

Analysis of Factors Influencing Entrepreneurship Behaviour among Yam Agribusiness Entrepreneurs in Benue State, Nigeria

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Abstract: *Factors influencing entrepreneurship behaviour among yam agribusiness entrepreneurs in Benue State of Nigeria were analysed. The specific objective was to identify and analyse the factors influencing entrepreneurship behaviour among yam agribusiness entrepreneurs. Data were collected from 288 yam agribusiness entrepreneurs in six local government areas and 24 wards using a multi-stage sampling technique. Structured interview schedule was used to collect the data. Data collected were analysed using factor analysis. The result reveals that financial and socio-economic factors significantly influence the entrepreneurship behaviour of yam agribusiness entrepreneurs. It was recommended that the socio-economic and financial factors influencing entrepreneurship behaviour should be taken into consideration in organizing seminars and workshops aim at educating yam entrepreneurs on the various food forms produce from yam and how to produce such; enlightening the general public on the nutritional benefits of food forms from yam as well as the economic benefit to the nation in patronizing locally made starch from yam through campaigns should be encouraged; and government should ensure the provision of good roads and standard markets in the areas of these yam entrepreneurs.*

Key words: *Factors, Entrepreneurship, Behaviour, Yam Entrepreneurs, Benue State*

I. Introduction

The yam agribusiness sector has continued to play a significant role in the socio-economic development of both people living in the rural and urban areas in Nigeria. The entire production and marketing chain of yam offer vast employment opportunities (Asumugha *et.al.*, 2007). A report by FAO (2002) showed that yam is an integral part of the food system estimated to provide more than 200 dietary calories each day for over 60 million people.

According to Akande and Ogundele (2007), yam production serves as a source of income generation to yam producers and the labourers who work on these yam enterprises as well as for those that engage in its sale, the itinerant traders who assemble the crop from village to village and the urban center marketers who retail the commodity. Similarly, Otegbayo *et.al.* (2007) indicated that yam plays an important role in household food security, diet diversification, employment and income generation as well as alleviation of rural poverty.

In spite of these numerous benefits from the yam sector in the lives of both the rural and urban dwellers in Nigeria, the sector's performance over the years has not been encouraging even though the nation still maintains her status as the largest producer of the crop. Report from IITA (2009) revealed that both area under yam cultivation and total yam output were declining. This declining trend has persisted as reports showed that as at 2006, the national output stood at 39.3 million tons (FAO, 2007) which fell to 37.3 million tons in 2010 (NBS, 2012). As a result of this dwindling trend, there has been an increasing gap between the levels of supply and demand for yam (Amujoyegbe and Bamire, 2005) leading to the commodity becoming more expensive particularly in the urban areas (Kushwaha and Polycarp, 2001).

This poor performance of the yam sector over the years could be connected to the poor entrepreneurship development among yam agribusiness entrepreneurs in the country. This assertion is corroborated by Knudson *et.al.* (2004) who pointed out that the role of entrepreneurship and innovation have been given little emphasis in agriculture in spite of the fact that it is a critical aspect of value-added agriculture. According to Oyewale *et.al.* (2013), increases in Gross Domestic Product (GDP), societal wealth and quality of life all follow increased entrepreneurship.

Entrepreneurship development in rural areas has been connected with progressive modernization of agriculture as well as multifunctional rural development. According to Ihugba *et.al.* (2013), entrepreneurship development is a major factor in economic growth and development and also the permanent cure for extreme hunger and poverty necessitated by unemployment. In addition, Ihugba *et.al.* (2013) posited that a nation's ability to generate a steady stream of business opportunities can only come about when its people take to entrepreneurial activities.

Having recognized the importance of entrepreneurship development in the growth and development of an economy, it becomes imperative to examine the factors that influence entrepreneurship behaviour among yam agribusiness entrepreneurs in an effort to formulate strategies aim at improving the yam agribusiness sector. There is a dearth of knowledge on factors that influence entrepreneurship behaviour among yam entrepreneurs. Thus, this study attempted to bridge this knowledge gap.

The main objective of the study was to analyse the factors that influence entrepreneurship behaviour among yam agribusiness entrepreneurs in Benue State. The specific objective was to identify and analyse the factors influencing entrepreneurship behaviour among yam agribusiness entrepreneurs.

II. Methodology

Study area

The study was carried out in Benue State positioned in the north-central part of Nigeria with latitudes 6°25'N and 8°8'N and longitudes 7°47'E and 10°E. The study encompassed Gwer-East, Gwer-West, Obi, Oju, Tarka, and Ukum local government areas of the state known for yam production.

The state is engulfed with vast number of agribusiness entrepreneurs including those engaged in production of arable crops like maize, rice, yam as well as those involve in the processing of yam, cassava, cereal.

Sampling technique and data collection

In order to understand the factors influencing entrepreneurship behaviour in the study area, a well-structured interview schedule was used to collect data from 288 yam agribusiness entrepreneurs selected using multi-stage sampling technique.

Data analysis

Field data collected in 2015 were analysed using factor analysis to identify the factors influencing entrepreneurship behaviour among respondents.

Model specification

The model for the factors influencing entrepreneurship behaviour was explicitly expressed as follows:

$$Y_i = \beta_{i0} + \beta_{i1}F_1 + \beta_{i2}F_2 + \beta_{i3}F_3 + \dots + \beta_{in}F_n + \mu_i \text{ where:}$$

Y_i = observable variables

β_1 - β_n = parameters or loadings

F_n = factors

μ_i = stochastic error term.

III. Results And Discussion

Factor analysis was used to identify the factors that influence entrepreneurship behaviour of yam agribusiness entrepreneurs. Using Kaiser's rule of thumb of 0.4 as a minimum point a variable will load before it can be accepted as having effect, the study identified profit motive, financial independence, a place to retire, market proximity, and experience as the influencing variables to entrepreneurship behaviour among yam agribusiness entrepreneurs in the study area as presented in Table 1.

Table 1: Factors influencing entrepreneurship behaviour

Variables	Components	
	Factor 1	Factor 2
Unemployment	-0.764	-0.148
Profit motive	0.714*	-0.106
Financial independence	0.675*	0.311
Population	-0.785	0.157
Experience	-0.058	0.933*
A place to retire	0.614*	0.531
Market proximity	0.415*	0.111

Source: Field survey, 2015. * Significant based on Kaiser Normalization

Analysis of Table 1 shows that the major factors that influence entrepreneurship behaviour of agribusiness entrepreneurs can be categorized into two components. The components are: financial and socio-economic components. Based on the factor loading the following financial components were extracted: profit motive (0.714), financial independence (0.675), a place to retire (0.614), and market proximity (0.415).

The perceived certainty of sufficient return in a venture triggers entrepreneurship in that it influences the individual to mobilize his idle resources to take advantage of such opportunity. This is supported by Verheul *et.al.* (2001) who reported that people that avoid uncertainty are likely to avoid entrepreneurship, as this

occupational option often involves high risk. This is also corroborated by Agbaeze (2007) who reported that financial benefit is a major inducement for a good number of persons who venture into entrepreneurship as salaries and wages are considered irregular or inadequate to meet the demands of fairly well standard of living. The quest to become independent financially creates a sense of dissatisfaction with one's income which further drives the individual into self-employment. This is in consonance with Agbaeze (2007) who revealed that people perceived entrepreneurship as a means of running away from subordination and also an opportunity to become masters of their own.

The desire to maintain an already established standard of living even at old age will drive people to start building up entrepreneurial ventures as a support or fall back position on retirement. This is in conformity with Nwibo and Mbam (2013) who posited that retirement is believed to be the last stage of life and as such a farmer will be pleased to save and invest so as to maintain the already established standard of living.

Furthermore, nearness to market was identified to influence entrepreneurship behaviour among agribusiness entrepreneurs. According to Simonov and Giannetti (2004), the size of the market and the availability of inputs may spur agglomeration of economic activity because they allow firms to minimize transport costs and hence, spur entrepreneurial activity as well. In addition, Nto and Mbanasor (2011) posited that firms that are close to market have advantage of increased productivity given the low cost of inputs as a result of reduced transport cost and thus, will positively influence the choice of individual to become self-employed.

Analysis of the result in Table 1 also reveals that the socio-economic factor influencing entrepreneurship behaviour of yam agribusiness entrepreneurs base on Kaiser's loading was experience (0.933). Training and learning are very significant in increasing one's entrepreneurial experience. Thus, as yam agribusiness entrepreneurs increases their entrepreneurial experience through training and learning, their quest to seek other investment opportunities increases. This confirms the finding of Bosma *et.al.* (2011) who deduced that having had experience in the same sector or business increases the probabilities of becoming entrepreneur of self owned business. Also, Rider *et.al.* (2014) in a study on experience and entrepreneurship, reported that accumulation of experience brings about the accumulation of wealth and this rising wealth thus makes entrepreneurship more flexible with age.

IV. Conclusion And Recommendations

Result from the study indicates that financial and socio-economic factors significantly influence the entrepreneurship behaviour of yam agribusiness entrepreneurs.

On the basis of these findings, the following recommendations were made:

- Organizers of seminars and workshops centered on educating yam agribusiness entrepreneurs on the financial relevance of the various food forms that can be derived from yam and how to produce them, should ensure that the financial and socio-economic factors influencing their entrepreneurship behaviour are taken into consideration
- Campaigns aim at enlightening the general public on the nutritional benefits of the food forms from yam as well as the economic benefits of patronizing locally made starch from yam should be encouraged.
- Government should ensure the provision of infrastructural facilities such as good roads and standardized markets in these yam producing areas.

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