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Entrepreneurial Skills and Performance of Pharmaceutical Firms in Anambra State Nigeria

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ABSTRACT

This study is an eye-opener for pharmaceutical students to learn from the experience of older pharmaceutical retail businesses on survival skills required in Nigeria's health sector. The study examined how registered pharmaceutical retail enterprises in Nigeria's Anambra State performed with their entrepreneurial qualities. The research used a descriptive survey methodology. Using Taro Yamane's statistical technique from 1961, a sample of 180 community pharmacy practitioners in the Nigerian state of Anambra with 328 registered licenses was selected. Regression and correlation analyses were the utilized statistical methods. The study results show that entrepreneurial mentoring and innovative capability significantly favours the success of pharmaceutical retail firms in the Nigerian state of Anambra. The study concludes that developing entrepreneurial abilities is essential for improved performance, regardless of how skilled community pharmacy practitioners may be. There were some recommendations in keeping with the study's findings.

Keywords: *entrepreneurial skills, innovation capability, entrepreneurship mentoring, business performance, retail pharmacy business*

1. INTRODUCTION

Community pharmacy practice is an essential arm of healthcare services in Nigeria, given the shortfall in healthcare facilities such as hospitals, laboratories, and clinics. Many Nigerian pharmaceutical practitioners have included drug prescriptions in addition to dispensing them. Therefore, the many services rendered by the pharmacists in their practice have allowed them to be seen as part of frontline caregivers in the country. Apart from being a critical component in health care service delivery, pharmaceutical retail firms as members of scaled-enterprises that substantially contributes to the Gross Domestic Product (GDP) of Nigeria, it is a massive source of employment in the country (SMEDAN, 2021). Regarding contributing to economic growth, the "Small and Medium Enterprises Development Agency of Nigeria" (SMEDAN) affirms pharmaceutical retail business firms of constituting a chunk of the MSME sector in Nigeria. The pharmaceutical retail business, though perceived as an area that is lucrative like some others in the sector, is not immune to shocks and failures.

Statistics report that about fifty-five per cent (55%) of start-ups, pharmaceutical retail enterprises inclusive, only survive up to five years of establishment (Chinasa, 2019). In stating the many reasons why small business start-ups fail, Dautovic (2022) observes that the absence of entrepreneurial skills ranks top among the reasons. This is because skills in finance, decision-making, marketing and team-building, which are necessary for managing an enterprise for growth, profit-making and sustainability, still need to be improved. The high mortality rate of start-ups in a sector that contributes immensely to population health and unemployment reduction should be utterly discouraged, and longevity solutions should be proffered. Regarding

entrepreneurship education, this study will serve as an eye opener to Undergraduate and Postgraduate pharmaceutical students on the need to acquire entrepreneurship skills, which is a prerequisite to survival in the current environment where many Nigerian pharmaceutical retail businesses fail to outlive their owners due to inherent deficiency embedded in the development of survival strategies.

Entrepreneurial skills (ESs) are necessary know-hows required of entrepreneurs to successfully manage an enterprise (Jiddah, 2016). Salgado-Banda (2015) states that entrepreneurial talents include the capacity for self-assurance, audacity, persistence, passion, empathy, readiness to heed professional counsel, drive for quick results, vision, and the capacity to spot opportunity. Abdul (2018) posits entrepreneurial skills to mean the requisite skills a prospective/existing entrepreneur needs in starting and building a successful business of choice. He noted they cover various skill sets, including technical, leadership, and business management talents. Entrepreneurial talents enable people to become self-employed and independent by launching a company concerned and overseeing its performance and sustainability (Iloeye & Okolocha, 2018). In all spheres of endeavour, including community pharmacy practice, entrepreneurial skills are related operationally to talents discovered and used to achieve optimal commercial success. For this study, the measurability of entrepreneurial skills is in two dimensions: innovative capability and entrepreneurship mentoring. Innovative capability is the capacity of a business to produce new ideas via uninterrupted learning process, knowledge conversion, creativity, and utilization of organisational resources (Idris, 2016). Innovation potential is an essential source of competitive advantage for businesses, leading to increased interest in its study among MSMEs and even larger firms. Oyedokun (2016) affirms that innovation capability is critical to small businesses' growth, survival and even sustainability. In recent years, Shah, Othman and Mansor (2016) noted mentoring to alluring significant interest among MSMEs due to its significant effects on company performance and improved employee work behaviours across organizations in many sectors. Similarly, Anekwe (2019) argues that a business mentoring program benefits both the mentor and the mentee in developing potential and expertise upgrades. The outcome of mentoring is the sprouting of suitable successors and a positive effect on business performance (Agu, 2021). To guide the study, the following hypotheses are formulated.

Firm's capacity to earn from available resources and accomplish its goals is regarded as organisational performance. This term is, however, quite broad. Typically, "business performance" refers to an organization's accomplishments as determined by a set of measurements referred to as key performance indicators (KPIs), although KPIs differ across industries given business operations. For some firms, KPIs comprise but not restricted to profitability, productivity, sales/profit/employment growth, customer satisfaction ratings, delivery time, and improving market share, among others (Wood, 2006). Business performance has also been described as the subset of significant idea for organizational effectiveness and operational competency that meet stakeholders' expectation (Smith & Reece, 2019). The implication of the last definition of the concept in this exercise is that business performance must be assessed to determine whether it is in line with organizational set objectives and goals. However, within such periods of assessment, the indicators are measured to ensure that they are affected in the process.

The researchers anchored the study on *"Human Capital Theory"* which Schultz propounded in 1961, which was further illustrated by Becker in 1994. This theory holds that the productivity or performance of the people will improve through training/education because of the skills and knowledge acquired in the process. The proponents of the theory believe that training increases knowledge and skills development, which are necessary to improve performance. Therefore, training to develop innovation capability and mentoring will both enhance the business performance of the pharmaceutical retail business outlets.

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In empirical reviews, Jin and Choi (2019) explored the impact of innovative managerial capabilities on the profitability of Korean IT and service business firms. The researchers concluded that a study on technological innovation enhances business performance and ensures sustainability. In another study, Naala, Nordin and Omar (2017) sought to explore the influence of innovative capability on the performance of Nigeria's MSMEs. Result analysis revealed a significant linkage between innovation capability and MSME's performance. It was concluded that innovation capability increases MSMEs' performance. Furthemore, Adam and Alarifie (2021) examined managerial innovative capability and SME survival in the 2019 global pandemic. Analysis result revealed that managerial innovative capability helped them counter the challenges posed by the 2019 global pandemic; hence, led to enhanced business performance and sustainability intention.

Similarly, Nwankwo and Ezeibe (2021) examined the impact of innovation on financial position of Onitsha-based MSMEs. Results showed that "product, process, administrative and market innovation" significantly impacts the financial status of SMEs in Onitsha. Kent, Denis and Stanton (2003) evaluated mentoring for retail SMEs located within the London Borough of Merton; Findings from the study suggest that after one year, the mentoring program was a successful method of helping the retailers achieve set objectives, which apparently increased sales volume, change adaptability, and ideas creation. Finally, Ofobuike and Nwakorby (2015) investigated the effect of mentoring on the performance of family-owned enterprise; The study concludes that mentoring program ensures good business performance as well as the sustainability of business. From literature review, gap exists in knowledge because entrepreneurial skills have not been studied among pharmaceutical firms which this study intends to fill. To this end, the objective is to ascertain the effect of entrepreneurship innovativeness and mentoring on the performance of pharmaceutical retail businesses in the study region.

2. METHOD

The study utilized a descriptive survey design because of the involvement of primary data. The study was conducted among registered community pharmacy outlets in Anambra State. From a pre study designed by the researchers, three hundred and twenty-eight (328) registered outlets were identified and confirmed by the Pharmacy Council of Nigeria (PCN), Anambra State Office records. Using Taro Yamene's statistical formula gave rise to a sample size of 180 registered community pharmacy outlets. A structured five-point Likert scale instrument was designed for data collection relating to entrepreneurship development and performance of pharmaceutical retail businesses.

The functional relationship is thus:

$BP = f(IC, EM)$ - - - - (1)

Stating the function equation in an econometric form, it becomes:

$BF = a_0 + a_1 IC + a_2 EM + \mu_i$ - (2)

Where:

BP = Business Performance

a0 = The Intercept

μi = Stochastic Error or white noise

IC = Innovative Capability

EM = Entrepreneurship Mentoring

Regarding data analysis, correlation and regression analysis were effectively utilized. Tests were conducted using an appropriate significance determinant. A total of one hundred and seventy-two (172) copies of the questionnaire were duly filled and retrieved. Upon these returned copies were the analyses based.

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Hypotheses Development:

H_0: Innovative capability and mentoring do not affect pharmaceutical retail business performance in Anambra state, Nigeria.

H_1: Innovation capability and mentoring significantly affect pharmaceutical retail business performance.

3. RESULTS AND DISCUSSION

Demographic Characteristics of the Respondents

The background information of the respondents was identified and analyzed in this section of the analysis to ensure that the respondents are within the specified category for the study.

Table 1. Participants Demographic Detail

S/N	Demographic Features		Frequency	Percentage Total
1.	Gender:	Male	124	72.3
		Female	48	27.7
		Total	**172**	**100.0**
2.	Age Bracket:	18 – 27 years	2	1.4
		28 – 37 years	38	21.9
		38 – 47 years	70	40.5
		48 – 57 years	54	31.7
		58 and above years	8	4.5
		Total	**172**	**100.0**
3.	Academic Attainment:	First Degree	103	60.1
		Master's Degree	58	33.7
		Doctorate Degree	11	6.2
		Total	**172**	**100.0**
4.	Organizational Tenure:			
		Below 5 years	13	7.5
		5 – 10 years	52	30.1
		11 – 15 years	60	35.0
		16 and above years	47	27.4
		Total	**172**	**100.0**

Field Survey, 2023

Table 1 reveals that participants' demographic information is within the specified category for the study. It showed further that the respondents have all it takes in terms of level of education and organizational tenure, to deliberate on the research discourse.

Table 2. Analyzing Correlation

Variables		**Pharmaceutical Performance**	**Innovation Capability**	**Entrepreneurship Mentoring**
Pharmaceutical Performance	Pearson Correlation	1	.501**	.625**
	Sig. (2-tailed)		.000	.000
	N	172	172	172
Innovative Capability	Pearson Correlation	.501**	1	.611**
	Sig. (2-tailed)	.000		.000
	N	172	172	172

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Entrepreneurship Mentoring	Pearson Correlation	.625**	.611*	1
	Sig. (2-tailed)	.000	.000	
	N	172	172	172

** Correlation is significant at 0.05 level (2-tailed).
* Correlation is significant at 0.01 level (2-tailed)

Table 2 presents a relational database between entrepreneurship development and pharmaceutical performance. There is an absence of multicollinearity or orthogonal relationship in the data. However, the relationship is good enough to permit regression analysis.

Table 3. Analysis of Variance (ANOVA) for study Model

Variation Source	df	Sum of Squares	Mean Square	F-ratio	Sig.
Regression	4	157.061	39.265	13.753	.000[a]
Residual	49	128.475	2.855		
Total	49				

a. Predictor: (constant), innovation capability and entrepreneurship mentoring
b. Dependent variable: Business Performance

The analysis of variance result showed that the F-Statistic of 13.753 is significant since $P_{0.000}$ is less than $P \leq 0.05$.

Table 4. Regression Findings

Model	R	R^2	Adjusted R-Square	Standard Error of the Estimate	Durbin Watson
I	0.525	0.571	0.490	0.53473	2.201

a. Predictor: (constant), innovation capability and entrepreneurship mentoring

As seen in table 4, the regression coefficient represented by 'R' in the table with a value of 0.525 shows that 52.5 percent relationship exists between the dependent and independent variables. Similarly, the coefficient of determination also represented by 'R^2' in the table, with a value of 0.571 shows that 57.1 percent variation in the dependent variable can be accounted for by the independent variables. The Durbin Watson Statistics of 2.201 is also an indication that there is no serial autocorrelation in the data.

Table 5. Regression Table

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
1(Constant)	-.052	.209	-	-716	.409
Innovative Capability	.611	.048	.525	9.263	.000
Entrepreneurship Mentoring	.537	.057	.604	4.368	.000

a. Dependent Variable: Business Performance

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Hypotheses Examination

Regarding table 5, there is a need to re-state the hypotheses. Tests were guided by a 0.05 level of significance.

H_0: Innovative capability and mentoring do not affect pharmaceutical retail business performance in Anambra state, Nigeria.

H_1: Innovative capability and mentoring significantly affect pharmaceutical retail business performance.

As presented in table 5, innovative capability coefficient of is 0.525, which implies that an increase of one unit, will amount to a 52.5 per cent increase in the performance of pharmaceutical retail business if other variables are not unchanged. Also, the t-value of 9.263 and the corresponding significance level show that the coefficient is significant and positive because P0.000 is less than $P \leq 0.05$. Consequently, the null hypothesis was rejected, and we conclude that innovation capability significantly and positively affects pharmaceutical retail business performance.

For entrepreneurship mentoring, the coefficient, as presented in the table, is .604, and it means that unit increase in mentoring will likely enhance performance of pharmaceutical retail business by 60.4 per cent if other variables remain unchanged. Its 4.368 t-value corresponds to the significance level that suggests that the coefficient is significant because $P \leq 0.05$ is greater than $P_{0.000}$. Therefore, the stated hypothesis is not accepted, which leads to the conclusion that entrepreneurship mentoring significantly and positively affects pharmaceutical retail business performance.

Discussion

The result of the first test of the hypothesis showed that innovation capability by the community pharmacy practitioners has a significant and positive effect on their business performance in the areas of volume of sales effectiveness and efficiency in service delivery as well as profitability. The result substantially supports the work of Naela, Nordin and Omar (2017) when they found from their study on the influence of innovative capability on the performance of SMEs in Nigeria. It was revealed that innovative capability significantly enhances the performance of SMEs as well as lead to success in diverse areas in the sector. One of the most crucial strategies for organisation growth and sustainability, including community pharmacy practitioners, is the development of innovation capability among business managers. As it is, the innovation capability of the firm's manager is usually confident when new ideas in the management process are displayed towards the firm's performance enhancement. It follows that managers' development of innovation capability enhances sustainable business growth.

Regarding the outcome of the second hypothesis test, entrepreneurship mentoring significantly affected the performance of pharmaceutical retail businesses. Again, this result is in agreement with the work of Brimah et al. (2020) when they reported that SMEs in Nigeria should promote an entrepreneurial mentoring culture for long-term leadership and commercial success. No doubt, entrepreneurship mentoring has drawn significant interest in the SME sector, given its significant effect on corporate success. Although many of the pharmaceutical retail firms' managers said they had yet to be mentored by anybody as managers of their businesses, they quickly acknowledged that the program is very potent for their day-to-day accomplishments as it facilitates the transfer of knowledge and good business conduct. It is from mentoring that some business ethics are learned as it exposes prospective entrepreneurs to the rudiments of business management, especially the does and don'ts. Although the mentoring program may be optional for a successful business outing, it is a critical factor that enhances business performance.

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4. CONCLUSIONS AND SUGGESTIONS

The investigation analyzed how developing entrepreneurial skills affected the operation of retail pharmacies in Anambra State. Results of the Examination revealed that entrepreneurial skills development in the form of innovation capability and entrepreneurship mentoring have significantly improves the performance of community pharmacy practitioners. The implication is that pharmaceutical retail business owners, no matter how good they are in pharmaceutical practices, may only be very successful in running their enterprises if they acquire the requisite skills for effective business management. In conclusion, pharmaceutical retail business owners and students alike cannot depend only on pharmaceutical ethics for business success. However, they should consider entrepreneurship education as a rudiment for operational stability and success. Indeed, the world is changing at a speed that cannot be controlled and understood. Hence, non-progressive organizations' will remain in limbo, where closure would be the only viable escape route for non-performing retail and pharmaceutical firms in Anambra state and Nigeria.

The under-listed recommendations were developed from the findings: 1) Community pharmacy practitioners should develop innovation capabilities peculiar to the pharmaceutical business. Such innovations include implementing patient-centered process innovation, pursuing eHealth innovation, and improving healthcare outcomes through innovative service delivery models, among other things. 2) Entrepreneurship mentoring programs should be encouraged among pharmaceutical start-ups and pharmaceutical students alike. As a matter of urgency, start-ups should be encouraged to undergo compulsory entrepreneurship education programs, where they will be taught and fortified with the knowledge for business survival. Higher institutions' pharmaceutical students should be mandated to attend, in addition to their internship, an entrepreneurship mentoring program in the form of an apprenticeship program, where they will be taught and equipped with the needed entrepreneurship skills required for increased business performance and survival.

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