his marketing and communication skills by gaining experience communicating with clients, making mistakes, and being corrected by clients. He identified learning how to use technology as playing a role in enhancing the growth of his business. He stated that he learned how to use technology to grow his business informally and identified simply reading manuals and descriptions of these internet platforms as one way he learned. However, he also noted that he received formal education in the form of a bachelor’s degree in computer science from a tertiary education institution. Though he describes the knowledge gained from his bachelor’s degree as “archaic”, the knowledge of computer science likely helped him learn how to use technology to grow his business. He also noted that he attended seminars to learn about how to use technology to market his services. Overall, Philip, Chris, Thomas, Charles, and Bill identified varied learning activities used to develop the knowledge, skills, and abilities needed to grow a business.

During data analysis, I constantly compared each initial code to identify recurring codes that emerged as focused codes. Table 13 illustrates the emergence of focused codes.

**Table 14. Emergence of focused codes**

<table>
<thead>
<tr>
<th>Excerpts of interviews</th>
<th>Initial codes of participants</th>
<th>Focused codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses of Thomas, Charles,</td>
<td>Deriving knowledge from reading, attending food expos helped with knowledge, attending baking related events, paying to attend sometimes, choosing spouse to attend food conference, informing her to purchase tickets in advance, developing</td>
<td>Deriving knowledge from reading and other activities</td>
</tr>
<tr>
<td>Chris, Bill, and Philip</td>
<td>relationships with industry participants, interacting with industry participants by attending workshops, expos etc, being hands on to acquire skill, attending baking technology course to acquire hands-on skill, learning about the entire value chain of baking, engaging in practical aspects of business develops skill, practicing the elements of baking develops skill, practicing also grants knowledge, developing skill only in bakery or training school, academic qualifications, experiences and self-confidence make up abilities, developing abilities from an early age, believing God impacts the development of abilities, caving in implies you don’t have the ability, persevering and believing in the venture, engaging in business for a long time requires grit or perseverance, needing to be patient in this business, having good listening skills is important, having self-belief about being effective, knowing technicians are knowledgeable, understanding how technicians think and learning from them, educating customers about products is important to sales, learning from technicians by being patient and having listening skills helps, being proficient in operations management is important, reading business manuals to manage operations better, reading a lot, attending seminars at the chamber of commerce, being charismatic to gain customers trust and recommendations, being charismatic and building relationships increased orders, being humble to learn from people being amiable to industry participants facilitates learning, asking a lot of questions, asking less questions may have led to less growth, asking peers questions everywhere in the past, asking peers questions and adapting solutions to suit situations, asking questions and brainstorming helped in business, asking mentor in the industry for help, obtaining a contract to complete a project, having no knowledge of how to complete the project, anxiety about the project’s monetary value and inexperience, calling my mentor and learning how to execute the project, seeking information from the outside of formal instruction and non-formal instruction, developing relationships and learning from technicians, experienced colleagues, and industry participants, learning from engaging in entrepreneurial practice and experience in prior paid employment, learning from attending formal education institutions, learning from attending seminars and training sessions in non-formal institutions</td>
<td></td>
</tr>
</tbody>
</table>
internet, learning how to execute the project using google, carrying out the project is a rare occurrence in engineering, location determines whether the foundation is needed, building the foundation costs 15 million naira, engaging in an expensive project without experience, learning technical information from experienced colleague, confirming technical information gained from colleague using internet, directing employees based on information recently acquired, succeeding in the building project,
growing is based on opportunities, growing is sales led, growing sales prior to growing costs.
growing an organization is driven by growing sales, selling more and better to get more clients improved growth, selling was initially self-driven, selling now driven by employees and managed by us, operating a similar business in the past helped me to grow, becoming a partner and eventual CEO of prior organization, managing a business from top to bottom and understanding functional aspects of the business, leading and managing functional areas, understanding business management was not new, completing an MBA with a thesis related to his business, learning from reading literature about business growth during MBA, wondering about business growth and what helps businesses to grow, having academic background and practical experience, encountering challenges were not strange because of experience, experiencing some challenges, reading about some challenges, being able to market services, marketing implies being confident and communicating effectively, meeting people over time helped, attending seminars and training on marketing services, making mistakes and being corrected by clients, communicating no longer a challenge, knowing skill improvement is ongoing, marketing until you can afford a marketer or develop a reputable brand, improving marketing and communication of ideas, using technology to enhance growth, learning about technology informally, engaging with technology, learning how to use different platforms, studying
Table 13 illustrates the focused coding process and shows how I identified five learning activities that recurred in the data. The criteria used to identify these activities was simply initial codes recurring in the data. For instance, when different participants expressed the idea that they learned a specific knowledge or skill by teaching themselves about the topic through reading a manual, book, or watching a video, I interpreted these activities as similar and they were grouped as a focused code. Thus, when participants such as Philip, Chris, Bill, Charles, and Ralph stated that they read books outside formal education and non-formal training to teach themselves a specific skill, I interpreted these response and initial codes derived from these responses as similar and thus the idea earned its way as a focus code. However, in grounded theory “theorist works with conceptualizations of data, not the actual data per se. Theories can’t be built with actual incidents or activities as observed or reported; that is, from raw data” (Corbin & Strauss, 1990, p. 7). Given this, I developed concepts based on each focused code by writing memos. Each memo explored the meaning of the focused code and how each participant used the focused based on theoretical sensitivity developed conducting and transcribing

<table>
<thead>
<tr>
<th>Computer science in formal education, advised to learn through non-formal training institutions, learning about technology applications informally, reading the manuals and descriptions of how to use platforms, attending non-formal seminars</th>
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(Color highlights depict a recurring initial code).
the interviews. After exploring the meaning of each focused code, I realized that the learning activities described by participants closely paralleled adult learning concepts present in the literature. I adapted conceptual labels in the adult learning literature to the focused codes identified in the data. Thus, a focused code such as “learning from developing relationships with technicians, experienced colleagues, and industry participants” was developed and labeled “social learning within social networks”. The subsequent section details how I explored each focused code using participant’s responses and the literature to clearly define the meaning of each focused code and its defining properties.

Auto-didactic learning: The focused code “deriving knowledge from reading and other activities outside of formal and non-formal instruction” refers to the idea participants engaged in reading about specific topics to develop the knowledge needed to carry out the task. For instance, Philip stated that to learn how to use technology such as WhatsApp and Twitter to enhance business growth he “learnt more informally by just using the applications and reading the manual and descriptions of how to use these platforms and also some seminars I attended”. In this response, Philip suggests that the reading of manuals and descriptions of the technology platforms is a learning activity in which he initiated outside of formal and non-formal institutions. Thus, a significant property of this type of learning activity is its informal nature. Further, Philip also stated that he learned about using technology to enhance business growth by attending “seminars”. These seminars are typically short training programs spanning days or weeks and this comment suggests that participants develop knowledge or skills about the same topic (i.e. applying technology to enhance business growth) from different learning
activities over time. Philip learned about technology informally by engaging in self-taught learning activities like reading and he also learned about technology during non-formal learning activities such as attending a seminar.

Other participants also identified “deriving knowledge by reading outside of formal and non-formal instruction” as one of the ways they developed the knowledge and skills needed to grow a business. For instance, Ralph stated, “So I had to learn social skills and I had to educate myself on trade psychology…. So I got this book titled “the psychology of selling” by Brian Tracy and that was really helpful, because it was like a textbook listing every mistake I was making trying to sell. So it was really good”. When asked specifically about how he learned the knowledge and skills he used to grow his business Ralph stated “Well, math and business functions I learnt from school. Web design and IT was from school as well. Social skills from audio books and generally trying not to be an asshole. Trade psychology I learnt from audio books”. Ralph stated that he learned about trade psychology and developed social skills by engaging in learning activities such as listening to audio books. Ralph distinguished between learning from formal education and self-taught learning activities.

During coding, whenever I encountered instances where participants engaged in learning activities in which they derived knowledge about a specific topic by reading or listening to a book, watching videos, and other self-taught learning activities outside formal and non-formal education, I coded these activities as instances of “deriving knowledge from reading and other activities outside of formal and non-formal instruction”. For instance, when Bill stated that he “had gone through the literature of
what makes businesses fail, which businesses emerge as high growth businesses, and what helps businesses to grow” as part of his master’s degree in business administration program, I did not code this learning activity as an instance of “deriving knowledge from reading and other activities outside of formal and non-formal instruction”. However, when Chris declared that he needed to “read business manuals to get the knowledge needed to manage the operations of our enterprise. I tend to read a lot”. I interpreted this learning activity as an instance of “deriving knowledge from reading and other activities outside of formal and non-formal instruction” because it occurred outside formal and non-formal education and was directed at addressing a specific learning need (operations management). Consequently, the distinct properties of this learning activity is that it is wholly informal, directed at addressing a specific learning need, and the entrepreneur purposefully sets out to teach themselves this specific knowledge or skill. Drawing on the adult learning literature, I labeled the focused code “deriving knowledge from reading and other activities outside of formal and non-formal instruction” as an instance of auto-didactic learning.

Auto-didactic learning refers to instances when individuals learn as a result of self-initiated learning projects, and is sometimes referred to as self-teaching or autonomous learning (Caffarella & O’ Donnell, 1989). Beckett (1996) notes that the “focus of autodidactic learning is on autonomous self-directed and self-initiated learning projects apart from formal educational programs” (p. 5). When an individual chooses a topic and sets out to develop knowledge about that topic by engaging in informal learning activities outside formal and non-formal education setting, then those learning activities are classified as instances of auto-didactic learning. Learning activities such as
reading a book, watching YouTube videos, and carrying out library or internet research without guidance or being instructed to do so, falls within the purview of auto-didactic learning. Auto-didactic learning is distinct from self-directed learning in two ways.

First, as a form of self-teaching, auto-didactic learning consists of numerous informal micro-learning processes, while self-directed learning as a macro-level learning process can rely on a combination of formal, informal, and non-formal learning activities to develop the knowledge, skills, and abilities. This conceptual distinction suggest that self-directed learning is broader in scope and thus using the data and literature subsequent sections of my analysis will show that self-directed learning emerged as a grounded theory category or macro-level learning process that explains how successful entrepreneurs in Nigeria learn to grow their business. The second distinct feature of auto-didactic learning is that it is targeted at developing specific knowledge in an area of interest, whereas self-directed learning involves the individual gradually developing disparate pieces of knowledge over time, and then successfully assembling this knowledge into a coherent whole to address a problem (Merriam, Caffarella, & Baumgartner, 2007).

In other words, auto-didactic learning is more intentional and directed at developing “need to know” knowledge needed to carry out tasks the entrepreneur thinks are critical to the immediate needs of the business. While self-directed learning is broader and involves both intentional and incidental knowledge developed from a variety of meso-level learning activities and micro-level learning processes. Within this study, auto-didactic learning is considered a subset of self-directed learning, is a grounded
theory concept, and a meso-level learning activity. Self-directed learning within this study is a grounded theory category and a macro-level learning process that explains how different concepts (meso-level learning activities) fit together and are used by successful Nigerian entrepreneurs to develop the knowledge, skills, and abilities to grow a business.

For instance, an individual looking up how to cook pasta on YouTube exhibits an instance of auto-didactic learning. However, the same individual could have learned hotel management at a Polytechnic and had experience as a cook. He could then combine this disparate knowledge developed from different learning activities and decide to establish a restaurant. The process of engaging in different learning activities over time and being able to meaningfully fit together information gathered from different learning activities constitutes self-directed learning. Thus, self-directed learning can be seen as a category under which auto-didactic learning falls. Subsequent sections will define in more detail the boundaries of each level of analysis using the data and the learning literature.

In my study, nine of the twenty participants indicated that at some point they learned auto-didactically. Though the other participants did not indicate that they learned auto-didactically, they identified other learning activities discussed subsequently. The responses of Thomas, Charles, Philip, and Chris, highlighted earlier illustrated how I identified auto-didactic learning as an important learning activity that successful Nigerian entrepreneurs engaged in to develop the knowledge, skills, and abilities they used to grow a business. I interpreted statements by participants that declared they read
books or watched videos online to learn about something specific to their businesses as instances of auto-didactic learning. Further, the recurrence of this idea meant it earned its way into the analysis as a concept develop from a focused code.

*Learning from prior work and entrepreneurial experiences.* The focused code “engaging in entrepreneurial practice and experience in prior paid employment” refers to the idea that participants learned from the repeated use of knowledge, skills, and abilities in entrepreneurial practice and experiences in paid employment that offered unique insight into how to set up and operate a business in an industry. This form of learning encompasses a combination of micro-learning processes such as trial and error learning and prior workplace learning. Key words that indicated this kind of learning include “practical, experience, and paid employment”. Learning from prior work and entrepreneurial experiences is largely informal but could also include structured workplace learning. When discussing how he acquired the communication and marketing skills he used to grow his business Philip declared:

> I got formal and informal training on how to engage people and market services and also making mistakes and having my clients correct me and learning from those mistakes all helped me improve. So now I do not think it is a challenge to communicate and market my services.

Philip noted that he learned how to communicate better by making mistakes in practice and having clients correct him. The entrepreneur repeatedly engages in the practice of a craft or skill, makes mistakes, and corrects these mistakes by receiving stimulus from an external source. Trial and error learning occurs when the entrepreneur “carries out regular activities, compares outcomes with targets, and then revises routines as needed” (Rerup & Feldman, 2015, p. 579). The entrepreneur changes behavior based on the
feedback received from the external environment either in the form of direct client feedback or upon realizing that the business practice is not producing intended results. Trial and error learning occurs when “an external stimulus could generate a new balance in internal routines…The key learning outcome resides in the new mix of routines enacted” (Miner, Bassoff, & Moorman, 2001, p. 305). The “new mix of routines enacted” refers to the changes in the way Philip communicated and marketed his services that enable him to become more effective within the industry and achieve business growth.

Thomas illustrated trial and error learning when he stated:

So in the first three months I asked customers about our products and tried to get feedback from customers about our products. My job was to stay outside the bakery and ask every other customer how they liked our products and service. We never knew whether the business would succeed. But the response we got was overwhelming and people said they had been looking for something like this in this neighbourhood. But even with the complimentary feedback, it is easy for you to lose track and to belief your business is on firm footing. So I told myself we had to take feedback seriously, so all the compliments were taken and the few complaints were taken in stride. There was a time we had an issue, one of my bakers forgot to put salt in the mix. In this business every condiment you include in the recipe matters. If it drops below the permissible quantity, it would reflect in the taste of the bread. So there was this issue of salt and the reaction was spontaneous from the customers. People came back to complain about the taste of the bread and I immediately had to address the situation. So anytime we are measuring recipes, that is the most critical part of the baking process. As ordinary as it seems the measurement must be precise. Especially the yeast, sugar, salt.

Thomas had set high customer service expectations for his business and he sought feedback from customers to ensure he was meeting their expectations. He used the feedback from clients to assess how effective the “routines” or systems he had put in place in his bakery were in ensuring high quality baked goods were produced. He stated
that the negative external stimulus he received from customers when an employee forgot to follow established routines in the baking process led to him “addressing the situation” immediately by enacting a “new mix of routines” that guaranteed precise measurement of baking ingredients, which in turn ensured high quality baked goods were produced consistently. An important feature of trial and error learning is that it is grounded in the entrepreneur’s experiences of entrepreneurial practice versus the experiences of others. Drawing on the data, the organizational learning literature, and theoretical sensitivity derived from being steeped in the data, I conceived of entrepreneurial learning as occurring at three different levels of analysis. These levels are, the micro-level embodied by specific learning processes such as trial and error learning, the meso-level highlighted by specific learning activities such as learning from prior work or entrepreneurial experiences, and the macro-level of analysis (self-directed learning) which represents the category that explains how all other levels of analysis fit together and how successful Nigerian entrepreneurs learn. Thus, trial and error learning can be conceived of as one of the moment by moment ways successful entrepreneurs learned while engaging in prior work or entrepreneurial experience.

The accounts of Philip and Thomas and the literature suggest that trial and error learning occurs in real-time from the entrepreneur’s own experiences in business practice, as distinct from the experiences of others. However, questions still remain regarding how beneficial trial and error learning is to successful entrepreneurial practice in Nigeria and under what circumstances trial and error learning is more likely to occur. The account of Philip and Thomas suggested that trial and error learning helped improve routines or processes within their organization’s value chain that ensured they produced
consistently high quality products and services, which in turn helped enhance growth in market share. This could mean that trial and error learning is important because it helps entrepreneurs establish and improve processes within their value chain that ensures the standards that make the product or service unique are maintained and improved upon over time. Accordingly, Rerup and Feldman (2015) stated:

> When an organization finds out it has not met its aspiration levels, it classifies this event as a problem, and it usually selects a routine to solve it. If the routine does not solve the problem, the organization replaces or revises the old routine by selecting and trying out a new routine from a sample that exists in its environment. The organization continues this process until it finds a routine that yields a solution successful enough to replace the old routine. (p. 579)

However, not much is known about whether other micro-level learning processes that occur during prior work and entrepreneurial experiences such as workplace learning, lead to process improvement for entrepreneurs in Nigeria and whether different micro-level learning processes lead to better process improvement outcomes for the entrepreneur.

Participants indicated that prior workplace learning also played a prominent role in how they acquired the skills needed to grow their business. Prior workplace learning refers to the learning carried out during the course of paid employment, whether at work sites or on projects outside of the worksite. Workplace learning as a dimension of learning from prior work and entrepreneurial experience is itself distinguished into two types. They are structured workplace learning embodied in formal work training and unstructured or informal workplace learning which refers to “more informal processes implied in these activities such as discussing, observing, asking questions, problem solving” while in paid employment (Manuti, Pastore, Scardigno, Giancaspro, &
Morciano, 2015, p. 3). Isaiah and Bill illustrate the two types of workplace learning.

Isaiah when asked to describe the knowledge, skills, and abilities he needed to grow his business and how he acquired these knowledge and skills he stated:

"Initially, when we were involved in property financing, I actually thought what I needed most was my engineering skills because incidentally I happened to be a trained engineer. But along the line, I had a lot of exposure to financial management because of my experience in Global as a project manager and these were very important in my business. Managerial skills and communication skills need to be exceptional. I also want to include relationships with your client and employees as part of the communication skills needed. In paid employment, most of the time you don’t go the extra mile because there is no special reason for you to satisfy the customer. But as an entrepreneur, you always remember that the customer is the king, so no matter what they do, you still try to have the best form of communication with them. Incidentally, I got a lot of training from my previous place of employment in a multi-national corporation and I have worked in several countries too. So all those interactions with different cultures and different people had an impact. We used to call the place I worked a “training house” because we did a lot of training."

Isaiah noted that financial management skills, managerial skills, and communication skills were needed to grow his business but he also identified the structured workplace training he received during prior paid employment as one of the ways he developed the skills needed to grow his business. He alluded to informal micro-level learning processes that occurred during prior paid employment when he mentioned the impact “interactions with different cultures and different people” had on him. Isaiah’s statement implied that he was able to adapt the managerial and communication skills he developed in different countries to the Nigerian context. He indicated that he learned from both structured on-the-job training (S-OJT) and informal micro-learning processes such as vicarious learning that occurred off site in different countries and among different cultures. Isaiah’s account illustrates successful Nigerian entrepreneurs engage in different types of learning activities and processes and thus entrepreneurial learning in Nigeria can be
described as a multi-tiered process. The common link between trial and error learning and workplace learning is that they both derive from the entrepreneur’s experience either in paid employment or in entrepreneurial practice. However, authors have noted that the boundaries that delineate informal workplace learning and other forms of informal learning in non-work settings are nebulous at best (Manuti et al, 2015). Whether or not meaningful boundaries exist in informal learning warrants further research because of its implications for future entrepreneurship education program design.

Bill highlights the importance of informal workplace learning to the growth of his business when he stated:

But for me personally in terms of what skill-set has been useful in the growth of the business, clearly the experience I have had in running a similar business in the past has helped. Like I said, I was made a partner in that firm before I eventually became the CEO of that company. So I have had the experience running a business from top to bottom, leading it and managing the business from a financial perspective, from an human resource perspective, and from an operations perspective. So business management was not a new thing to me in this statement, Bill noted that learning from prior experience in running all aspects of a business played an important role in helping him gain the top-down knowledge of functional areas of his business needed to successfully grow. His statement illustrated the important idea that learning from prior work experience and specifically informal workplace learning was useful in growing his business. Bill indicated that gaining top-down knowledge of the functional areas of the business was useful and this may be because his experience in paid employment afforded him the knowledge of the workings of the technology industry and the management skills needed to set up a business in ways that take advantage of market inefficiencies in the technology industry. Bill’s account of his entrepreneurial journey illustrated how his experience in paid
employment, specifically informal workplace learning, allowed him to not only develop knowledge of specific market needs in the technology industry, but it also helped him develop the managerial skills he would need to start his own business. Bill noted:

While I was at the university, I studied computer science and I got opportunities to intern with one or two firms where I saw live software being developed and I got a sense of how software can be developed. During this time, I came across a British guy who was in Nigeria at the time with an eclectic background. So we ran into each other and he wanted someone to construct some code using C language and I had been doing work in C language. Essentially, I had been trying to create an interface between a scanner and a banking software which had been developed locally in Nigeria by a company which I had interned with in the past. And that company had called me to work on that special application to create an interface so they could scan signatures and load them into the banking software. So this British guy met the owner of the company I interned with and asked the owner if he knew anyone who knew how to code in C or C++ language and the owner pointed at me. So I started talking to this British guy and he asked me to make some code for him and I did. When I was coming to the end of my university degree, he told me that he had been approached by some Lebanese guy who wanted to invest in a software company, and he felt that I would be the best person to join him in the new company. So straight from the university I joined his firm and at the time we didn’t negotiate anything about being a partner in the firm, so I joined as an employee and we started a software company called Soft solutions. Anyway, two years later I got a job offer from Shell Oil to work with them as a programmer. Then my British partner, who was my boss at the time said that I was playing a critical role at the company and asked to discuss my future to see what can be done. So we talked about my position at the company and agreed on some equity arrangement where I would own a certain percentage of the business. So I went from being a freelance entrepreneur in university, became an employee for a brief period of two years, and I went from being an employee to being an entrepreneur again and a co-partner in this business. So I stayed with that business for many years and we grew it to a fairly large organization. I think by the time I left we had about 70 to 80 employees and we where structured into three or four companies at the time. We had grown our turnover substantially and were booking business in the region of almost ten million by the time I left. But I had grown tired of the Nigerian environment and wanted to settle in Canada, so I left for Canada. At some point, I got approached again by people who wanted to start a business in Nigeria and I also had some export related business I wanted to do. So anyway I came back and established a software company along with a partner and we started the company sometime in the last quarter of 2011, so the company is about five years old. So that has been my journey really in terms of how I got into entrepreneurship.
Bill’s account showed that he learned informally about specific market applications of his coding skills during an internship while at the university. Bill learned from his experience as an intern, but he does not identify structured on-the-job training as the mode of workplace learning. Rather he refers to seeing software being developed in real-time and learning how to develop software applications that are useful to specific industries. Bill’s account highlights one feature of micro-learning processes such as trial and error learning and vicarious learning is that they are spontaneous, incidental and occur in real-time.

These informal micro-level learning processes helped make him aware of emerging technology needs in the banking industry. This practical knowledge of market needs helped him figure out how to use his programming skills to develop software solutions that addressed these needs. Further, the internship and his ability to create technology solutions during the internship, led to a chance meeting with a British investor, which in turn led to full-time employment and eventually a partnership at the new firm. During his experience in various roles as an intern, employee, and subsequently a partner, he developed an understanding of how software companies in Nigeria operate and how to manage and grow a software company in Nigeria. The technical and managerial skills developed largely through informal micro-level learning processes such as trial and error and vicarious learning helped him develop a product that met market needs at the time and the managerial skills needed to set-up a new business in the Nigerian technology industry in 2011. One implication of Isaiah and Bill’s account is that program designers may have to incorporate internships into entrepreneurship education. That way, prospective entrepreneurs can engage in the structured and
informal workplace learning needed to develop the knowledge of specific market needs and managerial skills, required to subsequently set up a business that can address market inefficiencies and thrive in the Nigerian business environment.

Overall, during interviews the idea that “engaging in entrepreneurial practice and experience in prior paid employment” helped participants develop the knowledge, skills, and abilities they needed to grow a business recurred in the data and emerged as a focused code. During conceptual development, it emerged that participants learned from prior work or entrepreneurial experiences and this learning activity was the essence of the focused code “engaging in entrepreneurial practice and experience in prior paid employment”. While exploring the properties of learning from prior work or entrepreneurial experiences, it emerged that micro-level learning processes such as trial and error learning occur in incidental ways during this learning activity. My analysis positions structured workplace learning and informal workplace learning as micro-level learning processes that occur during learning from prior work or entrepreneurial experiences. This indicates that learning among successful entrepreneurs in Nigeria is a multi-tiered process that involves micro-level learning processes that underlay meso-level learning activities. In this study, a learning process is a series of defined actions/interactions that occur during identified learning activities that yields a “relatively permanent change in behavior, cognition, or affect” (Werner & DeSimone, 2009, p. 65), which leads to entrepreneurial growth. Another important feature of learning from prior work or entrepreneurial experiences worth emphasizing is that it is a direct form of learning. In other words, the experiences learned from are directly acquired by the entrepreneur through practice.
Social learning within networks. The idea that participants engaged in social learning within networks was developed from the focused code “developing relationships with technicians, experienced colleagues, and industry participants”. Thomas, Ralph, Chris, Charles, Phillip, and Isaiah noted that they learned specific technical skills from experienced colleagues or mentors, technicians, and industry participants by developing relationships within their respective industries and the literature refers to this type of learning activity as social learning. For instance, when asked to describe how he acquired the knowledge and skills needed to grow his business Ralph noted:

Though I did not call it mentorship at the time, that is what it was. I found people with more experience than myself and stopped or reduced the time I spent hanging out with people like myself trying to start a business. I started hanging out with people who had done it (grown a business) already. So those guys told me things I was doing wrong, things that I might do wrong, and things that they had done wrong. So I was learning a lot from other people’s mistakes, so those were mistakes I wouldn’t have to make. So I think that was the first important thing that I did, the mentoring thing and then getting educated.

Ralph indicated that mentorship and specifically learning from others with more experience than he had was important to growing his business because he was able to identify things he did wrong and learn from the mistakes of others. He noted that he had to develop relationships with experienced people in his industry, even going so far as to stop associating with people with less experience as he thought he couldn’t learn from them. The literature refers to this kind of learning as social learning.

Bandura (1969) describes social learning as when individuals learn by modeling the behaviors of exemplars in the society. Exemplars or models in the society exhibit acceptable behavior that sets them apart as being successful and signifies the right way of doing things. Thus, as the entrepreneur develops relationship with experienced
colleagues and industry participants the entrepreneur observes their actions and processes information about what is being observed as a mental schema and stores the information in memory. Then when an opportunity arises to carry out the previously observed behavior or action, the information stored in memory is recalled and used to guide action in situations when the observer decides the modeled behavior leads to a desirable result. The observer chooses to model the behavior of the exemplar only in situations when the behavior leads to a desired result. In this context, social learning involves the micro-level learning process of vicarious learning and the cognitive learning process of evaluating what has been observed and determining whether or not modeling the behavior would be worthwhile for the business. Thus, micro-learning processes such as vicarious learning and cognitive learning occur during meso-level social learning activities. The entrepreneur engaged in social learning does not model every observed behavior of the exemplar, but only the behaviors that the entrepreneur has the motor capabilities to replicate and the self-efficacy or belief that the observed behavior when carried out by the entrepreneur will lead to a desired result. In other words, the entrepreneur as to not only believe s/he has the motor capabilities to replicate the observed behavior, but the entrepreneur needs to believe once they replicate the observed behavior in their context they will achieve a similar positive result.

Manz and Sims Jr (1981) characterized vicarious learning as an aspect or component of social learning. In my study, vicarious learning is conceived of as a micro-learning process in which the entrepreneur observes and cognitively evaluates the behavior been observed which may alter the observer’s expectations. While social learning is considered a meso-learning activity that encompasses the observation,
Buttressing this distinction, Manz and Sims Jr stated, “Observing a model is a type of vicarious learning that can lead to behavioral change without the learner actually performing the behavior or directly experiencing the consequences. Significant alterations in expectations are believed to be one mechanism by which modeling works” (p. 106). This exposition by Manz and Sims Jr lends credence to the conceptual distinction between vicarious learning and social learning. However, it must be restated that the conceptual distinction between a micro-learning process such as vicarious learning and a meso-level learning activity such as social learning within networks, is one of qualitative degree and not a precise boundary. The informal nature of micro-level learning processes such as vicarious and trial and error learning make these constructs illusive and challenging to scrutinize. Notwithstanding, like other micro-level learning processes, vicarious learning is spontaneous and occurs in real-time, while social learning is less immediate because it involves an additional step, the modeling of acceptable behavior that requires practice.

Manz and Sims Jr (1981) detailed four distinct components or sub-processes of vicarious learning and these components play out in the responses of participants. The first component is called the attentional process and this determines whether an exemplar is able to attract the attention of an observer and the specific actions extracted from the modeled behavior. The second sub-process is the retention process, which involves the observer identifying important actions/interactions in the observed behavior and committing it to memory by creating schemas or verbal codes. Third, the motor reproduction process refers to the ability of the observer to reproduce the observed
behavior using schemas stored in memory as a guide to appropriate action. Finally, the *motivational process* refers to the “perceptions of positive and negative outcomes that are likely to enhance or diminish the probability of an observer performing a behavior” (p. 107). Ola illustrated different components of vicarious learning when he responded to a question about how he learned from failures. He noted:

That is why I say entrepreneurs must learn from people’s mistakes. Sometimes you talk to people in the industry and from those conversations you can learn a lot about their failures. In the same way you look at failures, you also have to look at what your competitors in the industry are doing correctly and learn from them. Entrepreneurs need to figure out what competitors are doing right and what they are not doing right.

Two sub-processes of vicarious learning are alluded to in this excerpt. First, Ola stated that entrepreneurs must learn from other people’s mistakes and identified developing social relationships and having conversations with people in the industry as a means of learning. Conversations are the means through which the entrepreneur engages in vicarious learning. During conversations, the entrepreneur is able to observe the exemplar, ask pertinent questions, identify important actions/interactions in the observed or conveyed behavior of the exemplar, and commit it to memory in the form of a schema or verbal code.

Further, Ola noted that entrepreneurs should not just consider failures of people in the industry, but also consider the successes of competitors in the industry and through conversations and other vicarious learning methods attempt to figure out what the competition is doing right and what they are not doing right. This speaks to the motivational process component of vicarious learning in which entrepreneur evaluates the observed behavior and assesses the positive and negative outcomes of the behavior.
that shape the probability of the entrepreneur actually modeling the observed behavior. Ralph illustrated the attentional process when he stated, “I found people with more experience than myself and stopped or reduced the time I spent hanging out with people like myself trying to start and started hanging out with people that had done it already”. This statement highlights the need of the entrepreneur to identify models or exemplars who are carrying out behaviors within the industry the entrepreneur perceives to be valuable and integral to growth.

Interestingly, Ola and Ralph indicated that having conversations with competitors and other industry participants is not the only way entrepreneur engage in vicarious learning. As Ola declared, “You don’t necessarily need to talk to people now. Not in this age of ours. There are different ways of gathering information and it flies around. If I google some things I learn a lot about people and if I check on the internet I can learn a lot about a business”. This statement suggested that vicarious learning can occur without actually observing the modelled behavior during conversations. Corroborating this idea Ralph stated

Well I learnt that from Cosmas Maduka in theory. Which takes us back to what I said about mentors. Mentors don’t even have to know you exist, it can be someone you like and follow. So I have listened to almost every thing he has said and I like the guy. He turned 200 naira to a multimillion dollar trading company and that is enough reason to respect his opinions.

These statements blur the boundaries between meso-level learning activities such as auto-didactic learning and social learning within networks and indicate that micro-level learning processes such as vicarious learning, which are informal, occur incidentally during different meso-level learning activities. Consequently, more research is needed to explore under what conditions vicarious learning occurs and whether entrepreneurs who
engage in vicarious learning during auto-didactic learning activities are able to effectively develop sufficiently detailed schemas or verbal codes, needed during the motor reproduction process to reproduce the desired behavior in real-time. This kind of research could help program designers determine whether mentorship programs better prepare prospective entrepreneurs when compared to allowing prospective entrepreneurs to simply read about an exemplar while engaging in meso-level autodidactic learning activities. This kind of research is important because as part of entrepreneurship education in Nigeria students are required to read a short overview about the life of notable Nigerian entrepreneurs as a course reading (NUC, 2017, p. 116). No explanation is given about why this activity is required and little is known about whether such a truncated reading activity helps students develop the sufficiently detailed schemas or verbal codes needed during the motor reproduction process to reproduce the desired behavior carried out by notable Nigerian entrepreneurs in real-time.

So far, the analysis of data has revealed that micro-level vicarious learning processes spontaneously occur while the participants engaged in meso-level social learning activities. Hence, successful Nigerian entrepreneurs simultaneously engage in meso-level social learning activities and micro-level vicarious learning processes. When entrepreneurs “develop relationships” or social networks, participants suggested that context or culture plays an important role in accessing the right networks. Entrepreneurs involved in industries engage in social learning activities by observing, evaluating, and modeling the business practices of others. These actions imply a relationship exists between the learner and the exemplar and they in turn exist as part of a larger social network. Thus, social learning alludes to not just the immediate relationship between the
learner and the exemplar, but also to a complex set of relationships between the
exemplar and other actors s/he considers exemplars within the social network. In social
learning, the learner unwittingly draws on the accumulated expertise of the entire
network to solve common problems encountered in the industry. By drawing on the
knowledge and expertise of the exemplar during social learning, an entrepreneur begins
to form cooperative bonds not just with the exemplar, but also with the network at large.
These cooperative bonds lead to the building of a community of practice. Wenger,
McDermott, and Snyder (2002) define a community of practice as “Groups of people
who share a concern, a set of problems, or passion about a topic, and who deepen their
knowledge and expertise in this area by interacting on an ongoing basis” (p. 4).

Social networks are largely asymmetrical power relations in which one party has
more social capital and knowledge than the other party does (Aarstad, Haugland, &
Greve, 2010). In Nigeria, learning from social networks requires that the entrepreneur
have a sense of humility to access the social network, and to learn the industry specific
knowledge needed to succeed. Showing humility is important in learning from social
networks in Nigeria because of the high power distance that exist within most national
cultural groups in the country. Power distance is a term popularized by Hofstede (1981,
1983a, 1983b). Hofstede (1983a) defines power distance as, “How society deals with the
fact that people are unequal” (p. 81). In Hofstede’s (1983a) analysis, power distance is a
measure of the degree of inequality in a society. According to him, inequality could be
generally accepted in a society and therefore, power distance is seen as high, or the
society could actively try to play down or reduce inequalities, in which case, power
distance is seen as low. Values such as respect for others and especially older people, are
held in high regard in Nigeria. One’s ability to recognize the value of humility in social networking and to display the proper attitude of humility and respect for others plays a powerful role in relating to experienced colleagues who are typically older, and who offer the promise of information and resources needed to facilitate growth. Illustrating the concept, Ola noted:

A lot of people enter into business without having a full understanding of the market and fail. Rather than being humble and learn things about the business from others that will help the business grow, they want to show off.

Ola stated that to succeed, young entrepreneurs who have little experience in a market need a detailed understanding of the market. They typically learn this knowledge through social learning from experienced industry members. He argues that acquiring this full understanding requires each entrepreneur be humble enough to build relationships with experienced industry participants and engage in social learning within this network. Ola suggests that having prideful attitude is an obstacle to learning from social networks in Nigeria.

In support of the requirement for humility, Ralph noted:

Then I learned humility as well, I don’t know if you can call it a skill. But without that I would not have been able to pick people that are younger than I am and learn from them and I have learnt to learn from anybody.

His comment points to the critical role humility plays in learning within social networks in Nigerian society. Humility must be viewed as an important social value that Nigerian entrepreneurs must display to gain access to social networks. Humility is important for new members to be accepted into social networks in Nigeria because cultures with a high power distance place social value on displaying humility or deference in social relationships.
In Nigeria and specifically among the Yoruba cultural group who represent a majority of participants in this study, showing respect and deference to elders and displaying humility in social interactions is an important value an honorable citizen or in Yoruba parlance an “omoluabi” displays. The participants stated that in Nigeria, inequality is seen as unavoidable, which implies that power distance is high. This state of affairs means that for entrepreneurs to access social networks, they have to negotiate this inequality by acceding to the status quo, which might involve displaying humility and respect for others. Thus, humility emerges as a cultural value used by entrepreneurs to negotiate inequality in social networks, and to access the knowledge of experienced or more knowledgeable colleagues. Thus, the high power distance in the cultural institutional environment in Nigeria determines how entrepreneurs have to act in the public sphere to gain access to social networks, and to carry out the social learning needed to grow a business.

Overall, this section showed that the focused code “developing relationships with technicians, experienced colleagues, and industry participants” recurred in the data and thus earned its way into the study. The analysis of the literature revealed that learning from developing relationships with industry participants and experienced colleagues is a social learning activity and thus social learning within networks emerged as a grounded theory concept based on the data, the literature, and my understanding of the data (theoretical sensitivity). My analysis of the data and literature also revealed that while engaging in social learning activities, entrepreneurs unwittingly engage in vicarious learning processes and hence I characterized social learning within networks as a meso-level learning activity and vicarious learning as a micro-level learning process that
occurs spontaneously in real-time and is hence elusive. The analysis suggests that due to their informal nature micro-level learning processes occur incidentally during different learning activities. Consequently, the way successful Nigerian entrepreneurs learn is not just multi-tiered but it is also dynamic. Finally, this analysis indicates that social learning activities require networks. The analysis suggests that power distance and displaying humility in social interactions plays a role in determining how successful entrepreneurs access networks. Thus, entrepreneurs need to be aware of and accede to the values of the society to gain access to networks so they can in turn develop the industry specific knowledge needed to grow a business.

*Non-formal learning.* The idea that participants engaged in non-formal learning activities to develop knowledge and skills was derived from the focused code “attending seminars and training sessions in non-formal institutions”. Anytime participants stated that they learned a knowledge or skill by attending seminars or workshops, I coded such statements as an instance of “attending seminar and training sessions in non-formal institutions”. For instance, when asked how he learned to grow his business Chris stated, “I tend to read a lot, and tend to go for seminars at the chamber of commerce and industry”. In this statement, Chris identifies two learning activities he engaged in to acquire the knowledge and skills he used to grow his business. The phrase “I tend to read a lot” was coded as an instance of auto-didactic learning, while the phrase “tend to go for seminars at the chamber of commerce and industry” was coded as an instance of non-formal learning. I coded this phrase as non-formal learning because the adult education literature indicates that learning activities that are structured with set class times, topics, and syllabus, but that do not lead to a nationally recognized certificate, can be classified
as non-formal learning activities. In this regard, Maier (2011) describes non-formal learning activities as “provided by an education or training institution and typically does not lead to certification. It is, however, structured (in terms of the learning objectives, learning time or learning support). Non-formal learning is intentional from the learner’s perspective” (p. 79). In Chris’s case, the non-formal learning activity was organized by the Lagos Chamber of Commerce and Industry and he engaged in structured interactions that helped him develop the knowledge and skills he used to grow his business.

An important distinction to make is between non-formal learning activities and formal learning. Misko (2008) alludes to this distinction when he noted that non-formal learning is “learning in structured programs for developing skills and knowledge required by workplaces, communities and individuals. These do not lead to nationally or internationally accredited formal qualifications” (p. 10). Thus, participating in structured learning activities such as seminars, conferences, and workshops that do not lead to nationally accredited qualifications are considered non-formal learning activities within this study, while structured learning activities that lead to nationally or internationally recognized formal qualifications are considered formal learning activities. Participants indicated that they engaged in structured learning activities that did not lead to formal qualifications to acquire the acumen needed to grow their business. Specifically, eight of the twenty participants identified engaging in non-formal learning activities as one of the ways they acquired the knowledge, skills, and abilities needed to grow a business.
In their discussion of non-formal learning activities participants indicated that different micro-level learning processes such as vicarious learning and cognitive learning occur during non-formal learning activities. For example, Thomas stated:

So you need to interface with professionals, with colleagues, with competitors, with vendors, with practitioners, because you see it is a value chain. So you need to interact with people from within that industry and the only way you can interact is to attend workshops etc. Now for the skill, you need to be hands on. Hands on in the sense that you must go to school. I told you I was attending a one-month course on baking technology. The entire value chain of baking technology, not just bread but anything you can bake. So you develop your skill when you…engage in the practical aspect of the business.

In this excerpt, Thomas indicated that interacting with professionals within his industry was important because he was able to learn about the entire value chain of baking from others in the industry. The excerpt implies that besides the structured component of non-formal learning activities, entrepreneurs also simultaneously engage in vicarious learning while interacting with industry participants during non-formal workshops. The occurrence of vicarious learning during meso-level non-formal learning activities speaks to the informal and incidental nature of micro-level learning processes. The distinction between the vicarious learning that incidentally occurs here and social learning within networks is the modeling. During vicarious learning, the individual develops new information by listening and watching others, but there is little opportunity to practice or model the new behavior. However, in social learning the nature of the relationship between the individual an exemplar developed via network ties means the individual has the opportunity to model the behavior, receive feedback from the exemplar, and modify behavior accordingly to ensure the desired behavior is contextualized and produces desirable results. Further, Thomas noted that the only way he could acquire this
knowledge was by interacting with people. These interactions with professionals, colleagues, vendors, and practitioners during workshops allowed Thomas to observe or listen to competitors, create mental schemas or verbal codes about what has been observed and then model these mental schemas in real world by developing a “value chain of baking technology” that is unique and sets his business apart from the competition. Thomas indicated that attending non-formal workshops and seminars was not a one-time event, but that he had an ongoing commitment to learn by observing, creating schemas and modeling desirable behavior by engaging in “practical aspects of the business” (i.e. creating a value chain of baking).

Bola buttresses the idea that micro-level learning processes such as vicarious learning occur during meso-level non-formal learning activities when describing his entrepreneurial journey. He noted:

But we also had the foresight to figure out that oil and gas contracts won’t last forever and we started thinking long term and diversified. So we built networks based on attending different kinds of conferences and seminars on power generation and distribution in Nigeria. And these conferences were a good networking place. The conferences were run by associations, companies, the government or by a media outlet like oil and gas journals. It didn’t matter how much it cost to attend, we always did because we knew our goal was to develop a network in the industry that would help us down the line. In Nigeria, entrepreneurship is all about networking and everything comes down to networking. I do not know about other countries but in Nigeria it is all about networking and information. When you meet people you learn about new things, pick up new information, and then with this information relevant to your business interest you begin to figure out how to maximize or tap into the opportunity.

A few observations can be made from this excerpt. For example, Bola indicated that he realized early on that operating his oil and gas service firm based on a contract model was not sustainable and to ensure his business survived periods where contracts were not forthcoming, he realized he needed to diversify. To diversify into new business areas, he
had to identify opportunities within and outside his industry by observing and listening to practitioners and competitors within the industry.

One of the ways Bola ensured he was able to interact with industry participants and learn vicariously was by “attending different kinds of conferences and seminars”. This statement suggests that micro-level learning processes such as vicarious learning occur during non-formal learning activities like the conferences and seminars Bola attended. Secondly, the excerpt indicated that one of the reasons Bola attended conferences and seminars was to interact with industry participants and learn vicariously. He recognized that networking was important in Nigeria because of the information that could be obtained from interactions with industry participants. Further, being able to create mental schemas or verbal codes from the information gathered during interactions with others or content taught at seminars and “figuring out how to maximize” the information by processing it to ensure the benefits of the information can be transferred to Bola’s context, is an important part of the learning process. This “figuring out how to maximize or tap into opportunities” alludes to the micro-level cognitive learning process that takes place either during non-formal learning activities or as a result of the information gathered during non-formal learning activities. As stated earlier, micro-learning learning processes such as cognitive learning, vicarious learning, and trial and error learning, are spontaneous and occur incidentally as a result of engaging in meso-level learning activities.

Cognitive learning refers to micro-level learning processes that consider the different ways individuals mentally process information and subsequently develop or
construct knowledge that is useful to their context. According to Yilmaz (2011), different cognitive learning theories have emerged as a result of “the behaviorist tradition’s failure to explain why and how individuals make sense of and process information (i.e., how the mental processes work)” (p. 205). Yilmaz characterized the cognitive learning perspective as positioning prior knowledge and mental processes as playing a more significant role than stimuli in the learning process. Yilmaz states that cognitive theorists argue that since individuals do not respond to stimuli in the same way, the mental processes that occur between receiving stimuli and a response must be critical to understanding learning and behavior. Cognitive learning theories explore cognitive structures such as memory, schema, and cognitive styles and their role in explaining why people respond in different ways to the same stimulus. Thus, Yilmaz contends that cognitive learning theory and the learning processes that draw on this theory are primarily concerned with “how knowledge is acquired, processed, stored, retrieved, and activated by the learner during the different phases of the learning process” (p. 205).

Bola stated that he became aware of new information relevant to his business interest during non-formal learning activities and that he began “to figure out how to maximize or tap into the opportunity”. This “figuring out” alludes to the workings of multiple cognitive structures. Bola experienced a cognitive dissonance or disequilibrium in which he realized that surviving on only oil and gas contracts was not sustainable, given the size of his business and the rate at which he obtained contracts. To achieve a state of equilibrium between his expectations of sustainability and the current state of his business, Bola engaged in non-formal learning activities in which he obtained information by observing industry participants and listening to new information.
discussed during conferences and seminars. Subsequently, Bola presumably created a new schema that represented options for diversifying his business and stored it in long-term memory. Bola then diversified his business by figuring out how to integrate the new schema about more sustainable business opportunities with the demands and needs of his existing oil and gas business. This integration involved a modification of the new schema in ways that would help him make his business more sustainable.

The “figuring out” phrase involves the workings of different cognitive structures such as schema, memory, and cognitive style. During the “figuring out” or cognitive learning process Bola created a schema or verbal code from new information received during non-formal learning activities, stored the schema in memory, and used a cognitive style to process or modify schema to ensure that solutions implemented are compatible with the existing capacity of his business. Understanding how successful Nigerian entrepreneurs carry out these cognitive processes needs to be explored in future research to help program planners identify what cognitive strategies are more likely to facilitate business growth in Nigeria and under what conditions these cognitive strategies yield business growth outcomes. Exploring how cognitive structures are used by successful Nigerian entrepreneurs to develop new knowledge is beyond the purview of this study and future research could consider how successful Nigerian entrepreneurs utilize cognitive structures to process new information used to grow their business.

Consequently, Bola’s excerpt illustrated that micro-learning processes such as vicarious learning and cognitive learning, incidentally occur during meso-level non-formal learning activities. However, participants such as Bola, Thomas, and Ralph
suggested that they engaged in non-formal learning activities like workshops and seminars not just to acquire new information through structured learning, but to also interact and develop relationships with industry participants. Participants indicated that casual interactions with industry participants during non-formal learning activities presents an opportunity for them to vicariously learn from their co-learners. Further, some participants developed stronger relationships or networks with experienced co-learners in similar lines of business, which allowed them to engage in the social learning needed to model and perfect the behaviors needed to excel in their industry. Thus, during non-formal learning activities participants learned vicariously, developed network relationships with co-learners so they could engage in social learning subsequently, and engaged in structured learning facilitated during the seminar, workshop, or conference.

My analysis of the data and the literature suggest that successful Nigerian entrepreneurs learn from engaging in non-formal learning activities and that during non-formal learning activities micro-level learning processes such as vicarious learning and cognitive learning incidentally occur.

*Learning from formal education.* The concept of learning from formal education was derived from the focused code “attending formal education institutions” which was in turn derived from statements in which participants identified attending formal education or schooling as the means through which they developed the human capital needed to grow their business. For instance, when describing how he acquired the knowledge and skills he used to grow his movie production company Tobi noted:

> Well for my line of business, because I wanted to be a presenter and I wanted to have my own show, I needed to go to like a school or training that helps with
your diction and helps with English pronunciation called the Speak Out program. They also train you in public speaking and its is actually a total public relations training. I also needed to know the different types of equipment needed to produce a show. As an entrepreneur, I couldn’t just simply hire people to handle the cameras for me or handle the editing facilities for me. I had to know a few things about these processes, so people won’t take advantage of the fact that I don’t know how to use them. I also needed skills to talk to people in the industry, especially artists. How to manage them, because people come into your shows with different attitudes, so how to manage that and generally people management skills. I also think I needed a bit of marketing skills, because there is also a business side to production and I needed that as well. I trained at a business school in Singapore.

In this excerpt, Tobi stated that he needed to go to “school or training” to acquire the public relation skills he used to grow his business. He referred to attending a non-formal public relations training program and that he developed the public relations skills needed to grow his business by attending this program. Further, he noted that he needed marketing skills and he developed knowledge of marketing from a business school in Singapore. I coded this statement as an instance of Tobi engaging in a formal learning activity. This learning activity is qualitatively distinct from the non-formal public relations training program, because the business school offered a degree that is nationally and internationally recognized. The public relations training program on the other hand does not offer a degree and I consequently coded statements about the public relations training program as referring to non-formal learning activities. During the interview, I specifically asked the participant if he developed the knowledge, skills, and abilities he used to grow his business during formal education and he replied: “Yes, I did. I actually attended the Speak Out training program to improve my skills. Like I said, when I was in school I studied science and computer technology. When I was done with that I subsequently decided to get another degree in media studies”. Tobi indicated that he engaged in both non-formal learning activities and formal learning activities and the
knowledge and skills developed during these activities played a pivotal role in the
growth of his business.

Six of the twenty participants identified learning during formal education as one
of the ways they developed the knowledge, skills, and abilities needed to grow their
business. Like Tobi, these participants identified other learning activities besides formal
education, which suggests that formal education is just one of the learning activities
successful entrepreneurs engaged in to develop the human capital needed to grow their
business. Further, the data suggested that in ventures where business practice is regulated
by government sanctioned professional associations, formal education plays an even
more pivotal role in the growth of a business. For instance, business ventures in the
professional services industry such as engineering, estate management, and surveying are
regulated by the government through recognized professional associations. Participation
in these industries depends on an entrepreneur acquiring a degree from a formal
education institution to certify that they have the knowledge and skills needed to
function in that industry. Thus, in the professional services industry, having formal
education and a degree that certifies mastery of a core set of knowledge and skills
needed to carry out the service effectively is not only important to growth but determines
whether or not an entrepreneur can participate in the industry. For instance, an
entrepreneur interested in offering an innovative service in the estate management or
surveying sub-sectors can only offer services if the firm is licensed and without formal
education in surveying or estate management, the entrepreneur will be unable to obtain
the license needed to operate. Consequently, formal education is not just a means of
developing the knowledge and skills needed to grow a business, but in some industries,
formal education is necessary to meet licensing requirements and offer services in the industry. Wilson lent credence to this position when responding to a question about how he developed the knowledge and skills he used to grow his surveying business. He noted:

I had to receive five years of training before I could be certified as a surveyor and establish my own surveying business. So I went for five years training and after five years I established my own business in 1995. Before you can establish a business as a surveyor, you need to get a high school diploma or you need to go to technical school. So if you do not go to either of those schools there is no way you can obtain the wisdom needed to perform effectively in that job. So you need more education to perform because we have registered surveyors with more education and we have assistant surveyors. We are under registered surveyors. So the government recognizes the work of a registered surveyor more than that of an assistant surveyor because of more years of education.

Wilson stated that to start a business offering surveying services in Nigeria he had to receive five years of formal education and training that led to a nationally recognized certificate as a surveyor. He noted that offering professional business services as a surveyor is impossible without formal education, and that the government recognized registered surveyors because they have formal education. This government recognition helped him market his services and facilitated easier market penetration. Wilson identified learning from formal education as one way entrepreneurs developed the knowledge needed to perform effectively, and strongly suggested that in certain industries regulated by government sanctioned professional associations such as surveying, having formal education is required to start a business. It must be stated however that formal education is not required to start a business in all industries, but in the professional service industry in Nigeria, formal education seems to be required to start a business.
Based on Wilson’s response, I surmised that learning from formal schooling is required in industries where participation is regulated by government sanctioned professional associations such as engineering, estate management, and surveying. Thus, the data showed that for entrepreneurs in specific industries, such as engineering and surveying, formal education in those fields is required to succeed, because formal education not only offers the technical knowledge needed to carry out tasks effectively but it also allows the entrepreneur to meet licensing requirements of the industry. Further, the certification offered by formal education and training institutions is a socially accepted signifier of being knowledgeable in those fields. Individuals without this certification are considered unqualified to carry out those services and as such, they will be unable to attract private clients or obtain the large government contracts needed to grow their business.

Further, the literature exploring the relationship between formal education and entrepreneurship lends credence to the idea that formal education helped entrepreneurs by providing them with the basic literacy and numeracy skills needed to function in society. Dickson, Solomon, and Weaver (2008) state there is, “Sufficient evidence to suggest that the level of educational attainment by entrepreneurs is significantly and positively associated with entrepreneurial performance” (p. 245). Because all my participants were successful in entrepreneurship and they all had years of general education, I surmised that general education had some influence on entrepreneurial performance and growth in Nigeria. A recent study by Kolstad and Wiig (2015) based on data from a developing African country offers further support to this idea by specifically examining the relationship between an added year of primary schooling and
entrepreneurial profitability. Drawing from Lazear (2004) *jack of all trades theory*, Kolstad and Wiig argue that because primary education offers the foundational literacy and numeracy skills needed to acquire and use other core knowledge, skills and abilities needed to become a successful entrepreneur, the returns on primary education are likely to be substantial to entrepreneurs. The authors found that “primary education has a large effect on the profits of entrepreneurs” (p. 794).

During memo-writing, I realized that all participants had received formal education or training to at least the high school level. This formal schooling offered participants basic English literacy and numeracy skills that they needed to operate in urban Nigeria. Offering some support for this idea, Ralph opined that formal education helped facilitate business growth because entrepreneurs:

> Have to at least be able to listen to the components of a deal and tell if the deal is good or bad. You have to be able to at least do some rough estimates in your head to determine profits. You might not be able to tell whether the profit on a transaction is 15% per tonne, but you should be able to estimate and know if the deal sounds like a loss or profit.

Being able to estimate the value of business transactions speaks to the numeracy of the entrepreneur, and Ralph stated that being numerate allows the entrepreneur to evaluate transactions and determine whether a transaction is profitable. Since basic literacy and numeracy skills are acquired during formal primary and secondary education, the implication is that formal primary and secondary education helped my participants acquire the numeracy skills needed to evaluate specific transactions, make cost effective decisions, and grow a business.
This finding is in line with the observation I made during memo-writing, where I noted that my participants had completed at least primary and secondary education. Based on Kolstad and Wiig’s work, I argue that because all participants had acquired formal primary education and were successful entrepreneurs, then formal primary education probably played some role in their success. This conclusion applies to not just entrepreneurs but other professionals in society as well. Further, the conclusion derives from the traditional economic conception of investment in human capital as being a direct expenditure on formal schooling and on-the-job training as popularized by Schultz (1961) and Becker (1962). Specifically, participants learned the basic literacy and numeracy skills needed to socialize and make reasonable estimations in an urban marketplace. I am not contending that formal primary and secondary education is the only schooling Nigerian entrepreneurs need to succeed; rather, I contend that their formal education offered them the foundational literacy and numeracy skills they needed to develop other core knowledge, skills, and abilities required to be successful by using other learning activities.

Overall, my analysis of the data revealed three important ideas about learning from formal education. First, participants identified learning from formal education as a learning activity they engaged in to develop the human capital needed to grow their business. Secondly, the data indicated that in some industries, such as engineering, surveying, accounting, and estate management, learning from formal education to obtain nationally recognized certification is required to start and grow a business. Third, the data and literature indicated that learning from formal education helped participants acquire the literacy and numeracy skills needed to engage in other learning activities and
perform effectively in urban Nigeria. Table 14 illustrates the development of learning concepts from focused codes.

**Table 15. Development of learning concepts from focused codes**

<table>
<thead>
<tr>
<th>Excerpts of interviews</th>
<th>Initial codes of participants</th>
<th>Focused codes</th>
<th>Learning concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses of Thomas, Charles, Chris, Bill, and Philip</td>
<td>Initial codes derived from Thomas, Charles, Chris, Bill, and Philip’s responses</td>
<td>Deriving knowledge from reading and other activities outside of formal instruction and non-formal instruction, developing relationships with technicians, experienced colleagues, and industry participants, engaging in entrepreneurial practice and experiences in prior work or employment, attending formal education institutions, attending seminars and training sessions in non-formal institutions</td>
<td>Autodidactic learning, Social learning within networks, Learning from prior work or entrepreneurial experiences, Learning from formal education, Non-formal learning</td>
</tr>
</tbody>
</table>
The analysis of data thus far revealed that participants engaged in five meso-level learning activities during which micro-level learning processes incidentally occurred. However, this result does not explain the entire entrepreneurial learning process and how different meso-level learning activities are used to develop the human capital needed to grow a business. Each participant indicated that over time, they engaged in multiple learning activities to develop the human capital needed to grow their business. Using the constant comparative method of analysis, I compared the responses of my participants to descriptions of learning in the adult learning literature and found that there are close parallels between how participants engaged in different learning activities over time and self-directed learning. The following section details how self-directed learning emerged as a category that explains how participants engaged in multiple learning activities over time to develop the human capital needed to grow their business.

4.3.1. Entrepreneurs as self-directed learners.

Scholars like Tough (1967) and Knowles (1975) initially conceived of self-directed learning as a basic adult competence in which adults learn on their own without guidance or direction. This conception of self-directed learning suggests that as people grow older and develop they take the primary initiative for planning and executing learning activities. The focus of this conception of self-directed learning is on the autonomy of the individual and the ability of adults to engage in a planned learning activity. However, Merriam et al. (2007) contend this conception of self-directed learning does not explain the variance “in the amount and type of self-directed learning that goes on in the general population” (p. 111). In addition, Garrison (1997) indicated
that this conception of self-directed learning does not account for “the cognitive and motivational dimensions of learning without which self-directed learning lacks the comprehensiveness of a foundational concept” (p. 18). These limitations necessitated a more nuanced description of self-directed learning and the interactive model of self-directed learning emerged as a response to these limitations.

According to Merriam et al. (2007), the interactive model of self-directed learning conceives of self-directed learning as “not so well planned or linear in nature, but rather there is an emphasis on two or more factors, such as opportunities people find in their own environments, the personality characteristics of learners, cognitive process, and context of learning, which collectively interact to form episodes of self-directed learning” (p. 111). The authors contend that this characterization suggests that self-directed learning is more than a discrete learning activity planned by adults as the traditional model suggests, but rather involves both planned and unplanned learning activities that occur over a long period of time in which the individual gleans ideas about a topic from a learning activity, processes and stores the information in long-term memory “until it fits in with other ideas and resources on the same topic gleaned from one or more additional clusters of learning activities” (p. 112).

Self-directed learning in the interactive model involves individuals engaging in multiple meso-level learning activities in which micro-level learning processes incidentally occur, obtaining information about a specific topic from these learning activities, storing and modifying the information as new information is gathered from other learning activities, and eventually adapting the information to the specific context.
Thus, self-directed learning is an iterative process in which each planned or unplanned learning activity leads to micro-learning processes incidentally occurring, and in which the individual either adds a layer of information about a specific topic or develops new interpretation of prior knowledge about that topic stored in long-term memory. The use of the new information or prior knowledge by the individual on a trial and error basis, leads to successes or failures that offer new insight used to modify existing schema about the topic and leads to the accretion of proficiency. Simply put, anytime a participant stated or implied that they learned a specific topic from multiple learning activities over time, I coded that as an instance of self-directed learning. Because the interactive model of self-directed learning encompasses both planned and unplanned meso-level learning activities, it is considered a category that explains how successful entrepreneurs in Nigeria develop new information about a topic or new interpretations of prior knowledge from different learning activities, and makes meaningful use of the information in the course of growing their business.

Philip illustrated self-directed learning when discussing how he developed the marketing and communication skills he used to grow his business. He noted:

Number one is being able to market my services. That comes with being confident about what I was offering and being able to articulate and communicate effectively and that was my major challenge as an entrepreneur. I was not an outgoing person but I think with time I kept meeting people and talking to people. I attended a few seminars, got trained and I got formal and informal training on how to engage people and market services. Also making mistakes and having my clients correct me and learning from those mistakes all helped me improve. So now I do not think it is a challenge to communicate and market my services. But with time I have been able to learn and there are still areas I need to improve in. I know that this skill does not come in a day and that communicating and marketing will improve because as an entrepreneur you are the marketer for your business at the beginning until the business can afford to hire a marketer or
the business develops such a good reputation that your customers becomes your marketers. So I think that is where I have improved in basically marketing and communicating my ideas.

Philip identified not being able to market and communicate effectively as a major challenge he encountered when he started his business. He noted that he was not outgoing and that he had to learn how to communicate with prospective clients effectively and market his services. To develop this skill, Philip stated that he engaged in multiple learning activities over time. He noted that he attended seminars, had “informal training on how to engage people and market services”, and he also learned from entrepreneurial experiences by practicing the skill and being corrected by clients. I interpreted the “informal training” he referred to here as unplanned and unstructured micro-learning processes such as chance conversations with friends in which he observed and listened to others practice the skill effectively (vicarious learning), as well as by practicing, making mistakes, and being corrected by clients (trial and error learning). All these incidentally occurred during various meso-level learning activities.

Philip stated that by engaging in multiple learning activities over time, he was able to develop enough proficiency in marketing and communication to help his business grow and he consequently did not see marketing and communication as a challenge anymore. However, he alluded to the iterative nature of the self-directed learning process when he noted that “there are still areas I need to improve in”, and suggested that as he continues to practice communicating and marketing, he will develop new information about how to market his services, which may in turn change his practice. Thus, since Philip stated that he developed proficiency in a specific skill (marketing and communication) by engaging
in multiple learning activities over time, I coded this occurrence as an instance of self-directed learning.

In section 3.8 of this dissertation, I analyzed excerpts from interviews with Thomas, Chris, and Charles and their data also indicated that they were self-directed learners because they developed specific knowledge and skills by engaging in multiple learning activities over time. Consequently, the adult learning literature and data from participants such as Philip, Thomas, Chris, and Charles, strongly suggest that successful Nigerian entrepreneurs are self-directed learners and that self-directed learning explains how successful entrepreneurs develop the knowledge, skills, and abilities needed to grow their business. Table 15 illustrates the emergence of self-directed learning as a grounded theory category that explains how participants developed human capital by engaging in multiple learning activities over time.

Table 16. The emergence of the self-directed learning category

<table>
<thead>
<tr>
<th>Excerpts of interviews</th>
<th>Initial codes of participants</th>
<th>Focused codes</th>
<th>Learning concepts</th>
<th>Learning category</th>
</tr>
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<tr>
<td>Responses of Thomas, Charles, Chris, and Philip</td>
<td>Initial codes derived from Thomas, Charles, Chris, and Philip’s responses</td>
<td>Deriving knowledge from reading and other activities outside of formal instruction and non-formal instruction, developing relationships and</td>
<td>Autodidactic learning</td>
<td>Self-directed learning</td>
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</tbody>
</table>
Thus, self-directed learning emerged as a category that explains how successful entrepreneurs develop specific knowledge, skills, and abilities over time by engaging in different planned and unplanned learning activities in which micro-level learning
processes incidentally occur. The analysis suggests that time and intentionality are factors that distinguish the different levels of analysis of entrepreneurial learning. Micro-level learning processes such as vicarious learning, cognitive learning, and trial and error learning are immediate and occur in real time. These learning processes are unplanned and spontaneous and hence there seems to be little intentionality involved in the processes. Meso-level learning activities on the other hand are less spontaneous and intentional. Individuals decide they need to develop a skill and then chose a learning activity they think will help them develop the specific skill. Learning activities here are more planned and take much more time. At the macro level of analysis, self-directed learning encompasses both planned and unplanned learning activities and occurs over a long period. My analysis indicates that successful Nigerian entrepreneurs are self-directed learners because they engaged in multiple learning activities over time to develop discrete knowledge, skills, and abilities, which they used to grow their business.

4.4. What knowledge, skills, and abilities do entrepreneurs need to enhance the growth of their business in Nigeria?

The analysis of data from this question indicated that there are a discrete number of knowledge, skills, and abilities participants used to grow their business and that they adroitly deployed these knowledge, skills, and abilities to grow their businesses. The data suggested that successful Nigerian entrepreneurs are skilled multitaskers. I identified eight items of knowledge, skills, and abilities that the participants consistently relied on to grow their businesses. First, I use the category of a successful entrepreneur as a skilled multitasker to represent the idea that over time, successful Nigerian
entrepreneurs found ways to use these knowledge, skills, and abilities simultaneously to
grow their businesses. I categorized this process of using different knowledge, skills, and
abilities simultaneously as being a skilled multitasker. The following sections detail the
category of the entrepreneur as a skilled multitasker and shows how I identified the
knowledge, skills, and abilities successful Nigerian entrepreneurs used to grow their
businesses. Each knowledge, skill, and ability identified is a focused code derived from
particular accounts of participants in the data. I highlight some of the accounts to
illustrate how I arrived at each knowledge, skill, and ability.

4.4.1. The entrepreneur as a skilled multitasker.

Participants discussed that they relied on different knowledge, skills, and abilities
at various times to grow their businesses. In addition, they were able to adroitly use
multiple competencies simultaneously or sequentially depending on the needs of the
business. This ability embodies the idea of the entrepreneur as a skilled multitasker.
Subsequent sections show that participants used the knowledge of how to finance growth
using internally generated revenue, financial discipline, and the knowledge of how to
develop and read financial records, to develop the skill of appropriately timing the
execution of growth plans. This description highlights how the participants seamlessly
connect disparate information acquired over time into a coherent whole in the course of
self-directed learning. As skilled multitaskers, successful Nigerian entrepreneurs deploy
seemingly trite knowledge, skills, and abilities in ways that produce results outside the
range of existing practice. Consequently, the ways they skillfully deploy knowledge,
skills, and abilities can be seen as a creative response as detailed by Schumpeter (1947).
Schumpeter characterizes the creative response function of an entrepreneur as “simply the doing of new things or the doing of things that are already being done in a new way” (p. 151). Thus, entrepreneurs either deploy new knowledge, skills, and abilities to get better results relative to others or they combine the same knowledge, skills, and abilities in new ways at specific times which lead to results outside the range of existing practice.

Bola noted:

    I believe as humans we shouldn’t be limited to whatever views or scopes we have. One must have the multidimensional abilities to do the job of three or four people. Even if you do not have those abilities to begin with, are you ready to learn? So we want our clients to be happy and to achieve that we have to work on ourselves and improve the skills we have. To do that we have to get the right training and character and manners and be a reflection of what we want the society to be.

This comment suggests that entrepreneurs need to learn a variety of knowledge, skills, and abilities and must be multidimensional to meet market needs. Bola indicates that being multidimensional or a skilled multitasker means being willing to continually learn and acquire the knowledge, skills, and abilities needed to succeed. The data indicate that participants skillfully multitask by combining knowledge, skills, and abilities in new ways that led to enterprise growth. I surmised that only when these knowledge, skills, and abilities are acquired during self-directed learning and skillfully used in concert over time does business growth ensue. The next section details how I identified the knowledge, skills, and abilities participants used to grow their business and sheds light on some of the ways they combined these task-related competencies to achieve growth.
4.4.2. *Knowing how to finance long-term growth using internally generated revenues.*

A majority of participants indicated that knowing how to grow a business from internally generated revenues by being financially disciplined, separating family finances from the finances of the business and saving profits, was an important thing to know to facilitate business growth. The participants consistently noted that obtaining financing for entrepreneurial ventures was difficult because of extensive bank credit requirements and high rates of interest, which averaged 25%. Thus, they believe that successful entrepreneurs in Nigeria have to know how to develop methods to grow their business using internally generated revenues, and know how to apply this knowledge in practice.

In entrepreneurship education in tertiary institutions, students are taught a module where potential sources of entrepreneurship finance are identified and explained. This module identifies using internal funds as one way to fund existing ventures and that these internal funds can be generated from “retained profits, tax provisions, and reducing current assets” (NUC, 2017, p. 97). However, the module does not offer practical knowledge about how entrepreneurs can fund growth oriented business operations, when a business does not make profit consistently and needs resources to cover operating costs, when no tax provisions exist to take advantage off, or when there are limited current assets to sell off. Nigerian entrepreneurs frequently encounter these conditions because of the high cost of starting a business and no credit system in place to support them. Further, students are not taught that there are opportunity costs to retaining profits and reinvesting in the business, and that entrepreneurs need the financial discipline to execute the knowledge and retain profits.
In this regard, Kade noted:

It is consistency that makes growth possible. Especially when the capital comes in and you reinvest in the business. Most people here do not reinvest in their business and like I said earlier they take profits out of the business too early to finance personal investments in properties that are not sustainable because they value tangible properties more than the business they engage in. That is a big problem that can retard growth. We live beyond our means. That is the way most Nigerians understand business. Nigerians impatiently build houses of personal residence when their business has a big inflow of financing for a project, without first completing the project the capital is designated for. The value of owning a tangible and real investment like property as evidence of one’s business efforts is pervasive in the Nigerian society today. Forgetting that the business cannot survive such large outflows of capital.

Kade suggested that knowing how to consistently reinvest profits in a business is important to facilitating growth. He stated that most Nigerian entrepreneurs do not reinvest in their businesses. Many would rather spend operating expenses and profits on tangible personal properties such as land and houses, rather than investing in something intangible such as a growth plan for the business. From my experience of entrepreneurship in Nigeria, I think people choose to invest profits in tangible property rather than in intangible growth plans because of the risk associated with the unpredictable business environment. Rapid price swings occasioned by policy changes or poor fiscal planning, can quickly cause a profitable business opportunity to be unprofitable. In my case, I chose stocks because I felt they were safer than reinvesting in my business. Kade argues that successful entrepreneurs choose to consistently reinvest internally generated revenue in their business despite market volatility. This reinvestment suggests that a successful Nigerian entrepreneur is able to skillfully combine confidence in the market and the discipline to consistently set aside a portion of revenues to fund future growth. This quotation speaks to the ability to skillfully multitask
and engage in creative deployment of knowledge, skills, ability in ways that yield
growth. In addition, a strong understanding of the cash flow of the business is required to
make the decision to reinvest in the firm. Not many entrepreneurs have this combination
of discrete knowledge, skills, and abilities, which illustrates why business growth is not
common in Nigeria.

Barry’s response to the question asking him to describe the knowledge, skills,
and abilities that he relied on to grow his business, lends credence to the idea that
knowing how to finance growth using internally generated revenue is important to
entrepreneurial growth. He stated:

The ability to grow this business is about finance. With current government
policy, if you borrow money from the bank it has to be at a 24% interest rate,
which is impossible to sustain because it reduces profit and puts my company in
debt. So what I decided to do from an early stage is to expand based on the
internal resources of the firm. That is based on the finances we had, we
expanded. So that we will be able to have more profit. In ICT training for
instance, I started my ICT training program in Lagos but we opened a branch in
Abuja but eventually I found out I couldn’t sustain the growth, because of the
difficulty involved in moving between the cities frequently. Then we also opened
a branch in Ibadan which is closer to Lagos and we are benefitting financially.
Based on the profits from these revenue streams, I was able to expand and invest
in the business.

This excerpt from Barry’s interview shows that knowing how to finance growth plans
using internal revenues is important to growth since entrepreneurs in Nigeria cannot
afford to obtain loans from external sources. To avoid the risk of reduced profits due to
high debt servicing costs, Barry maintains that learning how to finance growth using
internally generated revenue is important. Thus, entrepreneurs with growth aspirations
have to choose not to use profits on personal properties, and must also know how to save
and reinvest those resources to achieve growth.
Bill also spoke to the importance of knowing how to finance growth using internal revenues when he stated:

The traditional model in this part of the world is that you start the business essentially from your savings, you have to bootstrap the business and you really have to get it to a certain stage before you can really call in external investors to come in. In actuality it has been the process that you largely grow from internal funds unlike the traditional model in North America where there are several rounds of VC (venture capital) before you eventually go public. When you go public obviously you can take funds from other people and the same thing happens in Nigeria and in Canada. But until you go public much of the funding that happens in this environment is funding that comes from either the owner’s resources or the internal growth of the business.

Bill conveyed that Nigerian entrepreneurs not only have to start a business using their savings, but that they also have to fund growth using internal funds, unlike in developed countries where low interest credit is more readily accessible. He notes that prior to a company becoming large enough to seek funding from the stock market in Nigeria, most funding for growth comes from the owner’s personal savings or the internal funds of the business. Considered together, the responses of Kade, Barry, and Bill support the idea that successful Nigerian entrepreneurs need to know how to finance growth using internal revenue. During focused coding, I realized that funding growth activities using internal resources recurred consistently in participants’ responses, and thus emerged as knowledge entrepreneurs need to acquire to grow a business. However, other participants distinguished between funding for long-term growth activities and funding for short-term operational expenses. Some suggested that successful entrepreneurs might choose to finance long-term growth activities using internal revenues, while borrowing money to finance short-term operational expenses.
Kade thought that being aware of the difference between long-term and short-term financing and recognizing the imperative of financing long-term growth projects using internally generated revenues was pivotal to entrepreneurial business growth in Nigeria. Recognizing the need to finance long-term business growth plans using internally generated funds was important because financial institutions in Nigeria are more inclined to finance entrepreneurial ventures with short-term returns. I think the economic choice by financial institutions to finance entrepreneurial ventures with short-term returns is driven by the volatile business environment and the increased risks associated with rising interest rates linked to the high inflation rate in Nigeria. Regarding credit availability and entrepreneurial financing, Kade noted:

The banks do not really understand the workings of enterprises in Nigeria. Because every bank wants their loans repaid immediately, whereas sometimes I engage in business deals that don’t yield profits for six months. Right now we are setting up operations in Cameroon for almost a year and we are not making money off the investments. So I am aware that we have to be patient to reap profits, but the banks require quick turnaround times for loans and they have high interest rates. You know in some countries you might take a loan and it might take up to a year before you start paying back. But in Nigeria once you get a loan, you need to pay back in maybe a month or 3 months.

This state of affairs illustrates the problem of accessing long-term financing for entrepreneurial ventures in Nigeria. This problem is a result of the greater risks associated with financing in developing economies (Bigsten & Soderbom, 2005).

According to Bigsten and Soderbom, these risks are driven by “Uncertainty with regard to prices (including foreign exchange rates), demand, customer payment, reliability of infrastructure, corruption and so on” (p. 9). Thus, recognizing the difference between long-term financing to fund growth, and short-term financing to fund operational expenses is important, because banks are more likely to finance the short term operations
costs. Entrepreneurs could use bank funds as a bridge loan to cover operating costs while using saved money intended to cover operating costs to fund growth plans.

Kade continued talking about banks and financing entrepreneurial ventures:

The first problem with using banks is the interest rates. They are very, very high. What I advise people to do is use bank loans as a bridge loan to fund operating costs when you are sure some revenue is coming in soon. For instance, if you are expecting a payment from a customer and you receive a letter of credit from the buyer’s institution and it typically takes a month to receive payment in that case, you can take money from the bank to fund operating costs and when your payment is received, you return the banks loan. But to take a loan as capital to start the business process is not the best. Because the infrastructure and stability in the market does not exist and anything can go wrong.

This argument that entrepreneurs should consider using bank loans to fund operating costs only when they are sure they can fully repay the loan. Most participants agreed with this perspective, but in practice only a couple of them relied on banks for short-term financing for operations. Ola agreed with this point by stating:

A lot of Nigerian businesses have a tendency to fail because if you mismanage your finances, your business will fail and if you do not save adequately your business will fail… If you have your own savings, then the funds you may need from the bank would not be much.

The idea that entrepreneurs have to know how to finance long-term growth using internally generated revenue frequently recurred in the data, and emerged as important knowledge entrepreneurs in Nigeria need to acquire. The curriculum on entrepreneurship education simply indicates that entrepreneurs have to retain profits or sell assets to finance growth. However, Bill and Ola offered a different perspective when they declared that entrepreneurs had to use their own personal resources to finance growth activities and not simply rely on retained profits. Further, participants offered practical knowledge about how to go about accruing the capital needed to finance growth. They
indicated that growth activities need to be planned for in the business’s budget and monies had to be set aside over time for growth activities. An extension of being aware of how to use internally generated revenues to finance long-term growth is that entrepreneurs also have to know how to go about budgeting and building capital over time from internally generated revenues.

The participants identified two strategies that helped them to save finances for long-term growth. The first strategy was separating the finances of the business from personal finances and saving and reinvesting most of the profits from the business back into the business. In this respect, Thomas said:

I don’t mix my business finances with my personal finances and I pay myself a small stipend of 50,000 naira each month from the business…. I have not increased my stipend in two years. I gave myself a target that in two years we will not declare profit. All profit goes back to the business.

This comment highlights the importance of separating personal finances from the finances of the business and reinvesting saved profits as a strategy to finance long-term growth. This participant was able to finance a major expansion of his bakery facilities to meet growing demand for his goods using this strategy. All the money he used to finance the expansion came from profits saved over a two-year period. However, other participants also indicated that entrepreneurs have to know how to supplement profits saved over time with personal finances to finance long-term growth. Detailing how he overcame the challenges he faced growing his business, Bill noted that:

In terms of what we needed to do in challenging circumstances, many times I had to find extra cash resources from my personal reserves to ensure operating costs of business is covered and the business continues. I had a local partner also, a colleague who had worked with me in the past and sometimes he would have to chip in, in terms of not taking out his monthly compensation. Obviously, many
times I also had to do that and so we found a way to ride through the storm of those financial challenges by tapping into personal resources.

So in this sense, the separation of personal finances from business finances is not absolute. An entrepreneur may have to periodically inject personal money into the business during periods of financial difficulty; while refraining from taking profits from the business and using those profits to build cash reserves needed to finance growth over time.

The strategy of separating the business finances from personal finances was beneficial because the strategy helped Thomas deal with demands for support from his extended family. Thomas was able to use the resources designated for personal expenditure to help family members without draining the business’s finances. This strategy is important because participants noted that in Nigeria, the extended family plays an important role in financing business start-ups, and usually an expectation of reciprocity exists when the entrepreneur’s business is up and running. This reciprocity, referred to as “tiwa ni tiwa” among the Yoruba people, places pressure on the entrepreneur to help members of the immediate and extended family in times of need.

Using a strategy of separation of the business’s resources from private or personal funds, the entrepreneur could use his or her personal resources to help family members without harming the growth of the business.

In this regard, Ola argued:

The entrepreneur must be able to draw a line between his resources and that of the business if you want the business to move forward. What do I mean? It is fine if you want to give back, but everything has a price and you must know when to meet the price and you must know when the price ends. That is why I say draw a line. No business is going to thrive without giving back to the society, because it
is the society that makes the business. It is the society that makes every business and the people in the environment help your business by supporting you in a lot of ways. If you are too stingy, when you have problems, no one will come to your aid. But you must be able to draw a line so your business is not affected. Because my family gave me money, does not mean I should be obliged to do everything they want me to. I should be able to draw a line between my personal money and the company’s money. The money of your enterprise should not be the same as your personal money.

The strategy of separating personal finances from those of the business helps Nigerian entrepreneurs achieve long-term growth financing objectives by encouraging savings. As well, the separation helps him or her negotiate the dilemma of choosing between the needs of the immediate and extended family, and the needs of the growing enterprise.

However, as alluded to earlier in some situations, an entrepreneur has to prioritize the growth of a business and use personal finances to support it. For example, Thomas indicated that even though he separates his personal finance and his businesses finance, when he needed to purchase land to expand his baking and agricultural processing business, he was only able to obtain 70% of the cost of the land from proceeds of the bakery, and had to rely on his personal savings to pay 30% of the cost. The strategy or rule of separating personal finances from business finances is not absolute as successful Nigerian entrepreneurs, such as Bill and Thomas, indicated that they still had to periodically use personal finances to support the business in situations when external shocks caused by market volatility negatively affected revenue, or in cases when the business cannot immediately afford a large time sensitive expense.

This strategy is more difficult to implement than it seems because in Nigeria, no social security payment system exists. The immediate and extended family serve as the only social security available to people. In situations when a family member is in need,
the social expectation is for well-off family members such as entrepreneurs, to step in and help that person. In these situations, an entrepreneur trying to build internal revenues to finance growth plans is forced to choose between the future of his or her business, and the immediate needs of his or her extended family. If an entrepreneur chooses to help the family, the long-term future of the business may be jeopardized. If the entrepreneur chooses not to help the family and rather set money aside for growth, the entrepreneur will be in a precarious position because he or she essentially alienates themselves from the family. Thus, the inability of most entrepreneurs to choose investing in the growth of their business over the needs of their immediate and extended family could be one reason why business growth is not common in Nigeria.

The second strategy suggested by participants was the need to save internally generated revenue in US dollar bank accounts. This strategy was considered important because saving for long-term growth projects typically takes an extended period of time. As well, rising inflation rates occasioned by wild swings in the foreign exchange market can mean that saving money in the local currency (Naira) exposes entrepreneurs to significant risks associated with the loss of value of assets. Thus, the participants posited that to ensure money saved for long-term growth held its value until needed, there was a need to save in a currency protected from inflationary pressures and that was relatively stable. Some participants suggested saving in US dollar bank accounts because the US dollar is relatively stable. Summarizing this position, Bola indicated:

No matter how much money you have saved in Naira, if you have 10 million naira saved two months ago, it does not have the same purchasing power today as it did then. Inflation has wiped out a whole lot and devaluation has also affected
the value of the saved money. So right now my best advice is to save your assets in United States Dollars.

This strategy ensures that Nigerian entrepreneurs are able to plan for long-term growth without exposing their savings to inflationary risks due to fluctuations in the foreign exchange market, and the government policy of devaluing the Naira. Knowledge of using this strategy to protect assets is only necessary in a business environment with high inflation such as Nigeria. In this sense, the economic or financial environment typified by high inflation partly determines what the Nigerian entrepreneur must know to grow an enterprise. Overall, the knowledge of the need to finance long-term growth projects using internally generated revenues involves using these two strategies to build cash reserves. Financing growth projects like an expansion of production facilities or investing in technology that make services more efficient and creates a competitive advantage usually involves significant cash expenditures, which Nigerian entrepreneurs are unlikely to obtain from banks because of high interest rates associated with entrepreneurial loans. Thus, knowing how to finance long-term growth activities by saving internally generated revenue and periodically using personal finances to supplement the cash reserves needed to finance growth activities emerged as an important knowledge entrepreneurs need to grow a business. To build internally generated cash reserves to fund growth, successful entrepreneurs had to skillfully combine knowledge, skills and abilities acquired over time in creative ways.
4.4.3. *Working knowledge of how to create and sustain critical parts of the firm’s value chain.*

Kade, Thomas, and Ola identified that an entrepreneur has to have a working knowledge of how to create and sustain critical parts of a firm’s value chain to be able to grow a business. Answering the same question, Bill and Wole noted that entrepreneurs had to know how to run functional aspects of the business’s operations from top to bottom. Having a working knowledge of the how to sustain critical parts of the firm’s value chain means entrepreneurs must understand every aspect of their business that gives them a competitive advantage in the market, and be able to carry out the tasks required to deliver the product or service they are involved in selling. This working knowledge is unique to each business and gained through experience producing the goods or offering the service in the marketplace over time. For instance, while I was in the retail business, I had to create and sustain a system to procure, ship, and sell name brand clothes at rates below those offered by other retailers. In my business having a working knowledge of how to carry out each part of value chain, in my case procurement, shipping, and marketing, while still maintaining low prices is the kind of knowledge being referred to here. However, my inability to sustain my value chain by consistently procuring and selling name branded clothes at below market rates stymied the growth of my business.

When asked what knowledge, skills, and abilities he used to grow his business Kade stated that being able to develop a reliable value chain helped him grow his business. He stated:
The first thing is your technical knowledge. The other thing is focus and patience. You plan and believe in what you planned, but you have to be patient for it to grow. But one thing that is usually absent here is the value chain. We don’t have a good value chain. If the right value chain is in place, growth will follow. For instance, I am dealing in wood and the customer wants a specific type of timber. I need to go find locations where this wood grows. I need to find suppliers, I need to organize a haulage company, find a suitable warehouse to store products, I need to find a reliable shipping agent and so on. All these form a chain and I need to ensure it is consistent. I need to create a smooth chain that flows seamlessly. So it is that consistency that will make growth possible.

Kade identifies having technical knowledge of the area of business as important to growth. He also identifies being focused and patient as attributes that he needed to use after planning to achieve growth. More pertinently, Kade states that having or developing the right value chain to consistently deliver services at specific price points makes growth possible. He notes that being able to consistently sustain the value chain is equally important because it makes growth possible. Knowing how to develop and sustain a value chain requires that an entrepreneur have specific technical knowledge of his area of business. Technical knowledge refers to in-depth knowledge of the product or service the business is trying to sell. For example, an entrepreneur who owns a timber trading business should have technical knowledge of different kinds of timber, how best to procure different timber, and how best to transport the timber to the buyer at the lowest cost. Thus, having technical knowledge allows the entrepreneur develop and sustain important aspects of the organization’s value chain, which in turn facilitates business growth.

Thomas, the baker, also discussed the importance of having a working knowledge of critical aspects of his business’s value chain when asked to identify what
knowledge, skills, and abilities he relied on to grow his bakery, and how he learned these knowledge and skills. He responded:

Now for the skill, you need to be hands on. Hands on in the sense that you must go to school. I told you by this time last year I was attending a one-month course on baking technology. The entire value chain of baking technology. Not just bread but anything you can bake. There is another course I will attend next February, that is, a three-month course. So you develop your skill when you…engage in the practical aspect of the business. From the way you mix your dough, how you mix your condiments, how you take your dough out, the temperature of the bread. You know it gives you the entire system. ….. knowledge comes with it as well, but the actual skill itself you can only develop the skill in a place like the bakery.

Thomas identified that he had to attend a non-formal training course to learn about the value chain of baking technology. He continues by describing this value chain as involving important aspects of baking such as mixing and measuring materials, which required having technical knowledge to be able to consistently produce large quantities of baked goods. Thomas indicates that having a working knowledge of how to create and sustain critical aspects of the value chain of baking technology in his business was important to business growth.

Ola explained the importance of having a working knowledge of how to create and sustain the value chain of a business when he stated that:

You need to understand both the technical part and the process as well. It is a long journey. If you are the owner of the business it is advisable to have a full knowledge of what is going on under you. Nobody can be an expert in everything, but at least you must have a bit of experience in almost every aspect of your business. You must be able to speak boldly about almost every aspect of your business. That is what makes you a good entrepreneur. If I call myself a building contractor and I can not speak to the prices of building materials, then questions will have to be raised of my ability to deliver. The truth is that we cannot do all the jobs involved, but you must be able to speak knowledgably and estimate the amount of materials it would take to finish a building. If you do not know your stuff, you might tell a client it takes 7,000 blocks to build a building...
and when you speak to the bricklayer he says it will cost 10,000 blocks. If you take that to your client, then you lose credibility. That is why we are experiencing a lot of high costs in Nigeria, because the knowledge is not present.

Ola indicated that to be successful, an entrepreneur has to have technical knowledge of the business, and also understand all the processes involved in a business that gives it value. He noted that entrepreneurs must have some knowledge of every aspect of the business. During initial coding, I interpreted this phrase as meaning understanding vital aspects of the value chain of the business. He further noted that not having a working knowledge of every aspect of the firm’s value chain might lead to inconsistent pricing of services, which could lead to an erosion of credibility among clients, and a decline in market share. Having a working knowledge of how to create and sustain a firm’s value chain is crucial because it allows the entrepreneur create the stability within the business enterprise needed to consistently offer quality goods or services in spite of the vagaries of the Nigerian business environment.

Bill discussed the importance of creating stability and consistency within a firm’s value chain when talking about how he managed challenges. He noted:

It could be quite challenging sometimes because all the while you are trying to ensure you balance cash flows and ensure the business is consistent. Employees believe in you when you are able to consistently meet your obligations and customers believe in you when you have employees who can help them meet their obligations. So some degree of stability is required for an organization to be able to survive and thrive. Ensuring that stability is the challenge of the entrepreneur. You stand between your organization and the external world. Your organization requires some degree of stability in order for it to deliver to customers. The external world is very volatile. So the challenge is to manage the volatility of the external world and minimize the shocks that go through the organization. And that is what we had to find ways to do.

Bill suggested that clients believe in a business when an entrepreneur is able to create a value chain that consistently meets obligations, which enhances confidence in the
business. He also described the Nigerian business environment as volatile. As well, he identified that one challenge facing Nigerian entrepreneurs was to find ways to minimize the financial shocks that go through the organization and deliver consistent services. Bill agreed with Kade, Thomas and Ola that knowing how to create and sustain a firm’s value chain is one way that successful entrepreneurs earn the market credibility needed to grow market share. During my focused coding of these responses, the idea of knowing how to create and sustain critical aspects of a business’s value chain recurred in the data, and emerged as knowledge successful entrepreneurs developed to grow their business.

Further, participants identified two main ways that having a working knowledge of how to develop and sustain critical parts of a firm’s value chain helps to minimize shocks and facilitate growth. First, this knowledge helps the entrepreneur meet market obligations when employees quit without warning. Kade, Dave, Kyle, and Thomas indicated that knowledge of how to create and sustain critical parts of the business’s value chain helped entrepreneurs complete specific job tasks and continue to deliver consistent services or products to customers, when personnel hired to carry out these tasks fail to show up due to low labor productivity, and high work abandonment rates in Nigeria. One challenge facing most entrepreneurs in Nigeria is finding reliable employees who are willing to work at affordable rates to assist the entrepreneur meet client obligations. Participants consistently stated that their employees were unreliable. The participants frequently had to carry out the duties of their employees when they quit without notice or were fired for stealing from the firm. Having a working knowledge of all aspects of the firm’s value chain becomes crucial because that know-how allows the entrepreneur to step in and efficiently complete the duties assigned to the employee who
quit. Having this knowledge helps to ensure the functions of the business proceed seamlessly, and that the organization is able to fulfill market responsibilities. Kyle who owns a dry cleaning business noted that he frequently got involved in washing and ironing of clients’ clothes at his factory because of how frequently employees quit their jobs.

Explaining the unique challenge entrepreneurs in Nigeria face, Thomas asserted that:

The most important resource in any organization is the human capital. And that is a huge challenge in Nigeria today. Because this kind of business can only be done by youth. It is energy sapping and unfortunately most of our youth have a warped sense of value. So capacity and human capital are the major challenges to the bakery business.

This statement illustrates the challenge of low productivity in many industries in Nigeria. Dave whose business is in educational consulting lends credence to this idea by stating, “Once you employ people in Nigeria, the person looks for opportunities to steal and not to add value to your business. So one of the challenges an entrepreneur faces is finding the right human resources to work for you when growth happens”.

Addressing the human resource challenge associated with entrepreneurship in Nigeria requires that entrepreneurs devote significant financial resources to payroll and other human resource measures required to foster reliable personnel. In many cases, these are resources that Nigerian entrepreneurs concerned with consistently meeting market demand and growing a business using internal revenues can scarcely afford. Thus, I learned that many successful Nigerian entrepreneurs found it more efficient to have a working knowledge of critical parts of their business, so they can take over the
duties needed to ensure smooth functioning of the business when employee turnover occurs.

Secondly, a working knowledge of the critical parts of the firm’s value chain helps Nigerian entrepreneurs manage volatility by granting them the market knowledge needed to haggle effectively in the informal sector of the economy, which helps reduce costs and increase profit margins. Entrepreneurs in Nigeria deal with the informal sector of the economy, both in the procurement of materials needed to produce goods and securing contingent wage labor. Bargaining is an important part of making deals in the informal sector and when an entrepreneur has knowledge of the prevailing market prices, he or she has a better chance to negotiate prices beneficial to the enterprises’ profit margin. For example, Kade who is involved in exporting timber, indicated that knowledge of the prevailing prices in all aspects of his business helped him negotiate good timber purchasing deals with loggers, negotiate good deals with truckers who hauled the timber to the seaports, and negotiate good deals with his shipping agent. Without a working knowledge of these aspects of the firm’s value chain, the entrepreneur would be unable to obtain the best value for goods and services during negotiations, and would likely lose money throughout the value chain.

Ola illustrated this point when he stated:

Having a knowledge of your business helps you to do the haggling and bargaining. What you don’t know you cannot offer and whatever price they give you, you accept and in that process it increases the cost of production. But in a situation when you understand the rudiments of your business and you discuss prices with people then you can know when you are being cheated. You know where to draw the line. But in a situation where an entrepreneur does not know his business, you simply accept whatever price you are given and you pass it to the end user. But the cost is not competitive when compared to other sellers of
the same item. That is what I see as the major problem among young entrepreneurs. Not taking the time to understand the business.

Thus, a working knowledge of the critical parts of the firm’s value chain helps an entrepreneur properly assess the value of goods and services in the business environment, which places him/her in a better bargaining position. This knowledge helps entrepreneurs to secure prices either at or below the prevailing market rate, which in turn bolsters profit margins, which can then be reserved to finance firm growth. In addition, using this knowledge to secure the best purchase prices allows entrepreneurs to offer clients consistent services at rates not subject to frequent market fluctuations, which builds client trust and facilitates growth.

The examples of Thomas and Kade suggest that having a working knowledge of how to create and sustain critical parts of a business’s value chain can only be developed over time from prior work or entrepreneurial experience in the industry. That tertiary entrepreneurship education in Nigeria is strictly classroom based, means that students do not have the opportunity to acquire the working knowledge of how to develop and sustain critical parts of firm’s value chain and are thus unaware of the need to develop a consistent value chain to achieve growth. Tertiary entrepreneurship education in Nigeria does not provide students with opportunities to learn from experiences such as apprenticeships or internships in the industry in which they intend to start a business. Tertiary entrepreneurship education in Nigeria limits the opportunities available to students to acquire the knowledge needed to develop and sustain a value chain that can consistently meet market demands in a volatile environment. Thus, developing a working knowledge of critical parts of the firm’s value chain is unique because it
requires the entrepreneur to gain experience in the industry, and to be able to figure out before starting a business the peculiarities of an industry such as recurring problems and market needs. This knowledge gained from experience will help the entrepreneur know how best to develop and sustain a unique value chain that simultaneously addresses industry problems, while at once providing a competitive advantage in the market.

Finally, knowledge of all aspects of the firm’s value chain helps the entrepreneur reduce the cost of doing business, which serves as a form of competitive advantage because the entrepreneur is able to achieve better margins by carrying out different job duties within the organizations’ value chain. In this case, the entrepreneur does not just organize resources and factors of production but because of the knowledge of critical parts of the firm’s value chain, he or she performs multiple roles in the business enterprise thereby reducing the cost of doing business and increasing profits.

Dave, who owns an educational consulting firm, noted:

During my apprenticeship with my father and at the other educational consultancy firm, I learnt about printing and photography. So I do our printing jobs myself. I have been able to cut a lot of costs using these skills. For instance, someone else without those skills, may use 100,000 naira for the job, but we could use about 8,000 naira to do the same job. All the printing is produced by us and so printing costs can be included as a revenue stream because I learnt how to do it professionally during my apprenticeship. I learnt photography and what other competitors consider an additional cost of doing business I do not, because I have the skill. So doing business is cheaper for me, because I was able to learn so many things while I was growing up with my parents and during my apprenticeship. So the costs that limit other entrepreneurs in this industry like printing costs were not a barrier to me because of my experience.

In this case, Dave’s prior experience as an apprentice in educational consulting offered him working knowledge of core aspects of his firm’s value chain and that knowledge helped him to reduce the cost of doing business because he was able to carry out multiple
duties himself. That knowledge gave him a strategic advantage over his competitors by helping to reduce operating costs, and increased his profit margins in the short term. High profit margins help entrepreneurs grow cash reserves more rapidly and these reserves could be used to finance long-term growth plans. Overall, my data support the idea that for entrepreneurs in Nigeria to be successful, they need to have a working knowledge of the critical aspects of the firm’s value chain so that they can bargain better, provide consistent services irrespective of labor productivity challenges, and reduce the cost of doing business by performing multiple roles and duties in the value chain.

4.4.4. **Knowing how to develop and read financial records.**

Eight participants identified knowing how to develop and read financial records as important to achieving business growth for a number of reasons. Isaiah, Kyle, Charles, and Bill suggested that knowing how to develop and read financial records was important to the growth of their business because they were able to track expenditures and determine whether they were turning a profit. The excerpts from Isaiah, Kyle, Charles, and Bill describe the importance of knowing how to develop and read financial records. Each one was asked whether having financial records and knowing how to read them was important in his business.

Isaiah stated:

You should have very good financial records and understand your financial records. Unlike when I started my business I could afford to not look at my financial records for a week, but as growth occurred on a daily basis I sit down and look at the financials and that is difficult for the chief executive because it takes a lot of time but if you miss one day, especially if the person doing your accounting is not very thorough, you might not have some records you need to make the financial decisions that impact the firm. It also helps you curb your
staff’s tendency to defraud you. You are able to monitor and control the flow of finances in your firm. Because if you look at the records everyday and your employees know that you do that each day, the tendency is for them to be more thorough and give you a better report.

Isaiah recommended that entrepreneurs should have good financial records and stated that he started reading his financial records each day when his business started to grow. His statement implies that he knows how to read financial records, and spends a significant amount of time reading the financial records of his firm each day. He uses the knowledge gained from these records to make impactful decisions. Isaiah also suggested that by keeping accurate records and monitoring them daily, entrepreneurs can deter dishonest behavior among employees and thus reviewing financial records can be seen as a tool of managerial control.

When asked whether knowing how to create and use financial records was important to the growth of his business Kyle stated:

No you can’t get by without that knowledge because finance is the blood stream of the business. So you cannot rule out finance in any business. My dad did a little bit of accounting back in the day. So he put the books and financial aspect of the business together. He taught me the finance and taught me how to put the books together and that is what I have been following. But any other knowledge of finance and how to do it better I do not know. But the audit aspect, cash flow, sales, how you separate your monthly revenue from other months, he explained that to me and thankfully that was what he did for me and I am benefiting from it.

Kyle argues that entrepreneurs cannot succeed without having knowledge about how to create and read financial records. He acquired this knowledge from his father who had previous experience in accounting. He stated that he knows how to read financial records and make sense of his books, and that the knowledge gained from this exercise has been beneficial to him.
Similar to Isaiah and Kyle, Bill identified knowing how to create and read financial records as critical to managing the financial challenges he experienced when he started his business. He stated, “obviously because I could read and interpret the financial statements of the firm I could figure out ways to stem expenditures by managing delayed payments, fast track receivables, and all these things we tried to do to smoothen over the difficult periods my enterprise faced”. The idea that knowing how to create and read financial records helped Isaiah, Kyle, and Bill overcome challenges and grow their business frequently recurred in the data, and consequently it emerged as knowledge entrepreneurs need to grow a business during focused coding.

Although knowing how to develop and read financial information is identified by the participants as very important in their success, that knowledge is not being taught as part of entrepreneurship education curriculum in Nigeria. While I was at the university in 2005, I registered for all the required courses in entrepreneurship education; however, the importance of knowing how to develop and read financial records was not taught as part of the curriculum. Further, my review of the course guide for Nigerian entrepreneurship education for distance learners published by the National Universities Commission (NUC) (the government agency in charge of controlling curriculum in universities), showed that knowing how to create and read financial records is still not being taught as part of entrepreneurship education curriculum in Nigerian universities. This lack suggests that authorities in charge of curriculum development for entrepreneurship have yet to recognize the importance of this knowledge to successful entrepreneurial practice. A need exists to include this topic in that curriculum based on how important these skills were to the participants in my research.
Ensuring a business remains profitable and grows requires that the entrepreneur be in full control of every aspect of the business enterprise by constantly monitoring expenditure and revenue to ensure that there are no inefficiencies and that the business is consistently making a profit. To achieve this goal, participants indicated that knowledge of how to create and read business records and specifically financial records was important to entrepreneurial business growth because it allowed them exert the control over the business’s finances needed to grow the business from internally generated revenue.

Charles, who owns an engineering firm, added to the conversation about the importance of developing and using financial records in charting the growth of his business, when he stated:

In the past, I did not take detailed records of purchases I made for clients or any detailed records whatsoever. I made 5,000 naira today and then made a mistake that would cost me more than that the next day. So I decided things could no long work this way and I made a commitment to have detailed records for each project. The truth is that I gained a better appreciation of some of the processes my former employer put in place now that I run my own business. You can’t be everywhere during a project, but if you have documented that the tiling of a room is going on and the plastering of the other room is going on, then you can keep tabs on everything and monitor the input of each workman and better manage costs.

Charles stated that knowing how to create and read the financial records helped him better manage costs, and without detailed records an entrepreneur has no way of determining whether the business is making profits, and is unable to make plans for growth. Thus, to better manage costs and build the cash reserves needed to finance growth plans, an entrepreneur must know how to create and use financial records to track profits and losses, and to figure out how much each profit or loss impacts the growth
trajectory of the firm. Further, having knowledge of how to create and use financial records alerts a Nigerian entrepreneur to sources of inefficiencies in the business’s value chain or business environment that could be improved upon by either exploiting market volatility, or creating an innovation that changes the way that part of the business functions. In addition, knowledge of how to create and read financial records helps entrepreneurs anticipate future problems that may affect the firm’s value chain and facilitates planning for these problems.

Kyle provides an example of how knowing how to develop and read financial records helped him identify inefficiencies and leakages in his firm’s value chain, in the following:

That is why we keep a chart of our revenues and that chart guides us. By the time we look at our numbers for January and February, we see the growth numbers to determine what was wrong. If we find a wide discrepancy between what we make from month to month, we investigate by going to the books to find out which areas fell short. I look at our factory, our collection sites, and our marketing site, and if I notice it is marketing that fell short, then I get involved in doing more marketing for that month. Because I know this is the area losing money, so I concentrate on that area to make sure it is up to par with the other areas. So a person not experiencing growth has to look at the books or business records to determine what part of the business is not profitable and find solutions to that problem. If it is just the company at large you have to identify which staff is not effective and causing losses.

Kyle’s comment offers evidence to support the idea that knowledge of how to develop and read financial records is significant to entrepreneurial growth because that know-how enables entrepreneurs to exert control over their finances and identify inefficiencies in their value chain amidst a volatile business environment. During his interviews, Kyle provided an example of how his financial records showed that the cost of purchasing diesel fuel to power the generators that supplied electricity to his dry-cleaning factory
was the largest recurrent expenditure. So, he decided that to improve profit margins, he had to capitalize on the fluctuation in the price of diesel fuel. Thus, when he noticed a decline in the price of diesel fuel, he used cash reserves to purchase three times as much diesel fuel as he needed for his business. When the price of diesel tripled in subsequent weeks due to scarcity, he was able to save on fuel costs, while still charging marginally higher rates to customers. This strategy allowed him to improve his profit margins while at the same time offering customer friendly prices compared to his competition, which helped with market volume. Thus, knowledge of how to develop and use financial records helped Kyle identify an area of market inefficiency and develop a strategy to exploit it to ensure the business continued to offer quality services consistently at the right price, irrespective of fluctuations in diesel prices.

Other participants stated that they used financial records to identify malfeasance within their business, and they were able to address the problem by terminating offending employees. Thus, having knowledge of how to develop and use financial records was an important way Nigerian entrepreneurs exerted control over their business to create the stability needed to meet market demands at affordable prices, which in turn led to the growth of market share in a volatile business environment.

Another benefit arising from entrepreneurs having knowledge of how to develop and use financial records, albeit one that is not unique to Nigeria, is that developing and interpreting financial records helps the entrepreneur to identify market trends and shifts in demand, and allows him or her to plan for and adjust to these trends. This benefit affords the entrepreneur the requisite foresight needed to align the business’s growth
plans to prevailing trends and make changes to the value chain before the market is saturated and diminishing returns on investment ensues. This knowledge also informs the timing of enterprise growth plans and ensures the entrepreneur does not grow too fast to the point where the expansion that results from growth cannot be sustained by existing streams of revenue, or too slowly to effectively compete with new market entrants.

Thomas noted that having the knowledge of how to develop and use business records helped him to identify seasonal spikes in demand for certain types of bread and adjust production to meet these trends. Having knowledge of how to create and use business records to identify trends helped Thomas accurately forecast trends in demand for his products and plan for these increases in demand when necessary. Thomas highlighted the importance of developing and using business records to identify trends when he stated:

I study patterns in our sales and entrepreneurs must be that detailed oriented….For example, Independence Day is coming and people have the day off work. You must be prepared for that. When people stay at home they spend more and what do they spend money on? Food. Maybe they have guests over, but they must have more food, so you must be prepared to increase production on Independence Day to meet demand. When it rains, sales of bread go up, because people just seem to crave bread for whatever reason. Then sales go up in the morning and drops after noon and that tells you it is mostly a breakfast meal. I am using the bakery as an example, but whatever business you are involved in you must be able to study situations and must respond to situations. If you are a farmer you plant during the right season for the crop, the same goes for any other business. So you must study the business, study the environment and study the circumstance and situation and your business will be able to respond positively to that circumstance.

This excerpt describes practical ways Thomas uses business records to study his business and identify sales patterns, and that he uses these patterns to determine production levels each day. He notes that entrepreneurs need to study sales patterns and plan production
around sales to reduce inefficiency by optimally meeting market demand. Without
detailed financial records of sales, an entrepreneur will be unable to study and identify
patterns in demand and so he or she would be unable to anticipate and adjust production
to meet fluctuations in demand.

In response to a question about how he managed to overcome financial
challenges encountered early on in his business, Bill noted:

I had a very, very good understanding of accounting and a very good
understanding of reading financial statements and being able to translate my
financial statements. So I could know very quickly when my business was in
trouble and when my business was not going to be in trouble. I could get a sense
of what was needed to get myself out of impending financial difficulties based on
my reading of the financial statement. And that knowledge helped to at least
forewarn me of issues with the operation of my business and then allowed me to
take necessary steps.

Thus, knowing how to develop and read financial records emerged as important
knowledge an entrepreneur in Nigeria should acquire because that information helps him
or her to forecast fluctuations in market demand and make plans to navigate the
fluctuations in the business environment. As stated earlier, this knowledge is also
significant because it is not being thought in entrepreneurship education programs in
tertiary institutions and successful entrepreneurs identify it as not just a useful tool to
control expenditure, but also a means of identifying inefficiencies in the business’s value
chain and the market.

4.4.5. Using social skills to build social networks and market products and services.

During interviews, seven of the twenty participants identified using social skills
to build relationships or social networks that they relied on to access new markets and
grow clientele. Thus using social skills to build social networks and market goods and
services emerged as playing a role in growing a business in Nigeria. As used in this context, social skills mean knowing the local language, lexicon of the industry, values, and mores of the region, and being able to use this knowledge in social engagements to build trust and credibility with people in general and specifically with people within an industry. Building trust using social skills helps an entrepreneur gain credibility with potential clients, which may lead to the initiation of business relationships that benefits the entrepreneur.

Participants argued that growth has to be sales led. Therefore, being able to market one’s goods and services by using social skills to build credibility within a social network is an important skill to have as a fledgling entrepreneur. Any business needs to be able to market goods and services effectively to gain clients; however, since new entrepreneurs have limited resources, they have to know how to use social skills to build trust with people so that they can initially market their products and services through this network of people. This skill is important because as relatively new entrants into the market, they have a need to build trust and relationships with clients to facilitate sales. This process takes a lot of time, which new entrepreneurs with limited resources may not have. Thus, using social skills to leverage existing relationships with people expedites the marketing process, and being able to attract people within their social network who already trust them to refer their products or services is one cost effective way entrepreneurs can initially grow sales.
When Larry was asked to describe the specific events that led to the growth of his business, he highlighted how using social skills to engage existing networks helped with growth early on in his business. He noted that:

A friend of my wife about three years ago called indicating her family had a property that was willed to them and wanted us to manage part of the property and sell part of the property. So that was my first business deal that helped me start up and stabilize my business. Then later because I did that successfully, referrals started coming in. So since we were able to successful meet the clients’ needs by selling the property without any issues, then the same client gave us other properties to manage. So that is how gradually we began to grow. But the marketing too has also been important, because you have to start marketing the moment you start the business. That is what you do. So for three years we have been making progress and each year we see a gradual increase. More often than not, you need to start with people like your friends, relatives, and people you know at church who know and trust you and they could refer you to other people. You need to make sure you do not lose contact with those relatives and friends. One of the jobs I got a couple of years ago was obtained from a long time friend. He is a lawyer and into real estate and he called to let me know he needed me on a project and we combined forces and made some money from the project. So it was a friend like I said. There are a few deals you have to initiate through marketing but initially you must maintain your social network or clique.

Larry initially was able to leverage existing familial relationships to secure clients’ trust and transition into a business relationship. This trust was built over time by consistently engaging with family and friends in socially acceptable ways, which led to business referrals that culminated in the initiation of a business relationship. He was then able to build trust with the client by successfully carrying out services he was paid for. These successful interactions led to other referrals and business opportunities. He noted that investing in marketing to people he did not know was important, and he tried to do that as soon as his business began. However, the new entrepreneur must initially leverage referrals from existing social networks such as family and friends to generate sales that will sustain the business and build credibility in the industry until marketing to the
general public becomes a viable source of sales revenue. Larry implied that entrepreneurs need to use social skills to continually build trust with networks by not losing contact with people. He alludes to the importance of social skills when he states that young entrepreneurs need to maintain your social network or clique. Thus, Larry suggested that using social skills to build and maintain social networks, and marketing through those networks plays a role in the growth of entrepreneurial firms in Nigeria.

Ralph was another participant who identified being able to use social skills to build social networks for marketing goods and services as an important skill entrepreneurs require to grow a business. He noted that social skills became important to him after he started his business when he realized he needed build networks with experienced people in his industry, to learn from them. He was able to leverage these relationships to facilitate increased sales. When asked to describe specific actions he took that led to the growth of his business, Ralph stated:

Well I was talking to my mother funny enough, and I told her of some issues I was having and I asked her if she knew anybody and she said she knew someone at church who was into trading as well and she referred me to him. So I went to see the guy and he was a younger man, about four or five years older than me and he was really chill and relaxed and we spoke. He then referred me to his friend and I went to see his friend as well. Also when I went to seminars and symposiums, I sat down beside people and I introduced myself. When I realized that the person is involved in a similar line of business, and seems approachable, then I ask for his card and we meet up for drinks and talk. Which was one of the things I wasn’t doing earlier. Before then I would try something out and if it didn’t work, I would sit down with a pen and paper in a little room and try to figure out what I was doing wrong. Now I don’t do that too much. Now I gain a lot more from sitting with other traders and talking with other traders. Sometimes the problem you have can be solved by having a phone number from someone else’s phone and that is it. So I wasn’t networking. I was doing things in seclusion.
Ralph described using his social skills to engage in discussions about his business with his mother. Subsequently, other entrepreneurs helped him develop a social network of experienced traders in his industry, which helped him acquire specific knowledge about trading language and product knowledge that were needed to market his goods more effectively and grow his business. He indicated that he used social skills develop in trusting relationships with experienced traders, and that he was able to use the knowledge gained from these interactions to grow his business. He also noted that prior to growth he was secluded and did not use his social skills to build networks in the industry; rather, he sought to solve problems by himself. Thus, using social skills to build and maintain social networks over time and leveraging these social networks either by marketing through them, or learning marketing strategies that improved sales, emerged as playing a role in the growth of a business in Nigeria.

During initial coding I interpreted words such as talking, discussions, making acquaintance, and the display of socially acceptable behavior as indications of the use of social skills. I also realized during memo-writing that though social skills are developed naturally over time in an industry or society, knowing how to use social skills to build social networks that help an entrepreneur achieve growth objectives is intentional. This realization implies that entrepreneurs not only need to learn social skills, but they must also learn how to use these skills to build the networks that will help enhance the growth of the business either by learning from these networks or by using the trust in these networks to market and secure sales for the business. When viewed together, Ralph and Larry state that knowing how to intentionally use social skills to build and maintain
social networks and market services using these networks plays an important role in the growth and development of entrepreneurial ventures in Nigeria.

Bill lends credence to this idea when he talked about the importance of purposefully socializing to build social networks that offer access to the appropriate clientele in the IT service industry. Bill suggested that purposefully building and growing social networks by participating in industry associations, and engaging with clients and competitors in the industry is an important aspect of developing enough clients to generate the revenue needed to fund growth. He also thought that building social networks that involved developing and using social skills in a deliberate way was useful in the early stages of a business. In agreement with Larry and Ralph, he considered that building social networks by purposefully engaging in activities organized by industry associations was an important practice for new entrepreneurs, and opined that social networks are important in facilitating sales opportunities in his industry. Bill noted that:

So if you start participating in events organized by the Chamber it gives you opportunities to network and meet other people. But a lot of it is actually being in the industry and because we have now been in the market for five years we get to meet people within that industry. People who know you, refer you to other people and that creates a growing network. Obviously, you want to fast track that growth so it really comes to being at the right events, at the right time, so you can connect with various people involved in your industry and make acquaintances. So that whenever those acquaintances become helpful or needful for you to pursue a sale opportunity. You can always reach out to those acquaintances. So it is a combination of multiple things but essentially it is really about being in the right circles. Inserting yourself into the right circles were potential buyers will typically interact. So that you can build those relationships with those individuals.

Bill’s description illustrates the importance of building social networks and their role in facilitating sales opportunities for a business. Bill discussed that building of social
networks occurs naturally with time in the industry and that developing a wide range of social networks in an industry can become useful when attempting to secure sales opportunities. However, he indicated that entrepreneurs need to intentionally “insert themselves” into the circles where potential buyers typically interact by participating in industry events. He also thought that proactively seeking to build relationships with buyers using social skills could lead to future sales opportunities. The opinions of Larry, Ralph, and Bill indicated that using social skills to build social networks and leveraging them to generate and close sales opportunities plays an important role in growing a business in Nigeria. During focused coding, the idea that using social skills to build social networks in a specific industry helped facilitate growth occurred in the responses of Ralph, Larry, Bill and others, and thus emerged as an important skill for new entrepreneurs to have.

Upon reflection, I realized that I was not aware of the importance of using my social skills to build social networks in my industry. As a result, I was unaware of the strategies other clothing retailers used to avoid paying import duties. Since I paid these duties, my prices were not as competitive and certainly hampered the growth of my business. Further, during memo-writing I realized that all participants who identified using social skills to develop a social network as important to business growth had organizations in the service industry. This indicates that using social skills to develop social networks may be only critical to growth in industries where conveying expertise helps develop relationships and builds confidence in the entrepreneur’s ability to deliver a service. However, more research is needed to determine whether using social skills to
build social networks only enhances growth in the service industry as opposed to other industries such as manufacturing and agriculture.

The use of social skills to develop social networks emerged as a concept that played an important role in business growth in Nigeria because having social skills helped participants develop the right social networks within an industry. To buttress this point, Bill indicated that business growth occurred either because the entrepreneur had a superior innovation that was much better than the competition, or the entrepreneur had access to the appropriate social networks. Bill said the following about social networks:

It is about being in the right place at the right time and meeting the right people and making the right impression on the right people. While you can say there is a science to networking, there is also an art to networking and that is where the concept of luck comes in. This is a market that places a lot more premium on relationships than the market in North America that places premium on solutions and what you have got to offer. Of course in every society, relationships matter because for instance if there is job or contract opportunity in an organization sometimes it is not advertised. The organization just calls people they know. So relationships also play a role in other societies but they play a very strong role especially in securing large projects in this market.

Bill spoke about the important role social skills play in accessing the right social networks and the importance of networks to the growth of a firm in Nigeria where members in the network relationship are given preferential treatment when large sales opportunities occur. In Nigeria, at times knowing the right people trumps being able to deliver the best services. For Bill, making the right impression on the right people in an industry matters, and can only happen when the entrepreneur has the social skills to be aware of what is socially acceptable in that industry, and uses that knowledge to build trust with industry stalwarts who in turn help to access a wider clientele base.
Earlier in this chapter, participants identified that displaying humility and deference to others was a social value that allowed entrepreneurs in Nigeria to access social networks. One way entrepreneurs make a good impression on the right people is by being aware of the importance of being humble and respectful, and appropriately displaying these values in social settings to build relationships with people who can assist in advancing their business. Knowing in what social situations to display these values is one of the country specific social skills entrepreneurs in Nigeria should learn to facilitate the growth of their business, because accessing social networks plays an important role in determining the growth trajectory of the business.

Another way social skills impact the growth of a business in Nigeria is that they convey knowledge of the market and help in negotiations with people in the formal and informal sector of the economy. The intersections between the formal and informal sectors of the Nigerian economy mean that entrepreneurs should have the social skills to deal with fluid relationships with partners and clients typically from different backgrounds and sectors of the economy. Having the appropriate social skills means understanding the language, industry lexicon, values, and motivations of people, and using those skills to the advantage of the business. For example, the manner in which a Nigerian entrepreneur addresses educated clients or partners in the formal sector may not be the same as when that same entrepreneur addresses clients or potential partners in the informal sector of the economy. In such a case, being able to address people in the informal sector in their own language, rather than in the English language, develops familiarity and alerts the person to the entrepreneur’s familiarity with the workings of the business environment.
Language usage conveys a tacit acknowledgement of the entrepreneur’s expertise and knowledge of market practices. Using Pidgin English when conversing with non-Yoruba’s or using the Yoruba language when talking to individuals from the Yoruba ethnic group conveys an understanding of the market, which helps in bargaining in the informal sector of the economy. In formal settings, using English tacitly conveys the entrepreneur’s level of education and an understanding of the workings of the formal economy. Without the social skills to determine how and in what ways to interact with people in the industry, an entrepreneur is likely to miss out on opportunities to advance the business or worse be exploited. Thus, entrepreneurs in Nigeria need to have the social skills to know how and when to use language to implicitly convey knowledge of the environment in different social settings to gain an advantage in negotiations that advance business growth.

In this regard, Ola noted:

You must understand the terrain or the kind of business you are involved in. In my own business, I deal mostly with people in the informal economy and I must understand how they think. Not just the technical-know how, but you must understand the set-up of people you have to deal with. The way you deal with or negotiate with an educated person, is not the same way you deal with an uneducated person in the informal sector. That is why understanding matters a lot in whatever we do. It is not written in any book. It is the entrepreneur that needs to study and master his or her terrain to get the best out of that terrain. If you don’t understand the people, then your job will not move forward, because people will gang up on you to bring your business down. So for your business to grow you must understand how people you deal with think and how they might want to gang up on you. So as a young entrepreneur in Nigeria, you need a lot of understanding to be able to break even. You have to understand every aspect of your business, understand the kind of people you are working with, understand the environment you are in, and master the technical know-how.

The understanding described here by Ola partly refers to the social skills needed to navigate fluid social situations resulting from the cultural and social diversity in the
Nigerian business environment. Understanding different languages and having the skill to know when to use them to build trust or to negotiate better agreements plays an important role in achieving business growth. Overall, social skills are indispensable tools to entrepreneurs because they help them gain access to social networks, which in turn offers them industry knowledge at little or no cost. Using social skills to build a plethora of social networks across different segments of industry over time is critical because an entrepreneur can then draw on these relationships to market products and services, secure sales opportunities, and acquire information about innovative industry practices that enhance the growth trajectory of the firm. Thus, using social skills to build social networks emerges as useful tool in entrepreneurship practice in Nigeria that affords the entrepreneur access to new markets and accumulated industry knowledge at little cost.

4.4.6. Using information and communication technology to grow a business.

Ten of the twenty participants identified knowing how to use information and communication technology (ICT) as a skill that helped them grow their businesses. Participants noted that ICT helped them reduce the cost of operating a business, furnished learning and networking opportunities, and has become an avenue through which they have been able to market products and services to a wider audience at reduced cost.

Dave, Barry, and Chris talked about how using ICT emerged as a skill entrepreneurs need to grow their business. In response to a question asking him to identify the differences between the way he conducted his business before growth occurred and the way he conducted his business during growth, Dave described:
We know where to go and we talk to people at the helm of affairs now and since they know our work we do not need to seek new clients. They see us on our website and we are quite visible in the market. The stress is reduced compared to when we first started. Because of the recession going on right now, we have reduced the cost of marketing to the barest minimum and use ICT like the email, phones, and our website to market most of our services. So the ways of doing business in the past is different from the way we operate business now, because of ICT and we have to migrate our operations to that level and be more visible on the internet. People are not ready to see you physically, so the era of pounding pavements looking for clients in high-rise buildings, wasting money on renting large office space is gone. Build your high-rise and platform on the internet because that is where people go every day. You see people walking on the street and looking at their phone and people spend more time online than anything. They walk on the street and don’t notice things on the streets because they are focused on their online lives. Things have changed. It is an information technology driven global community now.

In this excerpt, Dave describes the transition he made from doing physical marketing of his services to relying on an online presence to reach clients. He noted that he has reduced operating costs, specifically the cost of marketing, by using ICT to market his services. The transition to more internet based marketing and business operations highlights the changes occurring in Nigeria with the emergence of E-commerce and the need for entrepreneurs to be skilled enough to exploit the growth of E-commerce by knowing how to use ICT to reach new segments of the market both locally and internationally. Dave indicated that ways of doing business have changed, and that ICT is increasingly becoming more important to successful entrepreneurial practice because ICT reduces operations costs, and helps an entrepreneur reach a wider audience.

Further, Barry added his thought about the importance of using ICT to facilitate growth when he stated:

Yes, I realize that the basic thing is to first train the individuals on how to farm and after the first harvest I realized that they could go online to advertise their products because with the advent of ICT things have evolved beyond the old system of selling harvest by physically having to haul it to the market to sell.
Now the farmer must learn how to preserve the harvest, then second learn how to use ICT to market your goods both locally and internationally, particularly online. If you preserve your goods well, it will attract foreign investors. For example, Lagos will be having an international trade fair in two weeks that will help showcase our products to the world. We are also working on our website so that you can easily log in and find out about us with a few clicks. So in the area of ICT we are using ICT to influence our marketing drive and reduce the cost of operating our business.

Barry’s stated that the ways of doing business in the agriculture industry have evolved, and that learning how to use ICT to facilitate growth has become an important skill entrepreneurs need to acquire. He indicated that using ICT to drive marketing and reduce costs is an important skill Nigerian entrepreneurs need to grow their business. In addition, Chris stated that Nigerian entrepreneurs “have to exploit internet based technologies like social media to get opportunities for your business”. This statement also presents the importance of knowing how to use ICT to grow a business and the need for entrepreneurs to develop this skill.

During my focused coding process, the idea that using ICT to grow a business recurred in the responses of participants. Knowing how to use ICT to market products and reduce costs emerged as a skill that successful entrepreneurs in Nigeria used to grow their business. Learning how to use ICT to grow a business is even more significant in Nigeria because designers of the entrepreneurship education curriculum do not acknowledge the growing importance of E-commerce. Thus, learning how to use ICT to improve business operations and enhance an organizations value chain is not featured in entrepreneurship education in tertiary institutions.

Participants identified four ways using ICT helped in the growth of their businesses. The first way was that ICT helped to reduce the cost of operating a business
and made the enterprise nimbler. Secondly, using ICT helped to improve marketing of products and services and helped the entrepreneur to access new markets. Third, using ICT opened new avenues for entrepreneurs to learn. Lastly, using ICT helped entrepreneurs to build social networks with people they ordinarily would not be able to meet. To take advantage of ICT, an entrepreneur must be tech savvy enough to learn how to use ICT in general and then use the benefits of ICT to facilitate business operations. Poor basic infrastructure in Nigeria means that it is expensive and time consuming to traverse cities. Entrepreneurs can significantly reduce the cost of operating a business and increase profits when they are able to deploy ICT to carry out core functions in their business. Knowing how to use ICT in business is crucial to business growth because they allow entrepreneurs to overcome infrastructure deficiencies by facilitating faster communication with clients at low cost. Further, knowing how to use ICT helps the business become nimble, because the entrepreneur can quickly obtain, process, and act on new market information using a smart phone without leaving the office. Some successful entrepreneurs in Nigeria used ICT to cut cost by offering their products and services online rather than renting a physical office or store to display products and services.

Demonstrating the importance of using ICT to increasing profit margins and foster growth, Philip emphasized:

There are a lot of things that would have taking us six months to find out about but we found out about it in one day. So information and accessing people is easier. In the past we did it manually and making money was difficult because you had to see clients in person to make a deal. There is a client I recently worked with and I barely saw him because we mostly carried out business on WhatsApp. He told me what he wanted and I created what he wanted and sent it
to him via email. He needed a campaign for a social media program and I created the campaign and the content he needed. So basically, I did not see him and did not spend too much money going on client visits. I just had data on my phone and we talked on WhatsApp. It was just like making a hundred percent profit. But if it was without technology, I would have spent thirty to forty percent of revenue on trying to get the deal done. But right now with little or no cash you can transact business and make more profit. Just imagine using 40,000 naira to get a 60,000-naira job, you only make 20,000 naira in profits. But with technology you use maybe 10,000 naira to carry out the same deal. Everybody needs to go online eventually whether now or in the future. So technology is the way forward. Even the biggest institutions in the world still leverage technology, how much more an entrepreneur. Without it you will be crushed.

His comment illustrated how entrepreneurs in Nigeria can reduce the high cost of doing business and increase profit margins by using ICT to cut down on transport costs. Philip described how using ICT in his business helped him access clients easier, and spend less on operating costs thereby increasing profit margins. His argument strongly supports that entrepreneurs in Nigeria should acquire the skills needed to take advantage of new technologies. Those skills involve proficiency in the use of instant messaging apps like WhatsApp to maintain client relations, using free video chat services such as Skype or Viber to negotiate with clients, or advertising products on popular online marketplaces like Konga.com to reach a wider group of people at a lower cost. Further, using ICT to grow a business involves being proficient enough to create and maintain an online presence for the business. Whether in the form of a website where entrepreneurs display products and services, or by creating social media accounts and carrying out e-marketing to pull traffic and enhance the visibility of the entrepreneur in the industry. Thus, knowing how to use ICT is emerging as an important skill participants use to increase profit margins and grow their businesses.
Another way participants used ICT to grow their businesses is by using ICT to market their products, to gain entry to markets they ordinarily would be unable to tap. They achieve these goals by advertising their products and services on online marketplaces such as Amazon, Alibaba, Jumia or Konga. Kade stated that his timber business only started to grow after he placed advertisements on Alibaba, which led to receiving calls from people in China who were interested in his products. These calls and subsequent sales led to rapid growth because he was able to access the Asian market and deal with clients who frequently placed large orders for his products and paid amounts due quickly. Consequently, increased sales as a result of access to a new market led to the growth of his business. This example illustrates that knowing how to use ICT helps entrepreneurs access new markets, both inside and outside the country that would otherwise have been closed to them, and illustrates the importance of using ICT to create growth. Finally, Bola noted that ICT was indispensable in his business because he used technology to not only learn about safety protocols in the power generation and distribution industry, but to also network with high net worth clients who were outside his social network.

Bola noted that networking is very important to business growth. Further he described the value of using ICT in carrying out his networking and learning activities. In response to a question about the best way to network in his industry, Bola stated:

Social media. I have never tried using trade associations. What has worked for us is social media, mostly Twitter. There are a lot of professionals on these social media sites and the goal is to simply interact and you can easily introduce yourself on these platforms. Some of the players I have come to know in the industry has been through Twitter. I DM (direct message) them and they responded and we exchanged numbers and eventually set up meetings to discuss
potential partnerships on projects. There was a particular contract we secured in Kaduna that we got from social media. So social media is very important. I go to social media to learn and I learn from every person I follow. So people need to use social media wisely. A right conversation on social media can change a lot. Twitter has been a powerful tool in terms of information exchange, conversations, and networking.

Overall, having strong ICT skills clearly plays an important role in business growth in Nigeria. However, from my experience, only few entrepreneurs are taking advantage of its benefits, and more needs to be done to teach entrepreneurs how to use ICT to facilitate business growth. Using ICT reduces operating costs, improves access to new markets, facilitates learning, and fosters the emergence of social networks that enhance growth. Thus, having the skills to take advantage of these benefits is becoming critical to the growth of an entrepreneur’s business in Nigeria and everywhere else. I am of the opinion that a program should be implemented to offer training on how to exploit ICT to entrepreneurs nationwide, to ensure they are equipped to use technology to engender growth.

4.4.7. Appropriate timing in executing growth plans.

Participants alluded to the importance of knowing how to appropriately time and execute growth plans as important to expanding their businesses. Appropriate timing in executing growth plans is described as when the entrepreneur makes a range of decisions about the most appropriate time to begin investing in growth, how to much to invest in growth plans, how fast growth should occur, and how consistently growth should occur in the business. The participants indicated that having appropriate timing in executing growth plans is a skill mostly developed by gaining prior experience in the industry either by running a business, or working as an employee in a business.
Developing this skill means entrepreneurs have to be aware of ebbs and flows in market trends, to be able to control aspects of the business’s value chain, to be able to use financial records to anticipate market trends and project future revenue, and to be shrewd enough to plan for scenarios when the business does not immediately meet projected revenues. Entrepreneurs’ skills as multitaskers are needed to appropriately time growth plans because they have to deploy multiple knowledge and skills simultaneously to be able to judge when is the best time to begin executing growth plans, estimate how much should be invested in growth, and determine how fast investments in expansions for growth should occur. Though participants do not identify this skill separately, during my review of the data I realized that they alluded to its importance in the growth of their business.

The following section details data indicating appropriate timing in the execution of growth plans as a skill participants used to grow their business. Ideas in the data from Bola, Ola, and Thomas were important to me in identifying this skill during focused coding. Bola when asked about what advice he would give new entrepreneurs, explained the importance of appropriate timing of growth plans in the following:

You must always study your business and project your needs in two or three years, because you don’t want to be caught doing the same thing because you are going to have competitors. If you don’t improve yourself others will take you out. The internet comes into play as part of the marketing strategy of your business. If you are looking to increase your customer base you have to do internet marketing. Before that though, you have to master or control every aspect of your business before you put yourself in the limelight through marketing. If you have not mastered every facet of your business, then I wouldn’t put myself in the limelight. Do it gradually and if it is one or two jobs you can do right now, then do it gradually. Slowly you learn more about your business and you can take on more jobs as a result of that expertise. Now you will have the ability to take on five or six jobs. You do not want to jump or hire so many people at once when
you can take things one step at a time. I understood that I had to take control of every aspect of our business or else you leave yourself prone to risk factors.

Bola shares his understanding of how to appropriately coordinate investment in expansion activities that results in sales growth. He begins by stating the need for young entrepreneurs to have a strong working knowledge of the critical parts of their business’s value chain, and goes on to say that having this working knowledge affords entrepreneurs the control needed to reliably meet market demands in the face of volatility. He argues that knowing how to use ICT to market goods and services is equally important, but only after an entrepreneur has been able to control every aspect of the business, using knowledge of critical parts of the firm’s value chain. However, in describing growth and investment in expansion activities, Bola noted the importance of expanding gradually, and only expending resources on hiring new personnel when the need is absolute. He indicated that the entrepreneur should carry out multiple job responsibilities within the organization for as long as possible, and should only invest in expanding operations after he/she has mastered every facet of the business, and when market demands consistently exceed production capacity. This explanation highlights the need for the entrepreneur to skillfully juggle a variety of knowledge and skills simultaneously to pace growth activities correctly.

His excerpt also describes the growth process in Bola’s firm, and the role that gradual timing of activities plays in the growth process. Bola also suggests that for young entrepreneurs to grow a business in Nigeria they have to be knowledgeable about the business, use financial records to project market trends, use ICT to enhance marketing, control every aspect of the firm’s value chain, slowly learn from experience
in the industry, and be able to appropriately time the execution of growth activities; such as not taking on more client orders than the organization has capacity for, and not hiring too many personnel once client orders increase. I interpreted the idea that the entrepreneur needs to gradually pace the process of increasing production capacity by using his/her knowledge of critical aspects of the firm’s value chain, and his/her experience in the industry to decide on appropriate timing of the execution of growth plans. Bola states strongly that being able to make decisions in this manner is an important part of the growth process. Anytime during initial coding that I encountered references to words such as gradual and slow in relation to descriptions of growth activities, I coded these words to mean being able to appropriately time the execution of growth activities.

Ola also discusses the importance of the appropriate timing of growth plans when he stated:

As an entrepreneur in Nigeria, you need a lot of understanding to be able to break even. You have to master a lot as a young entrepreneur and it is only after your business has grown to a particular level, before you begin to hire other people to do these tasks for you. You can’t start a new business and hire a manager, accountant, etc. At the end of the day in Nigeria, that business will fail. The Nigerian environment does not allow for that. You have to start low, then you continue to increase your business gradually until you get to a stage of continuous growth. But the problem with Nigerian entrepreneurs is that we want to start big and we start with what we do not need. When a business needs just one car, people start a business with five cars and the revenues of the business will not be enough to maintain those five cars.

Ola discussed that young entrepreneurs need to know how to gradually increase their business’s capacity to meet market demand over time based on an understanding of the business, trends in market demand, and how strong market demand is likely to be. He stated that young entrepreneurs need to learn to start small, and learn when and how to
increase gradually over time, which implies appropriately timing of investment in
increasing production capacity by hiring people to match periods of increasing market
demand. He describes that not being able to appropriately time the execution of growth
plans may lead an inexperienced entrepreneur to expand capacity by spending cash
reserves on multiple changes when projected revenue does not support this expenditure.
Thus, Ola lends credence to the idea that entrepreneurs need to know how to
appropriately time growth plans increasing capacity gradually to match increases in
market demand. Growth in this context refers to investing in expanding a business’s
production capacity in such as way as to consistently meet existing market demand while
at once increasing margins. This involves having a strong understanding of industry
trends and critical aspects of the business’s value chain, because it helps the entrepreneur
determine whether investing in increasing capacity is needed and how much to invest
given market demand. The appropriate timing in executing growth plans also means
figuring out creative ways to reliably meet growing market demand, while at once
adjusting the business’s value chain in such a way as to increase margins by using ICT
and other means to reduce operating costs. Thus, we can begin to see how growing a
business in Nigeria involves skilled multitasking by simultaneously using competencies
such as knowing how to finance growth using internal revenues, having a strong working
knowledge of critical aspects of the firm’s value chain, knowing how to develop and use
financial records, using ICT, and appropriately timing the execution of growth plans to
coordinate business operations in creative ways with the goal of reliably meeting market
demand and increasing margins.
Developing appropriate timing in executing growth plans is a unique skill because it involves a combination of having knowledge of critical aspects of the firm’s value chain, knowing how to develop and use financial records to understand market demand, and being able to estimate whether increasing market demand for the goods or services justifies investing in expanding production capacity, while at the same time modifying the business’s value chain to guarantee increased margins. The skill refers to the judgement calls the entrepreneur makes about when to initiate growth plans and how much of the business’s cash reserves should be used to fund expansion activities. The volatility of the Nigerian market makes appropriate timing of growth plans an important skill because if an entrepreneur does not understand the ebbs and flow of the market and is unable to anticipate market changes, the entrepreneur is likely to initiate growth plans at the wrong time, which may have a deleterious effect on the survival of the business. Further, appropriate timing and execution of growth plans means the entrepreneur must not only understand when to initiate growth plans, but also how extensive an investment in expansion activities should be made given market demand and existing market share.

Thomas focused on the importance of appropriate timing and controlling the pace of growth activities, when he said:

If care is not taken, if you delay in your expansion, you will lose your market share. Right now we are on roller skates. To me we have delayed too much, but between now and December we need to quadruple our production capacity at a minimum to sustain and expand market share. That is quadruple our capacity and even with that, within a year, we will still need to do more. Because we have not even satisfied 20% percent of our targeted market for the business plan. So we have not even reached a quarter of our targeted market. That is where we are going eventually, we want to build a brand. But we must start small. Right now we have a brand in the neighborhood. Once we have the brand established here,
all we need to do is expansion and produce four times the capacity and the market will absorb increased production.

Thomas discusses that appropriate timing has to do with gradual growth and being able to recognize when to quickly invest in expansion activities that can sustain growth. He argues that appropriate timing in the execution of growth plans is a delicate balancing process which he equates as somewhat like being “on roller skates”. This statement points to the need to balance the gradual process of building up cash reserves to invest in expansion activities and the imperative to invest in a timely manner in expansion to meet market demand and grow market share. Thomas indicates that he may have erred on the side of caution and delayed investment for too long, which suggests that appropriate timing in execution of growth plans is a skill that is as much an art as a science. Even though developing appropriate timing involves using evidence to identify trends, the timing still requires the entrepreneur to make estimations and judgement calls based on the evidence, which may be inaccurate. Thomas identifies the need to increase his production capacity based on an understanding of critical aspects of the firm’s value chain and experience in the market. I coded this idea as an element of appropriate timing in executing growth plans. Being able to accurately estimate how much the market is able to absorb in terms of market demand, and investing the right amount of capital, at the right time and in the best ways to expand production capacity while still retaining market share and increasing margins embodies this skill. The “roller skates” reference indicates that appropriate timing in executing growth plans is a balancing act which involves accounting for different variables while trying to achieve increased market share and margins during expansion. However, at the end of the excerpt he indicated that although he had immediate plans to invest in expansion activities, he must start small
and grow gradually. He declared “That is where we are going eventually, we want to build a brand. But we must start small”. Thus, Thomas, like Ola and Bola indicated that being able to judge the appropriate time to execute growth plans in the form of expansion activities played a very important role in the growth of his business.

The skill of timing and executing growth plans appropriately hinges on the entrepreneur’s knowledge of the market. A skill that is usually acquired from experience and familiarity with the trends in the market and the financial records of the firm. Having a strong knowledge of the forces affecting market demand for the entrepreneur’s product and services coupled with knowledge of trends in the business’s sales records allows the entrepreneur to make informed judgements about the growth potential in the market, which informs the timing and execution of growth plans. Without this skill, entrepreneurs run the risk of expanding when market demand is bearish or holding back investing in the business when demand is rising. This type of decision-making emphasises the idea that entrepreneurs need to know how to skillfully multitask to deploy different knowledge, skills, and abilities in the course of growing a business.

My experience working in my aunt’s ice making business while still in college helped me to understand the importance of this skill. My aunt used most of her retirement funds to start an ice-making business. I had to help her out since I was living with her and her husband. After significant investment in her business, it failed after about three years for several reasons; however, when I analyzed the failure, I realized that lacking the skill to appropriately time the execution of growth plans was one reason her business failed. After starting the business and an initial flurry of consistent sales
during the dry season in Nigeria, she decided to immediately invest more of her retirement funds in expanding capacity without considering the seasonality of market trends. By the time she started to invest in expanding capacity, the rainy season had begun and demand for ice plummeted. Sales revenues decreased substantially, and she was saddled with increased operating costs and low sales revenue. This state of affairs persisted for a while, and coupled with her inability to retain profits because members of the family worked in the business with no separation of family and business finances, the business failed. This negative outcome may have been avoided if she had the skill to time growth activities to correspond with periods of increasing demand for the product. Given the seasonality of demand for ice, my aunt ought to have delayed increasing capacity for at least a year and gathered the experience in the industry and financial data needed to more accurately predict trends in market demand.

Further, having the skill to appropriately time the execution of growth plans involves judging how fast to grow given extant market conditions. Judging how fast to grow involves determining how large the market for the product is based on sales projections, and that guides how much to invest in increasing production capacity. Growing too fast means investing more financial resources in the business than the sales justify. When that situation happens, businesses are likely to fail because of limited sources of long-term finance that offer low interest rates. Thus, having the skill to appropriately time the execution of growth plans in Nigeria means initiating expansion activities during periods of increasing demand and growing slowly to ensure the business has the cash reserves to sustain expansion should market demand falter. To grow a business in Nigeria and thrive for years, entrepreneurs need to have the skill to
appropriately time and execute growth plans by determining when and how much to invest in a business based on projected sales revenue and market share. Ensuring growth is paced gradually over time is critical because the Nigerian entrepreneur is using cash reserves saved over time to fund expansion activities. The absence of low interest long-term loans implies that entrepreneurs have to build up the business’s cash reserves over time, and be circumspect in the use of those reserves in expansion activities by having the skill to appropriately time the execution of growth plans to coincide with rising market demand and ensure expenditure on expansion is paced in a way that does not exceed projected sales revenue.

4.4.8. Perseverance.

Six of the twenty participants identified being persistent or persevering as an important attribute that an entrepreneur needs to achieve success. Perseverance refers to the ability of an entrepreneur to believe in positive outcomes such as growth, and persist in conducting business in an industry even when faced with circumstances that threaten the existence of the business. Perseverance is that never-say-die quality that allows entrepreneurs to endure periods of low market demand and limited sales, and continue to finance day-to-day operations of the business using personal savings with the belief that the market will turn. Thus, perseverance involves having knowledge of market trends using financial records, having experience in the industry, and knowing how to finance day-to-day operations using personal cash reserves. This description indicates that over time-entrepreneurs have to acquire a range of other knowledge and skills to develop perseverance.
Ola, Bola, Bill, Chris, and Thomas stated that entrepreneurs need to persevere or be persistent to successfully grow a business given the volatile nature of the business environment. When asked to describe the knowledge, skills, and abilities he needed to grow his business Ola stated:

Faith, perseverance, and financial management you must have it. If you do not have faith in what you are doing, then why are you into it. If you can’t persevere all the troubles that come, then how will you last long enough to grow? And financial management is important because any wastage leads to the end of the business. So those three things matter a lot. Apart from having the technical know-how and the rest, you must be able to persevere because there are bound to be troubles and storms in business. An entrepreneur has to persevere and be cool when things don’t go their way. The first thing you must not give up, no matter what you face. That is were the perseverance applies. The entrepreneur must have belief in himself and must have faith in what they are doing. I believe in what I am doing and no matter what comes my way I will be successful. Don’t give up because there are a lot of things, especially in this environment that pushes you to give up. So I do not give up and I persevere. This is different from technical know-how but this will sustain you when troubles come. If you are an individual that easily gives up, then that is the end of the business. That is what keeps me going. I don’t give up and constantly believe it is going to be better. I believe the problems we are facing with the recession is a stepping stone to better things in Nigeria.

Ola identified having perseverance as an important ability to growing a business and suggested that to persevere entrepreneurs must have self-belief and faith in the business. Further, Ola stated that perseverance helps the entrepreneur ensure the business survives long enough to grow. Entrepreneurs are more likely to commit more of their personal resources to support day-to-day operations of a venture even when returns are poor, if they have faith in the business and self-belief born of perseverance. He notes that without perseverance, entrepreneurs quickly lose faith in business ventures and their ability to make a profit in that market, which results in reduced investing and leads to the end of the business. He indicated that perseverance helps entrepreneurs surmount many
difficulties and setbacks encountered in the Nigerian business environment. Thus, perseverance is distinct from having technical knowledge, and hence, my description of perseverance as an ability, distinct from knowledge or skill. Ola identifies perseverance as important to the growth of a business and consistently states that perseverance helps to ensure business longevity.

Bola expands on the notion that perseverance is an important ability for entrepreneurs to have to grow in Nigeria. When asked what suggestions he would offer to someone aspiring to be an entrepreneur he stated:

I will tell them to be good at what they do. They also need to have that discipline, because the Nigerian system is going to frustrate you and bring you down but you have to be disciplined and rise back up. That discipline and perseverance is needed. Nigeria is all about perseverance, if you don’t have that perseverance then don’t even try to start a business. Because you are going to hear a lot of negative thoughts because people have not tried what you want to and they will discourage you. There are a lot of pessimist out there that try to discourage you, so you must learn how to take criticism and separate the good criticism from the bad criticism and apply the good to your business. But perseverance is very important. You must have the discipline, you must persevere and you must offer excellent services.

Bola noted that surviving and growing in Nigeria requires perseverance and that entrepreneurs should not begin a business if they do not have perseverance. He consistently identified being able to persevere as important to young people interested in entrepreneurship, and implied that perseverance helps entrepreneurs manage the adversity that comes with being innovative in Nigerian industries. This opinion suggests that aspiring entrepreneurs need to be made aware of the need to persevere, and that entrepreneurship education needs to create innovative lesson plans or training to assist individuals in developing perseverance. During initial coding, I coded any reference to being persistent as synonymous with perseverance. Because perseverance was repeatedly
identified by my participants, during the process of focused coding it emerged as an important ability entrepreneurs need to succeed.

Perseverance refers to the ability of entrepreneurs to consistently pursue success and growth despite market volatility and negative reactions to their innovative approaches to business. My participants consistently stated that their ability to persevere in an industry despite poor initial results helped them stay in the business, and bought them the time needed to develop a growth plan and eventually succeed. These data suggest that successful entrepreneurs recognize the need to be able to persevere in difficult times, and pursue growth objectives by coming up with new ways of maintaining revenues as a critical part of enterprise growth.

One important feature of perseverance was that perseverance is a result of a combination of knowledge of market derived from the experiences of the entrepreneur operating in the industry either as an employee or business owner and knowledge of how the business meets a specific market demand in a unique way. Knowledge of market trends is derived from knowing how to analyze financial records and experience in the market. Knowing how the business meets market demand in ways that differentiate it from the competition helps the entrepreneur develop the self-belief needed to persevere. Awareness of this knowledge, leads an entrepreneur to make a rational decision to believe in the business venture and have the self-belief needed to continue investing in the business, in the face of poor results. Thus, perseverance is not simply a natural personality trait entrepreneurs possess. The participants indicated that knowledge of the market learned from experience working in an industry and knowledge of trends derived
from analysis of financial records gave the entrepreneur unique insights into the ebb and flow of the industry, which allowed him or her to persistently pursue plans to grow their business in the face of poor initial results. This understanding of the market informed the belief that the market would eventually change, which was an integral part of perseverance.

In describing how perseverance helped in the growth of his business, Bill described the role experience in the market played in the emergence of perseverance or persistence. He noted:

I won’t just say persistence. I would say having belief in what you are doing. What drove persistence essentially was the belief that we will succeed. That ultimately the market will turn and we will succeed. That belief was driven by experience. We had experience of the software market in the past. I had operated in the market before and my partner also operated in the market, so our persistence despite challenges was driven by a belief in the market, which was in turn based on our prior experience in the market. Of course some of it is share persistence and having a never-say-die attitude, but that can only carry you so far. Because at some point in time, operating costs are going to mount and you are going to be forced to quit if all you have is persistence. But it is belief that markets will turn around that keeps you going. So we continued to have engagements with the market place, we were talking with potential clients, putting proposals in front of people, and many of them were not yielding any business, because the market was going through a recovery period. But then we kept at it, until the major contract with the government occurred and then we were really able to maintain our focus in looking for new business and grow the business to the point we are today.

Bill’s response described the role that prior knowledge of the market gained from prior and ongoing experience plays in the emergence of the perseverance needed to grow a business. In his case, conversations with potential clients made Bill aware that the recession was responsible for a reduced demand for his services. As a result, his past experience of periods of high demand for software services informed his belief that demand for software services would eventually improve. This knowledge from past
experiences helped him to persevere. Bill said that he continued to invest personal cash reserves beyond the initial investment periodically to sustain day-to-day business operations, because he understood that the market would rebound. He described perseverance as not just an innate trait, but rooted in complex rational decision making based on prior experience in the industry, current engagements with industry participants, knowledge of industry trends, and knowledge of the unique ways his business helped address market demand. Thus, perseverance can be seen as a product of the skillful deployment of multiple competencies by the entrepreneur and supports my idea that Nigerian entrepreneurs have to be skillful multitaskers to succeed.

Thomas corroborated this position when he stated:

Yes, experience leads to perseverance. And you add the insight from other people that have been in the same situation and figure out how they got out of it. That is why I said you must be inquisitive enough to ask questions of colleagues and be alert to things in the industry.

The comments by these two participants illustrate the nexus between entrepreneurial knowledge derived from experience and entrepreneurial abilities such as perseverance. These characterizations of perseverance clearly show the important role learning from prior work/entrepreneurial experience plays in its development.

Having the ability to persevere was viewed as crucial because perseverance helped participants continue to invest in their businesses despite poor initial results, while at the same time motivating them to seek solutions to overcome numerous obstacles to business growth. The participants indicated that obstacles such as poor infrastructure, sudden changes in demand that made planning difficult, and macroeconomic forces (for example foreign exchange and oil policy changes) could be
better managed when entrepreneurs demonstrated perseverance. That ability helped to facilitate business growth by ensuring that successful Nigerian entrepreneurs remained in business and sought solutions to problems they encountered instead of simply closing shop. Perseverance helped to foster the innovations necessary for entrepreneurs to survive when adverse conditions prevailed in the market, and to thrive when market conditions became more favorable. Because business growth does not occur on a linear trajectory, but rather, is discontinuous with periods of growth typically followed by periods of stagnation and consolidation, entrepreneurs require perseverance to survive these variations in market cycles.

Kade stated that he only experienced growth after 5 years of being in business, which, he thought, emphasized the importance of having the ability to persevere. Since business growth is a discontinuous process, entrepreneurs must be able to persevere during intervals between growth spurts. Further, Ola’s response suggested that being able to persevere assists in the decision making process by helping to maintain a rational demeanor needed to assess and solve problems that arise over time. In addition, the participants offered evidence to support the idea that knowledge of the business environment gained from prior work/entrepreneurial experience was essential to the emergence of perseverance. Overall, the participants thought perseverance played a significant role in their success and their characterization of perseverance revealed that perseverance is not a naturally occurring trait, but rather a product of prior experience in the industry, current engagements with industry participants, knowledge of industry trends and knowledge of the unique ways the business addresses market demand.

Thirteen of the twenty participants identified financial discipline or the ability to be frugal as important to the growth of their business. Financial discipline includes the ability of the entrepreneur to recognize the need to grow the business using cash reserves, the ability to be frugal and consistently set aside resources, and the ability to build cash reserves needed to finance expansion activities. Several participants characterized financial discipline as involving the entrepreneur deferring gratification of personal wants for the sake of the business. The responses of these participants illustrated that entrepreneurs are only able to survive financial difficulties if they have the financial discipline needed to build the cash reserves that can subsequently be used to sustain day-to-day operations in their businesses. Drawing on responses from five participants I provide support that financial discipline is an important ability that successful Nigerian entrepreneurs relied on to grow their businesses.

Jay in response to a question about the unpredictability of the Nigerian economy, and the importance of using internal revenue to sustain a business during economic downturns stated:

For instance, in this recession customers want to buy products but they do not have the money to buy the products. When you are producing products and people are not buying the products, if you have not saved enough money or have enough investments to sustain you until sales pick up, then you can be in trouble. That is where financial discipline applies. It is not like your customers do not want to buy your products, but they do not have the cash. Maybe you used to sell about 100 products everyday, but now you sell only 10 products. Without financial discipline your business will not survive such a big fall in sales. Jay indicated that having sufficient financial discipline to save cash reserves needed to sustain the business during down periods is crucial to business survival. He argued that
entrepreneurs have to continually set money for growth and to sustain day-to-day operations during rapid market swings caused by external forces. Further, he states that financial discipline is an attitude of hyper-vigilance in which an entrepreneur draws on knowledge of how to develop and use financial records to monitor every expenditure of the firm ensuring that resources are efficiently deployed. He also implied that financial discipline is used to build cash reserves that can be used to sustain the business during downturns or finance expansion activities during periods of increased demand.

Participants also suggested that financial discipline involved having a frugal lifestyle where the entrepreneur lives well below his or her means, even to the point of cutting down on personal and social expenditure to ensure the business has enough cash reserves for growth. During initial coding, I interpreted words such as being frugal, financial discipline, and discipline, as indicating the ability to reduce expenditures by examining all costs to separate wants from needs and consistently setting aside resources for growth. Thus, whenever I encountered these words, I interpreted it as financial discipline being utilized by an entrepreneur.

Exhibiting financial discipline in Nigeria means cutting down on social expenditures, and choosing not to contribute when social expenditures related to being a member of the community arise, which may lead to friction between the entrepreneur and the extended family. In this regard, Thomas stated:

Friends come to me and ask to borrow money and I say I am sorry. You must be firm and friendly. If you are not cautious about giving donations to help the community, it will lead to the downfall of the business and these same folks will snigger at you and say you cannot manage a business. So when it comes to giving handouts there are no emotions involved. I will not lend anyone money when I know they can’t payback, regardless of how close we are, because I know the
money is not coming back. I am in a position where I cannot go to people to borrow money for my needs because people have the perception that I ought to have a lot of money, since I own a business. So I am isolated. I can’t get help and I have to be careful. Giving free handouts to family, friends, and the community eventually harmfully impacts the business, because it eats into the operating capital which is the fabric of the business. I recognize the fact that as I grow old my productivity is dropping while my responsibilities increase. So I have to be able to be frugal with the resources I have.

His comment indicated that being frugal is an important part of having financial discipline. Thomas stated that he prioritizes saving money for his business over giving handouts to family and friends. He opines that entrepreneurs have to be cautious about giving funds to family and friends because such actions reduce operating capital of the business, and prevents the entrepreneur from building cash reserves needed to sustain the business in times of rapid changes. According to Thomas, being frugal is viewed as an important lifestyle corollary of being financially disciplined and does have some negative effects on social cohesion. In Nigeria, social cohesion is essentially tied to the goodwill of immediate and extended family, and community members because the government has no mandated social security programs. Accordingly, when an entrepreneur chooses to be frugal to grow his or her business, the actions affects the degree to which he or she can contribute to social cohesion of the extended family. This lack of social cohesion creates friction between the entrepreneur and family members, which may lead to the entrepreneur feeling isolated from the rest of the family. Despite the negative effect on social cohesion, having a frugal lifestyle as part of being financially disciplined is critical to entrepreneurial business growth. Participants had to learn how to manage family expectations, while still remaining financially disciplined.
A majority of participants identified financial discipline as playing an important role in the growth of a business. Some participants identified it as probably the most important factor that influenced business growth. In this regard, Thomas acknowledged, “The number one factor that influences growth in Nigeria is discipline. In all aspects, but financial mainly…. Discipline is key and the number one factor that influences growth. Then maybe frugality”. Being able to be financially disciplined by being frugal thus emerged as a recurring competency several participants relied on to achieve business growth for two reasons. First, financial discipline helps the entrepreneur save resources needed to survive during periods of fluctuating demand and increased cost of operations caused by economic factors beyond the entrepreneur’s control. Second, having financial discipline influences business growth by enabling the entrepreneur to develop the cash reserves needed to exploit market fluctuations to benefit the business.

Some participants identified having substantial cash reserves in a volatile market as an important factor that helped them grow because the funds allowed them react to changes in the market more swiftly than their competitors. In this regard, Kyle noted:

Financial discipline is very important because if you are not financially disciplined, you will default in many, many areas. Like when you want to pay salaries and buy materials etc. For instance, the price of diesel was 195 naira but it gradually dropped to 176 naira. But two days ago the price increased to 179 naira, so I immediately bought two drums of diesel, with the money I had saved. You won’t believe that yesterday the price of diesel increased to 184 naira. So if you are not financially disciplined you will not be able to save the money needed to take advantage of price changes to your profit. With fluctuating prices all the time, the money saved will help cut costs because instead of buying it high, you buy when it is cheap and use it when the prices are high. So financial discipline is very important to anybody that is running a business. It is even key.

Kyle explained that entrepreneurs with the ability to be financially disciplined build their cash reserves and, subsequently, use those reserves to exploit fluctuations in market
prices to increase their profit margins and grow their business. In addition, financial discipline helps entrepreneurs to grow their business by allowing them to save the cash reserves needed to fund long-term growth plans without incurring high interest rates associated with obtaining loans. Ola offered evidence to support this contention when he stated:

A lot of Nigerian businesses have a tendency to fail because if you mismanage your finances, your business will fail and if you do not save adequately your business will fail. When you purchase unnecessary things like cars without making any savings, when a problem occurs, where is the money going to come from to sustain the business? Given how much interest is charged on loans by banks, will you be able to provide the money out of pocket? When the bank is charging about 22 to 23% interest on loans you can’t put your business in jeopardy by taking the loans. If you have your own savings, then the funds you may need from the bank will not be much.

In this example, financial discipline coupled with knowledge of how to grow using internal revenues, allowed the entrepreneur to avoid high interest rates attached to bank loans, and to access the funds needed to finance growth plans. His comment illustrated how financial discipline and knowing how to grow using internal revenues work in concert to facilitate business growth. If an entrepreneur has the knowledge about how to grow a business using internal revenues but lacks financial discipline, then that knowledge is less likely to be helpful. In this regard, Bill asserted:

It is easy for me to appreciate the importance of financial management and financial data and therefore make the right investment in my business to support the acquisition and use of financial data. But even if I know that and I do not have the discipline to do the needful, then knowing that would be just useless knowledge.

Thus, when coupled with task-related entrepreneurial knowledge and skills, financial discipline as an entrepreneurial ability is likely to foster business growth. Knowledge, including understanding the importance of using internally generated revenue to grow a
business, and skills such as having appropriate timing for executing growth plans, work in concert with financial discipline to produce business growth. This perspective illustrates the importance of being able to skillfully multitask and deploy different knowledge, skills, and abilities at the right time to grow a business. Developing this unique blend of knowledge, skills, and abilities will require different forms of instruction and learning in the course of self-directed learning.

Thus, Nigerian entrepreneurs must acquire the entrepreneurial knowledge and skills needed to thrive, and develop over time the entrepreneurial abilities important to business growth. Further, analysis of the knowledge, skills, and abilities needed to grow a business suggests that entrepreneurs acquire them in different ways. Therefore, more flexible approaches to education and training of entrepreneurs should be adopted in national HRD to account for the self-directedness displayed by successful entrepreneurs.

The participants conveyed that entrepreneurial abilities such as perseverance and financial discipline were developed over an extended period of time, and that they learned these abilities from experience and social networks. In addition, participants thought that some entrepreneurial knowledge, (for example knowing how to create and use financial records), was learned through both formal and non-formal education. Thus, national HRD policies focusing on entrepreneurship education and training need to agree on a set of task-related knowledge, skills, and abilities that engender business growth in Nigeria, and address the most effective ways of facilitating the acquisition of these discrete entrepreneurial knowledge, skills, and abilities in the general population. The findings of the study outline the task-related knowledge, skills, and abilities that successful entrepreneurs used to grow businesses, and some ways they acquired these
competencies. So far, my results represent a first step towards an emergent explanatory framework of how successful entrepreneurs in Nigeria learn and different ways they multitask using different knowledge, skills, and abilities to achieve business growth.

4.5. What factors do entrepreneurs in Nigeria believe influence business growth?

The literature reviewed in Chapter two indicated that factors influencing entrepreneurial business growth can be broadly classified into two categories: individual factors, such as entrepreneurial competency, and institutional factors, which constitute the business environment. Initial and focused coding of participants’ data has provided corroboration for this observation. A number of them identified both individual and institutional factors as significantly influencing their own business growth. However, a majority of the participants emphasized that the entrepreneur’s human capital (an individual factor) was the single most important factor influencing business growth, and that without task-related knowledge, skills, and abilities, achieving business growth would be impossible. Participants identified a number of task-related knowledge, skills, and abilities that constitute the human capital of the entrepreneur and implied that it mediates the influence of institutional factors in the business environment on entrepreneurial business growth. This observation suggested that without the human capital described, an entrepreneur is unable to creatively multitask to help the business venture achieve growth. The participants also identified institutional factors, such as availability of finance, low labor productivity, government policies, and limited essential infrastructure as other important factors that influenced business growth.
The following section provides details about how I arrived at the category that explains how each factor identified by participants influences venture growth. The category presented subsequently was derived from integrating the focused codes derived from interviews, specific descriptions of the focused code in interview responses, and concepts derived from the literature (For example see Herron & Robinson, Jr (1993); Welter & Smallbone (2011); Unger, Rauch, Frese, & Rosenbusch (2011)). The category and concepts developed subsequently illustrate how the human capital of each entrepreneur mediates the influence of the business environment on entrepreneurial business growth, and explains how elements of the Nigerian business environment shape the task-related human capital entrepreneurs needs to produce growth.

4.5.1. Human capital mediating the influence of the business environment on entrepreneurial business growth.

During coding participants identified that the motivation and competence of the entrepreneur play an important role in the growth of the business. Drawing on the literature, I interpreted this phrase as meaning the human capital of the entrepreneur. Participants described the business environment as extremely volatile and stated that it was the responsibility of the entrepreneur to manage volatility and ensure the business thrives, and I coded this idea as human capital mediating the influence of the business environment on entrepreneurial business growth. For instance, Bill stated:

So some degree of stability is required for an organization to be able to survive and thrive. Ensuring that stability is the challenge of the entrepreneur. You stand between your organization and the external world. Your organization requires some degree of stability in order for it to deliver to customers. The external world is very volatile. So the challenge is to manage the volatility of the external world
and minimize the shocks that go through the organization. And that is what we had to find ways to do.

Bill argued that stability is needed for organizations to grow and noted that the entrepreneur was responsible for ensuring that stability. He stated that the entrepreneur stands between the organization and the volatility of the external world and this characterization corroborates the idea that human capital mediates the influence of the business environment on entrepreneurial business growth. Bill declared that he had to find ways to minimize shocks and this comment alludes to the task-related knowledge, skills, and abilities (human capital) he had to skilfully use to survive and thrive in a volatile environment.

Herron and Robinson, Jr (1993) stated that entrepreneurial behavior is “modified by strategy and external environment structure in its effect upon value creation performance” (p.288). They argued that the ability of the entrepreneur to impact business growth is mediated by the business environment composed of institutional factors and business strategy. They noted that though the business environment mediates the impact of entrepreneurial behavior on business growth, the entrepreneur’s behavior is also a “causal antecedent of strategy as well as the external environment” (p. 288). This suggests a two-way relationship between the business environment and entrepreneurial behavior, while also positioning the environment as playing a pivotal role in determining whether growth occurs.

Welter and Smallbone (2011) stated that the “context has an impact on the nature, pace of development, and extent of entrepreneurship as well as the way entrepreneurs behave” (p. 108). This description illustrates the institutional embeddedness of
entrepreneurial outcomes such as business growth. Similar to Herron & Robinson. Jr (1993) the authors argued that there are two-way “recursive relations” between institutions and entrepreneurial behavior, and that entrepreneurs could affect institutions by contributing to institutional change. Both theories position business growth as largely shaped by the environment.

However, contrary to the work of Herron and Robinson Jr. (1993) and Welter and Smallbone (2011) participants such as Bill conveyed that human capital mediates the influence of the business environment on business growth. In agreement with Unger et al (2011) participants consistently indicated that the human capital of the entrepreneur is the most important factor influencing business growth and that it largely determines whether business growth occurs or not. Participants added that although the human capital of the entrepreneur determined whether growth occurred or not, institutional factors constituting the business environment determined how fast an entrepreneur could grow a business because the environment shapes what task-related knowledge, skills, abilities an entrepreneur needs to grow a business.

For instance, participants indicated that to successfully grow a business, entrepreneurs had to be financially disciplined enough to save internally generated revenue, and invest in expansion activities at the appropriate time. Participants stated that being financially disciplined and using internal revenues to grow is necessary because of the absence of affordable finance for long-term growth in Nigeria. I interpreted this factor as part of the business environment. In this instance, the entrepreneur uses human capital or task-related knowledge, skills, and abilities to mitigate the effect of the
absence of affordable financing, and pursues venture growth. Because the absence of affordable financing is considered an institutional factor that shapes the business environment, I concluded that the human capital of the entrepreneur, mediates the influence of factors that constitute the business environment, on entrepreneurial business growth.

Further, because funding expansion activities to support business growth by using internally generated revenue is a significantly slower process than obtaining a loan, I concluded that the institutional factors that constitute the business environment, directly influence how fast an entrepreneur could grow a business, and as a result could only indirectly influence whether enterprise growth occurs or not. The business environment can indirectly influence whether enterprise growth occurs in situations where the entrepreneur lacks the human capital to consistently save the resources needed to finance growth activities given the lack of affordable financing in the institutional environment. In this scenario, the entrepreneur’s business would fail, and thus the business environment would have played an indirect but significant role in truncating enterprise growth. Thus, the idea that the human capital of the entrepreneur mediates the influence of the business environment on entrepreneurial performance emerged as a product of the literature, focused codes, and specific descriptions of focused codes given by participants. This idea offers a new understanding of the relationship among human capital, the business environment, and business growth as an outcome of entrepreneurial behavior. The idea emphasizes the critical role human capital, interpreted as task-related knowledge, skills, and abilities, plays in mediating the impact of the business
environment on entrepreneurial business growth in Nigeria. The next section details the factors participants identified as influencing the growth of a business.

4.5.2. Human capital of the entrepreneur.

Human capital refers to the task-related knowledge, skills, and abilities of the entrepreneur, the motivation of the entrepreneur, and the ability to use these knowledge, skills, and abilities in concert to engender business growth. A majority of participants identified the activities of the entrepreneur as primarily responsible for whether or not a business grows, and the human capital of the entrepreneur emerged as the single most important factor that directly influenced business growth. Human capital also encompasses the drive or motivation to carry out tasks, which grow a business. The literature reviewed highlighted that being motivated to grow a business is an important characteristic that distinguishes an entrepreneur from a small business owner.

In response to a question asking him to identify the most important factors that influence business growth in Nigeria, Bill described the importance of human capital when he stated:

I think in all markets there is probably some constants to what influences the growth of a business. In my experience and I think some of the literature I have read in the past bares it out, but it really comes down to the entrepreneur. What is the entrepreneurs vision for the business? what is the motivation for being in the business? what is the driving force behind the entrepreneur? Is the motivation just to pay bills or is the motivation to build an empire? Is the motivation just to survive or is the motivation just to be able to live a comfortable life? These variables determine the extent to which the entrepreneur grows, determines the extent to which the entrepreneur pushes, determines the desires that drive the entrepreneur, and can determine the level of success or failure that the entrepreneur has. So motivation of the entrepreneur is one element. The other element is the competence of the entrepreneur. I can have the motivation but I keep getting in my own way, because I am not competent and don’t know what I
need to do and keep making the mistakes that set me back. I want to grow big but each time I try to do it, I do something that undermines my ability to grow or that undermines my business. So motivation is big and I can have big ambitions and dreams but then I get involved in the business and miss delivery dates, harm my relationship with my most valuable employee or partner and then such an enterprise is bound to experience difficulties growing. It grows then stumbles, grows then stumbles and you really don’t get consistent growth. So the competence of the entrepreneur also plays a big role in whether a business is successful or achieves growth or not. And this I think are two constants in whichever market you may be in.

Bill identified the entrepreneur as playing the most significant role in the growth a business, and he also described two dimensions of entrepreneurial practice that I interpreted as constituting human capital. First, he identified the motivation of the entrepreneur; and, second he identified the competence of the entrepreneur as the two dimensions of entrepreneurial practice impacting business growth. Thus, for Bill the motivation of the entrepreneur and the competence of the entrepreneur (dimensions of human capital) shape growth and thus mediated the influence of the business environment on enterprise growth as a measure of entrepreneurial success.

Bill’s statement corroborates the research of Unger et al. (2011). Unger et al. addressed the human capital- entrepreneurial success relationship by carrying out a meta-analytically review of literature exploring the relationship over three decades. These authors concluded “that there is an overall positive relationship between human capital and entrepreneurial success” (p. 352); but, they also indicated that the conceptualization of human capital and the context of the entrepreneur moderated the effect of this positive relationship. Bill’s position that the human capital mediates the effects of the business environment on entrepreneurial business growth is similar to their conclusion. Unger et al. indicated that the relationship between human capital and entrepreneurial success is
more significant when we conceive human capital as “task-related and directly related to knowledge and skills” (p. 353). The task-related knowledge, skills, and abilities identified earlier in this study supports their conclusion. These finding illustrate the importance of detailing how human capital is defined when explaining how human capital interacts with other factors to produce business growth. Bill’s comments suggested that the human capital of the entrepreneur is composed of the competence and motivation of the entrepreneur. Bill’s description of competence as knowing how to carry out specific tasks implies that competence is synonymous to human capital defined as task-related knowledge, skills, and abilities. The human capital of the entrepreneur is important to understand because business growth occurs only when the entrepreneur develops and uses the task-related entrepreneurial knowledge, skills, and abilities identified in the previous section.

Ralph discussed the importance of human capital when asked to identify the most significant factors that influence business growth in Nigeria. Ralph noted:

I would say the first thing that is very important is developing an understanding of the political and economic environment. Before you make a move you have to do it in context, otherwise you are operating on blind luck. Let me give you an example. I have some associates who also trade and we run into each other in the forest. I am the only one who has planned to do anything beyond trading charcoal and I have convinced one associate to seriously think about doing other things and another to consider it. So when I bring it up they say, why should they think beyond charcoal? Their concern is if they are making money, why should they change their line of business. But I think though we are making good profits, we are in an industry that harms the environment and in the last decade there has been about three attempts to shut down the charcoal industry in Nigeria and one attempt as recent as last year. They tried to shut down charcoal exports because trees are being cut down and are not being replanted and everyone blames the exporters, which is not fair because we pay a levy when we move the charcoal that is supposed to go towards tree planting. But government officials don’t plant the trees and then they blame us even though we paid for it. So we are already
doing everything short of going to plant the trees ourselves. I have noticed that it does not matter that the furniture industry uses as much wood or more than we do. That does not matter, they create beautiful works that people sit on and everyone appreciates. We create a product that is dirty, dusty, stains your clothes. So I told my associates that we will always have a target on our back. Turkey recently stopped cutting trees for charcoal and I am sure the United States has stopped as well. So it is only a matter of time before we end up with a government that is socially responsible and decides to stop cutting our trees and selling it to other people. So I am thinking about the politics and the macro-economics and not everyone is doing that. Eventually if anyone decides to stop the industry, I already have an alternative to exporting charcoal, which is exporting crops. I have convinced one associate to think about it and the other guys are not doing anything about it. The day they halt charcoal, they will have at least one bad season before they figure out what to switch to and then they wouldn’t have any experience.

This excerpt highlights the importance of developing an understanding of the political and economic environment to grow a business. I interpreted the ability to understand the socio-economic and political environment as related to knowing how to build and sustain critical parts of a firm’s value chain. Thus, it is part of the human capital stock successful entrepreneurs utilize to grow a business venture over time. Ralph stated that being able to understand the socio-political context and it effects on the business’s value chain (an expression of human capital) is important because it allows the entrepreneur to exert a measure of control over the business growth process by anticipating and preparing for changes in the business environment occasioned by changing government policies. Ralph opined that human capital enables the entrepreneur to plan for macro-economic headwinds, which thus places responsibility for the business’s growth squarely on the entrepreneur. He noted that without an understanding of context, interpreted here as human capital, the entrepreneur’s business growth plans are subject to the vagaries of the environment, and any business growth would be simply a fortuitous occurrence. Human capital is seen as enabling the entrepreneur navigate rapid changes in the business
environment and allows him/her to mediate the influence of the business environment on entrepreneurial success. The human capital helps entrepreneurs proactively respond to changes in the business environment without experiencing sales declines that hamper the growth of the firm.

Chris also indicates that the human capital of an entrepreneur is the most important factor that impacts business growth, when in response to the question asking him to identify the most important factors that influences the growth of a business in Nigeria he noted:

You need to be educated. I think you need formal education, but education encompasses a whole lot. It is sad that in Nigeria, you don’t have people with work experience in a field teach you about the field. Most-times you just get graduates teaching you and these graduates have not had the opportunity to get the practical experience of what they teach. But carrying out a profession in practice and the theoretical aspects of a field are not always the same. So I feel that if one has the opportunity to be taught by an individual that has worked in the field for a while it would be more beneficial. For example, an ex-banker teaching banking and finance is great because the individual can draw on experience in the classroom. But if I just graduated with a degree without getting experience working in banking and finance, then I don’t believe the student gains a lot from such a teacher when it comes to real life application of theories. Also exposure to new things is also part of education. So in education, the individual needs to have formal education in the field, but also needs to be exposed to people with experience in the field, and also be dedicated.

Chris points out the importance of gaining practical knowledge and skills through formal education as an important factor that influences business growth. Chris distinguishes between theoretical aspects of a field that grant general knowledge and practical task-related knowledge and skills. He argued that learning more practical or task-related knowledge and skills from formal education is more beneficial to students because those knowledge and skills have more real life application. His comment alludes to the subtle distinction between conceptions of human capital as general knowledge acquired through
years of formal schooling and human capital as task-related knowledge, skills, and abilities directly linked to effective performance. I interpreted this response as meaning that human capital when interpreted as task-related knowledge, skills, and abilities acquired during formal education, is the most important factor that determines business growth. Chris did not acknowledge the role of the business environment in growth, but rather focused on the importance of the human capital of the entrepreneur. When combined the responses of Bill, Ralph, and Chris indicated that the human capital of the entrepreneur plays an important role in the success of a firm. Further, the responses can be interpreted to mean that the human capital of the entrepreneur is the only ability the entrepreneur can use to exert control over the business and limit the effect of a volatile business environment. As such, the human capital of the entrepreneur can be seen as mediating the influence of the business environment on entrepreneurial growth. Because human capital mediates the influence of the business environment on venture performance, entrepreneurs must develop their human capital to be able to navigate the vagaries of a volatile environment to achieve growth.

4.5.3. Absence of affordable finance for long-term growth projects.

Another factor influencing business growth and identified by a majority of participants was the absence of affordable financing for long-term growth in Nigeria. The literature reviewed in Chapter Two identified financial institutions as an important part of the business environment. Thus, when participants consistently identified the absence of affordable finance for long-term growth activities as prevalent in Nigeria, I interpreted this concept as a quality of financial institutions in Nigeria, and hence a part
of the business environment. Participants indicated that the high interest rates and high collateral requirements associated with obtaining a business loan from banks was the main reason why entrepreneurs encountered difficulty in obtaining finance for long-term growth activities. The absence of affordable finance meant that successful entrepreneurs had to rely on internally generated finances to fund long-term growth activities. This internally generated revenue is usually supplemented with funds from the personal accounts of the entrepreneur to support growth over the long-term. Describing the prevalence of this factor Bill stated:

I think the biggest challenge is putting up the finances for the business out of your personal savings and then seeing costs grow, while it takes a while for revenues to match the growth of costs. So the biggest challenge has been to transcend the financial challenges involved in setting up a new business. So the challenge is to manage the volatility of the external world and minimize the shocks that go through the organization. And that is what we had to find ways to do, even if it was at substantial personal costs because again like I said, the reality is that we could not go borrowing from banks. Because the cost of borrowing in Nigeria is very high. The banking sector in Nigeria is not very supportive. Yes, I could leverage my banking connection in Canada to be able to free up funds from there. But in Nigeria it was virtually impossible.

This comment illustrates a typical experience of participants. Most of them indicated that banks and other financial institutions did not understand the nature of entrepreneurship in Nigeria and as a result, they do not offer affordable loans needed to finance long-term growth.

Larry also identified the absence of affordable financing for long-term growth activities in his response to the question asking him to identify the most important factors influencing the growth of a business. He stated:

Nigerian business people work very hard and it is difficult because we do everything to make sure things work in our business. We provide electricity for
our business, we can’t get loans to start a business, so I could say that if the
government implements adequate policies to help the SMEs or the thriving
business man things will be better. So the average business person on the streets
will say the government is not doing anything to support businesses.
Entrepreneurs basically do everything themselves and I just told you that you
cannot raise funds from your bank and yet you save money at the bank. All your
business transactions are with the bank and when you ask your banker for a loan
and they give you a list of what is required to obtain a loan you simply decide to
not bother to get the loan because the requirements are too difficult to attain.
Presently, in Nigeria interest on loans from banks are as high as 28%, while in
advanced countries you find that interest is just 4 or 5%. So you can see that you
can’t approach the bank for a long term loan at that rate of interest because it kills
or harms the business by exposing the business to risks. It is something the
government can help with to facilitate growth. If the government provides
consistent power supply, I will not spend money on the generator and fuel and
that reduces a lot of costs. If the government places a policy that helps
entrepreneurs purchase their materials or anything they need for the business at a
cheaper rate it will help us. But those policies do not exist and we are finding it
hard to do business in Nigeria.

Larry suggested that Nigerian business people work very hard using their knowledge,
skills, and competencies to overcome this aspect of the business environment. This
response illustrates his view that for entrepreneurs to survive and thrive they have to
work hard at knowing how to grow using internally generated revenues, and must be
financially disciplined enough to prioritize saving for growth activities over other
business and personal expenses. The absence of affordable financing for long-term
growth also implies that Nigerian entrepreneurs have to spend considerable time building
cash reserves to finance expansion activities to respond to growth in market demand.
This period needed to build cash reserves to fund expansion greatly inhibits the rate at
which an entrepreneur can respond to market demands. Thus, the business environment
can stifle the pace of growth.

Ola added to the discussion about the absence of affordable finance by noting:
A lot of Nigerian businesses have a tendency to fail because if you mismanage your finances, your business will fail and if you do not save adequately your business will fail. When you purchase unnecessary things like cars without making any savings when there is a problem where is the money going to come from to inject into your business. Given how much interest is charged on every loan by the bank. Will you be able to provide the money out of pocket? When the bank is charging about 22 to 23% interest on loans you can’t put your business in jeopardy by taking the loans. If you have your own savings, then the funds you may need from the bank would not be much. So you have to cut your costs were there is need to cut your cost. There are a lot of ways you can cut costs. You can cut cost through your electricity. You can cut cost on transportation. So there are different ways and you have to look at the terrain to figure out were to begin cutting cost that would not harm your business.

Ola described the high interest rates associated with bank loans as one factor Nigerian businesses have to deal with. He also noted that entrepreneurs have to develop measures such as cost cutting by using financial discipline to limit spending and help develop the cash reserves needed to grow a business. Ola’s description indicates that participants see human capital (interpreted as the skillful deployment of task-related knowledge, skills and abilities such as financial discipline) as being the only means by which an entrepreneur can exert control over a business venture and engender venture growth. This interpretation suggests that although the absence of affordable financing is a factor that influences growth by stifling expansion activities, successful entrepreneurs have been able to mitigate the negative effects of the business environment by developing saving strategies. One way they mitigate the effects of the absence of affordable financing is by relying on cash reserves built by being financially disciplined to finance expansion activities that helps the business meet market demands. Thus, drawing on the literature characterizing financial institutions as part of the business environment and the responses of participants, I concluded that the absence of affordable financing influenced business growth by slowing the pace at which an entrepreneur could increase production
capacity to meet demand. Participants’ responses indicated that they viewed the absence of affordable financing from banks and other financial institutions as an important constraint to business growth.

This result is consistent with those of Beck and Demirguc-Kunt (2006), Chittenden, Hall, and Hutchison (1996), and Beck, Demirguc-Kunt, and Singer (2013). These studies assessed the impact of financial institutions on entrepreneurial growth in general and specifically in developing countries. These studies identify the absence of long term financing as a significant factor constraining entrepreneurial business growth. Further, Beck, Demirguc-Kunt, and Singer (2013) indicate that the dominance of banks in the financial system of developing countries hampers entrepreneurial growth because of the manner in which banks assess risk. Consequently, banks designate entrepreneurial ventures as too risky, thus warranting high interest rates on loans. The fact that only two of the twenty participants in this study were able to obtain loans from banks, and that the loans they obtained were short-term loans to cover operation expenses, illustrates the difficulty involved in accessing affordable financing for long-term entrepreneurial growth activities. Because the absence of affordable financing is a major constraint to business growth, the need arises for policy makers, researchers, banks, and private venture capital sources to develop innovative systems of assessing entrepreneurial risk using human capital that would engender more affordable financing. In addition, they could also create regulations that would reduce venture capital risk and also guarantees the kind of returns that justify substantial capital investment in entrepreneurial ventures that engender the emergence of faster growing businesses in Nigeria.
4.5.4. Low labor productivity in Nigeria.

Labor productivity in entrepreneurship refers to the rate at which the entrepreneur is able to produce goods and services, and how efficiently the entrepreneur can achieve this rate given the cost of an hour of labor. Low labor productivity refers to the high cost of labor relative to labor output. Participants consistently identified the inability to trust employees to carry out their jobs, and the absence of reliable employees who consistently added value to the firm, which is an important factor that influences the growth of a business. During focused coding, when I encountered references to poor employee attitudes, work truancy, and employee dishonesty, I interpreted these references as instances of low labor productivity. The participants stated that low labor productivity is prevalent in Nigeria and that for entrepreneurs to succeed, they have to put in measures to address low labor productivity.

When talking about the most challenging period Jay had experienced growing a business, he described:

The most challenging period involved learning how to deal with people in Nigeria. I call it the Nigerian content and it is this Nigerian content that kills business. When I was in France, I owned some mechanical instruments, I intended to use to start a motor garage with sophisticated computers and machines. But when you entrust it to people, and this is one of the major problems we are facing in Africa, when you entrust things to people, whether funds or instruments and you are repeatedly being betrayed then it is a problem. People believe you get money from trees. So I think that orientation is what we are now trying to change. For instance, I entrusted 1 million naira to someone and he used the money for his own needs and he told me he would instruct his children to pay me back. That is a let down and completely stalls the business. When you employ people to work for you, most cases they think about themselves and don’t think about the work. Let us assume they don’t think about the fellow that owns the business, but at least they ought to think about the job itself, but that is not the case. When the job is done well the continuity of the business is assured, but they do not care. They just want to have their way and do
not care whether your business dies or survives. From trust and betrayal of trust to bad work ethic among Nigerians. And it is still the case now, that is why if you want to start any business you have to be physically present. .......You must be there physically to supervise what is being done. Because when you are not there and you carry out the business by phone or sending money to someone else to manage the business, you find that the person in charge in Nigeria would help themselves to the money designated for business. So proper monitoring. Whenever there is any business in Nigeria there must be proper monitoring because for now that is what we are. Until we re-orientate the populace to be business minded things will not change.

Jay stated that employees being unreliable and untrustworthy is one of the challenges entrepreneurs have to contend with to grow their businesses. He stated that unreliable employees with bad work ethic, and being generally untrustworthy created low labor productivity, which is commonplace in Nigeria. He indicated that developing measures such as proper monitoring of employees to mitigate the impact of low labor productivity were essential to growth, which thus highlights another way the human capital of the entrepreneur can mediate the influence of the business environment on venture performance. Jay stated the need to re-orientate the general population and creating strong legal institutions that protect the rights of employers and regulate employee relations could help limit the effect of low labor productivity on business growth. This is important because strong legal institutions have been shown to lead to increased labor productivity and increased gross profits among entrepreneurs (Yasar, Paul, & Ward, 2011).

Dave shed more light on the negative impact of low labor productivity in Nigeria on small business growth when he noted that:

When we grew and expanded to accommodate that growth I had to hire people in different positions across the country, without proper control and they took advantage of me not being around. That is the challenge we are having now. Nigerians lack the human capacity and it is a serious gap and it is a major need of
a business. A lot of people are jobless but they are not employable. An employee might just decide to embezzle your money. The money meant for the growth of the company would be diverted and used for the employee’s personal expenses. Like I told you, some employees I hired stole from me because I was not around. The employee was supposed to collect payment for a service from a client and he received the money and did not pay it into the company’s accounts. Then the client called me to say he had paid for the service. The employee told the client to pay in cash rather than wire the money to our account. In my former place of employment, the accountant defrauded the owner and it is these practices that destroy the growth of small businesses in Nigeria. When one person in a family of ten is employed and has to be the breadwinner, then he has to steal to supplement his income to provide the basic needs of his family. This happens across cultures and that is why it is difficult to run a business in Nigeria. I had to fire four people and retain one person in Port Harcourt for this reason. I had to fire three people in Abuja when I realized that I was just working for them and they were not productive. So that is the challenge small scale businesses face. So if the country engages in a cultural orientation, then things could be better. What do I mean by this? I mean the government providing basic social services like housing for the poor. Let people live comfortably without having to pay too much and this will then alleviate poverty and help change people’s behavior. Once you employ somebody in Nigeria the person looks for opportunities to steal and not to add value to your business. So one of the challenges an entrepreneur faces is finding the right human resources to work for you when growth happens. So that is the problem we have in this country. Everybody we employ is not looking for ways to add value to the company but seeks to exploit the company. So if the government can do that. Then things will be a little better.

Dave’s account described the prevalence of employee dishonesty, truancy, and lack of productivity in Nigeria, and illustrated that entrepreneurs need to take steps to address low labor productivity. Measures such as developing and using financial records as a means of monitoring and controlling employee behavior is one way successful Nigerian entrepreneurs have been able to mitigate the effects of low labor productivity. Earlier, participants identified being able to use financial records as part of the human capital needed to grow a business, and since this knowledge helps address low labor productivity, one can see how human capital can mediate the influence of low labor productivity on venture growth. Further, Dave indicated that the government needs to institute general social measures to improve labor productivity in the population but no
pending government legislation exists. So, entrepreneurs are left to mitigate the effect of low labor productivity, which is not an ideal solution.

The accounts of Jay and Dave indicate that participants see low labor productivity as having a large negative influence on business that constrains growth because it leads to the inefficient use of the entrepreneur’s limited resources. Low labor productivity has a significant effect on entrepreneurs in Nigeria because it implies the inefficient use of critical resources. The time it takes to save the cash reserves needed to grow a business also impacts negatively long term planning for growth. Failure to efficiently manage resources and address leaks in the value chain almost always lead to a business failing in Nigeria. Illustrating the importance of plugging leakages in the business’s value chain, Thomas observed, “Leakages in the process causes your revenue and productivity to drop. Once your revenue drops and your productivity drops, the business at some point will stagnate”. His comment highlights the view that participants see low labor productivity as a significant source of inefficiency that can cripple an enterprise. Thus, low labor productivity as a potential source of inefficiency emerged as a factor that influenced the growth of enterprises in Nigeria.

If Nigerian entrepreneurs cannot create a stable system to consistently produce goods and services to meet market demands because labor productivity is low, it becomes impossible to develop a consistent revenue stream, and to plan to build the cash reserves needed to grow the business. Thus, having the human capital or task-related knowledge, skills, abilities needed to create systems that would mitigate the negative
effects of low labor productivity is another way the human capital of the entrepreneur mediates the influence of the business environment on entrepreneurial business growth.

4.5.5. Poor essential public infrastructure.

Another frequently mentioned factor that influenced entrepreneurial business growth was poor essential public infrastructure such as electricity, good road networks, and consistent running water. Most participants identified poor infrastructure as negatively impacting growth because the lack requires entrepreneurs to spend limited resources to provide this infrastructure that should already be in place. Anytime participants referred to the increased costs of doing business in Nigeria associated with providing essential public infrastructure, I coded these as instances of poor essential public infrastructure influencing business growth. The presence of essential public infrastructure is taken for granted in developed countries because entrepreneurs do not have to spend resources on these basic necessities. However, in developing countries such as Nigeria, the importance of public infrastructure to entrepreneurial growth and success is emphasized when the increased costs associated with mitigating the effects of poor essential public infrastructure are considered.

For instance, with no reliably consistent supply of electricity in Nigeria, entrepreneurs have to buy generators to supply electricity to produce goods and services. Further, the supply of tap water from water treatment plants operated by the government is at best inconsistent in large cities such as Lagos, and non-existent in smaller towns. Entrepreneurs have to invest substantial resources in drilling water wells to ensure they have clean consistent water supply to operate their businesses. To generate constant
electricity supply in Nigeria, entrepreneurs use electricity generators, which increases costs because of high fuel and maintenance costs.

Larry added to the discussion about challenges with the following excerpt:

You need that initial capital to do a few things. To get yourself set up. You need a printer, a computer and other office supplies and these things are expenses. So If I had more money, I feel I would have gone further than where I am today. Because I started slow like a child crawling. My first opportunity to have an office was given to me by my aunty. But to start a business you have to decide if you want to use a virtual office or rent an office, and all these things are costs. But now few years down the line, I have been able to rent an office with a partner. So this is what (name of company) is but initially it was at home. Then it moved to my aunties office and eventually ended up here. So if anyone wants to start a business and is planning they should be able to set aside a certain amount of money for office rent, money needs to be set aside for buying fuel, and maintaining the generator. For instance, right now there is no electricity and we do not have regular power supply in Nigeria. If you want to type a proposal or anything using the computer, you need power or electricity from a generator. That generator needs fuel and it needs to be maintained monthly or quarterly. So these are the expenses. But if you planned properly you ought to have been saving.

This response describes how poor essential public infrastructure increases the cost of doing business and slows down the pace of growth because rather than investing cash reserves on financing expansion activities, the entrepreneur has to spend resources on infrastructure services to ensure the day to day functioning of the business at existing levels of production. Larry states that there are common expenses such as paying for office space, computers, and office supplies required for every entrepreneur irrespective of context. Larry also stated that the extra costs associated with providing essential infrastructure has limited how fast he can grow his business. This example lends credence to the idea that the business environment influences growth by either facilitating or stifling the pace of growth. Larry argues that entrepreneurs can mitigate the effects of poor essential infrastructure by strategic planning and saving to build cash
reserves needed to finance the electricity supply for the business. Thus, in this sense human capital of entrepreneurs is seen as mediating the influence of the business environment on entrepreneurial business growth. Nigerian entrepreneurs are only able to succeed and grow their businesses if they can use human capital to mitigate the challenges of poor essential public infrastructure and meet market demands.

Thomas also identified poor essential infrastructure as a factor that influences growth when describing the major challenges his business has faced. He noted:

You see the most important resource in any organization is the human capital and that is a huge challenge in Nigeria today. Because this kind of business can only be done by youth. It is energy sapping and unfortunately for most of our youth, they have a warped sense of value (hard work and discipline). So capacity and human capital is the major challenge to the bakery business…. …But I realized that our youths are not hardworking or don’t take the initiative and nobody has come up to me to say they want to learn how to bake. That is a major challenge finding the right people to grow capacity. Because even if you have all the machines in this world, it is not automated, you need people to drive the process. Once you get your process right, performance will be right. That is my guiding principle in business, people, process, performance. Once you get the first two right, you get the performance right. So human capital is number one and number two is the monster, energy. So that is the monster. You must learn how to ride above the storm. You must provide your own source of energy. Not an alternative source of energy but the main source of energy because that is what you have control over. Since the beginning of the day there has been no electricity. So you have to provide your own energy if you want to meet demand and that will eat into your profit. On average we spend around 8000 to 10000 naira on diesel and that is part of our profit. Number 3 is the high cost of production material. At this moment I can’t tell you precisely the unit cost of baking a loaf of bread because when I do the math and know how much it costs me to bake a loaf of bread, volatility in the prices of production materials sometimes throw these estimates off. So you can’t have a thumb on a figure. Tomorrow the price of flour can increase. Sugar prices increase every other day. Yeast is 100% imported and that is prone to the fluctuations in the US dollar. Butter is imported as well and the price is skyrocketing everyday. So the cost of production or material input is crazy. Number four is the cost of financing an enterprise. We do not have development banks in Nigeria. All the banks in Nigeria do not support entrepreneurship. Imagine obtaining a business loan for 24% interest. With the caveat that the interest rate can randomly change
depending on the fluctuations in the dollar market. Those key factors are the challenges I face.

Thomas identified four factors that influenced the growth of his business by presenting challenges he has had to overcome. The factors he identified are low labor productivity, poor essential public infrastructure, fluctuations in price of production materials caused by government macro-economic policies, and the absence of affordable financing for growth. Thomas noted the high cost of producing his own electricity, because poor public infrastructure is one factor that influences growth in the business environment. He argues that successful entrepreneurs have to contend with different factors that limit the pace of growth and this highlights the need for entrepreneurs to develop task-related human capital as a response to challenges of the business environment to achieve growth.

Thus, poor essential public infrastructure such as the lack of consistent electricity and running water puts a strain on the limited finances of entrepreneurs and curtails entrepreneurial business growth. Thomas and Larry indicated that poor public infrastructure constrains growth because entrepreneurs have to spend a portion of their revenue to provide electricity and water for their businesses, instead of using that revenue to build the cash reserves. Nigeria also lacks good road and transportation networks, which increases the cost of moving goods across the country, which again limits internal resources.

Kade added to the discussion about poor essential public infrastructure. He noted that:
There are no structures supporting business. You need a truck to move products from one point to another and it is so difficult because of the lack of infrastructure. If I was in the United States and I want to move a product all it takes is to make a phone call and pay for those services over the phone and the next time I hear from the person, he tells me the goods have been delivered. But in Nigeria it is so cumbersome, the banks have restrictions to lines of credit, the government has restrictions to access to foreign exchange, and everybody stifles the business. We just don’t have that business orientation. The infrastructure either private or government built infrastructure is absent.

Kade stated that there are limited structures that support businesses in Nigeria. Thus, entrepreneurs have to contend with a higher cost of transportation because of poor road networks, have to navigate the absence of affordable financing, and face government policies that stifle growth by increasing the cost of doing business. He characterized the Nigerian business environment as quite volatile, and identified lack of good public infrastructure as one factor that stifles the pace of entrepreneurial growth.

Poor infrastructure influences business growth in Nigeria by increasing the cost of doing business and limiting profits. Thus, that lack limits the amount an entrepreneur can save as a cash reserve to finance growth and expansion. Inadequate essential infrastructure slows the pace of business growth, because entrepreneurs use some revenues to provide infrastructure to ensure they meet market obligations. However, successful entrepreneurs alleviate the effects of poor developed infrastructure by using task-related human capital to accumulate the cash reserves needed to provide infrastructure needs for their businesses. Once again, human capital can be seen as mediating the influence of the business environment on entrepreneurial growth. Without the appropriate human capital, Nigerian entrepreneurs are more exposed to the vagaries of the business environment and have no way of instituting the control over their business needed to effectively shape the growth of their business. This finding is
consistent with extant literature about the factors that constrain growth in Nigeria. For example, Mambula (2002), Agboli and Kkaegbu (2006), and Okpara (2011) have identified poor public infrastructure as an important factor constraining entrepreneurial growth in Nigeria. However, this study advances our understanding of the effects of poor public infrastructure on business growth by highlighting the role the human capital of the entrepreneur plays in mediating its effect.

4.5.6. Government macro-economic or monetary policies that enhance or inhibit free market activity.

Participants identified government macro-economic and monetary policies as a factor that influences the growth of business. They stated that government policies can either enhance or constrain entrepreneurial business growth and free market activity. Government policies can enhance business growth by enabling entrepreneurs to take advantage of free market opportunities, and by creating incentives to encourage entrepreneurial activity. Government macro-economic can encourage investment and entrepreneurial activity in the country. These policies offer entrepreneurs financial and legal support needed to expand production and reach new markets.

Jay described some government policies that benefited his business when he said:

You know the federal government has allowed farmers to use high quality cassava flour as a substitute for wheat in the production of bread in Nigeria. So we are trying to take advantage of this new policy and it has been accepted in markets. But for now that is what we do. I am a member of many associations like the Lagos State Chambers of Commerce, Cassava growers Association, Oil farmers Association, Nigerian Shippers Council, Nigerian Export Promotion
Council, just to learn and ease our movement in the terrain. In Nigerian business there is a lot of misconceptions and that is why we are learning. Jay stated that new federal government policy concerning cassava flour opened new markets for growth for farmers and businesses involved in food processing. He noted that he is a member of multiple organizations that help him learn more about what works in the industry, and this social learning eases market penetration. Further, he implied that entrepreneurs/ producers have a number of misconceptions about the impact government policy has on the industry. That is why he is learning to understand the changes to his business and better take advantage of government policies.

Bola also described some positive aspects of government macro-economic policies on entrepreneurship when describing his journey to becoming an entrepreneur. He noted:

There was a particular bill that was signed by that administration called the local content bill in regard to oil structure. Previously you found that a majority of the oil and gas service jobs was being done by foreigners because they had the technical expertise. They came into the sector and got paid in dollars and left the country and it did not really help the country. The local content bill really gave my business an advantage…..we found out that a lot of Nigerians don’t read and don’t know when the government is helping people with certain policies. They assume the government is not doing well when they read newspaper articles that criticize government policy and most Nigerians just follow headlines and don’t do detailed research on government policy prior to arriving at conclusions. So with the passing of the local content bill we started the process of registering our firm with International Oil Companies like Chevron, Mobil, Total and Shell. We were successfully registered by Chevron and signed our first major deal a little while later.

Bola identified the government local content bill, which was signed into law as playing a pivotal role in helping small firms participate in the oil and gas industry. These changed regulations helped him secure a major contract with an international oil company. He indicated that entrepreneurs need to better understand government policies by conducting
their own research; rather than simply relying on the popular media’s limited characterization of government policies. This research for understanding involves using human capital to study the laws and policies that govern the market, and to create a value chain that aligns with these policies. Jay and Bola clearly stated that some government policies and programs do enhance entrepreneurial business growth in Nigeria. However, entrepreneurs need to study the market by carrying out the detailed research to find ways to take advantage of government policies to benefit the entrepreneurial venture.

However, except for Bola and Jay most participants indicated that a preponderance of Nigerian government policies and regulations negatively influenced business growth by imposing artificial barriers to free market activities. Chris noted:

So I think Nigerian businesses need to save more, but sometimes external factors prevent you from saving a lot. External factors like the government policies and factors that you can not control. Right now I also import mobile phones and in the past when I imported phones my goods do not get checked by the National Drug Law Enforcement Agency (NDLEA). But recently the NDLEA started checking all packages and I need to pay or bribe them to expedite their checks and I still had to pay import duties. It wasn’t like this in the past. Recently, I tried to get a form M, which is a form we need to import goods from a bank. Normally we just had to fill out the form, have the bank verify the form, and then I can import products. But all of a sudden the government made things very difficult by imposing new rules that require our shipper to send our receipts to the bank for verification. Because the government wants to keep track of forex expenditure they require this to additional step. Which makes my goods stay longer at the ports and I have to pay for additional demurrage costs and this cuts into profits. You aim to make a profit but your profit is being cut into and there is no negotiation of duties or taxes. For the government if the tax is maybe 1% you have to pay it. So some of the regulations the government makes reduces profit.

Chris described how external factors such as sudden changes in government import policies placed additional costs on entrepreneurs and fostered corrupt practices. He argued that the decision to have the Nigerian Drug Law Enforcement Agency (NDLEA)
check packages caused delays at the seaports, and that he had to pay a bribe to expedite the process. Chris used his social skills to determine that a bribe was needed to expedite the checking process, and this highlights another instance of human capital mediating the effects of the business environment on entrepreneurial outcomes. He stated that regulations designed to track foreign exchange expenditure led to increased bureaucratic procedures, which limited how fast he could obtain his goods and meet market demand. This regulation also led to increased demurrage costs that reduced profit margins, hence making his business less profitable. Chris’s account illustrated the negative effects government macro-economic policies and regulations can have on a business, and how these policies could limit how fast an entrepreneur can grow a business.

In addition, participants identified the government’s restrictive monetary policies as playing a role in stifling entrepreneurial growth. These monetary polices are seen as restrictive because they create arbitrage opportunities in parallel markets. Government regulations create parallel markets and arbitrage opportunities because they introduce artificial methods of setting prices. Thus, rather than relying on the interaction between demand and supply to determine prices, government regulations frequently use non-market related parameters to set prices. Such parameters can lead to market disequilibrium especially in cases were the price set is below what the market perceives is the true value of the item.

When a price regulation is implemented, suppliers often hoard the regulated item to increase the parallel market value of the item, which can create a spike in the market price of the regulated product. When the regulated item is foreign currency, as is the case
in Nigeria, the regulation of foreign exchange rates leads to spikes in the cost of obtaining the foreign currency needed to purchase and import raw materials for production. This state of affairs results in increases to the cost of doing business for the entrepreneur because the government regulation creates a scarcity of foreign currency that increases prices making it more expensive to purchase and import goods for businesses. Such a sudden spike in prices as the result of government regulation can scuttle an entrepreneur’s revenue projections and delay growth by increasing costs.

Thomas provides a strong example of this concern in the quotation below:

At this moment I can’t tell you precisely the unit cost of baking a loaf of bread because when I do the math and know how much it costs me to bake a loaf of bread, volatility in prices of production materials sometimes throw these estimates off. So I can’t place a thumb on a figure. Tomorrow the price of flour can increase. Sugar prices increase every other day. Yeast is 100% imported and that is prone to the fluctuations in the US dollar. Butter is imported as well and the price is skyrocketing everyday. So the cost of production or material input is crazy.

Thomas described how government regulation of exchange rates make predicting his cost of imported raw materials really impossible. Prices for sugar, flour, and yeast, needed for bread production vary each day at different rates, so he is unable to predict the price of production of a unit of baked goods which makes planning for the future difficult. Thus, the policy of regulating foreign exchange rates had a negative influence on entrepreneurial business growth because the policy increased the cost of production for entrepreneurs.

Most participants thought that most Nigerian government policies have had a negative effect on entrepreneurs and that to be successful they have to find creative ways
to reduce the negative effects of government policies. Emphasizing this point, Ralph stated that:

Generally, most things that happen in the news today have a negative effect on exporters because the government doesn’t really know what it is doing. People get into government in Nigeria based on tribal ties and political connections and they don’t have the foggiest idea what to do when they get in office. So almost everything done is a knee-jerk reaction to the market and most policies are bad for us (exporters), so we have to find ways to be nimble enough to dodge the negative effects of the bad decisions people in government make.

Ralph opined that the Nigerian government policies typically inhibit free market activity and have a negative effect on exporters. This comment represents the general perception of government policies by many participants, as only a couple of entrepreneurs saw government policies as positively influencing business growth.

Overall, it becomes apparent that government policies can either have a positive or negative influence on entrepreneurial business growth by shaping free market opportunity and the business environment. If entrepreneurship is to be the fulcrum of the economic development plans of Nigeria, the government should put forward more policies targeted at enhancing the business environment to facilitate rapid business growth and economic expansion. Participants indicated that institutional factors in the business environment can influence entrepreneurial business growth by determining how fast entrepreneurs can grow a business. My analysis of the data coupled with the findings from the literature review, describe the factors that influence business growth such as poor basic infrastructure, absence of affordable finance, low labor productivity, and government policies as part of the business environment. These factors directly influence the rate at which business growth occurs. On the other hand, the human capital of the entrepreneur influences business growth by determining whether the entrepreneur is able
to overcome the institutional factors that make up the business environment to achieve business growth. Participants indicated that they mitigate the negative effects of the business environment and achieve growth by using human capital. Thus the human capital of the entrepreneurs is seen as the most important factor that determines whether business growth occurs or not.

The institutional factors that constitute the business environment may only indirectly influence whether business growth occurs or not in situations where the entrepreneur lacks the human capital to navigate the vagaries of the business environment and achieve growth objectives. If the entrepreneur lacks the human capital or task-related knowledge, skills, and abilities, needed to grow, he or she will be unable to address factors such as low labor productivity, absence of affordable finance, poor essential infrastructure, government policies sufficiently to engender growth in the business. Thus, the results strongly indicate that the human capital of the entrepreneur mediates the influence of the business environment on entrepreneurial success.

4.6. What suggestions can participants offer to enhance business growth for entrepreneurs in Nigeria?

Participants offered a number of suggestions to entrepreneurs to enhance growth. During focused coding, I was able to identify three major suggestions that recurred in the data. The first suggestion was that entrepreneurs frequently need to critically evaluate business practices to ensure the business performance is in line with growth plans. Second, participants suggested that entrepreneurs need to continuously invest in the
business to achieve growth aspirations; and, third participants suggested that entrepreneurs need to continually engage in learning activities.


Eleven of the twenty participants indicated that frequent critical evaluation of entrepreneurial practice and business performance in light of the growth objectives is a first step to achieving business growth. Critical evaluation involves assessing the value chain, the functional areas of the business, and determining if the business is set up to achieve its growth objectives. This process means ensuring the business is consistently meeting market demands and making the kind of margins that can be retained over time and used to finance expansion activities. This critical evaluation involves entrepreneurs constantly strategizing by using financial records to assess revenue, expenditure, and market trends to determine if the business is making profit or losses and how sustainable they are. After identifying reasons the business is not making enough profit to grow, the entrepreneur should assess whether s/he has the knowledge, skills, and abilities to realign the business’s value chain to ensure the profits needed to initiate and sustain growth are achieved.

During initial coding, I coded any reference to planning, strategizing, and reflecting on practice as an instance of critical evaluation of entrepreneurial practice. Frequent critical evaluation of entrepreneurial practice occurs during learning from experience, and it could lead to a substantive shift in the structure of the firm’s value chain or strategy engaged in to achieve growth.
Dave spoke about the importance of frequently critically evaluating entrepreneurial practice in response to the question asking what suggestions he would give to Nigerian entrepreneurs who had not experienced growth. He noted:

For people who want to grow their business, they have to develop the right growth strategy and winning strategy. Spend more time strategizing and spend more time with your staff. Strategy means spending time checking how your business is doing in terms of revenues and expenditure, align the trajectory of the firm with your goals for the future. Develop and realign the growth plans if they do not suit the present realities of the firm and basically being hyper-vigilant. You have to keep developing plans to improve otherwise you may get frustrated. So the only way to survive is to keep strategizing and planning. Plan to reduce the cost of your operations. So that you can reduce prices when needed in your growth plans. Be ready to reduce prices to suit the market. I find ways to save costs even at home. I did my laundry myself and ironed my clothes rather than taking my clothes to the dry cleaner.

Dave supports the importance of developing the right growth strategy, and frequently assessing that strategy to see if it aligns with market realities. He stated that entrepreneurs need to continually check and evaluate their businesses to determine whether revenues and expenditures align with their growth strategies. This process involves knowing how to develop and read financial records, constantly monitoring every expenditure to ensure the value chain is meeting market demands, and that the business’s functional areas effectively support the value chain. Dave stated that entrepreneurs must be hyper-vigilant, which means an almost daily practice of critically evaluating performance to ensure inefficiencies are quickly identified and addressed. He indicated that critical evaluation could lead to a business adopting cost-cutting measures to more tightly align with changes in the market. In this sense, critical evaluation makes the business more nimble and responsive to changes in market demands.
Aaron also recommended frequently engaging in critical evaluation of business practices as a suggestion for entrepreneurs seeking growth. He said:

My advice will still be the same. Like I said earlier, when you realize that your business is not working fine. You have to return to the drawing board and figure out the problem. Finding your problem depends on your ability to think about the situation or environment you run your business in. If you feel the market for the line of business you are engaged in is not developed or is dwindling you should not hesitate to make frequent changes in different aspects of your business to develop demand and bolster the market for your product or service. By listening to my colleagues and employees and discussing the challenges facing the business, we were able to come up with solutions that helped the growth of the business. So growth is not a thing you can achieve on your own. You can only achieve growth when you draw on the resources and experiences of colleagues and employees. We brainstorm and come up with new ideas and ways to grow the business. Because they also see some problems in the way your business is run and they can raise those issues with you and potentially solve the problems. For instance, when I brainstorm with my accountant he only has the responsibility of figuring out finances and keeping accurate records of revenues and expenditures, so he is in a better position to see the accounting problems the company faces compared to myself. So the solution that he offers is going to be more valuable than any solution I have and potentially help the company grow. Aaron highlighted the importance of being able to “return to the drawing board and figuring out your problem” as a way to enhance business growth. I coded this idea as the ability to critically evaluate entrepreneurial practice, which Aaron indicated is central to achieving growth. In support of Dave, Aaron argued that critical evaluation involves assessing market trends and taking steps to ensure that one’s business appropriately responds to changes in market demands. He suggested that critical evaluation should lead to specific changes either value chain or functional areas of operation to set a business on the right growth trajectory. However, Aaron said the critical evaluation of entrepreneurial practice is not a cognitive activity that an entrepreneur does in isolation, but rather recommended that critical evaluation be a process that involves employees and/or colleagues in the industry. He noted that consulting with employees and
colleagues is needed because they offer specialized insight and perspective that is needed to critically evaluate business challenges, and thus play a unique role in the critical evaluation process. However, he argued that knowing how to develop and utilize financial records is vital because it allows entrepreneurs to properly assess the specialised insight of others, and place them in context of the entire business’s operations.

Kyle spoke to the importance of knowing how to develop and use financial records during critical evaluation when asked for suggestions to entrepreneurs. He asserted:

I would say the entrepreneur should look inward and that is why I keep a chart of our revenues and that chart guides us. I look at our numbers for January and February to determine what was wrong. If we find a wide discrepancy between what we make from month to month, we investigate by going to the books to find out which areas fell short. I look at our factory, our collection sites, and our marketing site. If I notice it is marketing that fell short, then I get involved in doing more marketing for that month. Because I know this is the area losing money, so I concentrate on that area to make sure it is up to par with the other areas. So for a person not experiencing growth, they have to look at the books or business records to determine what part of the business is not profitable and find solutions to that problem. If it is just the company at large you have to identify which staff is not effective and causing losses. So the person should look at those areas.

His comment suggested that using financial records during critical evaluation of entrepreneurial practice is a useful tool and highlighted the role the task-related human capital plays in the growth of a business in Nigeria. Taken together, Dave, Aaron, and Kyle suggested that to enhance growth entrepreneurs need to frequently use financial records to critically evaluate entrepreneurial practice to determine if a business’s current performance is aligned with growth strategies and plans. To successfully grow a business, entrepreneurs have to be hyper-vigilant and consistently monitor performance
to identify current and future risks. Being hyper-vigilant is important because in Nigeria the business environment is volatile and enterprises need to be nimble enough to adjust operations to meet evolving market demands.

4.6.2. Continuous investment in the current business and innovative opportunities.

Participants consistently thought that entrepreneurs who want to enhance growth need to continuously invest to facilitate business growth. This commitment involves investing time and finances in the business as well as using personal finances to supplement businesses revenues during times of declines in revenues. Continuously investing in the business also means the entrepreneur will have to defer profit taking for an extended period of time to ensure the business builds the cash reserves needed to fund long-term growth plans. Accordingly, after the initial investment of establishing the firm, an entrepreneur in Nigeria may still be saddled with the task of ensuring stable revenue to finance long-term growth plans. Guaranteeing financial stability means the entrepreneur may have to defer taking profits, and continuously invest personal resources to guarantee growth.

In response to being asked what suggestions he would give entrepreneurs who had not experienced growth, Bill stated:

Now if you are in entrepreneurship and you are looking to grow your firm, my first challenge to the entrepreneur seeking growth would be to look inward for growth. Like I said, the motivation of the entrepreneur and the competence of the entrepreneur these are the key to achieving growth in the business. So do I have the right motivation for doing this? Do I have the right skills for doing this? You have got to answer those questions before a) you even get into entrepreneurship and b) if you are in there already, you have got to answer those question if you want to achieve growth. If I am motivated to just pay my bills and I can operate the business at the level of just paying my bills, then I am not pursuing growth.
That I think is the key thing that an entrepreneur needs to address. ....... The other thing is if an entrepreneur wants to grow, depending on the size of the organization, growth could come from better self-management. Then you got to manage yourself better as an entrepreneur. I would say that one of the things that holds back growth, because the market can be so volatile, (income today and no income tomorrow and regulatory issues that are hurting income), is the tendency for entrepreneurs to be overly cautious, so that when revenues flow in, instead of making investments that underscore and support growth they hold back these resources because they do not know what is going to happen tomorrow. That is also bad for business because a business enterprise needs resources to grow. Either you die or you stagnate. I advise entrepreneurs in this market to find quickly resources that will help them even out or stabilize their organization so that growth can occur. In our early days, that was the resources of the owners and even now you find that there are periods when things are rough, that we decide to forego withdrawing profits until things get better. In this market, a lot of times you as an entrepreneur has to find the sources to stabilize things. It is a key thing that entrepreneurs need to do in this market. So financial management perhaps is the right word to sum it up. To say well, you have got to get your financial management or cash management right. So that you are not constraining growth because you are wary of the volatility of the market.

In this response, Bill identified two suggestions to enhance growth. The first was to look inward and ask questions that critically evaluate entrepreneurial practice. He noted that being able to reflect and critically evaluate entrepreneurial practice will help an entrepreneur ascertain motivations for growth, and strategize based on them. Secondly, Bill suggested that entrepreneurs need to continuously invest finances in the business to achieve growth. This action involves not being overly cautious concerning market volatility, and retaining a portion of revenue and/or using personal resources to finance growth activities. I interpreted not being “overly cautious and making investments that underscore and support growth” as a recommendation to make continuous investments in the business. This decision involves being financially disciplined enough to build the cash reserves needed to make these investments.
When discussing suggestions to enhance business growth Wole also discussed the importance of critical evaluation and continuous investment in the business underscored by financial discipline. He noted:

The individual is not experiencing growth because the person has done so many things wrong. The person really needs to go back to the drawing board to determine if management ability is lacking, or maybe the person is not spending enough time at the business, or maybe you are not employing the right people. Because this is a job you can not do alone and you need like minded people to do the job with you. Money is not everything. Even if you invest a million naira into a business and you do not monitor the business or plan well, then you are bound to fail. Planning goes a long way and the sustainability of the business idea will also go a long way in growth. You have to think of how to satisfy your customers so they will return the next day to make similar purchases. So I will tell the entrepreneur to go back to the drawing board. Maybe the individual started a large business, but I would advise for the entrepreneur to always start small and then expand over time. You do not just go into a business you are not familiar with and invest millions, you have to start small. And maybe those businesses are not doing well because of government policies. If you are consistent in what you do, you will grow. Rome was not built in a day. When Bill Gates started he did not make money in the same year he started his company. Sacrifice. People are not ready to sacrifice. You should be able to sacrifice your time and money and not be selfish and like I said be passionate about what you are doing. I will also advise incoming entrepreneurs to look for ways to grow their business even though the economy is difficult. How do they achieve this? Maybe they cut down on materialistic behavior and maybe you have to be financially discipline, because business and family do not go together. So I advise the incoming entrepreneur to take sentiments out of it.

Wole emphasized the importance of critically evaluating entrepreneurial practice by suggesting that entrepreneurs who have not experienced growth need to go back to the drawing board. He argued that the critical evaluation process involved monitoring the business’s finances and engaging in continuous planning that evaluates the sustainability of the business. He also suggested that continuously investing time and money by being financially disciplined is needed to grow a business in Nigeria.
Thomas underscored the importance of financial discipline in making continuous investment in the business when he asserted:

For individuals who are already entrepreneurs, they should not consume their profit. A portion of the profits should always go back into the business and that is why established companies don’t pay dividends every year. Discipline. The entrepreneur must not live an opulent lifestyle and must remain financially discipline. Because naturally every business has a gestation period and you might think you are making profit, but at least it takes around five years for the business processes to be stable enough to withstand shocks. Like I said, in times of surplus or boom in your business you must anticipate a dry or barren spell and save capital during the surplus periods. Because when a decline in sales or challenges occur you will be prepared. And if you are lucky and don’t experience a decline, it is what you save in the times of surplus that will be used as capital to reinvest in your business and meet growing demand and pursue more opportunities. So for me, this is just the first phase of my plan that includes food processing. So when the time comes for you to grow and you do not grow the competition can be very ruthless. Once the competition catches up and you are caught napping, the business loses market share and may die. Once you start your business don’t lose focus, always innovate, network to discover what is new in the market. So competition is ruthless and you have to be prepared for it. That is why that property for us is strategic and we are preparing for the competition. But we have our own strategy to navigate competition when it does arrive.

Thomas’s response illustrated the importance of continuously investing in the business to achieving and sustaining growth. He noted that time is required to create stable revenues and business operations that can withstand the shocks of a volatile business environment. He argued that gradually building cash reserves by using financial discipline to reinvesting reserves in business opportunities is the only way to sustain growth over time. Thomas stated that although he is a baker, he intends to invest in food processing so he can grind his own flour for the bakery and sell the excess flour. He thinks that continuously investing in the business, as well as, being innovative by investing in related business opportunities will strategically position his business to deal with competition and potentially improve his market share. Thus, for Thomas continuous
investment should not be limited just to existing areas of business operations, but he argues that entrepreneurs should also invest in incremental innovations related to their existing businesses. Such investments could increase margins, and help firms overcome the adversity that comes with increased competition. What constitutes a good entrepreneurial opportunity today may become unviable in the future, because when an entrepreneurial opportunity (which is a form of information asymmetry) is discovered and exploited successfully by an entrepreneur, it very quickly attracts increased investment by others. As more entrepreneurs seek to exploit that opportunity, returns on investment in that opportunity begin to diminish for the market.

Based on this data, I surmised that for Nigerian entrepreneurs to grow a business and succeed over the long run, they have to critically evaluate entrepreneurial practice to guide their continuous investment in existing business operations and innovative opportunities that could improve the efficiency of existing operations. For instance, if Thomas is able to invest in and establish his own flour processing mill, he would be able to access flour at below market rates, which improves the margins for his bakery and presents new markets for his processed foods business. Thus, continuous investment in business not only helps the entrepreneur create stability in existing operations, but allows the entrepreneur invest in incremental innovations that might help expand margins and market share.

Aaron supported this argument when he noted:

You cannot just keep doing business in the same way and you also have to consider other new lines of business opportunities that may arise during the course of business. A good analogy is that of a tree. When it starts to grow, it has only a trunk, but over time it diversifies and grows branches that are spread out.
Also as a business increases revenues, the entrepreneur must begin to consider other lines of related business opportunity that they can invest in, and create multiple streams of income for the business. So the entrepreneur has to grow the business in an upgrading way, not just in a straight way, by creating different ideas that relate to the industry, but which can generate enough revenue to support the business. That is just the simple solution.

A critical element of continuous investment in new business opportunities is that entrepreneurs must stay informed and seek to invest in innovations in their industries. In this way, entrepreneurs can leverage existing technical expertise and social networks to ensure that transitions to new business opportunities are seamless. Research, planning, and focus during continuous investment allow entrepreneurs to seek innovative opportunities in industries in which they have expertise and experience. Up to date information plays a crucial role in the efficient exploitation of opportunities.

4.6.3. Entrepreneurs must continually learn.

Participants urged entrepreneurs who have yet to experience business growth to embrace learning as a means of achieving growth. Learning is seen as a means of acquiring the human capital needed to navigate volatility in the Nigerian business environment to achieve growth objectives. The participants considered learning to be vital to growth because volatility in the business environment meant entrepreneurs had to continually learn new ways to stay ahead of competition so that they could maintain or increase profits, which would then be used to finance growth plans. Volatility in the Nigerian business environment is caused by institutional factors beyond the control of the entrepreneur. They argued that learning is the only way entrepreneurs can acquire the task-related human capital needed to consistently innovate and institute stability in
business operations in varying markets, and still generate sufficient profits to finance growth activities.

Jay explained his view on the importance of continual learning in the following:

It isn’t going to be easy because those who are in business even want to be more profitable. Acquire the appropriate skills needed to carry out the core business functions and don’t start a business while still being ignorant. Because if you do not learn about the core aspects of the business, people will exploit your ignorance. But when you know about the business, study the market, and join a lot of associations. Because associations will help give you industry knowledge needed to grow. The entrepreneur should not be afraid. We need many entrepreneurs. But the only problem is the environment and we cannot escape from the environment. I believe we have to manage the environment the way it presents itself to us and that is my belief. So learning is the most important thing, because we are in the age of science and science is learning. So as a business person you have to continue learning until you die. That is why I said you must learn by either going to school or being involved in the business. Even if it is a training program lasting a week, then you have to go. All these kinds of learning play a key role in entrepreneurship.

His response helped demonstrate the importance of continually engaging in self-directed learning activities to achieve business growth. Jay suggested that entrepreneurs need to acquire the appropriate skills (task-related human capital) needed to carry out specific business functions that guarantee growth. His argument supported the need for Nigerian entrepreneurs to have a working knowledge of how to create and sustain critical parts of the business’s value chain. He noted that having this knowledge helps prevent entrepreneurs from being exploited, and implied that entrepreneurs need an extensive range of knowledge, skills, and abilities to grow a business. Jay stated that continually engaging in activities such as learning from experience, social learning within associations, formal schooling and non-formal learning are ways that entrepreneurs with an high degree of self-direction develop that knowledge. He implied that self-directed learning for entrepreneurial business growth is a life long process.
Barry also discussed the importance of continual learning to business growth, when he stated:

Knowledge is key and very important. Whatever you pay for today, others will pay more for it. You cannot sit in your comfort zone and say you know everything. So in ICT we have thousands of training programs that helps you but without knowledge and going for seminars how can we learn these things. So I would suggest that entrepreneurs go for training seminars to gain the knowledge and skills needed to advance their business.

Barry suggested that knowledge is crucial for entrepreneurs and that they need to leave their comfort zone by continually learning. He also identified consistently engaging in non-formal learning activities such as training seminars as one of the ways to acquire the knowledge and skills needed to grow a business.

Ola contributed to the discussion by discussing his initial experience in business and how he first experienced growth. He declared:

For two years I was struggling. You know you have to learn in the trade and then master the games in the trade, then there was no option but for me to experience a breakthrough. That is why I believe that you need to persevere in any business you do. That is persevering and faith. Believing that there is always a way. After two years, I got to know better places where I could get wood cheaper. Then venturing into other associated businesses where you do not just sell an unfinished product, but using the wood and creating a finished product. Instead of just selling wood to other furniture makers, I started making furniture myself. So in the process of getting experience I was able to make more money. That is were the breakthrough and growth started. Then when we went into building houses for people and supplying all the wood needs from the beginning to the end. We supplied wood for everything from foundations to furnishing then we started making more money and experiencing growth. Those are the areas that improve growth. No matter how good you may be as an entrepreneur, you must learn new things. If you depend on people, you pay the price. If you do not know what you are into (the business and market) it is a problem. You must learn, understand the rudiments of what you are into and understand it perfectly. I can give you an example. In the building aspect of my business, I hire a lot of laborers. But I had to learn the art of carpentry later. I had to learn carpentry because of my laborers and carpenters. So that I can understand what they are really doing. For one so they do not exploit me, but second is to perfect what they are doing. What you
don’t know you can not inspect and supervise and that is one of the problems we have in Nigerian businesses today. People just go into business without understanding the business. They start a business and do not understand what that business entails. They believe because they have the capital and other resources things would just magically happen. But they need to understand what the business line entails. By doing this n entrepreneur will be able to cut unnecessary costs. So you can learn on the job and through other people you have employed. By humbling yourself for that period of learning. Another source of learning is through conferences and seminars, because they say learning never stops. Everyday you continue to learn. It is not easy for a young entrepreneur with limited experience because there are a lot of bottlenecks you have to face to be profitable. A lot of bottlenecks. People are ready to rip you off and if you are not careful, your business will fail. The banks are there to exploit you with high interest rates if you apply for a loan, then you have to pay for workers, and other expenses and before you know it you have nothing left. So to break even, there are a lot of things you have to do yourself.

Ola indicated that continually learning helped him master the ways that industry functioned, and helped him acquire the industry specific knowledge he needed to continually invest and grow his business. He stated that throughout the period of growth he had to continually learn and acquire new knowledge and abilities to deal with the institutional factors that create a challenging business environment in Nigeria. He explained that he learned about his industry through owning a business in it. Through social learning, Ola learned trade skills from employees, and engaged in non-formal learning when attending conferences and seminars. His extensive experience indicated that entrepreneurs have to be self-directed learners who continually engage in a range of learning activities to acquire the task-related human capital needed to grow their businesses.

Continual learning involves entrepreneurs practicing social learning through consulting a mentor in the industry, participating in apprenticeship to acquire experience in the industry, reading books or watching videos to auto-didactically learn, attending
seminars or workshops to learn about specific topics, or obtaining formal schooling to acquire a general knowledge or accreditation. Whatever form the learning took, it became evident that through those activities participants were able to acquire the human capital needed to survive and grow in a volatile business environment.

Two implications can be drawn from the suggestions described by the participants. The first implication emphasizes the idea that the human capital of the entrepreneur is the most important factor influencing entrepreneurial business growth in Nigeria. All the suggestions offered by participants spoke to a strong notion of entrepreneurial agency where the independent actions of an entrepreneur directly influence whether or not business growth occurs. Participants thought that the institutional factors in the business environment that constrain growth could be mitigated if an entrepreneur develops the task-related human capital over time. Participants argued strongly that the ability of the entrepreneur to acquire and deploy human capital could mediate the influence of the business environment on entrepreneurial success. When an entrepreneur is able to engage in learning activities to acquire appropriate task-related knowledge, skills, and abilities, then the entrepreneur is more likely to succeed in business. This argument does not discount the direct role that the business environment plays in determining how fast an entrepreneur can grow a business. However, this suggestion implies that entrepreneurs can control the reaction of the business to the volatile environment and create the stability within the enterprise needed to gradually grow.
The second implication of these suggestions is that successful Nigerian entrepreneurs do not credit any government intervention for entrepreneurship development. Probably they think so, because historically government policies have failed to alleviate the harsh business environment significantly enough to impact entrepreneurs. Earlier government policies (detailed in Chapter Two) touted the government’s commitment to entrepreneurship as means of achieving economic growth and development; however, a majority of participants expressed dissatisfaction with current entrepreneurship policies. As a result, they have resorted to carrying out actions within their control to achieve business growth, rather than waiting for the government to enact policies to improve the business environment.

Overall, the result of my analysis in this chapter demonstrate that successful entrepreneurs in Nigeria are self-directed learners who engage in different learning activities as the need for new knowledge occurs. My analysis also suggests that to be successful, Nigerian entrepreneurs require a set of task-related knowledge, skills, and abilities to grow a business. I was able to identify five factors that influenced business growth. Participants indicated that the human capital of the entrepreneur is the most important factor that influences whether business growth occurs. Further, the results indicate that the institutional factors that constitute the Nigerian business environment directly influenced how rapidly an entrepreneur can grow a business but only indirectly influenced whether or not business growth occurs. The human capital of the entrepreneur is thus seen as mediating the influence of the business environment on business growth. The data analysis also identified three affirmative steps that successful entrepreneurs believed could be taken to engender enterprise growth. Thus, from a national human
resource development (NHRD) perspective, facilitating rapid growth among entrepreneurs in Nigeria requires that entrepreneurs must develop task-related knowledge, skills, and abilities through opportunities to engage in self-directed learning, and the government must initiate policies that address the institutional factors that hamper enterprise growth. The next section presents a theoretical model described as the process model of entrepreneurship development that shows how self-directed learning, the human capital of the entrepreneur and institutional factors in the business environment interact to produce entrepreneurial business growth in Nigeria.

4.7. Process model of entrepreneurship development

In this section, I present the findings of the study as interconnected, and specifically present the position that what entrepreneurs need to learn to grow a business is shaped by the institutional factors that make up the business environment; and, that once acquired the human capital of entrepreneurs mediate the effect of the business environment on the performance of the entrepreneurial venture. Further, my process model argues that the human capital (task-related knowledge, skills, and abilities) of the entrepreneur is the only factor that directly influences whether business growth occurs. The human capital of the entrepreneurs is used to ameliorate the direct influences of the business environment. My process model details that the institutional factors in the business environment determine the task-related human capital that successful entrepreneurs in Nigeria must acquire in order to grow their businesses.

Conceiving of entrepreneurship development as a dynamic process with elements that interact requires that we explore some ways (identified earlier) that successful
entrepreneurs have used their human capital to grow businesses. For example, participants indicated that because of the absence of affordable long term financing, entrepreneurs must acquire the knowledge of using internally generated revenues to grow their businesses. This knowledge includes learning how to employ saving strategies and being financially disciplined enough to apply those strategies. Thus, to address the absence of finance participants must deploy a skillful combination of their human capital assets to deal with this issue. This example indicates that the institutional factors that constitute the business environment such as the absence of affordable long-term financing shapes the knowledge and skills that entrepreneurs need to know to grow their businesses. The participants responded to this factor by employing a combination of knowledge, skills, and abilities to mitigate the effects of the environment, and engender business growth. Further, a complex set of relationships exists among the knowledge, skills, and abilities that make up human capital and the lifelong self-directed learning activities used to acquire that human capital. The business environment shapes the task-related content of human capital, which, in turn mediates the influence of the business environment on venture performance.

The process model of entrepreneurship development detailed in the diagram on the next page is an attempt to present the findings of this study as a series of dynamic interactions involving the ways entrepreneurs engage in self-directed learning activities, their human capital, institutional factors in the business environment and their effects on business growth as a desired outcome of entrepreneurial practice. Participants indicated that they are not simply passive agents subject to the vagaries of the business environment but that their human capital grants them the agency needed to mitigate the
effects of the environment and achieve business growth. Consequently, the process model of entrepreneurship development in Nigeria is a theoretical depiction of the findings of this study as a series of dynamic interactions among different self-directed learning activities, the human capital of the entrepreneur, and institutional factors in the business environment that together produce consistent business growth for entrepreneurs in Nigeria.
Diagram 1. Process model of entrepreneurship development

Institutional factors shaping the business environment:
- Macro-economic policies
- Absence of affordable financing
- Low labor productivity
- Poor infrastructure

Human capital of the entrepreneur:
- Knowledge of financing growth using internally generated funds
- Knowledge of critical parts of the firm’s value chain
- Knowledge of how to develop and use financial records
- Social skills
- ICT skills
- Appropriate timing in executing growth plans
- Financial discipline
- Perseverance

Self-directed learning:
- Auto-didactic learning
- Learning from prior work or entrepreneurial experiences
- Learning from social networks
- Learning from formal education
- Self-directed learning is a life-long learning activity that evolves based on the business’s needs.

Entrepreneurial business growth

Denotes factor interaction
Directly influences
CHAPTER FIVE: DISCUSSION OF FINDINGS, IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSION

5.1. Introduction

The purpose of this study was to explore how entrepreneurs in Nigeria learned to grow businesses and the human capital needed to facilitate business growth. In addition, the study explored the factors that influenced business growth. The findings revealed that participants learned the task-related human capital to grow their businesses by engaging in multiple learning activities over time in which micro-learning processes incidentally occur. The specific learning activities identified in participants’ responses included auto-didactic learning, learning from prior work/entrepreneurial experience, social learning within social networks, non-formal learning, and learning from formal education. Drawing on the data and literature, I surmised that successful entrepreneurs are self-directed learners who because they exhibited a high degree of self-direction, engaged in meso-level learning activities over time to develop the task-related human capital needed to grow a business.

The study identified eight discrete knowledge, skills, and abilities that participants learned in order to produce business growth. Finally, the findings indicated that five factors influenced the growth of entrepreneurial ventures in Nigeria. The participants noted that institutional factors such as the absence of affordable financing for long-term growth, low labor productivity, government policies, and poor essential public infrastructures, directly influenced how fast an entrepreneurial venture could grow. However, participants stated that the human capital of the entrepreneur was the most significant factor that determined whether business growth occurred. I surmised
that the business environment indirectly influences the occurrence of growth depending on the mediating effect of human capital. I concluded that human capital mediated the influence of the business environment on entrepreneurial business growth. In this chapter, I discuss the findings of the study, highlight the implications of the findings for NHRD policy, practice, theory and further research. Finally, I present details of some recommendations arising from the study

5.2. Discussion of research findings

The research findings of this study highlighted in the process model of entrepreneurship development, advances research in the field of entrepreneurship in a number of significant ways. First, the findings indicated that successful entrepreneurs in Nigeria are self-directed learners who engaged consistently in a number of learning activities over time to develop the knowledge, skills, and abilities needed to grow a business. This finding is unique because it offers a more comprehensive and a less fragmented understanding of the entrepreneurship learning process by identifying self-directed learning as a higher-level category that explains how successful entrepreneurs in Nigeria engaged in myriad learning activities to develop the human capital needed to grow their businesses. The literature reviewed positioned entrepreneurial learning as occurring as either a cognitive activity (Young & Sexton, 1997) derived from experience (Politis, 2005), or a product of social interactions (Hamilton, 2011). Thus, until now, research in entrepreneurial learning has proceeded in a fragmented way (Wang & Chugh, 2014). The results of this study indicated that entrepreneurial learning for business growth is not a
discrete event, but involves entrepreneurs engaging in multiple learning activities over time in a self-directed manner in order to grow their business.

This result is significant because it positions each type of learning that occurs during entrepreneurship as simply, a snapshot of the entire learning process, and not representative of the myriad ways successful entrepreneurs learn. Self-directed learning emerged as an expansive category that best explains how other learning activities fit together. Further, the micro learning processes and meso-learning activities can be seen as snapshots or moments of learning that occur incidentally or during defined learning activities. Self-directed learning as a macro-level learning activity occurs over an indeterminate period of time, within which the entrepreneur gathers information about a specific topic from multiple learning activities over time and eventually coalesces these disparate bits of information and applies it to the business enterprise in innovative ways that would serve as a competitive advantage.

The volatile nature of the business environment in Nigeria implies that entrepreneurs encounter more environmental challenges more frequently, and they have to respond by rapidly deploying different knowledge, skills, and abilities developed over time to be successful. The rate of change of the business environment and the need to make constant adjustments in business strategy and operations to accommodate these changes make the learning and development required for successful entrepreneurial practice unique from the learning required for successful practice by other professionals. The dynamism of entrepreneurship means that successful entrepreneurs have to be equally dynamic in their approach to learning and development.
However, it is still unclear whether having the motivation or insight to continually engage in self-directed learning activities is an innate trait certain entrepreneurs possess or a skill developed over time. If self-directed learning is a defining characteristic of successful entrepreneurial practice in Nigeria, then more research needs to be undertaken to explore the nature of the construct so we can determine whether high degrees of self-directedness can be facilitated among large portions of the population. Notwithstanding, continually engaging in self-directed learning activities to mitigate the negative effects of business environment emerged as a category that explained how successful entrepreneurs in Nigeria learn to develop the human capital needed to grow a business.

Further, the results indicated that aspects of the national culture influences whether entrepreneurs can access certain self-directed learning activities. Specifically, participants indicated that displaying humility and deference to others influenced whether an entrepreneur could develop social networks within an industry. Humility is an important social learning within networks in the Nigerian context because of the high power distance that exists within most ethnic cultures in Nigeria. Accordingly, for entrepreneurs to develop the reliable networks within which they can engage in social learning, they need to display humility. Thus, understanding national culture and displaying humility and deference during social interactions with experienced industry participants plays a role in shaping whether entrepreneurs can access learning activities such as social learning within networks. It would be interesting to explore whether successful female entrepreneurs have to develop other knowledge, skills, and abilities to address other dimensions of culture such as masculinity/femininity. Although the
findings indicated that culture seems to play a role in influencing whether an entrepreneur can access social learning opportunities within networks, the small sample size and the limited number of participants from the three major ethnic groups in Nigeria made it difficult to identify differences in responses of participants from different ethnic groups, and thus identify other ways culture might impact entrepreneurial success.

The study also identified eight core knowledge, skills, and abilities successful entrepreneurs used to grow their business. The results indicated that these knowledge, skills, and abilities described as task-related human capital are shaped by the business environment. The process model of entrepreneurship development demonstrated that elements of the business environment such as the absence of affordable financing and poor infrastructure shape the task-related human capital successful entrepreneurs in Nigeria need to develop to succeed. For instance, the absence of affordable financing for entrepreneurs meant that successful entrepreneurs had to know how to finance long-term growth using internally generated revenue. Having this knowledge is critical in developing countries because it allows the entrepreneur the freedom to control the growth process and thus insulate the business from high risks associated with the business environment. The results also indicated that each task-related human capital identified is interrelated and that in order to grow a business, an entrepreneur would have to skillfully deploy the task-related human capital.

For instance, knowing how to finance long-term growth using internally generated revenue would only lead to growth if the entrepreneur has knowledge of how to develop and read financial records of the firm, the financial discipline to consistently
set aside resources for growth, and the skill to appropriately time and execute growth plans. Without these other knowledge, skills, and abilities, the entrepreneur is unable to make meaningful use of the knowledge and growth is unlikely to occur. Thus, the process model of entrepreneurship development presents the task-related human capital as inter-related with one knowledge, skill, or ability necessarily connected to another and being meaningful only in situations when they are used in concert. In order to skillfully utilize one knowledge or skill, the entrepreneur must know the other and hence facilitating entrepreneurial development must involve simultaneously developing proficiency in each task-related knowledge, skill, and ability identified in this study. What still remains unclear is whether successful entrepreneurs have to demonstrate the same level of proficiency in each knowledge, skill, and ability in order to effectively deploy the human capital in their business and industry. There is some evidence to suggest that the degree of proficiency in each task-related human capital needed to succeed may vary depending on the kind business and industry.

Further, the study found that five factors influence business growth in Nigeria and participants indicated that the human capital of the entrepreneur is the most important factor that influences whether business growth occurs. They indicated that even though the factors that constitute the business environment influence how fast a business can grow, the human capital of the entrepreneur, interpreted as the task-related knowledge, skills, and abilities identified in this study, largely determine whether a business can grow or not. The factors that constitute the business environment indirectly influence whether a business grows in situations where the entrepreneur lacks the human capital needed to mitigate the negative effects of the volatile business environment. For
instance, in developed regions of the world where entrepreneurs have access to reliable infrastructure and affordable lines of credit, an entrepreneur without the human capital identified in this study, still has a good chance of growing a business because of the more favorable business environment. A more favorable business environment means the human capital needed to grow in developed regions of the world will be markedly different from those needed to grow a business in developing regions of the world. In developed regions of the world, differentiating a business by finding ways to consistently innovate may be a more pressing skill than knowing how to finance long-term growth using internally generated revenue. The main idea is that the business environment shapes what the entrepreneur needs to know to grow a business. Thus, to ensure a large percentage of entrepreneurs in Nigeria succeed, entrepreneurship development policies must simultaneously address the human capital of the entrepreneur while also developing the business environment. Absent a stable business environment, entrepreneurs are unlikely to grow at the rate needed to meet the growing employment demands of the country. Overall, the study identified how successful entrepreneurs learn, what knowledge, skills, and abilities successful entrepreneurs needed to grow a business, and the factors that influence business growth. The study lays the groundwork for advancing entrepreneurship development policy in Nigeria, which in turn could ensure Nigeria and other developing countries in Africa can begin to experience the economic development benefits of large-scale opportunity entrepreneurship.
5.3. Implications of the research findings

*Implications for NHRD policy makers.* The findings raise a number of implications for policy makers involved in developing NHRD policy for entrepreneurship development in Nigeria. First, the findings about learning indicate that policy makers should address how learning is facilitated in schools. In addition, they should significantly change the curriculum content in entrepreneurship education programs in tertiary education institutions. The findings of the study demonstrate that successful entrepreneurs are self-directed learners and are engaged in a range of learning activities to develop the knowledge and skills needed to grow. Curriculum designers should amend the current teaching and learning strategies being used in tertiary education institutions from teacher-led instruction to more student driven self-directed learning. Policy makers need to acknowledge the importance of self-directed learning in NHRD policy.

Further, they should ensure that tertiary entrepreneurship education evolves and incorporates more student-centered self-directed learning activities in their programs. This recommendation means that NHRD policy makers must ensure that tertiary education institutions facilitate self-directed learning by offering different kinds of learning opportunities to students. Such changes likely include providing more funding to tertiary institutions so that they are able to offer students opportunities to learn from experience and engage in social learning in networks associated with industries. Policy makers must seek to create more learning opportunities for prospective entrepreneurs within and outside formal tertiary education. Such an evolution means funding entrepreneurship learning opportunities in secondary schools, as well as, in non-formal
settings within established trade organizations affiliated with industries. The funding may be provided for more non-formal apprenticeship programs, workshops, networking events, seminars, and other formats, together with changes in ways entrepreneurship education is facilitated in tertiary institutions by offering more learning opportunities for students to engage in the self-directed learning.

These proposed policy shifts address two concerns. First, the policy shift addresses the need to reform entrepreneurship education in tertiary institutions where students are taught about entrepreneurship, rather than being actively engaged in learning the task-related knowledge, skills and abilities needed to develop a business. By offering more funding to tertiary institutions to offer more varied learning opportunities to students, policy makers will shift the pedagogical approach used in tertiary education institutions. This policy shift could offer administrators in tertiary institutions incentives to transition from teacher-led transmission of knowledge about entrepreneurship to a more student-led and self-directed approach to learning. Offering incentives to entrepreneur education programs that incorporate a self-directed approach, may propel administrators in tertiary institutions to come up with ways of creating better learning opportunities. Ones that would offer students the option of experiencing entrepreneurship first-hand and engaging in social learning form exemplars in an industry. Thus, this policy shift helps reform tertiary entrepreneurship education by placing incentives on more student-centered and self-directed pedagogical approaches (Essia, 2012; Robinson et al., 2016).
The literature reviewed in Chapter Two indicated that the content of entrepreneurship education, which mainly involves classes about the history and theories of entrepreneurship, and the different types of businesses recognized by Nigerian law, needs to be reviewed. The findings of this study identify several task-related knowledge, skills, and abilities that successful entrepreneurs used to develop a business and modifying the curriculum to reflect these knowledge and skills will better prepare prospective entrepreneurs for the challenges of growing a business in Nigeria. The National Universities Commission (NUC) and tertiary education institutions should redesign the content of entrepreneurship education and modify curricular objectives to topics identified in this study that help individuals learn the task-related knowledge, skills, and abilities needed to grow a business. Teaching students to develop knowledge about creating and using financial records should be included as a curricular objective for tertiary entrepreneurship education programs.

Further, teaching individuals about how to use information and communication technology to reach new markets and develop social networks should be added as a curricular objective in tertiary entrepreneurship education. The knowledge, skills, and abilities identified by this study should be used as learning objectives in non-formal entrepreneurship development programs funded by the government. Adopting these changes will help to ensure that Nigerians enrolled in tertiary entrepreneurship education and non-formal entrepreneurship development programs learn more of the core task-related knowledge, skills, and abilities needed to grow an entrepreneurial venture.
The second concern is that any policy shift should address the need for more non-formal entrepreneurship development programs that will provide entrepreneurs who cannot enroll in tertiary education institutions, the opportunity to learn the necessary knowledge, skills, and abilities needed to grow a business. Funding more non-formal learning opportunities would allow individuals previously excluded from accessing entrepreneurship education in tertiary institutions, because of limited capacity at tertiary institutions, to be able to develop task-related human capital. The limited number of tertiary institutions in Nigeria amidst a growing population means that it is becoming increasingly difficult for individuals to gain admission to tertiary institutions for entrepreneurship education. Non-formal entrepreneurship development programs are more popular and better suited to facilitating self-directed learning in informal contexts, because of the lack of formal prerequisites required to participate in those programs. Thus, there is a potential for the government to partner with community-based business organizations and industry associations, such as the Lagos Chamber of Commerce, to fund entrepreneurial learning initiatives.

Further, the lower cost of funding short non-formal entrepreneurship developmental workshops and seminars compared to the costs of associated with offering programs in tertiary education institutions, means that more individuals from lower socio-economic brackets could afford to participate in such courses and develop the task-related human capital needed to succeed as entrepreneurs. The broader appeal of non-formal entrepreneurship programs is ideal for reaching disenfranchised groups and developing the task-related human capital needed in larger sections of the population. Thus, there is a need to modify the NHRD policy approach to entrepreneurship
development. NHRD policy ought to offer incentives to tertiary institutions that offer varied experiential and social learning opportunities to students. This policy should also encourage the funding of learning opportunities in secondary schools so that individuals are exposed to entrepreneurial abilities such as perseverance and financial discipline much earlier. NHRD policy should recommend funding for non-formal entrepreneurship development workshops and seminars that use a range of instructional strategies to help individuals develop the human capital needed to succeed in specific industries. The non-formal learning opportunities to be funded could include industry networking workshops and apprenticeships that provide individuals control of their learning, and place them in real life business scenarios where the human capital needed to succeed can be explored and developed. Industry and Trade associations such as the Chamber of Commerce and the Manufacturers Association of Nigeria also need to ensure that learning and development programs they sponsor use a range of instructional strategies to help individuals develop the human capital needed to thrive in that industry.

Finally, the findings relating to the factors influencing business growth indicates that although the use of human capital mediates the influence of the business environment on new venture growth, institutional factors do play a direct role in determining how fast a business can grow. Accordingly, NHRD policy for entrepreneurship development should simultaneously build the human capital of individuals for entrepreneurship and invest in changing the institutional factors that influence entrepreneurship growth.
The findings suggest that without significant improvement of basic public infrastructure, strengthening legal institutions such as employment and labor laws to address low labor productivity, and providing avenues for affordable financing, entrepreneurs in Nigeria will be unable to grow businesses at the rate needed to provide the jobs and gross domestic product gains needed to galvanize the national economy. Thus, NHRD policy should recommend provisions that address the institutional factors constituting the business environment. Provisions such as instituting monetary and export policies that support entrepreneurs in Nigeria, and investing in essential public infrastructure such as roads and providing consistent water and electricity will assist in mitigating the risks associated with entrepreneurship. These changes could make the cost of obtaining financing more affordable. Creating employment laws and social security laws to regulate the interactions between private businesses and employees and institutions to implement these laws could help address low labor productivity. Consequently, entrepreneurship development policy should be more expansive and address how entrepreneurs learn, what they need to learn to grow a business, as well as, institutional factors that influence entrepreneurial growth in Nigeria.

*Implications for theory.* This study has developed a process model of entrepreneurship development as a means of understanding the interconnections and interplay between task-related knowledge, skills, and abilities successful entrepreneurs used to grow their business, how entrepreneurs learn, and the factors that influence business growth. This model advances theory development because the model depicts entrepreneurship development as a process that involves dynamic interactions among different self-directed learning activities, the human capital of the entrepreneur, the institutional
factors that shape the business environment, and entrepreneurial business growth as a desired outcome. This process model of entrepreneurship development is dynamic because the model posits that successful Nigerian entrepreneurs have to skillfully multitask by simultaneously deploying a combination of task-related knowledge, skills, and abilities shaped by the business environment to grow their business. Further, as institutional factors that constitute the Nigerian business environment change over time as a result of evolving macro-economic policies, the model predicts that the knowledge, skills, and abilities needed to grow a business in Nigeria will also change. This prediction suggests that theory that describe the entrepreneurship development process must continuously evolve to meet the new challenges arising in the business environment.

Evolving theory development in entrepreneurship is important because theory helps policy makers understand how policies impact entrepreneurs and the business environment, which directly influences whether business growth occurs and the pace at which it occurs. Thus, periodically engaging in exploratory qualitative research such as the approach taken in this study, provides data that help us understand how changes in policy and the business environment affect entrepreneurs and entrepreneurial outcomes including business growth.

Further, the findings of the study advance our understanding of how successful entrepreneurs learn. Extant literature on entrepreneurial learning present specific “types” of learning such as social learning and experiential learning as distinct and representing the entirety of entrepreneurial learning, and this approach has led to a fragmented area of
research inquiry (Wang & Chugh, 2014). This study advances theory by characterizing entrepreneurial learning for business growth as multi-tiered and self-directed, where the entrepreneur intentionally engages in meso-level learning activities in which micro-level learning processes incidentally occur. The range of meso-level learning activities participants engaged in include auto-didactic learning, social learning, experiential learning, non-formal learning, and formal learning. This study advances theory by identifying self-directed learning as a more expansive explanatory framework for understanding how successful entrepreneurs learn to grow a business. The study also presents data that corroborates this position and provides grounds for advancing more integrated inquiry into entrepreneurial learning.

**Implications for further research.** The findings of this grounded theory study present a number of implications for further research. First, there is a need for more qualitative research to support the theoretical interactions identified in the process model of entrepreneurship development. The model is based on a series of dynamic interactions between the business environment and the human capital of the entrepreneur needed to succeed, and a complex set of relationships among the task-related human capital of the entrepreneur and the self-directed learning activities used to acquire that human capital. More extensive qualitative studies could substantiate whether having the specific knowledge, skills, and abilities identified in this study do indeed lead to successful entrepreneurial practice and business growth in Nigeria. Further, quantitative research methods could be used to explore the degree to which each knowledge, skill, and ability identified in this study influences the growth of a business in Nigeria. Quantitative studies could also use the self-directed learning readiness scale (Guglielmino, 1977;
Guglielmino, Guglielmino, & Huey, 1984), repurposed for entrepreneurs (Carothers, 2014), as an instrument to determine whether successful Nigerian entrepreneurs are indeed self-directed learners.

Secondly, the findings suggest that as self-directed learners, participants engaged in multiple learning activities in which micro-learning processes incidentally occurred. Micro-learning processes such as vicarious learning, trial and error learning, and cognitive learning seem to occur spontaneously and are therefore informal. However, future qualitative studies could explore under what conditions each of these informal learning processes occur and how they lead to the accretion of task-specific human capital. This kind of research could help program designers create entrepreneurship education programs that better facilitate the micro-learning processes involved in developing the task-related human capital needed to grow a business in their program. For example, more research is needed to explore under what conditions vicarious learning occurs and whether entrepreneurs who engage in vicarious learning during auto-didactic learning activities are able to effectively develop sufficiently detailed schemas or verbal codes, needed to reproduce desired behavior in real-time. This kind of research could help program designers determine under what conditions vicarious learning yields the human capital needed to achieve business growth, which would in turn shape program design decisions. Ultimately, more research is needed to understand how and under what conditions informal micro-learning processes occur, what human capital is developed when they occur, and whether program designers can effectively pre-empt or facilitate these informal learning processes.
Further, the findings suggest strongly that the human capital of an entrepreneur is the most significant factor directly influencing business growth. As well the study found that the business environment directly influences the pace at which entrepreneurs can grow in Nigeria, and indirectly influences whether entrepreneurial venture growth occurs, but is dependent on the mediating influence of the human capital of the entrepreneur. More research is needed to explore the relationships among the human capital of the entrepreneur, the business environment, and entrepreneurial business growth. Another implication for further research is the need to explore whether female entrepreneurs in Nigeria who are successful learn differently from males. During participant selection, I was unable to recruit any female entrepreneur because very few female entrepreneurs are registered with the Lagos Chamber of Commerce. Very little is known about how female entrepreneurs in Nigeria succeed. Additional qualitative research is needed to explore the experiences of successful female entrepreneurs, and to determine if they learn differently, or require an expanded set of knowledge, skills, and abilities to deal with the masculine dimension of culture prevalent in some ethnic nationalities in Nigeria.

Future researchers could conduct longitudinal studies using the grounded theory methodology to explore the ways in which the task-related human capital needed to grow a business in Nigeria have changed. These kind of studies will help to ensure that NHRD policy for entrepreneurship development evolves and addresses current and future learning and development needs of entrepreneurs. Further, researchers should conduct studies similar to this one but with larger samples of successful entrepreneurs who live in different parts of Nigeria. Research focusing on entrepreneurs in different locales allows
us determine whether there are substantial differences in the knowledge, skills, and abilities needed to grow a business in different areas of the country. Further, by sampling only rural entrepreneurs, researchers could determine if there are differences between the knowledge, skills, and abilities needed to grow a business in rural versus urban settings.

This kind of research is useful because the findings would guide policymakers and educators in different states of the federation to tailor NHRD policy to match the specific needs of entrepreneurs in each state. For instance, if the research determines that differences exist between the knowledge, skills, and abilities needed to grow a business in rural settings and those needed to grow a business in urban settings, then states with large rural populations would have to focus on facilitating learning of the knowledge, skills, and abilities that offer their population the best chance of succeeding and contributing to economic development in the country.

Further, more studies are needed to examine the impact of labor productivity on entrepreneurial growth in Nigeria in general and entrepreneurship in particular. Most studies that identify the factors that influence business growth have ignored the role labor productivity plays in entrepreneurial growth (Mambula, 2002; Okpara, 2011); thus, a study that explores the extent to which labor productivity influences entrepreneurial performance may offer new insights.

Finally, the findings indicate that there is a discrete set of knowledge, skills, and abilities that entrepreneurs need to learn to grow a business in Nigeria, and identified five factors that influence entrepreneurial business growth. Accordingly, more studies using both qualitative and quantitative research designs are needed to explore specific
areas such as the potential gender differences and rural/urban differences in entrepreneurship. A complementary research approach would help researchers arrive at explanations that strengthen the effectiveness of NHRD polices and move the field towards becoming a more rigorous discipline with established theories that might explain growth in different business environments.

*Implications for entrepreneurial practice.* The findings present a number of implications for practice. First, the findings alert Nigerian entrepreneurs to the need to develop the task-related knowledge, skills, and abilities that they need to grow their business. The findings also identify that successful entrepreneurs in Nigeria used specific human capital to overcome the constraints in the business environment to grow a business. By identifying the components of human capital that are most appropriate the study might enable Nigerian entrepreneurs to optimize their learning by focusing on developing these components that would most likely improve their business practice and foster firm growth over time. The findings also show that successful entrepreneurs believe that the human capital is the most significant factor that determines whether enterprise growth occurs or not. Therefore, learning the most appropriate combination of knowledge, skills, and abilities should mitigate the impact of the volatile business environment.

Secondly, the findings show that because self-directed learning activities that facilitate business growth occur over time in non-formal, informal, and formal learning contexts, then entrepreneurs must continually engage in learning throughout their lives to develop their human capital. Importantly, the study demonstrated that successful entrepreneurs engaged in multiple learning activities over the course of their lives, and
that participants did not identify one all purpose learning strategy. In their responses, they identified approaches such as social learning from experienced colleagues, auto-didactic learning, non-formal learning, formal learning, and learning from prior experience as possible ways to develop the knowledge and skills needed to grow. These entrepreneurs continually engaged in different learning activities over time depending on the urgency of the learning need, the resources available, and their learning preference.

Finally, the study revealed that other factors such as low productivity, poor infrastructure, government policies, and the lack of affordable financing for long-term growth directly influence the rate of business growth. Given Nigerian government agencies have responded slowly to the challenge of investing in the business environment despite persistent calls to do so (Mambula, 2002; Agboli & Ukaegbu, 2006; Okpara, 2011), successful entrepreneurs may have to explore partnerships with government agencies to invest in the business environment.

5.4. Recommendations

A number of recommendations can be gleaned from the findings and implications of this study. The first and most important recommendation is that self-directed learning and the human capital of the entrepreneur should be the fulcrum around which much of the entrepreneurship development process in Nigeria revolves. This means that the primary focus of NHRD policy for entrepreneurship development should be to help offer a wide range of learning opportunities in formal and non-formal education settings that would help all Nigerians to learn the knowledge, skills, and abilities needed to grow a business. The participants consistently stated that being able to learn continually was the
most significant factor that led to the growth of their businesses. Accordingly, they recommended that entrepreneurs engage in lifelong self-directed learning activities related to their business needs.

To ensure self-directed learning is placed front and center in NHRD policy in Nigeria, policy situating entrepreneurial learning as occurring primarily in tertiary education and training institutions needs to be modified. More attention should be paid to the strong evidence that successful entrepreneurs learn in non-formal and formal contexts, and NHRD policy should acknowledge that entrepreneurs learn in many different ways. Policy should promote the idea that to be successful, Nigerian entrepreneurs need to be lifelong learners who consistently engage in self-directed learning. Placing self-directed learning at the center of NHRD policy would mean providing financial incentives to develop a range of self-directed learning activities in tertiary institutions, and appropriately modifying curriculum objectives to reflect the learning needs of entrepreneurs. Further, NHRD policy makers must invest in non-formal entrepreneurship development programs that offer a range of learning opportunities including industry associations and networking opportunities such as the Co-Creation Hub in Lagos. Investing in non-traditional programs, as well as, financially encouraging the creation of different forms of learning opportunities within tertiary entrepreneurship education programs would drive the creation of a wide array of learning opportunities that could foster self-directed learning and entrepreneurial business growth among individuals from different socio-economic backgrounds.
More non-formal entrepreneurship development programs that focus on student-centered learning should be funded by the government to cater to prospective entrepreneurs irrespective of their level of education. Establishing these non-formal programs in conjunction with initiating changes to existing formal tertiary entrepreneurship education programs will help to facilitate the development of the task-related human capital entrepreneurs need. In this regard, educators and HRD professionals involved in broader issues affecting workforce planning, should promote multiple forms of learning in entrepreneurship development programs. Educators and professionals involved in non-formal entrepreneurship development programs should help create multiple learning opportunities for entrepreneurs to develop the human capital needed for success. This type of program might involve instituting projects where entrepreneurs would be asked to start a real business while enrolled in the program, or where entrepreneurs would partner with successful mentors who themselves are aware of the human capital needed to grow a business. This approach would allow entrepreneurs to learn from the actual experience of developing a business and afford them the opportunity to engage in social learning within the industry.

Secondly, my findings suggest that the content of formal entrepreneurship education should change to reflect the conditions of the business environment in Nigeria. Instructors in tertiary entrepreneurship education and non-formal entrepreneurship development programs should be aware of the task-related human capital that entrepreneurs require to grow a business. This study identified eight knowledge, skills, and abilities, entrepreneurs must have for business success. These knowledge, skills, and
abilities should form the basis of the curriculum in tertiary entrepreneurship education, and learning objectives in non-formal entrepreneurship development contexts.

The final recommendation is that the Nigerian government should invest in entrepreneurial learning, and at the same time invest in improving the business or institutional environment in the country to foster rapid business growth among entrepreneurs. The findings of the study indicate that the institutional factors making the business environment, directly influence how rapidly an entrepreneur can grow a business. The lack of affordable financing for entrepreneurs, poor basic infrastructures, government policies, and low labor productivity are institutional factors that influence business growth. The government should find innovative ways of reducing risk in the economy by enacting stable monetary and economic policies, financing affordable loans for entrepreneurship, invest in public infrastructure, and enact social and employment laws that would help address low labor productivity. These recommendations would reduce the cost of doing business, and make it easier for more entrepreneurs to succeed.

5.5. Conclusion

By using a grounded theory methodology, the study has helped to address some of the gaps in the entrepreneurship literature. The study identified discrete task-related knowledge, skills, and abilities successful Nigerian entrepreneurs used to grow their business. The results revealed successful entrepreneurs engaged in different self-directed learning activities. Further, the study explored the factors that influenced entrepreneurial business growth, and found that the human capital of the entrepreneur mediates the influence of the business environment on entrepreneurial business growth. Thus, NHRD
policy for entrepreneurship should not only encourage changes in tertiary entrepreneurship education, but also begin to invest in more non-formal entrepreneurship development programs as well.

The study illustrated that although the human capital of the entrepreneur emerged as the most important factor that influences venture growth, NHRD policy about entrepreneurship needs to focus on developing the business environment. This policy shift can be done through investments in essential public infrastructure, enacting social and labor market reforms that helps improve labor productivity, and reducing entrepreneurial risks to ensure that long-term financing for growth is affordable. Finally, the study positions self-directed learning as a macro-level learning process integral to entrepreneurial growth in Nigeria, and suggests that NHRD policy for entrepreneurship should acknowledge and facilitate a full range of formal and non-formal learning opportunities to help ensure that entrepreneurs in Nigeria learn the task-related knowledge, skills, and abilities they need to grow a business.
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APPENDIX A

A model depicting how entrepreneurship policy influences different factors that interact to produce increased entrepreneurial activity and business growth.
APPENDIX B

1) Tell me about how you came to be an entrepreneur. What was that journey like? When did you first experience the desire to become an entrepreneur?

2) Can you please describe the most challenging period you experienced after you started your business? How did you manage these challenges?

3) When did you first experience growth in your business? Can you describe the events that led to the growth of your business? What contributed to the growth of your business?

4) Tell me about how you conducted business before growth occurred? Are there any differences between how you conducted business prior to growth and how you conducted business after growth occurred?

5) Can you describe the knowledge, skills, and abilities you needed to grow your business? How did you learn those knowledge, skills, and abilities?

6) What do you believe are the most important factors that influence the growth of a business? How did you discover or learn about them?

7) Based on your experience as an entrepreneur whose business has experienced growth, what suggestions would you give to someone who wants to become an entrepreneur? And to entrepreneurs who wish to grow their business?

8) What suggestions can you offer to entrepreneurs in Nigeria to enhance business growth?
APPENDIX C

University of Regina
Research Ethics Board
Certificate of Approval

REB #2016-051

Investigator(s)        Adeyemi Ogunade
Department            Faculty of Education
Supervisor:           Dr. Marilyn Miller and Dr. Abu Bockarie
Title:                Factors Influencing Entrepreneurial Growth in Nigeria: The Role of Learning
APPROVED ON: April 28, 2016       RENEWAL DATE: April 28, 2017

APPROVAL OF: Behavioural REB Application Form

Consent Form,
Interview Guide,
Letter of invitation

FULL BOARD MEETING         X DELEGATED REVIEW

The University of Regina Research Ethics Board has reviewed the above-named research project. The proposal was found to be acceptable on ethical grounds. The principal investigator has the responsibility for any other administrative or regulatory approvals that may pertain to this research project, and for ensuring that the authorized research is carried out according to the conditions outlined in the original protocol submitted for ethics review. This Certificate of Approval is valid for the above time period provided there is no change in experimental protocol, consent process or documents.

Any significant changes to your proposed method, or your consent and recruitment procedures should be reported to the Chair for Research Ethics Board consideration in advance of its implementation.

ONGOING REVIEW REQUIREMENTS

In order to receive annual renewal, a status report must be submitted to the REB Chair for Board consideration within one month of the current expiry date each year the study remains open, and upon study completion. Please refer to the following website for further instructions: http://www.uregina.ca/research/for-faculty-staff/ethics-compliance/human/forms1/ethics-forms.html.
Dr. Larena Hoeber, Chair
University of Regina Research Ethics Board.
APPENDIX D

PARTICIPANT CONSENT FORM

Project Title: Factors Influencing Entrepreneurial Growth in Nigeria: The Role of Learning

Researcher(s): Adeyemi Ogunade, Doctoral candidate, Faculty of Education, Adult education & Human resource development, University of Regina, 013063517240, ogunadea@uregina.ca

Supervisor: Dr. Marilyn Miller and Dr. Abu Bockarie

Purpose and Objective of the Research:

- This qualitative study will explore how entrepreneurs in Nigeria learn to grow a business and the knowledge, skills, and abilities needed to facilitate business growth. In addition, the study will also explore the factors that influence business growth. The objective is to understand how entrepreneurs in Nigeria who have grown a business learnt to grow their business and highlight how socio-economic, cultural, and political factors influence learning among entrepreneurs.

Procedures:

- You are being asked to participate in an initial interview lasting approximately one and half to two hours.
- You are also being asked to participate in a follow up interview of approximately forty-five minutes that offers you the opportunity to confirm data accuracy and provide additional input if necessary.
• The researcher is not affiliated with the government and your participation is completely voluntary. There will be no penalty should you choose not to participate in the study.

• Please feel free to ask any questions about the goals of the study and your role by contacting me at ogunadea@uregina.ca

• You will be asked the following questions: Tell me about how you came to be an entrepreneur? Can you describe the events that led to the growth of your business? Can you describe the knowledge, skills, and abilities you needed to grow your business? How did you learn these knowledge, skills, and abilities? What do you believe are the most important factors that influence the growth of a business in Nigeria?

Funded by:

• This research study is unfunded

Potential Risks:

• There are no known or anticipated risks to you by participating in this research.

Potential Benefits:

• The results of the study may help policy makers’ investment in the right kind of national human resource development programs that help facilitate entrepreneurial growth.

Compensation:

• Participation in the study is voluntary and participants will not be offered any form of compensation.
Confidentiality and storage of data:

- Names of those participating will not be associated in any way with the data. You will remain anonymous in any discussions or reports about interviews.
- Audio recordings of interviews will be stored on a password protected hard drive and hard copies of transcripts will be stored in a locked cabinet.
- The principal investigator will store the data for six years.
- **I grant permission to be audio taped:** Yes: ___ No: ___

Right to Withdraw:

- Your participation is voluntary and you can answer only those questions that you are comfortable with. You may withdraw from the research project for any reason, at any time without explanation or penalty of any sort.
- Should you wish to withdraw, please inform the principal investigator Adeyemi Ogunade by email of your decision to withdraw and interview recordings and transcripts will be destroyed.
- Your right to withdraw from the study will apply until one month after the interview and follow-up are complete and data has been pooled. After this it is possible some form of research dissemination will have already occurred and it may not be possible to withdraw your data.

Follow up and Questions:

- If you have any questions, before, during, and after the interview sessions, please contact Adeyemi Ogunade using the information below.
• A summary of the research results will be provided to you upon request. You can contact the researcher at ogunadea@uregina.ca or call 013063517240 to obtain the summary.

• This project has been approved on ethical grounds by the U of R Research Ethics Board. Any questions regarding your rights as a participant may be addressed to the committee at **01306-585-4775** or research.ethics@uregina.ca, Out of town participants may call collect.

**Signed Consent:**

Your signature below indicates that you have read and understand the description provided; I have had an opportunity to ask questions and my/our questions have been answered. I consent to participate in the research project. A copy of this consent form has been given to me for my records.

______________________________      _______________________
Name of Participant                Signature                Date

________________________________    ______________________
Researcher’s Signature               Date
The first step in the coding process used in this study is called initial coding. Initial coding in grounded theory involves using gerund phrases to represent each line of data. I used excerpts from the responses of participants to the interview question “How did you learn the knowledge, skills, and abilities you needed to grow a business?” to illustrate how I carried out the initial coding in this study.

<table>
<thead>
<tr>
<th>No</th>
<th>Participants</th>
<th>Excerpts of responses</th>
<th>Initial codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bill</td>
<td>But for me personally in terms of what skill-set has been useful in the growth of the business, clearly the experience I have had in running a similar business in the past has helped. Like I said, I was made a partner in that firm (Soft Solutions) before I eventually became the CEO of that company, before I left for Canada. So I have had the experience running a business from top to bottom, leading it and managing the business from a financial perspective, from an human resource perspective, and from an operations perspective. Software. I also did an MBA at the University of Warwick in the UK when I was with Soft Solutions and I did an MBA with a thesis that centered on “how the internet enables small and medium scale businesses compete”. So I had gone through the literature of what makes businesses fail, which businesses emerge as high growth businesses, and what helps businesses to grow. And it has always been a subject that fascinates me. So I have had both the academic background in business management and I have had the practical background in business management. So whatever challenges we went through in those early years and I believe we will still encounter challenges as we grow, they were not challenges that were entirely strange to me. I had lived through some of those challenges. I had read about some of those challenges, so it was not entirely new.</td>
<td>Operating a similar business in the past helped me to grow Becoming a partner and eventual CEO of prior organization Managing a business from top to bottom and understanding functional aspects of the business Leading and managing functional areas Understanding business management was not new Completing an MBA with a thesis related to his business Learning from reading literature about business growth during MBA Wondering about business growth and what helps businesses to grow Having academic background and practical experience Encountering challenges were not strange because of experience</td>
</tr>
<tr>
<td>2</td>
<td>Thomas</td>
<td>So I derived my knowledge, like I said earlier from reading a lot. I subscribe to Bloomberg, Reuters, and I attend food expos. I attended one last week on packaging food. So anything related to baking. Some are free and some I pay to attend, both within and outside Nigeria. In fact, in November, my wife is going to Dubai to attend one of the biggest conferences in the middle east named Gulf Food. I told her to get her ticket so she can go. So you need to interface with professionals, with colleagues,</td>
<td>Deriving knowledge from reading Attending food expos helped with knowledge Attending baking related events Paying to attend sometimes Spouse attending food conference in Dubai Informing her to purchase tickets in advance</td>
</tr>
</tbody>
</table>
with competitors, with vendors, with practitioners, because you see it is a value chain. So you need to interact with people from within that industry and the only way you can interact is to attend workshops etc.

Developing relationships with industry participants, colleagues, competitors
Interacting with industry participants by attending workshops, expos etc

| 3 | Charles | I asked questions. I asked questions a lot. I think one of the problems I have now is that I ask less questions these days. I used to ask questions everywhere I go. I meet a fellow contractor and I ask “how do you work to achieve your objective?” and he explains the processes he used to solve problems and I adapted his response to suit my situation. So I ask questions and we brainstorm and I pick a number of key points that will help me in my business. So on the technical side I have a “big brother” that is a civil engineer and I ask him for help when I encounter problems. I had never done a pile foundation and I got a contract to do that type of foundation and I was anxious about it because the client wanted to spend several million on a pile project. So I called my civil engineer friend and took him around the work site and picked his brain. Then at night, thank God for the internet, I just googled pile foundation, because this was my first experience with pile foundation. | Asking a lot of questions
Asking less questions may have led to problems
Asking peers questions everywhere in the past
Asking peers questions and adapting solutions to suit situations
Asking questions and brainstorming helped in business
Asking mentors in the industry for help
Obtaining a contract to complete a unique project
Having no knowledge of how to complete the project
Anxiety about the project’s monetary value and inexperience
Calling my mentor in industry and learning how to execute the project
Seeking information from the internet
Learning how to execute the project using google |

| 4 | Aaron | During my business experience I have learnt mostly from failure. Also I discover a lot of things and think ahead most times. I also try to be innovative and creative. And we always try to offer new services to enhance the value of the services we offer to the client and ensure we remain relevant. We also ensure that there is a consistent connection between the services we render the bottom line of the company in terms of increase in sales revenue that is a direct result of our advertising and marketing services. By listening to my colleagues and employees and discussing the challenges facing the business, we were able to come up with solutions that helped the growth of business. So growth is not a thing you can achieve on your own. You can only achieve growth when you draw on the resources and experiences of your colleagues and employees. We brainstorm and come up with new ideas and ways to grow the business. Because they also see some problems in the way your business is run and they can raise those issues with you and potentially solve the problems. | Learning mostly from failure
Learning from self-discovery and reflection
Trying to be innovative
Offering innovative services to remain relevant
Connecting services rendered to bottom line of the company
Listening to colleagues in the industry
Listening to employees and discussing challenges with employees and colleagues
Growing cannot be achieved on your own
Achieving growth involves drawing on resources of colleagues and employees
Brainstorming with them to come up with ideas
Seeing problems and raising |

<p>| 5 | Dave | For instance, during my apprenticeship with my father and at the other educational consultancy firm, I learnt about printing and photography so we | Learning about printing and photography during apprenticeship |</p>
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<tbody>
<tr>
<td><strong>Kade</strong></td>
<td>I have been focused and tried to gain knowledge about this business. Sometimes I go there to meet the buyers and develop a rapport. You need the rapport because sometimes you may not be able to meet their demands and you can use your rapport to renegotiate terms. So customer relationship matters. I learnt mostly from these experiences but also my educational background. I have a Bachelors in computer science and Master’s in operations research. So logically I can piece things together and that helps a lot.</td>
</tr>
<tr>
<td><strong>Isaiah</strong></td>
<td>Incidentally, I got a lot of training from my previous place of employment in a multi-national corporation and I have worked in several countries too, so all those interactions with different cultures and different people had an impact. Where I worked we used to call the place a training house because we did a lot of training, but I think the global economic trend have changed that at the company.</td>
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<tr>
<td><strong>Wole</strong></td>
<td>Well like I said earlier on I went to the university of Alabama and to succeed in this business you must be able to carry out some elements of agriculture. It is a prerequisite and this work leads to a passion and knowledge of agriculture that helped me in my business. I studied accounting also and took agriculture as an elective because I had interest in it and there is no way you can study accounting without learning a little about management, risk management, and the legal aspects of doing business. So doing that already helped me learn a number of knowledge and skills that I use in my business today and that has made me what I am today.</td>
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<td>9</td>
<td>Chris</td>
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<td>10</td>
<td>Ralph</td>
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<td>11</td>
<td>Jay</td>
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<td>Tobi</td>
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<td>13</td>
<td>Wilson</td>
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<td>Larry</td>
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<td></td>
<td>Philip</td>
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<td></td>
<td>Bola</td>
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<td>Barry</td>
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<td>the knowledge and skills needed to advance their business.</td>
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<td>18</td>
<td>Ola</td>
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<td>That is why I say you have to learn from other people’s mistakes and talk to other entrepreneurs who have done something similar in the past. You don’t necessarily need to talk to people now. Not in this age of ours. There are different ways of gathering information and it flies around. If I google somethings I learn a lot about people and if I check on the internet I can learn a lot about a business. That is why I said entrepreneurs must learn from people’s mistakes. Then sometimes you talk to people in the industry and from those conversations you can learn a lot about their failures. In the same way you look at the failures but you also have to look at what your competitors in the industry are doing correctly and learn from them. Entrepreneurs need to figure out what competitors are doing right that they are not doing right.</td>
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<td></td>
<td>Learning from other people’s mistakes</td>
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<td>Talking to other more experienced entrepreneurs</td>
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<td>Talking to people is not absolutely necessary</td>
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<td></td>
<td>Gathering information through different sources</td>
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<td>Learning about people and business by checking the internet</td>
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<td>Learning from what competitors are doing correctly</td>
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<td>Learning from what competitors are doing correctly</td>
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<td></td>
<td>Learning what competitors are doing correctly</td>
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<tr>
<td>19</td>
<td>Kyle</td>
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<td></td>
<td>In the beginning I told you my dad started the business and I was doing things the old fashioned way he was doing it then. In 2010, when we rebranded and started it all over again. That is when I bought the dry cleaning machine and the man I bought the machine from asked me some questions and I explained my business to him. Luckily he made me realize that I was doing things the old fashioned way and taught me some new dry cleaning methods. He introduced me to products like industrial starch which is even better than the old starch that we used to use. Before I went into the business fully again, I went to train under the man for two weeks. That is where I got my knowledge and skills from. I learnt how to press better than I used to in the past and I learnt how to use the finishing table better than I used to before. There is a machine called the Jackson machine that I never knew about and I saw it in his place for the first time and made use of it there before I bought one for my own company. He taught me a lot and that made me confident and it increased the skills and knowledge of the business. So that is how I could even get a better handle of the business.</td>
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<td>Doing things, the old fashioned way the way my dad did things</td>
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<td>Talking to other more experienced entrepreneurs</td>
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<td>Talking to people is not absolutely necessary</td>
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<td>Learning what competitors are doing correctly</td>
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<td>Doing things, the old fashioned way the way my dad did things</td>
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<td>20</td>
<td>Michael</td>
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<td>I had to go to a science and technical training school. Then I worked as an engineer with the Lagos state government for years and that gave me the opportunity to work on many projects and gain experience as an engineer. So most of my skills was from the technical training I received and the</td>
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<td>Learning from science and technical training school</td>
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<td>Gaining experience working as an engineer with the Lagos state government</td>
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years of experience as an engineer with the ministry of works in Lagos state. Developing skills through technical training and experience working as an engineer.

The next stage of the coding process is called focused coding and in this stage of coding, I constantly compared the responses of participants to the same question and any initial code that recurred in the data emerged as a focused code. Table B illustrates the focused coding for process.

Table B.

<table>
<thead>
<tr>
<th>Transcript</th>
<th>Initial codes</th>
<th>Selection criteria for focused codes</th>
<th>Focused codes</th>
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</thead>
<tbody>
<tr>
<td>Excerpts of the response of participants</td>
<td>Operating a similar business in the past helped me to grow. Becoming a partner and eventual CEO of prior organization Managing a business from top to bottom and understanding functional aspects of the business Leading and managing functional areas Understanding business management was not new Completing an MBA with a thesis related to his business Learning from reading literature about business growth during MBA Wondering about business growth and what helps businesses to grow Having academic background and practical experience Encountering challenges were not strange because of experience Deriving knowledge from reading and other activities outside of formal instruction and non-formal instruction, developing relationships and learning from technicians, experienced colleagues, and other industry participants.</td>
<td>Recurring initial codes</td>
<td>Deriving knowledge from reading and other activities outside of formal instruction and non-formal instruction, developing relationships and learning from technicians, experienced colleagues, and other industry participants.</td>
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<tr>
<td>Attending baking related events</td>
<td>Engaging in entrepreneurial practice and experience in prior paid employment.</td>
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<td>Paying to attend sometimes</td>
<td>learning from attending formal education institutions</td>
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<td>Spouse attending food conference in Dubai</td>
<td>learning from attending seminars, conferences, training sessions and other non-formal learning activities</td>
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<td>Informing her to purchase tickets in advance</td>
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<tr>
<td>Developing relationships with industry participants, colleagues, competitors</td>
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<td>Interacting with industry participants by attending workshops, expos etc</td>
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<td>Asking a lot of questions</td>
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<td>Asking less questions may have led to problems</td>
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<td>Asking peers questions everywhere in the past</td>
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<td>Asking mentors in the industry for help</td>
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<td>Obtaining a contract to complete a unique project</td>
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<td>Having no knowledge of how to complete the project</td>
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<td>Anxiety about the project’s monetary value and inexperience</td>
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<td>Calling my mentor in industry and learning how to execute the project</td>
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<td>Seeking information from the internet</td>
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<td>Learning how to execute the project using google</td>
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<td>Learning mostly from failure</td>
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<td>Learning from self-discovery and reflection</td>
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<td>Offering innovative services to remain relevant</td>
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<td>Brainstorming with them to come up with ideas</td>
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<td>Seeing problems and raising</td>
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</table>
Learning about printing and photography during apprenticeship

Cutting costs using these skills
Using less money for projects because of skills

Printing costs are revenue because of learning developed in apprenticeship

Learning photography reduced the cost of business in industry

Learning skills while growing up and during apprenticeship makes business cheaper for me

Having experience reduced the high costs of entry into industry that limits other entrepreneurs

Learning marketing skills from experience as marketing manager

Selling insurance in Nigeria difficult
Being focused and gaining knowledge of the business
Developing rapport with the buyers
Renegotiating terms when you cannot meet demands

Customer relationships matter

Learning mostly from experience and formal education

Having a bachelor’s and master’s degree helps me piece things together

Training from my previous employment
Working in several countries too helped me learn

Interacting with different cultures helped

Doing a lot of training in prior employment

Economic trend may have changed the company

Attending the university of Alabama to learn about elements of agriculture

Learning from the university is required and helped build passion and knowledge needed to grow

Studying accounting and taking an elective in agriculture

Studying accounting makes you aware of risk management and the legal aspects of business
<table>
<thead>
<tr>
<th>Studying accounting helped me learn the knowledge used today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needing to be patient in this business</td>
</tr>
<tr>
<td>Having good listening skills is important</td>
</tr>
<tr>
<td>Having self-belief about being effective</td>
</tr>
<tr>
<td>Acknowledging technicians are the most knowledgeable</td>
</tr>
<tr>
<td>Relating socially with technicians and being friendly</td>
</tr>
<tr>
<td><strong>Understanding how technicians think and learning from them</strong></td>
</tr>
<tr>
<td>Not about calculating profits</td>
</tr>
<tr>
<td>Educating customers about products is important to sales</td>
</tr>
<tr>
<td><strong>Learning from technicians by being patient and having listening skills helps</strong></td>
</tr>
<tr>
<td>Being proficient in operations management is important</td>
</tr>
<tr>
<td><strong>Reading business manuals to manage operations better</strong></td>
</tr>
<tr>
<td><strong>Reading a lot</strong></td>
</tr>
<tr>
<td><strong>Attending seminars at the chamber of commerce</strong></td>
</tr>
<tr>
<td><strong>Learning math and business from school</strong></td>
</tr>
<tr>
<td><strong>Learning web design and IT from school</strong></td>
</tr>
<tr>
<td><strong>Learning social skills from audiobooks</strong></td>
</tr>
<tr>
<td><strong>Learning trade psychology from audio books</strong></td>
</tr>
<tr>
<td><strong>Learning humility from experience</strong></td>
</tr>
<tr>
<td>Realizing that he did not know as much as he thought he did</td>
</tr>
<tr>
<td>Knowing how to put professionals in areas they belong is a skill</td>
</tr>
<tr>
<td>Trying to delegate responsibilities</td>
</tr>
<tr>
<td>Employing those who are trained for the right position</td>
</tr>
<tr>
<td>Hiring trained accountants for accounting jobs</td>
</tr>
<tr>
<td>Hiring trained production manager for a production manager job</td>
</tr>
<tr>
<td>Bringing in professionals to help you in business</td>
</tr>
<tr>
<td>Hiring professionals to handle specific areas when growth occurs</td>
</tr>
<tr>
<td>Delegating when growth occurs</td>
</tr>
<tr>
<td>Managing the business alone prior to growth</td>
</tr>
<tr>
<td>Trusting professionals hired to do their job</td>
</tr>
</tbody>
</table>
Needing to go to school or training to help with diction and English pronunciation

Training in public speaking and total public relations training

Needing to know about equipment used to produce a show

Hiring people to handle equipment was not possible to start with

Knowing a few things about the processes to prevent people taking advantage

Needing people skills to manage artists

Learning how to manage different attitudes and develop people management skills

Learning the business side of production from a formal business school

Receiving five years of training to become a certified surveyor

Training for five years and then established a business

Obtaining an high school diploma or technical school before you can become a surveyor

Obtaining the wisdom to perform is impossible without going to school

Needing more education to perform effectively in the industry

Distinguishing registered surveyors from assistant surveyors with education

Recognizing registered surveyors due to more years of education

Learning from finishing course work in surveying

Working with established companies before starting a business

Getting experience from education and work experience used to perform effectively

Being skilled in this line of business before starting

Going to school and working for it

Attending formal education

Attending a leadership training at Daystar

Attending a leadership and entrepreneurship development school

Offering a diploma and advanced executive course
Learning more before starting as an entrepreneur

*Reading books is very important*

Talking to people who were entrepreneurs was also important

Being able to market services is important

Being able to communicate effectively was a challenge

Meeting and talking with people helped me develop the skill

Attending seminars helped me learn

Getting formal and informal training on how to market services helped

Making mistakes in practice and being corrected by clients helped me improve

Communicating is not challenging anymore

Learning over time and still have areas to improve.

Having experience played a major role in growth

Learning from past mistakes

Using past mistakes to adapt to the present

Gaining more experience in industry improves your skill

Learning from each new project

Learning skills from the university

Learning programming at the university

Studying programming languages like fortran basic, c++

Knowledge is important

Sitting in your comfort zone is not an option

Thousands of training programs to learn from in ICT

Difficult to learn without going for seminars and continuously gaining knowledge

Suggesting entrepreneurs attend training seminars to gain knowledge

Learning from other people’s mistakes

Talking to other more experienced entrepreneurs

Talking to people is not absolutely necessary

Gathering information through different sources
| Learning about people and business by checking the internet |
| Learning from people’s mistakes |
| Talking to people in industry and learning about failures |
| Learning from what competitors are doing correctly |
| Learning from competitors |
| Learning what competitors are doing right and applying it |
| Doing things, the old fashioned way the way my dad did things |
| Staring all over in 2010 |
| Buying a drying cleaning machine |
| Being asked questions about my business |
| Realizing that I was doing things the old fashioned way as a result of conversation with industry participant |
| Learning some new dry cleaning methods |
| Learning about more effective products like industrial starch |
| Receiving training from experienced colleague for two weeks |
| Learning how to press better and finish better than I used to in the past |
| Learning about useful machinery needed to compete efficiently |
| Learning from him made me confident and increased my expertise in this business |
| Learning from science and technical training school |
| Gaining experience working as an engineer with the Lagos state government |
| Developing skills through technical training and experience working as an engineer |

(The highlighted codes are recurring initial codes that represent the same idea)

The next stage of coding involved developing concepts to represent the focused codes using the adult learning literature, participant’s responses, and theoretical sensitivity develop during data analysis. Developing concepts is important in grounded theory because concepts are more defined and help make tacit connections among the focused
codes more apparent during data analysis. Table C below illustrates the emergence of the concepts.

**Table C.**

<table>
<thead>
<tr>
<th>Transcript of the response of participants</th>
<th>Initial codes derived from participant’s responses</th>
<th>Recurring initial codes</th>
<th>Deriving knowledge from reading and other activities outside of formal instruction and non-formal instruction, developing relationships and learning from technicians, experienced colleagues, and other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Concepts in the adult learning literature</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Focused codes and participant’s responses</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Theoretical sensitivity</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Auto-didactic learning</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Social learning within networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Learning from prior</td>
</tr>
<tr>
<td>Industry participants, learning from engaging in entrepreneurial experience in prior paid employment, and experience in work or entrepreneurial experiences</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal learning</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Non-formal learning</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

| learning from attending formal education institutions, learning from attending seminars, conferences, training sessions and other non-formal learning activities |
To arrive at a provisional answer to the research question “How do successful entrepreneurs in Nigeria learn to grow a business?”, I developed a category that explained how the different learning concepts that emerged from the data fit together. Drawing on my understanding of the data and the adult learning literature, I identified self-directed learning as the concept that best explains how successful entrepreneurs in Nigeria learned to grow a business. Participants indicated that they consistently engaged in multiple learning activities over time to develop the knowledge, skills, and abilities needed to grow and I interpreted this as an instance of self directed learning. I reviewed the pertinent adult education literature describing self-directed learning in sections 3.8 and 4.3.1. The table below illustrates the emergence of the self-directed learning category.

**Table D.**

<table>
<thead>
<tr>
<th>Transcript</th>
<th>Initial codes</th>
<th>Selection criteria</th>
<th>Focused codes</th>
<th>Conceptual development criteria</th>
<th>Learning concepts</th>
<th>Learning category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excerpts</td>
<td>Initial codes derived from participant</td>
<td>Recurring initial codes</td>
<td>Deriving knowledge from reading and other activities outside of</td>
<td>Concepts in the adult learning literature,</td>
<td>Auto-didactic learning</td>
<td>Self-directed learning</td>
</tr>
<tr>
<td>participants’ responses</td>
<td>formal instruction and non-formal instruction, developing relationships and learning from technicians, experienced colleagues, and other industry participants, learning from prior work or entrepreneurial experiences, engaging in entrepreneurial practice and experiences in prior paid employment, learning from attending</td>
<td>Focused codes and participant’s responses, Social learning within theoretical sensitivity</td>
<td>Learning from prior work or entrepreneurial experiences</td>
<td>Formal learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>formal education institutions, learning from attending seminars, conferences, training sessions and other non-formal learning activities</td>
<td>Non-formal learning</td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>