



**THE ROLE OF BUSINESS GROWTH ON EMPLOYMENT
GENERATION IN KADUNA METROPOLIS**

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Abstract

This paper investigates how business growth can enhance employment generation in Nigeria. The objectives of the paper are to: examine the role of increase in sales volume and increase in number of employees in small and medium scale enterprises (SMEs) on employment generation. Unemployment has become a very crucial global and national issue that needs serious attention. Descriptive survey design was adopted in the study and a specially designed questionnaire was administered on 166 management staff from randomly selected SMEs in Kaduna metropolis. Both descriptive and inferential statistics were applied in the analysis of the result collected in the survey with the help of Statistical Package for Social Science SPSS. The findings of the study showed that Business Growth; proxy as increase in sales volume and increase in number of employees significantly contribute to Employment generation; proxy as job creation. Based on this finding, it was recommends that there is need for government to encourage financial institutions to assist entrepreneurs financially, secondly all governments should work together

to eliminate insecurity in the country to enable and encourage both local and foreign business investments.

Keywords: Entrepreneurship, Business Growth, Employment Generation, Unemployment.

Introduction

Entrepreneurship is recognized as the engine of economic growth and poverty reduction worldwide. This is because the social and economic value added through innovation and employment generation is critical to the increase in the overall productiveness of the economy. The more the enterprises produce the more inputs in the form of raw materials, labour and other supplies are required. Thus, it is essential for businesses to grow in order to serve the interest of the owners and also contribute positively to the economic development of regions and nations. Thus, managers and owners are expected to design and implement effective strategies to ensure the survival and growth of businesses.

Ironically, governments in many developing countries, including Nigeria, have not done well in providing enabling environments for businesses to flourish (Alanana, 2003). However, the ultimate responsibility for growing businesses rest on the shoulders of owners/managers. This paper is designed to equip potential entrepreneurs with the tools and framework to assist them in their journey towards creating viable and expanding ventures.

Many enterprises start small but have the intentions of growing in size and magnitude so as to attain or achieve the basic objectives of business growth. Unemployment has persisted and keeps increasing in Kaduna State, though businesses have grown numerically. The impact of this increase is yet to be felt and it is on this note that this research work intends to fill the gap of lack of impact. When a business grows, it enhances better profitability, more people are employed and more goods and services are produced. In Nigeria it is difficult to find businesses that have grown to a reasonable level, that means business growth has been faced with challenges. This paper is out to discuss how entrepreneurship growth can enhance employment generation in Kaduna Metropolis

The objectives of this study are to:

1. examine the role of increase in sales volume of SMEs on employment generation.
2. determine the role of increase in number of employees in SMEs on employment generation.

The formulated null hypotheses of the study are:

- H01: Increase in sales volume of SMEs does not have significant impact on employment generation
- H02: Increase in number of employees in SMEs does not have significant impact on employment generation

Literature Review

Concept of Business Growth

Business growth means expanding firm's products and services or expanding its target markets, or some combination of each (Gana, 2001). Any increase in the volume of activities of enterprises is a clear indication of growth. Businesses grow for a number of reasons such as to take advantage of a gap in the market, to gain a competitive advantage over rivals, and to win increased market share. Usually ventures start small because of limited knowledge of the market, shortage of capital and lack of skilled employees etc. It is expected that as the entrepreneur gains more skills, knowledge and acquire additional resources, the volume of activities of the business will expand. An entrepreneur may also capitalize on changes in the environment to expand his operations in order to exploit new opportunities. Theorists have shown that behavioural traits are significant influence to entrepreneurs desire to grow his business. Some people inherently derive satisfaction from being excellent in what they do; they tend to have insatiable desire to grow and positively affect the world around them. Other people tend to be comfortable with average results while others are "easy come easy go". In explaining the pattern of business growth, many theories rely on "The lifecycle approach. This approach posits that just as humans pass through stages of physiological and psychological development from infancy to adulthood, businesses also evolve in predictable ways and encounter similar problems in their growth" (Bhidé, 2000).

It is proposed that businesses pass through infancy, growth, maturity and then decline or even close shop. Some scholars suggest more or fewer stages of development. However, there is no consensus on the number of stages, nor on how they are related. Moreover, the proposition that all businesses follow the set sequence is not at all supported by the empirical evidence. The main issue is that companies are started at one point and they need to be nurtured and managed to grow bigger and bigger. There are companies around the world that survive decades or centuries. The question is why do some businesses survive and grow while others do not. This paper defines business growth as the passing of a business through stages of improvement and expansion which can lead to more demand for man power to meet up with the higher production of goods and or services.

Reason for Business growth

Researchers have shown that more than half of all businesses fail in less than two years of commencement. Also, a large number of those businesses that survive the first two years hardly grow. It is only few businesses that survive, grow, regenerate and even create other businesses (Cana 2011).

Conventionally, people ascribe businesses success or failures to fate/chance or certain environmental conditions including family background. Even though one could not entirely rule out the influence of changes in the environmental factors, the entrepreneur's positive attitude, discipline, skills, competences, resilience and experience are real factors determining the transition of an enterprise from start up to a fully grown or diversifies venture.

The question often asked is what motivates people to starting and growing their businesses. Usually, entrepreneurs tend to make critical investments, take acceptable risks and learn consistently because of their desire to make money and enjoy all the rights and privileges that come along with wealth. Other reasons include improved social status and well-being, greater opportunity for philanthropy and community services, and gaining control over their own destiny. Employees attribute increase in income/ benefits and advancement with businesses that grow. Government tends to favor business growth because it lessens unemployment and social tension in addition to raising more revenue from taxes. Thus, it is in the best interest of business owners and other stakeholders in the society for businesses to grow and flourish because growth tends to create social and economic value for all.

On general note, start-ups and small businesses generate employments opportunities.ILO (2007) estimated that about 70% of the people in Sub-Saharan Africa rely on small and informal establishment for their livelihood. For example in South Africa, the share of employment provided by SMEs sector is estimated at 60% and generated about 40% output.

In Botswana, small business contributed between 30-45% to the nation's gross domestic product (GDP) and accounted for more than 60% of wage employment. Thus, any increase in the activities of small enterprises will lead to corresponding increase in employment.

As employments are generated, the increase productivity raises the level of wealth creation in a given economic environment. This is why the productiveness of an economy is related to increasing income and improving standards of living. Businesses combine human and material resources to create value.

So, as activities of enterprises increase due to increase in labour productivity and efficient use

of resources, all things being equal lead to high wages for individual worker, more profit for the company and rise in GDP for the nation.

When productivity is higher, cost of production tends to be lower.
With lower cost of production, citizens obtain products cheaper and these, in turn, increase living standards. Udeh (2012) lists other reasons for business growth to include desire to increase capital base the desire to achieve increased capacity and profitability, the intentions to achieve competitive advantage over rival; companies or products, desire to expand market shares and desire to improve economies of scale.

The concept of entrepreneurship

Entrepreneurship is more than simply "starting a business." It is a process through which individuals identify opportunities, allocate resources, and create value (Allawadi 2010) This creation of value is often through the identification of unmet needs or through the identification of opportunities for change. It is the act of being an entrepreneur which is seen as "one who undertakes innovations with finance and business acumen in an effort to transform innovations into economic goods hence Entrepreneurs see "problems" as "opportunities," and then take action to identify the solutions to those problems and the customers who will pay to have those problems solved. Entrepreneurial success is simply a function of the ability of an entrepreneur to see opportunities in the marketplace, initiate change (or take advantage of change) and creates value through solutions. Entrepreneurship is known as the capacity and attitude of a person or group of persons to undertake ventures with the probability of success or failures. It demands that the individual should be prepared to assume a reasonable degree of risks, be a good leader in addition to being highly innovative. In business management, Entrepreneurship is regarded as the "prime mover" of a successful enterprise just as a leader in any organization must be the environmental change agents.

Binks and Vale (1990) defined entrepreneurship as 'an unrehearsed combination of economic resources instigated by the uncertain prospect of temporary monopoly profit.' Tijani-Alawiye (2004) defines entrepreneurship as the process of increasing the supply of entrepreneurs or adding to the stock of existing small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs, who can successfully run innovative enterprises, nurture them to growth and sustain them, with a view to achieving broad socio-economic developmental goals. One of these goals is sustaining employment.

Furthermore, Acs (2006) noted that entrepreneurship revolves around the realization of existence of opportunities in combination with decision to commercialize them by starting a new firm. This reasoning is what Thornton (1999) called demand and supply perspectives of

entrepreneurship discourse. However, Shepherd and Douglas (1997) observed that the essence of entrepreneurship development is the ability to envision and chart a course for a new business venture by combining information from the functional disciplines and from the external environment in the context of the extraordinary uncertainty and ambiguity which faces a new business venture. It then manifests itself in creative strategies, innovative tactics, uncanny perception of trends and market mood changes and courageous leadership. To the duo, 'entrepreneurship', when treated as 'enterprise-creation' helps develop new skills and experiences that can be applied to many other challenging areas in life. More importantly, Schnurr and Newing (1997) justified the need for promoting entrepreneurship culture on the ground that youth in all societies have sterling qualities such as resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, boldness, audacity and courage which are all valuable traits for entrepreneurship development.

Entrepreneurship has also led to employment generation, growth of the economy and sustainable development. The current number of colleges and universities offering small business management and entrepreneurship development programmes has grown from one university in 1947 to over 1600 in the 1990s (Solomon & Fernald, 1991). White and Kenyon (2000) also found a 'flourishing youth enterprise culture' in the United Kingdom among young entrepreneurs aged 18 – 24 years. In Zambia, it was shown that 25% of the youth are self-employed (Chigunta, 2001). Most of these young people, especially younger youth, tend to be concentrated in marginal trading and service activities. Findings in Ghana of small scale enterprises reveal that young people owned almost 40 percent of the enterprises (Osei, Baah-Nuakoh, Tutu, and Sowa, 1993). Similarly, research in South Africa suggests that the probability of self-employment among young people rises with age (Chigunta, 2001). When Nigerians especially unemployed youth are mentored and provided with the needed resources and enabling environment for business start-ups, they will economically be engaged thereby shunning the illegal acts of hostage-taking, kidnapping, bombing and vandalism and homelessness. In every act of entrepreneurship development, a new firm is raised hence entrepreneurship is enterprise-creation. Often times, millionaires and billionaires are made such as Bill Gate of Microsoft and Alico Dangote of Dangote Group of Companies.

The understanding of entrepreneurship owes much to the work of economist Joseph Schumpeter in the 1903s and other Austrian economists such as Carl Menger, Ludwig von Mises and Friedrich von Hayek. However, Salami (2011) has identified two types of entrepreneurship vis:

Opportunity-based entrepreneurship:- This occurs when an entrepreneur perceives a business opportunity and chooses to pursue it. Ernst and Young (2009) in a survey found that

majority of entrepreneurs said they saw economic slowdown as the perfect time to pursue new market opportunities. In addition, economists, academics and industry leaders agree that recession trend to favour the naturally innovative temperament of entrepreneurs.

Necessity-Based Entrepreneurship: This occurs when an entrepreneur is left with no other viable option to earn a living. It is borne not as a choice but compulsion which makes him or her choose entrepreneurship as a career. An example is the Nigerian Civil War of 1967 – 1970 when the economic embargo introduced by Federal Government forced the secessionist Biafra to develop fuel pump from coconut and palm oil. This write up sees entrepreneurship as the process of identifying business opportunities and exploiting such to enhance enterprise start-up to allow for self-employment.

Concept of unemployment

Unemployment is conceptualised as a situation where in a worker is or workers are involuntarily out of work. This means that workers are willing and able to work but cannot find any work. Unemployment has been defined by the classical economists as the excess supply of labour over the demand for labour which is cause by adjustment in real wage. The classical or real wage unemployment occurs when real wages for job are set above the market-clearing level, causing number of job-seekers to exceed the number of vacancies. It is a state of joblessness which occurs when people are without jobs and have actively sought work. The unemployment is a measure of the prevalence of unemployment and it is calculated as a percentage by dividing the number of unemployed individuals by individuals currently in the labour force. In 2011, Business Week Reported, more than two hundred million (200,000,000) people globally are out of work, a record high, as almost two-third of advanced economies and half of developing economies are experiencing a slowdown in employment growth. The numbers of people who are unemployed in an economy, often given as a percentage of the labour force, that is, numbers of people who are willing and able to work as well make themselves available for work at the prevailing wage but no work for them (Aminu & Anono, 2012)

Causes of unemployment in Nigeria

In the study of unemployment in Nigeria, Adebayo (1999), Alanana (2003), Echebiri (2005), Ayinde (2008), Morphy (2008) and Allawadi (2010) have identified the main causes of youth unemployment in Nigeria. The first is the rapidly growing urban labour force arising from rural urban migration. Rural-urban migration is usually explained in terms of push-pull factors. The push factors include the pressure resulting from man-land ratio in the rural areas and the existence of serious underemployment arising from the seasonal cycle of climate. The factors are further exacerbated in Nigeria by the lack of infrastructural facilities, which makes the rural life unattractive. people move to urban areas with the probability of securing lucrative

employment in the industries. In addition to this, there is the concentration of social amenities in the urban centres. This meant that the rural areas are neglected in the allocation of social and economic opportunities.

The second is the rapid population growth. Going by the 2006 census in Nigeria, the nation's population was put at 140,431,790 and projections for the future indicate that the population could be over 180 million by the year 2020, given the annual growth rate of 3.2 percent (National Population Commission and ICF Macro, 2009). With this population, Nigeria is the most populous nation in Africa. It is argued that the high population growth rate has resulted in the rapid growth of the labour force, which is far outstripping the supply of jobs. The accelerated growth of population on Nigeria's unemployment problem is multifaceted. It affects the supply side through a high and rapid increase in the labour force relative to the absorptive capacity of the economy.

The third is the outdated school curricula and lack of employable skills. Some scholars and commentators have argued that as far as the formal sector is concerned, the average Nigeria graduate is not employable and, therefore, does not possess the skills needed by the employers of labour for a formal employment. After all employers do not need people to pay or spend their money on but people that will help their organization grow and make more profit as the primary goal of every enterprise is to make profit. Often, this is attributed to the Nigeria's education system, with its liberal bias. The course contents of most tertiary education in Nigeria lack entrepreneurial contents that would have enabled graduates to become job creators rather than job seekers.

In a nutshell, Nigeria is a country with numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. As good as the foregoing sounds, Nigeria continues to experience its share of social, economic and political upheavals which have often stunted its growth and development into the regional economic power that it strives to attain. Nigeria has a relative high rate of violent crimes (Onwubik, 2009). The fact is that Nigeria is becoming hostile to investment due especially to lack of steady and sustainable power supply/energy crisis in spite of the various attempts toward reviving this sector leading to firms depending on generators for their operation whose cost of buying, fuelling and maintenance are high, thereby increasing the cost of operation in Nigeria. Besides, high and multiple levies and taxations being paid by these companies, energy crises have combined to make the cost of doing business in Nigeria to be very exorbitant. When the industries and factories closed shops or relocated to a friendlier economic environment, workers were laid off and prospects of recruiting new ones were dashed. All these

exacerbated the crisis of youth unemployment in the labour market (Adeloye, 2010, Onifade, 2011).

Corruption, which has permeated the entire social structure of Nigeria; has robbed the country of developing a vibrant economic base. Funds meant for development projects have been misappropriated, diverted, or embezzled and stashed away in foreign banks, while some incompetent and corrupt bureaucrats and administrators in the public enterprises and parastatals have liquidated these organizations (Okafor, 2008). The point being made here is that the collaboration of the political elites local foreign contractors in the inflation of contract fees have robbed Nigeria of the chances of using more than \$500 billion estimated revenue from the oil sale in the last 50 years to develop a vibrant economy that would have created jobs for the youths in various sectors of the economy. The ruling (political) class failed because they replaced the vision, policy, and strategy, which should be the thrust of every leadership with transactions (contract award and other mundane money-related activities), as each successive government took turns to prey on the nation's wealth, by using public power, resources, good will, utilities, instrument of abuse, and personal gains (Okafor, 2008).

Thus crippling the economy and engendering and exacerbating unemployment which creates abject poverty, hunger and frustration; killing the zeal and means for entrepreneurship development in the Nigerian youths.

Prospects of entrepreneurship growth for employment generation in Nigeria

All the above cited problems notwithstanding, plausibility's of entrepreneurship growth to generate employment abound hence the government fully appreciates the opportunities entrepreneurship creates for employment generation, their contributions to economic growth and development as well as the constraints and difficulties in their operating environment.

These explain why in the past forty-five years or so, the government has established various support institutions and relief measures specially structured to render assistance and succour to minimize the constraints, which entrepreneurship typically face if not to eliminate them. The support institutions established by the government range from specialized banks designed to focus on the funding of Small and Medium Enterprises to agencies and departments all meant to give a flip to the fortunes of Small and Medium Enterprises. It is also pertinent to note that government policies behind the establishment and operations of the Small and Medium Enterprise support institutions had not been very effective. From all indications of observed lapses inherent in them, the policies were either defective in their formulation and conceptualization, or were not truly and religiously implemented. Our

investigations also revealed that part of the reason why the policies were not effective could be explained by the fact that the operators, managers or proprietors of the Small and Medium Enterprises were neither consulted nor involved in the formulations of the policies, which were expected to solve their problems; hence, there were apparent misplacements of priorities and emphases. All the stakeholders in the Small and Medium Enterprises subsector should be involved in policy formulations and implementation for them to be effective and yield expected results. The comfort is that the governments (local, state and federal) are neither relenting nor giving up in their bid to revamp and invigorate the fortunes of SMEs as to enable them play the expected role in Nigeria's economic growth and development. This is evidenced by the government's recent establishment of as well as the mandate given to the Bank of Industry (BOI) and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), the facilitation of the Bankers' Committee's institutionalization of the Small and Medium Industries Equity Investment Scheme (SMIEIS), the federal government's drive and focus on realizing the objective of NEPAD, the government's endorsement and support of multilateral agencies and loans, and the government's backing of international development finance facilities such as the European Investment Bank (EIB) facilities and the likes.

Other indications relate to the government's programmes aimed at poverty alleviation and providing succour to those whose jobs could be affected by the current government reforms as well as the proposed establishment of a Credit Guarantee Scheme for loans to Small and Medium Enterprises. Speaking of the prospects of entrepreneurship development in Nigeria in generating employment for the army of the unemployed, the Nation, on Monday 2012 reported that soon, here will be job openings in the cashew subsector of the agriculture industry, as about 300,000 jobs will be created in the subsector this year.

The president of the National Cashew Association of Nigeria, Mr. Tola Faseru said that about 300,000 jobs are already in existence in the subsector. Accordingly, the coming of these jobs raises hope of employment for the teeming population of the unemployed and as such encourages farmers to invest more on cashew and advises youths to delve into cashew plantation and business as entrepreneurship (The Nation, 2012).

Again, the Business Day of 14th February 2012, reported that the National Directorate of Employment (NDE) has disbursed N2.8 Million for four unemployed graduates in Cross River State under its Enterprise Creation Fund (ECF) for Small Scale Enterprises.

Empirical Study

The argument on the role of small and medium scale enterprises in ameliorating the menace of unemployment in national economy has been in the front burner for years and this has geared

many scholars on the subject to conduct studies that could beam light on the issue. It is in view of this that reviewing past research studies on the subject becomes imperative.

According to a study conducted by Lawal, (2011), which was basically a survey of small and medium enterprises in local governments in Lagos State and the purpose was to assess the strategic role of participating businesses in economic development and employment provision. Data for this study was generated from both primary and secondary sources through the use of self administered questionnaires and structured interview. Content analysis of records particularly financial record of some participating small scale enterprises were undertaken to obtain the secondary data. For this particular study, a total population of 2,670 was used among which stratified sampling techniques was employed to select 1,000 SMEs upon which the research instruments were administered. The result of the analysis conducted sequel to the study shows that multinational SMEs contributed more than domestic SMEs in all dimension of strategic importance. In other words, SMEs with international presence are stronger and perform better than those without international presence therefore making the former to be more of strategic importance to economic development and job creation than the latter.

In a similar study carried out by Okpetu (2002) in which key success factor in SMEs were researched since success is a measure of effectiveness of the sector and the impact of the sector on the overall development and employment generation capacity of participating firms and by extension national economy at large. In the study, the researcher adopted a cross sectional survey of small and medium enterprises in Lagos. The primary data were gathered through a self-administered questionnaire and complemented with content analysis of some published reports on small and medium enterprises. A sample of 200 entrepreneurs were selected across different industries for the study. The choice of industries and selection of samples were based on accidental sampling method. The main instrument used was a self-administered questionnaire. Out of the 200 firms and entrepreneurs that participated usable and complete data were obtained from 195. The findings of this study revealed that success in SMEs has significant relationship with employment generation.

In another study conducted by Ojodu (2005) on SMEs as a sustainable development strategy in Nigeria in which random sampling techniques was used to select 200 respondents out of a total population of 350 SMEs within Mushin local council development area of Lagos State with the adoption of questionnaire and interview as research instrument it was discovered that majority of this respondents see their businesses (SMEs) as a way out of endless unemployment meaning SMEs is a singular and unmatched strategy of combating underdevelopment occasioned by the menace of unemployment with attendant predicament

associated with it. Considering the above reviewed empirical studies, SMEs no doubt is an indispensable factor to ensure sustainable growth and development in an economy characterized by incessant kidnapping, political thuggery, arm robbery and other socio vices brought about by unemployment. However, it was also revealed that SMEs will not record growth until major success factors such as technology application, proper planning, adequate finance; good infrastructures among others are provided.

Alexander (2010) conducted a study on small and medium enterprise and their impact on jobs and economic growth in German. His finding shows that small and medium enterprise boost economic growth by introducing innovative technologies, products, and services and providing employment opportunities to the unemployed.

Ebiringa (2011) conducted an empirical study on entrepreneurship venturing and Nigeria's economic development: The Manufacturing Sector in Focus. Results from the analysis revealed that Small scale enterprise, SMEs and the large scale firms have great relationship in generating or creating job opportunities in Nigeria. The results further showed that Small scale enterprise provides more of the employment opportunities than SMEs and the large scale firms. In respect of contribution of SMEs and large scale firms to manufacturing output (GDP), results showed that both sectors contribute positively towards growing manufacturing sectors output. However those of small scale enterprise and SME are not as significant as that of large scale firms.

Theoretical Framework

Three theories related to the study would be discussed under this section; this is to provide fundamental theoretical background and explanation. One of the theories will be adopted to be used throughout the study as a framework.

Growth Model Theory

The growth model theory is based on Harrod-Domar model, which explains business growth as a combined result of the rate of savings and the resultant physical capital accumulation on one hand and the capital-output ratio (physical production of new investment) on the other. Harrod-Domar model is the simplest and best known production function used in the analysis of economic development. It explains the relationship between growth and unemployment in advanced capitalist societies. The model is also employed in developing countries as an easy way of studying the relationships between growth and capital requirements. It explains the differences in growth performances between countries and it allows for the prediction of growth estimates for a nation (Todaro, 1980).

It thus suggest that savings provides the funds which are borrowed for investment purposes. The rate of growth depends on: the level of savings and the savings ratio; the productivity of investment that is, economy's capital-output ratio. In some further analysis Harrod-Domar is applied to explain the business cycles. Business growth depends on the amount of labour and capital (Weiss, 1980).

This theory invariably explains that, business growth depends on increase in labour and capital of the business, which in turn generates employment. This theory provides further explanations and agrees with the concepts and prepositions of the study.

The Neo-Classic Theory of Entrepreneurship

This is one of the famous theories of entrepreneurship advanced by Marshal in 1948; the theory stipulates that there is no exploitation on the business platform. The theory is of the view that the effort an entrepreneur put in a particular business will determine the profit margin that will be returned on the business. On the other hand the theory also views the level of knowledge as well as the business information acquired by an entrepreneur as an important factor that will determine the level of profit and success accrue to an entrepreneur, in the course of carrying out business activities.

The Theory of 'Aspiration to Power'

Joseph Schumpeter was one of the first scholars to identify entrepreneurship as a separate factor input. His theory of entrepreneurship was based on the economic development of various nations. Contrary to the views of other theories, he maintained that entrepreneurship is not a function of parental, cultural, social or religious orientation. He asserted that individuals psychologically are motivated by will to achieve power which is the man's experience in his early stage of development. As a result, the art of entrepreneurship could take place at random in any ethnically homogenous group. He opined that a successful entrepreneur must be futuristic with very high degree of accurate forecasting ability. He maintained that a successful entrepreneur must be flexible and dynamic. In addition, he must be strong, courageous and capable of absorbing shock (Anochie, Ude & Egbo 2015).

Growth theory will be adopted for the theoretical framework. This theory was adopted because it provided a more explicit explanation of the concept of the study and it also agrees with the preposition of the study which assumes that business growth contributes to employment generation

Methodology

The study adopts the descriptive survey design, with the use of specially designed

questionnaire to elicit required information needed for the study. Thus, the aim of this approach is to generalize from a representative sample to a whole population (Leedy & Ormrod, 2001).

The data for this study was collected using questionnaires administered to high ranking management staff members of selected Small and medium scale enterprises that have been in operations for at least 5 years in Kaduna metropolis. These businesses include; microfinance banks, Construction companies, Farms, Schools, Aluminium companies, hotels, Fast foods firms, car dealers etc. A population of 283 businesses that met the criteria (operating for at least 5 years) were filtered from a list of registered businesses in Kaduna State (Kaduna State Ministry of Commerce and Industry 2016) and the sample size was determined by applying the Yamane's (1967) sample size formula. The formula is given as:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size

N = Total population size

1 is constant

e = the assume error margin or tolerable error which is taken as 5% (0.05)

$$n = \frac{N}{1 + N(e)^2}$$
$$= \frac{283}{1 + 283(0.05)^2}$$
$$= \frac{283}{1 + 0.708}$$
$$= \frac{283}{1.708}$$

$$n = 166$$

Hence, the sample size for the study is 166. The 166 respondents were selected by picking one management staff member from 166 randomly selected SMEs in Kaduna metropolis.

Model Specification

The model equation is represented as follows:

$$EMG_2 = +1ISV + 2INE + I$$

Where

EMG = Employment Generation

- ISV = Increase Sales Volume
 INE = Increase in Number of Employees
 I = Standard Error of Estimate
 = Constant or Intercept
 1-2 = Coefficient of Independent Variable

Variable Measurement

Dependent Variable

The dependent variable of the study is Employment Generation, proxy as Job Creation. Job creation measures the number of jobs created of the period of the scope of the study.

Independent Variable (Predictors)

The Independent variable of this study is business growth; proxy as increases in Sales volume and increase in number of employees. Increase in sales volume measures growth in terms of sales and revenue, while increase in number of employees is use to measure growth in terms of expansion of operations and growth of work force.

Results and Discussions

Data collected using primary instrument, was analysed using statistical methods and presented on tables. The responses to the items on the questionnaire were analysed and the hypotheses stated earlier were tested.

Table 1 Regression Output

Variables	Coefficient	t-Statistics	P-values
Constant	0.158	14.679	0.000
Increase in Sales Volume	0.826	7.140	0.000
Increase in Number of Employees	0.619	5.857	0.000
R			0.891
R Square			0.821
Adjusted R Square			0.803
F-Statistics			47.112
F-Sig			0.003
Durbin Watson			3.011

Predictors: (Constant), Increase in Sales Volume and Increase in Number of Employees
 Dependent Variable: Job Creation

SOURCE: Computed by Author using SPSS Version 23.0.

From the regression result presented above in table 1, it could be seen that the R square value obtained was 0.821 which implies that the model's goodness of fit is about 82.1%. This result means that the model explain the variation in the dependent variable (Job Creation) with the independent variables (Increase in Sales Volume and Increase in Number of Employees). This implies that 82.1% of the variation in employee generation in Kaduna was caused by the increase in sales volumes which necessitated increase in number of employees in Small and medium Enterprises in Kaduna State. The high value of the F-Statistics value (47.112) and the F-sig value (0.003) which is below 0.01 indicates statistical significance at 1% confidence level. The p-values obtained were less than 0.01 (0.000 and 0.000), these indicate significance at 1% confidence level (0.01). The obtained Durbin Watson value of 3.011 confirms a complete absence of positive serial correlation in the relationship between the independent variables.

Hypotheses Testing

The regression output in Table 1 also showed that 'Increase in Sales Volume' have a t-value of 7.140 and a coefficient value of 0.826 which is significant at 1% (0.000). This implies that Increase in sales volume of SMEs has positive significant impact on employment generation in Kaduna metropolis. This result further shows that the independent variable Increase in Sales Volume is statistically significant in contributing to Job creation; hence, the null hypothesis Ho1: "Increase in sales volume of SMEs does not have significant impact on employment generation" is rejected and a corresponding alternative hypothesis H11: "Increase in sales volume of SMEs have significant impact on employment generation" is accepted

The result in Table 1, further showed that Increase in number of employees in SMEs has a t-value of 5.857 and a coefficient value of 0.619 which is significant at 1% (0.000). This implies that Increase in number of employees in SMEs has positive significantly impact on employment generation in Kaduna metropolis. This result shows that the independent variable Increase in number of employees is statistically significant in contributing to employment generation in Kaduna metropolis; hence, the null hypothesis Ho2: "Increase in number of employees in SMEs does not have significant impact on employment generation" is rejected and a corresponding alternative hypothesis H12: "Increase in number of employees in SMEs has significant impact on employment generation" is accepted.

Conclusion and Recommendations

Based on the findings of the study, it is concluded that unemployment in Nigeria stems from unequal wages where the political office holders earns more wages than workers in other

government organisations, lack of infrastructure, particularly economic infrastructure such as electricity, railway, roads and effective communications between the government and the citizenry. The economy of the country depends only on crude oil without any effort by our government to diversify. Insecurity in the country discourages both local and foreign investors. These are topped with corrupt practices that do not allow the government to think seriously and act seriously about unemployment. Against this backdrop, the following solutions are suggested:

- i. All governments should work together to eliminate insecurity in the country. This will encourage foreign private investors to come, and likewise local investors.
- ii. Government at all levels should also go into partnership with private individuals to establish industries, with the private partner providing the driving force.
- iii. Local and state governments should similarly collaborate with meaningful private farmers to modernise agriculture which has a large capacity to reduce joblessness.
- iv. Financial institutions should give loans at lower interest to entrepreneurs to enhance business

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