

Entrepreneurial Development and Sustainability of Pharmaceutical Retail Firms in Abuja, Nigeria

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ABSTRACT

The study investigated the impact of entrepreneurship development on the sustainability of pharmaceutical retail firms in the Federal Capital, Abuja, Nigeria. The study adopted a descriptive survey design. From a population of 486 community pharmacy practitioners identified in the study area through a pilot study commissioned by the researchers, confirmed by the Pharmacy Council of Nigeria's office, a sample of 219 was estimated by applying Taro Yamene's statistical formula. Primary statistical analysis tools were summary statistics of percentages, correlation and multiple regression analysis. Findings indicate that entrepreneurship training and the development of managerial capability have significant and positive effects on the sustainability of a pharmaceutical retail business. Consequently, the study concludes that developing different dimensions of entrepreneurial skills, knowledge, and competencies leads to business success, growth and sustainability. It was therefore recommended, among others, that training of different kinds be made available to community pharmacy practitioners to acquire the requisite skills and competencies to manage their businesses to achieve desired goals effectively.

Keywords: Entrepreneurship development, training, managerial capability, Retail Pharmacy, Sustainability

1. INTRODUCTION

The pharmaceutical retail business, sometimes called community pharmacy practice in Nigeria, is a business that has attracted quite a good number of participants, cutting across different age groups and gender, as well as providing them with opportunities to become self-employed with growth prospect that has existed from age to age. The increasing number of retail pharmacies in Nigeria, particularly Abuja, has led to increased competition and a struggle for dominance within the business space. In order to achieve the desired competitive edge by the practitioners, the practice has gone beyond reading and dispensing prescribed drugs in their outlets to over-the-counter sales and other activities that provide clients/ patients/customers with satisfactory services. Ideally, Retail pharmacy business owners are entrepreneurs who have set up their pharmacy businesses to make a profit and become sustainable through growth and expansion. They become entrepreneurs mainly through push-pull factors (Ojiaku et al., 2018). It is common knowledge that most pharmaceutical retail firms in Nigeria, under the business classification adopted by the National Policy on Industry, ranges from Micro to Medium Enterprises (SMEDAN, 2021). "The Small and Medium Enterprises Development Agency of Nigeria" (SMEDAN) classified micro-enterprises as enterprises that employ between 1 and 9 persons, with less than 10 million naira in Assets, excluding the cost of land and building; small enterprises as those that employ 10 – 49 persons and Asset base of Ten Million to less than one

hundred million naira excluding the cost of land and building; while medium enterprises have in their employment 50 – 199 persons and in terms of assets, one hundred million to less than one billion naira. An insight into the MSMEs sector in Nigeria shows that they account for about 96 per cent of the total number of businesses in Nigeria and contribute about 50 per cent of the GDP (PWC, 2020).

The pharmaceutical retail business, which many have concluded to be a lucrative business enterprise, is not immune to failures. Turner and Endres (2017) observed that in the United States of America, 50 per cent of privately owned businesses end their operation by the fifth year, while one-third of start-ups live up to ten years. In Africa, the statistics could be better. Akinyemi and Adejumo (2017) reports that 80 per cent of established South African ventures terminate in their start-off, while in Nigeria, the figure is about 78 per cent (Akinyemi & Adejumo, 2017). More recently, Chinasa (2019) observed that findings from another study showed that only about 4 per cent of business start-ups in Nigeria survive up to ten years, while about 80 per cent fail within the first five years. This study is concerned with how community pharmacy practitioners' development of entrepreneurial skills can lead to the sustainability of their business outfits in Nigeria, using Abuja, the Federal Capital Territory, as the study area.

It has been observed that many pharmaceutical retail businesses fail within their first five years of establishment, and it has become a severe threat to the sustainability of community pharmacy practice in Nigeria. Opinions in many quarters are that the practitioners may be outstanding in the knowledge of the pharmacy profession but need more entrepreneurial managerial capacity and capabilities. In light of the above, it has become necessary to investigate the effect of the acquisition of entrepreneurial skills by pharmaceutical retail business operators on the sustainability of their businesses. To this end, the researchers intend investigating the outcome of entrepreneurship training and managerial capability on the sustainability of pharmaceutical retail firms in Abuja, Nigeria.

2. THEORETICAL BASIS

2.1. Entrepreneurship Development

Ajide and Kameel (2018) define *entrepreneurship development* as activities that help improve a person's skills, knowledge, behavior and attitude towards taking up the role of an entrepreneur. It is an entrepreneur's productive holistic transformation towards actualising the business objectives. Anekwe, Ndubisi-Okolo and Attah (2018) also state that entrepreneurship development is the process of enhancing the knowledge and skills of the entrepreneur through a planned training exercise premised on the individuals who either start or expand a business concern. According to them, the training often goes together with grants, life-skill training, internships and mentorship (Ismail, 2018). The goal is to increase the knowledge base of the entrepreneur within the industry to accelerate the rate at which new businesses or existing ones are managed to reduce the incidence of failure. It follows, therefore, that for the entrepreneur to remain relevant and achieve set business objectives, he/she must continue to build and improve capacity to manage, develop and grow the business.

2.2. Business Sustainability

Business sustainability is a discovery, creation and exploitation of opportunities that contribute to sustainability by generating an all-inclusive advantage for societal well-being (Orobia et al., 2020). However, Antwi-Adjei, Kong Kwame and Antwi-Adjei (2020) view sustainability from the angle of corporate organisations, considering both the present and future in their decision-making actions, using their resources to create values in the long run. In a related development, Rezaee and Razaee (2014) note that business sustainability generates futuristic economic stability of firms through value maximization and voluntary activities that amount to

stability in environmental, social and governance sustainability. Therefore, business sustainability aims to create long-term values for the business within its operating environment. It is about managing and coordinating a firm's environmental, social and financial demands for responsible, ethical and continued breakthrough in future endeavours (Wigmore, 2021).

2.3. Entrepreneurship Training and Business Sustainability

Ho, Uy, Kang and Chan (2018) observe that entrepreneurship training aims to develop individuals and equip them with relevant knowledge and skills to start and successfully manage a business. It has effectively promoted cognitive and motivational outcomes. Similarly, Valerio, Parton and Robb (2014) further state that entrepreneurial training focuses on building skills and developing knowledge for both intending to start or be ready in operation. Mayuran (2016) observes that entrepreneurship training imparts skill, knowledge and attitudes which are crucial for business start-ups or expansion of existing ones. He states further that entrepreneurship training is a significant determinant in the growth of an enterprise. According to him, it includes the areas of customer care, marketing, quality maintenance and financial management. Bischoff, Gielnik and Frese (2020) have also noted that entrepreneurship training positively influences entrepreneurial intention and behaviour, motivation and skills meant for enhanced performance in any business undertaken. Therefore, from the extant literature in the area, it is convincing that entrepreneurial training would positively and significantly affect business sustainability.

2.4. Managerial Capability and Business Sustainability

The managerial capability is the administrative capacity, expertise and processes in the structure of firms drawn to execute programmes and activities aimed towards superior accomplishment. Managerial capability consists of several skills, talents, and competencies, and together with human resource actions which are necessary to achieving improved performance and growth (Roman et al., 2016). According to Ahmed (2017), supervisor managerial capabilities are attained when there is an investment in acquiring skills and knowledge which enhances professional decisions. The implication is that without enough managerial capabilities on the part of the entrepreneurs, there is every likelihood of business failure because the managerial capabilities drive the business to sustainability.

3. RESEARCH METHODS

3.1. Research Design

A field survey was used in the research. From a population of 329 community pharmacy practitioners located within Abuja Municipal Area Council (AMAC) and 157 of Bwari Area Council, making a total of 486. Hence, 219 participants were determined through the application of Taro Yameni's Yameni's statistical formula. In applying the proportionate sampling technique, the breakdown shows that 148 and 71 samples were allocated to AMAC and Bwari Council Areas, respectively.

3.2. Instrument for Data Collection

An item-structured instrument developed to reflect the five-point Likert scale of strongly agree, agree, disagree, strongly disagree and undecided was used to elicit information from the respondents on all issues relating to the phenomenon under investigation. The instrument was validated as well as tested for reliability. Data collection was done through a direct questionnaire administration approach. The method was adopted because it allowed the researchers to interact with the respondents, which helped immensely in minimising the volume of non-response rates often associated with surveys of this nature. Of the 219 copies of the questions issued, 211 were completed and returned, thus showing a response rate of 96.4 per cent.

3.3. Model Specification and Data Analysis Method

Since entrepreneurial skills development and sustainability of pharmaceutical retail firms are the independent and the dependent variables, respectively, the relationship is mathematically shown as follows:

$$BS = f(ET, DMC) \dots\dots\dots (1)$$

Specifying the relationship in econometric form, it becomes:

$$BS = a_0 + a_1 ET + a_2 DMC + \mu_i \dots\dots\dots (2)$$

Where:

- a_0 = The Intercept
- μ_i = Error term or white noise
- BS = Business Sustainability
- ET = Entrepreneurship Training
- DMC = Development of Managerial Capability

The a^s are the coefficients of the independent variables. The *a priori* or expected signs of the coefficients are as follows:

$$a_1 > 0 \text{ and } a_2 > 0 \text{ or } a_{is} > 0$$

The principal statistical tools used in the analysis were simple summary statistics, Pearson Correlation and multiple regression analysis. All tests were conducted at a 0.05 significance level.

4. RESULT AND DISCUSSION

4.1. Demographic Features of the Respondents

Some personal characteristics of the respondents, such as gender, age, educational attainment, length of time in practice (in years), etc., were discussed in this section of the analysis to ascertain the suitability of the respondents in the study.

Table 1
Demographic Features of the Respondents

No	Demographic Features	Frequency	Percentage of Total	
1.	Gender:	Male	179	84.9
		Female	32	15.1
		Total	211	100.0
2.	Age Range:	18 – 27 years	3	1.2
		28 – 37 years	45	21.3
		38 – 47 years	84	39.8
		48 – 57 years	70	33.1
		58 and above years	10	4.8
		Total	211	100.0
3.	Educational Attainment:	First Degree	141	66.9
		Master’s Degree	57	27.1
		Doctorate Degree	13	6.0
		Total	211	100.0
4.	Length of Time in Practice (in years):	Below 5 years	17	8.0
		5 – 10 years	69	32.9
		11 – 15 years	72	34.3
		16 and above years	52	24.7
		Total	211	100.0

Source: Field Survey, 2023

The demographic features of the respondents presented in Table 1 above showed that male respondents are 179, representing 84.9 per cent of the sample, meaning that male practitioners dominate community pharmacy practice in the area. The table shows that those aged 28 to 57 are 199, representing 94.2 per cent of the entire sample. Regarding educational qualification, all the respondents have qualifications ranging from first degree and above. In the same vein, the organisational tenure of the respondents showed that 193, representing 92 per cent of the sample, have practiced for upward of 5 years and above. The implication is that the experience the respondents have acquired over the years will facilitate practical discussion on issues surrounding the subject matter of the study.

Table 2
Correlation Analysis

Variables		Business Sustainability	Entrepreneurship Training	Managerial Capacity
Business Sustainability	Pearson Correlation	1	.703**	.609**
	Sig. (2-tailed)		.000	.000
	N	211	211	211
Entrepreneurship Training	Pearson Correlation	.703**	1	.501**
	Sig. (2-tailed)	.0001		.000
	N	211	211	211
Managerial Capacity	Pearson Correlation	.609**	.501**	1
	Sig. (2-tailed)	.000	.000	
	N	211	211	211

** Correlation is significant at 0.05 level (2-tailed).

* Correlation is significant at 0.01 level (2-tailed)

The relationship between entrepreneurship and business sustainability is presented in Table 2, using Pearson Correlation. The matrix reveals that the connection between and among variables are positive and robust. However, no multicollinearity or orthogonal relationship exists, thus showing that multiple regression analysis can be performed on the data.

Table 3
Summary of Analysis of Variance (ANOVA) for the Model

Source of Variation	df	Sum of Squares	Mean Square	F-ratio	Sig.
Regression	4	141.709	35.427	12.911	.000 ^a
Residual	45	123.469	2.744		
Total	49				

a. Predictor: (constant), entrepreneurship training and managerial capability

b. Dependent variable: Business Sustainability

The analysis of variance presented in Table 3 shows that the F-ratio has a value of 12.911, which implies that the model is statistically predictive.

Table 4
Summary of Regression Results

Model	R	R ²	Adjusted R-Square	Standard Error of the Estimate	Durbin Watson Stat.
I	0.513	0.578	0.491	0.33450	2.075

a. Predictor: (constant), entrepreneurship training and managerial capability

Table 4 shows that the regression coefficient represented by "R" is 0.513, meaning a 51.3 per cent association exists between the variables. Similarly, the coefficient of determination represented by "R²", with a value of 0.578, implies that the independent variables explains 57.8 per cent variation in the dependent variable.

Table 5
Summary of Regression Coefficients, t-value and significance Level

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	®	Std. Error	β		
1(Constant)	-.067	.205	-	-816	.387
Entrepreneurship Training	.523	.049	.594	10.263	.000
Managerial Capability	.604	.057	.611	7.365	.001

a. Dependent Variable: Business Sustainability

4.2. Test of Hypotheses

4.2.1. Re-Statement of Hypotheses

The hypotheses formulated to guide the study's objectives are stated in their null form as;
H₀₁: Entrepreneurship training has no significant and positive impact on the sustainability of pharmaceutical retail firms in Abuja, Nigeria.

H₀₂: The development of managerial capability does not significantly and positively affect the sustainability of pharmaceutical retail firms in Abuja, Nigeria.

Explaining H₀₁: From Table 4.5, a unit increase in ENTR TRA will lead to 59.4 per cent hike in business sustainability if other factors in the model are not allowed to vary. From the t-value of 10.263 and the corresponding significance level of .000, the coefficient is significant and positive because .000 is less than $P \leq 0.05$. Consequently, the null hypothesis was rejected, while the alternative, which suggests that entrepreneurship training has a significant and positive effect on the sustainability of pharmaceutical retail firms in Abuja, Nigeria, was accepted.

Explaining H₀₂: The coefficient of managerial capability, as presented in Table 4.5, is .611. It means that when the variable is increased by one additional unit, the sustainability of pharmaceutical retail firms in Abuja will increase by 61.1 per cent when other variables are held constant. Also, the t-value of the coefficient is 7.365, and the corresponding probability level is .000, indicating that the coefficients are significant and positive. Therefore, it is very proper to reject the null hypothesis while accepting the alternative, which suggests that the development of managerial capability has a significant and positive effect on the sustainability of pharmaceutical retail firms in Abuja, Nigeria.

4.3. Discussion of Research Results

The result of the first test of the hypothesis, which states that entrepreneurship training has a significant and positive effect on the sustainability of pharmaceutical retail firms in Abuja, is consistent with the result of a study carried out by Asieba and Nmadu (2018) when found from the study that entrepreneurial skills development impacts significantly on the performance of community pharmacy practitioners in Cross River State. Training is an essential strategy for improving human performance in all fields of endeavour, business undertaken inclusive. It is no wonder that entrepreneurship training, as an internal factor in a firm, is a significant determinant of business growth and sustainability. As a critical factor in building knowledge and skills in the relevant areas, entrepreneurship training has shown to be indispensable in helping managers develop requisite business competencies such as decision-making, time management, financial management, and other competencies necessary for successful navigation through the volatile business environment.

Regarding the development of managerial capability and its effect on the sustainability of pharmaceutical retail firms, the result showed a significant and positive effect on business sustainability. The result substantially supports the work of Cubin (2019) when he investigated the impact of the development of managerial capability on business sustainability and found that the managerial capability of managers significantly enhanced firms' performance in the areas of growth and profitability. The dynamics of today's business in all fields, particularly the pharmaceutical retail business, require the practitioners/managers to be adequately equipped in the relevant areas so that business decisions crucial to successful enterprise management can be made seamlessly. An entrepreneur who is not capable or incompetent in decision-making is not likely to grow and become sustainable in the business. Like many other skills, decision-making is one of the most crucial aspects of business management because one wrong decision can bring the business to its knees. Therefore, the need for the management to be capable and supportive for an enterprise to become successful, grow and achieve sustainability should be considered.

5. CONCLUSION

5.1. Conclusion

So far, the researchers have focused on entrepreneurship development's and sustainability of pharmaceutical retail firms' in the Federal Capital Territory, Abuja, Nigeria. In carrying out the study, only two elements of entrepreneurship development were used: entrepreneurship training and the development of the managerial capability of the practitioners. The results from the analysis of data showed that entrepreneurship development, if well harnessed, is capable of engendering the sustainability of the pharmaceutical retail business in the country.

5.2. Recommendations

Based on the findings the following recommendations were made: Firstly, there is a need for training of different types for managers and employees to prepare them for sustainably running an enterprise. Secondly, manager's roles would be better performed if they possessed the needed managerial capabilities to ensure growth and sustainability in the enterprise.

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