

ENTREPRENEURIAL FAMILY BACKGROUND AND NEW ENTERPRISE CREATION IN EBONYI STATE

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ABSTRACT

The study focused on entrepreneurial family background and new enterprise creation in Ebonyi state with the broad objective of analyzing the effects of entrepreneurial family background on new enterprise creation. The adopted research design was the survey with statistical tool of analysis being the multiple regression. The results of the hypotheses tested were positive indicating that entrepreneurial knowledge, perceived desirability and entrepreneurial skill acquired from entrepreneurial family background significantly affected the new enterprise creation of micro business owners in Abakaliki, Ebonyi State. The implications of the results were of the effect that families that dissuaded their children from showing interest and having passion for micro businesses are latently creating unemployment. Consequently, it is concluded that micro business owners and operators should arouse and create passion for the youths in enterprise ownership.

1.1 INTRODUCTION

Entrepreneurship has been hailed as an avenue for upward social mobility and a driver of innovation, job creation and growth

(Lindquist, Sol, Praag and Vladasel, 2016). In other words, entrepreneurship is the lifeblood of any nations' economic growth, innovation and competitiveness. Many studies revealed the significance of entrepreneurship for the economic prosperity of nations (Kogut, Short and Wall, 2010) and the benefits of which is not limited to the salary scale of the entrepreneur but extends to the per capita income growth and poverty reduction of a nation (Goetz, Fleming and Rupasingha, 2012). However, it is pertinent to note that entrepreneurs are inseparably linked to their family and rely on their support in pursuing the entrepreneurial endeavours (Rogoff and Heck, 2003).

The family provides the entrepreneur with diverse set of resources (Dyer and Handler, 1994), such as financial and human resources (Zhang, Wong and Soh, 2003); information and credible values (Renzulli, Aldrich and Moody, 2004); and source of role model (Pruett, Shinnar, Toney, Liopis and Fox, 2009). Hence, family entrepreneurial background exerts great influence on entrepreneurs' decision making on venture creation especially in the early stages of the lifecycle of a business venture (Klyver, 2007).

An individual from entrepreneurial family background may experience low barriers to entrepreneurial entry, since those with such backgrounds are able to capitalize on their social ties and social capital (Greve and Saleff, 2003). Family capital which refers to the family members' total resources has three components: human, social and financial (Danes, Stafford, Haynes and Amarapurkar, 2009). Family social capital which is described as non-financial resources and support family members offer to the entrepreneur affect the decision to start a business positively (Cheng, Chan and Mahmood, 2009)

Nicolaou et.al (2008) observe that entrepreneurial family members might provide encouragement by reinforcing entrepreneurship related interests, preference and competencies. They can provide opportunities for business ownership and pass on the business-related knowledge, skills, support and resources required to pursue these opportunities. In the same vein, Klyver (2007) opines that family members are most heavily involved in the early stages of the entrepreneurial lifecycle; when the decision to start a business is yet to be made. Drennan, Kennedy and Renfrow (2005) sum it up by asserting that people whose parents or close family members are self-employed are more likely than others to pursue an entrepreneurial career.

Indeed, a new business is said to be established when a person invests his or her money, time, energy, ideas and every other thing to establish a business that offers products and services to the society. A new business can be established to create a new product, new service or to offer an already existing product or service.

In Ebonyi State, the people are predominantly farmers and micro business operators with very few small-scale businesses. Such small-scale businesses are technically not family businesses, though family members are

expected to be integrated into the business from which they start up their own or continue and expand the family business. For instance, Mayor Electronics, Cino Pharmacy, Eugeneco Motors are few of good examples showing the role of entrepreneurial family background on new enterprise creation in Ebonyi State.

Despite, the fact that entrepreneurship is hailed as panacea for youth unemployment and wealth creation (Lindquist, et.al, 2016), Nigeria and indeed Ebonyi State still battles with high rate of unemployment. Preference for a paid job over self-employment among the youths seems to be the major factor responsible for increase in youth unemployment. The role of entrepreneurial family background on new enterprise creation seems to be downplayed in spite of the overwhelming impact of family on entrepreneurial outcome (Carr and Sequeira, 2007). The study therefore examines the extent entrepreneurial family background could offer the needed building block for new enterprise creation in Ebonyi State.

1.2 Contextual Analysis

The preponderance of the businesses in Ebonyi State are micro scale and are run by family members. However, almost all the micro businesses do not profitably survive beyond the founder. Many a business people do not encourage their children to have interest in the business as to learn and acquire the necessary knowledge, skill, experience and clientele characteristics. A micro business owner struggles to train his children up to the university level; hoping they will become Chief Executive Officers in well established organizations whether public or private. As such he drives his children out from the business to go and study their books even during holidays with the trite consequences of the children milling around after graduation, waiting for job opportunities that the parents would have created. As Senge (1992) put it "today's problems come from yesterday's solutions". In the 1980s, graduates upon graduation were offered a well-paid job with good working conditions. Industries had job

openings and absorbed those who were qualified. Today the narratives have changed yet most families are not yet atoned with the current realities.

We have had situations where a micro business owner dies; with the wife as a school teacher, the four children are graduates but unemployed and were not part of their father's business. Their initial action was to close the business for at least a month with the attendant consequences of possibly having expired products, allowing customers to take their wares elsewhere. Despite being unemployed none of them could successfully takeover the business bequeathed to them.

1.3 Objectives of the Study

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

1. Examine the extent entrepreneurial knowledge gained from entrepreneurial family background relates to new enterprise creation.
2. Ascertain the extent perceived desirability based on entrepreneurial family background creates the possibility of new enterprise creation.
3. Determine the extent to which entrepreneurial skill acquired from entrepreneurial family background impacts on new enterprise creation.

1.4 Statement of Hypotheses

The following hypotheses were stated for this study:

H₀₁: There is no significant relationship between entrepreneurial knowledge gained from entrepreneurial family background and new enterprise creation.

H₀₂: There is no significant correlation between perceived desirability based on entrepreneurial family background and possibility of new enterprise creation.

H₀₃: Entrepreneurial skill acquired from entrepreneurial family background does not have any significant impact on new enterprise creation.

2.1 Review of Related Literature

Several empirical studies had been done in the field of entrepreneurial family background and have been reviewed by the present study. The review started with conceptual and ended theoretical framework.

2.2 Conceptual Review

Entrepreneurship is always misconstrued by many practitioners and scholars alike. To many, anything anybody does for a living is entrepreneurship. However, the major defining issues of entrepreneurship is value addition and wealth creation through identifying and creating viable business opportunities. As a result, Rwigema and Venter, (2004) alluded that entrepreneurship is the process of conceptualizing, organizing, launching and through innovation, nurture a business opportunity into a potentially high growth venture in a complex, unstable environment. To Hisrich, Peters and Shephard (2005) entrepreneurship is the capacity of an individual to form and manage an enterprise which usually involves considerable risks and rewards. Entrepreneurship entails having the capacity and willingness to develop, organize and manage a business along with its attendant risks in order to make both financial and non-financial profit.

Reynold et.al (2001) refer entrepreneurship to any attempt at creating new business or venture such as self-employment, a new business organization or the expansion of existing business by an individual, group of individuals or established businesses. This definition is supported by Onuoha (2007) when he defines entrepreneurship as the practice of starting new organization or revitalizing mature organization, particularly new business, generally in response to identified opportunities. It shows that entrepreneurship does not reflect only in setting up of new business but also includes expansion or revitalization of an existing business.

It can be deduced from the above definitions that entrepreneurship is the process of creating something new with a value or revitalizing an already existing business, particularly responding to the opportunities available or creating new opportunities for value addition and wealth creation. Entrepreneurship involves time, efforts and assumption of risks with expectation of reward.

2.3 Entrepreneurial Family Background and Intention for New Enterprise Creation

Family background has been attributed to be one of the key factors that motivate a person to enter into a business, existing or new (Sushil, 2015). It is believed that if a person is exposed to a family with entrepreneurial background where innovative thoughts have been successfully transformed into great business empire, children from such families tend to view it as a tradition which they need to take further. This belief inspires many of them to create a separate venture for themselves where they will not only inherit their tradition of business success but also have opportunities to prove their worth. Also, Carter and Ljunggren (2011) agree that family business has a role to play in enhancing the development of entrepreneurship among family members. Family business serves as a breeding ground for would be entrepreneurs in that it provides the children with effective and efficient role modeling (Pruett et.al, 2009).

In the words of Aldrich and Cliff (2003), family business experiences have powerful and lasting impacts on the social interactions and psychological development of the family in business. Hence, people who come from entrepreneurial family background are likely to be aware of these impacts (Fairlie and Robb, 2015). As a result, people from entrepreneurial family background may incorporate their experiences such that their attitudes and intentions can be either positive or negatively shaped towards entrepreneurial action (Carr and Sequeira, 2007). This emphasizes that entrepreneurial family

background is the principal factor that nurtures the attitude towards entrepreneurship.

There are at least three reasons entrepreneurial family background is important in entrepreneurial outcomes. First, the family constitutes a very specific type of entrepreneurial team when engaging in entrepreneurial activities (Ruef, 2010; Sushil, 2015). Secondly, the family provides the entrepreneur with a diverse set of resources which have the potential to impact the entrepreneur. Finally, scholars have argued that significant entrepreneurial potential can be found within the family (Nordqvist and Melin, 2010). The importance of family as entrepreneurial team is also evidenced by the fact that a substantial share of all companies are founded and run by families (Villalonga and Amit, 2009).

Research has shown that parents' entrepreneurial background can initiate entrepreneurial intentions in their children (Altinay, Madanoglu, Daniel and Lashley, 2012). Simply put by Anderson and Hammarstedt (2011), having a parent who is an entrepreneur increases the probability that a person will become an entrepreneur by a factor of 1.3 to 3.0. In the same way, Lindquist et.al (2015) view parental role modeling to be the main driver of the intergenerational association in entrepreneurship. Researchers have suggested that entrepreneurial intention can be an inherited genetic disposition through the transmission of certain genes from entrepreneurial parents to their offspring (Nicolaou and Shane, 2010).

Peterman and Kennedy (2003) point out that the intention to start a new business is indirectly influenced by prior exposure to entrepreneurship. This view is taken to be that entrepreneurial family background has implications on the perceptions of venture desirability and feasibility. Its influence on the perceptions thereafter manifests in either low or high entrepreneurial intentions. The

recent work of Chaudhary (2017) confirms that self-employed family background will have a positive relationship with entrepreneurial intent. Brennan, Morris and Schindehutte, (2003) assert that individuals who perceived their family business and the entrepreneurs in their families as successful may express a greater preference for an entrepreneurial career than those who have never had the experience of the effect of family business. In support of the assertion, Drennan et.al (2005) report that those who found a positive view of their family business experience perceived starting a business as both desirable and feasible.

The family has been recognized as the primary establishment that augments entrepreneurship consciousness by exercising greater power over the desirability and feasibility for the process of creation of a new company. As found by numerous researchers, prevailing family occupation as a specified social class exerts a profound influence on the career option of an individual. A person belonging to an entrepreneurial family is highly predictable to choose an entrepreneurial career than one hailing from non-entrepreneurial background (Sushil, 2015).

2.4 Empirical Review

Exploring intergenerational influence on entrepreneurial intention: the mediating role of perceived desirability and perceived feasibility was studied by Saeed, Muffatto and Yousafzai (2014). The questionnaire was instrument of data collection and was analyzed using multiple regression. The findings recorded that children of self-employed parents are twice as likely as other children to become self-employed themselves, as family background exerts a significant influence on the values, attitudes and behaviour one adopts.

The work of Shittu and Dosunmu (2014) was designed to empirically assess the impact of family background on the entrepreneurial intention among fresh graduates in Nigeria. A

sample of 250 Corps members serving in Bayelsa State was used. The study adopted the use of Ordinary Least Square (OLS) method of estimation. The results revealed that perceived venture feasibility and desirability among fresh graduates in Nigeria is negatively related to their entrepreneurial intention. Secondly, the impact of the positive experience associated with family background on perceived venture feasibility and desirability, entrepreneurial intention, as well as perceived entrepreneurial self-efficacy among fresh graduates is statistically significant and stronger than the corresponding impacts of the broadness of family background.

Ranwala (2016) carried out a study on family background, entrepreneurship specific education and entrepreneurial knowledge in venture creation. The study was conducted as a cross sectional survey and used entrepreneurship graduates of university of Kelaniya as the sample. Data were collected by means of a structured questionnaire from 65 graduates and was analyzed using regression techniques. The result of the study established that there is an impact from family background and entrepreneurship specific education on entrepreneurial knowledge in venture creation and entrepreneurship specific education mediates the relationship between family background and entrepreneurial knowledge in venture creation.

The role of prior family business background on entrepreneurial intention was carried out by Akinbode, Olokundun, Moses and Adeniji (2018). The primary focus of the study was to assess the role of prior family business background on entrepreneurial intention through the mediating effect of entrepreneurial self-efficacy, desirability, feasibility and attitudes towards business start-ups. A survey of 450 university students was used to collect data for the study. Structural equation modeling was used to validate the proposed model while multiple regression was used to test the hypotheses

raised in the study. The results revealed significant effects of prior family business background on entrepreneurial intention through the mediation variables of entrepreneurial self-efficacy, desirability, feasibility and attitudes towards business start-ups.

Nguyen (2018) studied the impact of demographic factors, prior exposure to self-employment and family background on entrepreneurial intention of Vietnamese business students. Data was collected from 372 undergraduate and post-graduate business students from three universities in Ho Chi Minh City. The hypotheses were analyzed using independent sample T-test and one-way ANOVA. The findings showed higher entrepreneurial intention in male students. Students whose parents are self-employed scored higher entrepreneurial intention, though the difference was not statistically significant.

2.5 Theoretical Framework

Entrepreneurial event model (EEM) was propounded by Shapero and Sokol (1982). The model posits that intention formulation is a function of the interactions among some factors which influence individuals' perception. This means that a person's intent to start a business is predicated on his/her perception of desirability, perception of feasibility and the propensity to act. The perception of desirability denotes the attractiveness for an individual to start up his/her own business. This perception of desirability is fashioned through culture, family, peers, colleagues and role models (Akinbode, Maxwell, Chinonye and Adeniji; 2018). Role models or successful business people could increase the attractiveness of entrepreneurship if the individuals inspire others through knowledge and sharing of their positive experiences (Wilson, Marlino and Kickul, 2004).

The perception of feasibility explains the extent to which individuals perceive that they are capable to start their own business

(Krueger, Reilly and Carsrud, 2000). Perceived feasibility is shaped by an individual's evaluation of his/her skill and capability to start up a business (Krueger, 1993). Godsey and Sebora (2010) establish a positive relationship between perceived feasibility and entrepreneurial self-efficacy. Entrepreneurial self-efficacy is defined by an individual's evaluation of his/her ability as well as how to effectively use available resources in order to start a business (Godsey and Sabora, 2010). The idea of self-efficacy is that people usually avoid tasks or behaviours they perceived to be out of their skill or capability.

The theory of entrepreneurial event model assumes that two prerequisite should be met before starting a new business. Firstly, an individual must perceive the idea of starting a business as credible, that is, he or she finds the idea as both attractive and achievable. Secondly, starting a business is initiated by some type of displacing event which can take the form of neutral, negative or positive experiences. Neutral events may take the form of graduating from university. Negative events may include losing of one's job or getting a divorce. Whereas, positive events may include receiving an inheritance or venture capital from a stakeholder (Krueger et.al, 2000). The displacement experienced will bring about a change in behaviour and if the individual views the idea of starting a business as credible, he or she will act upon this feeling. This is known as the entrepreneurial event, where perceived feasibility, perceived desirability and propensity to act influence the intention and in turn the behaviour of an individual to start a business (Shapero and Sokol, 1982).

Finally, it is the outcome of perceived desirability and perceived feasibility that propels a person to act in the face of opportunities (Krueger et.al, 2000). This model is used because of its originality and relevance to the study. The use of this model in the study was based on its originality and relevance. The model explains the influence

of social and cultural environment on entrepreneurial intention which is akin to the case under study.

3.1 Methodology

The survey research design capturing the net effect(s) of entrepreneurial knowledge, perceived desirability and entrepreneurial skill acquired from entrepreneurial family background was adopted. The population of the study consisted of micro business owners in Abakaliki metropolis in Ebonyi State, which was 590,355 (SMEDAN, 2019). With the Krejcie and Morgan (1970) sample size determination table, the sample size was 384 micro business operators in Abakaliki metropolis. Data for this study consisted of primary data which was sourced directly from the respondents via structured questionnaire. Test-retest reliability approach was conducted to ascertain the internal reliability of the instrument which the results yielded Cronbach’s alpha of 0.82, suggesting that the instrument was reliable. The study employed multiple regression models.

3.2 Model Specification

Mathematically, the relationship is expressed as:

$$NEC = \beta_0 + \beta_1EK + \beta_2PD + \beta_3ES + \mu \dots (1)$$

Where:

- NEC = New enterprise creation
- EK = Entrepreneurial Knowledge
- PD = Perceived Desirability
- ES = Entrepreneurial Skill
- β_0 = The regression intercept (constant term)
- $\beta_1 - \beta_3$ = Coefficients of the explanatory variables

μ = Residual or Disturbance term, which represents the composite effect of exogenous variables outside the model which were not explicitly identified in the model.

4.1 Results

This part dealt with the presentation, analysis and interpretation of primary data generated in the course of this study. This data, however, were generated through structured questionnaire administered on the respondents. The analysis and interpretation of this data were presented in tables for clarity purposes.

4.2 Response Rate

Table 1: Questionnaire Administration and Response Rate

Questionnaire	Number	Percentage %
Questionnaire administered	384	100
Questionnaire returned	370	96
Questionnaire not returned	14	4

Source: Field Survey, 2020

Table 1 showed that three hundred and eighty-four (384) copies of structured questionnaire was administered, out of which, fourteen (14) copies were not returned, whereas three hundred and seventy (370) copies were successful filled and returned, hence used for the analysis.

4.3 Descriptive Statistics

Descriptive statistics were employed on the constructs in order to explore and ascertain their asymptotic characteristics before estimation.

Table 2: Descriptive of Statistics

	NEC	EK	PD	ES
Mean	2017.3863	031.7721	188.2261	651.4401
Std. Dev.	192.2254	229.7630	301.6612	011.5523
Sum of Sq.	620112.00	544091.00	992310.00	227364.00
Variance	449420.221	603273.441	553210.110	189653.811
Maximum St.	2248.00	5133.00	6102.00	5231.00
Minimum St.	560.00	622.00	514.00	726.00
Eigenvalue	6.332	4.110	3.289	1.442
Skewness	-677	388	441	901

	NEC	EK	PD	ES
Kurtosis	2.110	2.331	3.551	2.666
Observations	370	370	370	370

Source: Extracted from SPSS 0.20

Table 2 showed detailed results of the studied constructs on their asymptotic characteristics of the descriptive statistic. From Table 2, it showed the mean value of new enterprise creation, entrepreneurial knowledge, perceived desirability and entrepreneurial skills as 2017.3863, 031.772, 188.226 and 651.4401. The mean values of the constructs were gotten by dividing the sum total value with the number of observations. These values represent the measure of central tendency where the sum of the deviations of each value from the mean is measured.

Also, table 2 presented the results of standard deviation of the construct variables in explaining the extent it measures the dispersion in the values. However, standard deviation measures in absolute terms the dispersion from the values. From table 2, the standard deviation of new enterprise creation, entrepreneurial knowledge, perceived desirability and entrepreneurial skills were 192.2254, 229.7630, 301.6612 and 011.5523.

Table 2 further revealed the results of the sum of square which relatively measures the extent to which individual measurement are from the mean. Therefore, the results of the sum of square were 620112.00, 544091.00, 992310.00 and 227364.00, respectively for new enterprise creation, entrepreneurial knowledge, perceived desirability and entrepreneurial skill. The variance for the explanatory constructs among others was 449420.221, 603273.441, 553210 and 189653.81 for new enterprise creation, entrepreneurial knowledge, perceived desirability and entrepreneurial skills. The variance measures the average degree to which each point differs from the mean—the average of all data points. Also, the asymmetry distribution of the explanatory variables is measured by skewness, but the extent of its measurement especially on normal distribution is often zero.

Table 3: Correlation Results

	NEC	EK	PD	ES
NEC	1.000	0.315	0.451	0.556
EK	0.351	1.000	0.309	0.22
PD	0.451	0.309	1.000	0.110
ES	0.556	0.221	0.110	1.000
Observations	370	370	370	370

Source: Extracted from SPSS 0.20: Correlation is significant at 0.05 level.

From table 3, it showed the correlation results of the construct variables and the extent of their relationships to the new enterprise creation of micro business owners in Ebonyi State. From table 3, it is worthwhile to note that all the predictor variables have positive correlation with the new enterprise creation. The implication of the positive correlation among the stated variables is that a unit increase on the extent to which these micro business owners in Ebonyi State continue to

implement and engender entrepreneurial knowledge gained from entrepreneurial family background, perceived desirability based on entrepreneurial family background and entrepreneurial skill acquired from entrepreneurial family background would result to positive and significant increase on new enterprise creation of micro business owners in Ebonyi State. These positive relationships further explain the going-concern of micro business owners as they

continue to exert more efforts to acquire more entrepreneurial knowledge and skill, values, attitudes and mental capacity for creative thinking and innovative behaviour that can provoke new business ideas for new enterprise creation. The creation of new

enterprise, therefore, is born-out of perceived desirability and doggedness of these micro business owners to consistently explore the environment for business opportunities in exhibiting no complacency in business.

Table 4: Regression results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	138.101	10.331	2.663	0.049
EK	0.225	0.010	3.901	0.031
PD	0.487	0.027	5.813	0.000
ES	0.521	0.017	6.752	0.045
R= 0.67	R ² = 0.4489	F-St.=101.6112	D/W=2.7832	

Source: computed with SPSS Verson20

$$NEC = 138.101 + 0.225X_{EK} + 0.487X_{PD} + 0.521X_{ES}$$

Table 4 showed all-inclusive regression results of the independent variables and their net effect(s) on the new enterprise creation. Aligning from table 4, it is pertinent to note that all the explanatory variables of X_{EK} , X_{PD} , and X_{ES} represent entrepreneurial knowledge, perceived desirability and entrepreneurial skill. However, the coefficient of the constant term was 138.101 and its corresponding t-probability of 0.049 was all indicative of its significance. The positive and significant of the coefficient of the constant term suggests that holding other variables constant, new enterprises creation of the micro business owners in Abakaliki, will increase significantly at 1%. The possible increase, though very weak, could be a result of extraneous factors outside the model. Also, the R^2 value of 0.4489 indicates that 45% total variations on new enterprise creation are explained by entrepreneurial knowledge gained from entrepreneurial family background, perceived desirability based on entrepreneurial family background and entrepreneurial skill acquired from entrepreneurial family background. The result also revealed that there was no presence of auto-correlation as revealed by Durbin Watson statistics of 2.7832.

Table 4, showed the result of entrepreneurial knowledge gained from entrepreneurial family background had a positive coefficient of 0.225 and it is statistically significant at

5% level of significance. The foregoing result suggests that as micro business owners continue to acquire more entrepreneurial knowledge, such knowledge acquired, will bring about a significant increase on new enterprise creation in Abakaliki metropolis by 23%. This positive coefficient of 0.223, though very weak, suggests why many micro business operators in Abakaliki are not doing well. To achieve operational ascendancy in micro businesses, one must be armed with the prerequisite knowledge, mental capacity, abilities and the alike needed to effectively appropriate, mobilize and utilize resources in meeting the demands of the changing environment.

In addition, the regression result in table 4, also revealed the coefficient of perceived desirability of micro business owners in Abakaliki metropolis of 0.487 and its corresponding standard error of 0.027 are all pointers to the fact that as micro business owners continue to foster their propensity in exploring new business opportunities as desired, such action, will bring about a significant increase on new enterprise creation by 49% significantly. This among other considerations captured the spirit of complacency which makes the micro business owners to continue to exploit other possible business opportunities in so far as going-concern business mentality existed.

Finally, the result also revealed that entrepreneurial skill acquired from entrepreneurial family background has a positive coefficient of 0.521 and its also significant at 5% level of significance. This positive coefficient suggests a significant and positive coefficient between entrepreneurial skill and new enterprise creation of micro business owners in Abakaliki. The implication of the findings is that a unit increase at the level at which these micro business owners acquire more entrepreneurial skills, such acquisition, will transient to the establishment of new enterprise creation by 52% significantly. The result provided empirical reason to validate the quintessentiality of engendering entrepreneurial skill necessary for new enterprise creation. It is the skill acquired from entrepreneurial family background that explains the doggedness, never-relenting-venture spirit and innovative behaviour that trigger their venture spirit of new enterprise creation.

4.3 Test of Hypotheses

The results of data analysis and estimation via ordinary least Square in Table 4 were used to test the formulated hypotheses of the study. In testing the hypotheses, the decision rule was to accept the alternate hypothesis and reject null hypothesis, if the p-value is less than 0.05 or accept the null hypothesis and reject the alternate, if the p-value is greater than 0.05.

4.3.1 Test of Hypothesis One

H₀₁: Entrepreneurial knowledge gained from entrepreneurial family background does not significantly affect the new enterprise creation of micro business owners in Abakaliki, Ebonyi State

H_{a1}: Entrepreneurial knowledge gained from entrepreneurial family background significantly affects new enterprise creation of micro business owners in Abakaliki, Ebonyi State.

Based on the result in Table 4 above, the computed p-value (0.03) is less than the α level of 0.05 ($0.03 < 0.05$), the study rejected the null hypothesis and accepted the alternate hypothesis that entrepreneurial knowledge gained from entrepreneurial family background significantly affects the new enterprise creation of micro business owners in Abakaliki, Ebonyi State.

4.3.2 Test of Hypothesis Two

H₀₂: Perceived desirability based on entrepreneurial family background does not significantly affect new enterprise creation of micro business owners in Abakaliki, Ebonyi State.

H_{a2}: Perceived desirability based on entrepreneurial family background significantly affects new enterprise creation of micro business owners in Abakaliki, Ebonyi State.

From Table 4, the flagged p-value (0.000) is less than the α level of 0.05 ($0.000 < 0.05$), therefore the study rejected the null hypothesis and accepted the alternate hypothesis that perceived desirability based on entrepreneurial family background significantly affects new enterprise creation of micro business owners in Abakaliki, Ebonyi State

4.3.3 Test of Hypothesis Three

H₀₃: Entrepreneurial skill acquired from entrepreneurial family background does not significantly affect new enterprise creation on micro business owners in Abakaliki, Ebonyi State.

H_{a3}: Entrepreneurial skill acquired from entrepreneurial family background significantly affects new enterprise creation on micro business owners in Abakaliki, Ebonyi State.

The regression result in table 4 showed the coefficient of entrepreneurial skill acquired from entrepreneurial family background of 0.521 and its corresponding p-value of 0.045 which was lesser than α level of 0.05 ($0.045 < 0.05$). Therefore, the study provided a

strong reason to reject the null and accepted the alternate hypothesis that entrepreneurial skill acquired from entrepreneurial family background significantly affects new enterprise creation on micro business owners in Abakaliki, Ebonyi State.

4.4 Discussion of the Results

The study had made salient findings on the effect of entrepreneurial family background on new enterprise creation among micro business owners in Abakaliki, metropolis, Ebonyi State. The result in Table 4 showed that entrepreneurial knowledge gained from family background fosters new business creation as shown by its coefficient of 0.225 and its corresponding probability of 0.031. This result though is below average suggested that most micro business operators in Abakaliki venture into such businesses without the prerequisite knowledge that can enhance their operational mentality on the business. The possibility of such venturing with little or no entrepreneurial knowledge is largely attributed to the mentality of this is our family line of business, as a result, failed to understand that the business environment changes over-time and therefore provided a logical reason to learn entrepreneurial knowledge to be proactive in operations management. The need for entrepreneurial knowledge gained from family background had been asserted by several authors including Nguyen (2018), Ranwala (2016), Sushil (2015), Carter and Ljunggren (2011) among others

The study further revealed the coefficient of perceived desirability based on entrepreneurial family background of 0.487 and its corresponding p-value of 0.000 with standard error of 0.027 showed that perceived desirability of micro business owners have significant effect on new enterprise creation in Abakaliki. The foregoing result suggests that the perceived desire of the micro business owners would always stir their venture-spirit to see new business opportunities where others could not see. This result is in tandem with the previous results of

Akinbode et al (2018) Chaudhary (2017) and Saeed et al (2014) That is why perceived desirability based on entrepreneurial family significantly affects new enterprise creation in Abakaliki. Finally, the result in table 4 revealed the coefficient of entrepreneurial skill of 0.521 and the corresponding standard error of 0.07 which was smaller than half of the coefficient and it shows that entrepreneurial skill has significant effect on new enterprise creation among micro business owners in Abakaliki agreeing with the earlier result of Susshil (2015) The result further establishes the indispensability of institutionalizing entrepreneurial skills needed for operational dexterity that result to new enterprise creation.

5.0 Conclusion and Recommendations

From the avalanche of literature, empirical reviews and the findings, the study logically concluded that entrepreneurial family background has significant positive effect on new enterprise creation of micro business owners in Abakaliki metropolis, Ebonyi State. The implication of the significant positive-effect of the construct variables of entrepreneurial knowledge, perceived desirability and entrepreneurial skill is that any increase on any of them, will bring about a significant increment on new enterprise creation. The study also provided empirical evidence that new enterprise creation derives largely on the entrepreneurial knowledge, perceived desirability and entrepreneurial skills acquired on entrepreneurial family background. From the findings, the study made the following recommendations:

- 1 Micro business owners and others who may wish to venture into micro businesses of their choice should basically acquire entrepreneurial knowledge that would equip them with the necessary mental capacity and innovative behaviour for new enterprise creation. Basically, parents should encourage and create passion for business in their children.
- 2 The micro business operators in Ebonyi State should always see the need to have a business plan for their businesses. With a

good business plan, the business owners will know the feasibility and viability of the business in advance. It is also a guiding document for the would-be successors.

- 3 Entrepreneurial skill acquisition is vital and as such micro business owners should allow their children to acquire the necessary entrepreneurial skills by giving them access to the operations of the business.

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