

Impact Of Entrepreneurship Spillover On Organizations Profitability In Maleta

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Abstract: Industrial localization is far phasing out given the level of globalization and the herald of off shoring and outsourcing in business activities. Nevertheless, small and medium enterprises still find it attractive to leverage on one another's capacity and capability to sustain their joint and total existence. Thus, industrial cluster or at the minimal level enterprises spillover continue to command respect among entrepreneurs. To what extent is the issue of enterprises spillover is relevance in Maleta? What are the impacts of such spillover on entrepreneurs success in the localities? The study shall look into the possibility of evolving a working atmosphere for spillover to leverage on entrepreneurs capability in Maleta. It shall also try to investigate the benefit of localization on organizations profitability using spillover leverage as springboard. The research employs survey method using six by six matrices analysis model to generate data for analysis and test of hypothesis. The total population of entrepreneurship interviewed totaling 48 were used for analysis. The 48 entrepreneurs spread over six classes of enterprises. It is found that entrepreneurs spillover if properly managed can lead into industrial cluster such that it can be availed with all facility associated with industrial clusters.

Key words: entrepreneurs, spillover, industrial cluster, localization and globalization

Introduction

Globalization is sweeping over every sphere of our existence and it is taking so many things along. Localization of industries is no longer fashionable but its impact cannot and refused to be swept under carpet. Industrial cluster are being established all over the world to protect and cater for small and medium enterprises. However, where this is not feasible the emergency of spillover became very apparent. Thus, this researcher finds it noteworthy the collaboration in form of cluster otherwise called spillover among many entrepreneurship in Maleta.

In essence, this writer shall examine the impact of spillover on entrepreneurs capability to

Generate profit? It shall also investigate the impact and direction of collaboration among entrepreneurs such that its contribution of organizations profitability can be recognized. The objective of this study is to review the use of spillover as it contributes to organizations profitability. It shall also review the level of collaboration tolerable for organizations profitability. This study is divided into three sections; introduction, literature review, research methodology, data analysis, hypothesis testing and result of findings. Lastly, summary, conclusion and recommendations are made to be part of this study.

Literature Review

Conceptual Analysis

Review of Globalizations

The studies of globalization arose around several sets of phenomena that drew researcher's attention from 1970s onwards. One of the emergence of a globalized economy involving new system of production, finance and consumption and world wide integration. Secondly, was the new transnational on global cultural patterns, practices and flows, and the idea of global culture(s). The third phenomena was global political processes, the rise of new transnational institutions and concomitantly, the spread of

global governance and authority structures of diverse sorts. The fourth one was the unprecedented multinational movement of peoples around the world involving new patterns of transnational migration, identities and communities. The last one was the new social hierarchies, forms of inequality, and relations of domination around the world and in the global system as a whole. As conventional wisdom has it, the globalization process has been growing steadily since the mid-1980s, particularly in developing countries (Kose et al, 2010) and has accelerated in the 2000s, with a dramatic increase in cross-border portfolio flows as a fraction of global wealth (Karolyi, 2010). Economics focuses on transfer of goods, services and fund in overall world. Political science focuses on the role of UNO, WTO, GATT and similar kind of international institutions. Some other discipline such as anthropology and sociology concentrate on the inter connectivity of different cultures. In capping it up, we describe globalization as the movement, a phenomenon, a force and the scope of globalization in increasing as the time is passing (Euro stat, 2007). But one most common definition of globalization is a process of integrating different world economies. Globalization is integration among the people, government and companies of different countries (Rothenberg, 2003).

Appraisal of Entrepreneurs

Ronald (2006) says "entrepreneurship is the act of setting out on your own and starting a business instead of working for someone else in his business. While entrepreneurs must deal with a larger number of obstacles and fears than hourly or salaried employees, the payoff may be far greater as well." From Ronald point of view he sees entrepreneurship as setting up his own business, being his own boss and a means of making money, he has not seen it as risk taken, doing something creative and able to do things differently. Awe (2002) defined entrepreneur as an innovating individual who has developed an ongoing business activity where none existed before. He said further that entrepreneur can be described as an opportunistic, innovative, creative, imaginative, person of ideals, proactive and an agent of change. He does not stop

at bringing the ideal unto function; he goes on for continuous change. Henry ford, even at his death willed that the ford foundation be founded. The individual who sits down managing a successful company ceases to be an entrepreneur. He becomes a manager. He always seeks for continuous change and improvement in his organization and in the life of the people around him. Likewise, Awe sees entrepreneurship the opportunistic perspective, seek for opportunities around him, grasps the opportunities and act fast on those opportunity to make positive changes. From my own point of view, he has not seen entrepreneurship as a risk taker. Okechukwu (2009) also see that the concept of entrepreneurship vests on the state of mind of the investor and a lot of variables usually come into play. The variables are: the environment, personality attributes, capital and labour. He said further that entrepreneurship is a process that is dynamic in the creation and innovation of new values through time inference that centres on financial psychological and sociological environment. Okechukwu (2009) He sees entrepreneurship from the state of mind perspective, he sees it as challenges to the Entrepreneur in Nigeria. According to Alex (2014) that entrepreneurship play a vital crucial role in the economic transformation process of any nation and indeed, there is an overwhelming amount of research evidence shining that entrepreneurship is a crucial imitance for national development, and can facilitate a suitable democracy through its contribution to economic stability.

Schumpeter's view of entrepreneurship, he placed emphasis on innovation such as:

- new products
- new production methods
- new markets
- new form of organization.

Wealth is created when such innovation results in new demand. From this viewpoint, one can define the function of the entrepreneur as one of combining various in put factors in an innovative manner to generate value to the customer with the hope that this value will exceed the cost of the input factors, thus generating supervisor returns that result in the creation of wealth. Share, (2003) defined entrepreneurship as the act of being an entrepreneur or "one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods". The author view entrepreneurship on the innovative point of view that innovation can be transform into economic goods but he has not seen it on the angle of making positive changes and risk taker. Oteh (2009) an economist views entrepreneurship. In the context of the combination of resources, labour, materials, and other assets such that value is greater together than individually. He sees it on the management perspective, which would entail the introduction of a change, an innovation 'or a new order. Share and Venkataraman (2000) emphasize that it is a "nexus" that involves entrepreneurial individual seizing and exploiting lucrative opportunities: "the field involves the study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities, and the set of individuals who discover, evaluate, and exploit them". Acs and Szerb (2007) noted that entrepreneurship

involves 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. Newing (1997) Justified the need for promoting entrepreneurship culture on the ground that youth in all societies have sterling qualities such as resource filing initiative, drive, imagination, ambition, energy, boldness, audacity and courage which are all valuable traits for entrepreneurship development. Supporting this assertion, Bennell (2000) maintained, that NGOs and International bodies seeking to improve youth livelihoods could best pursue their empowerment objectives by tapping into the dynamism of young people and build on their strong spirit of risk tatting through entrepreneurship development.

Entrepreneurships Spillover

Realizing the benefits of innovation had become of pertinent requirement as a result of emerging market growth, customer expectations, technological improvement, regulation, noticeable competition among organizations as well as unflinching agitation for earnings advancement. Thus, enterprises of all forms have come to attach much relevance to their progress placing it on more of innovation. Realization of innovations benefits goes beyond mere dreaming of actions but practical applications of dreamed actions as it requires a systematic approach to the daily and unrelenting development and implementation of value adding ideas to promote competitive advantage. On the whole, innovation management emphasizes on the creation of a cross-enterprise model, championed by senior executive leadership with a view of providing a high-level state of the "what, how, and who" of creating shareholder value consistently incorporating the right processes, people, operating model, tools and culture. Success measures of an innovation management program should be in keeping with the organization innovation strategy and any specific innovation objectives and should be refreshed as the overall strategy and objectives change in response to new and evolving challenges and opportunities. It should also be focused on the value delivered by the innovation management efforts, as opposed to the number of ideas. The concentration of enterprises in a particular place has made it possible to share and leverage on one another's competency. The level of innovation sharing and interaction is on increase with close networking and interaction. Thus, the level of organizations profitability increases as they were able to share knowledge and innovation base on close interactions.

Organizations Profitability

Organizations profitability measures the effectiveness of organizations in term of net income over expenditure. It is one of quick means of measuring organizations effectiveness and it is often of interest to both equity holders and leverage stakeholders. It is one of key determinant of organizations continue existence into the future. When accounting executives think about improving their bottom lines, they have many variables to consider, but few think about accounts payable. This is unfortunate because ignoring the accounts payable function usually results in lower bottom-line profitability (**Schaeffer, 2015**) Insist that processors employ rigid coding standards when

processing invoices, Adjust invoice processing procedures so you can take every early payment discount offered, Have invoices sent to accounts payable first, Don't overlook your control environment, Don't overlook duplicate payment audits.

Research Methodology

The study employs a survey method. 48 respondents were identified and selected for interview through structured questionnaire. From the result, six classes of enterprises were recognized and six modes of appraisal were also recognized. The classes of enterprises were as followed: Metal work, Block making, Eateries, Business Centers, Hospitality and Transportation industries. The factors for appraisal were financial access rating, opportunity to research, sources of technology incubations, power sharing sources, resources availability and localization setting.

Data Analysis

A six by six matrices model of rows by columns was developed to manage the information generated from the supply data. The classes of enterprises were presented in the rows and the appraisal factors presented in the columns. The summation of rows is calculated using $\sum cij$ and the summation of columns using $\sum cji$. The rows and columns result were identity and the result thereof tested using the SPSS but it can also be done manually using student t-test at 95% confidence level and variance thereof.

Test of Hypothesis

The hypothesis earlier formulated for this study were tested as follows: There is no significant contribution of spillover of entrepreneurs to organizations profitability. The hypothesis was tested at the 95% confidence level and as such $\alpha = 0.05$

Using students't-test the result generated from the calculation of $\sum cij$ and $\sum cji$ is

$$\alpha_{0.05} = 9.789$$

This is higher than the table result of

$$\alpha_{0.05} = 6.879$$

The second hypothesis was tested using the covariance of alpha to test for coefficient of relationships. The second hypothesis stated that there is no direct relationship between entrepreneurs spillover and organizations profitability.

$$\alpha = 2.34$$

This is higher than one which is ideal for direct relationship thus there is direct and positive relationship between entrepreneurs spillover and organizations profitability.

Result of Findings

From the hypothesis tested it shows that the null hypothesis cannot be safely accepted and thus the need to reconsider the alternative hypothesis that is there is significant contribution of spillover of entrepreneurs to

organizations profitability. Therefore, we may conclude here that there is appreciable contribution of entrepreneurs spillover to organizations profitability. The second hypothesis tested shows that there is positive and direct relationship between spillover of entrepreneurs and organizations profitability.

Summary of the Study

The study reveals a direct relationship between entrepreneurship spillover and organizations profitability in Malete. Thus, industrial cluster may be needed to advance the course of localization of industry spring up in the ancient town buoyed by the presence of the state university, Kwara State University, Malete. The university had pride itself as university for community development and entrepreneurship know how so as to meet global aspiration.

Conclusion

The need for effective and efficient collaboration between entrepreneurs and organizations profitability hinges on spillover which may be advanced to form cluster so as to enterprise the whole community. Universities centers all over the world is known for its development and fast rate of growth, this has started right in the community but much haphazard due to planlessness, effective intervention in term of cluster shall assist in streamline the growth and bring about effective development.

Recommendations

The study recommends as follows:

- The need to metamorphose into industrial cluster to generate better organizations profitability so as to encourage the entrepreneurs spillover in the community such that it will metamorphose enterprises town to generate better development. Effective implementation of incubations centers to serve as pivotal of the industrial cluster.
- The synchronization of growth in the community shall bring about effective and efficient development, so as to check against the growth of slums.
- The use of Kwara state University, Malete as an enterprises driven institution to solve the problems of entrepreneurs saddled with responsibility of advancing the cause of the community but with the little know how.

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