

# THEMATIC ASSESSMENT OF ENTREPRENEURIAL PRACTICES ON PERFORMANCE OF MEDICINAL HERBAL BUSINESSES IN OSUN STATE

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**Abstract:** Entrepreneurship is associated with start-up initiatives, creativity, and innovation in business, the entrepreneur is the originator and owner of the business. Successful entrepreneur combines and coordinates other factors of production, with innovative ability to achieve economic motive which creates wealth and jobs. Nigerian medicinal herbal businesses sector has not been able to utilize their ideas to bring about small-scale development in the country. Medical Herbal businesses are experiencing difficulties in creating more jobs for young graduates because of inadequate entrepreneurial supportive policies. Nigeria is experiencing persevering increment in unemployment level with graduate unemployment making up a major percentage of the unemployed population. The objective of this study involves exploring the thematic assessment of entrepreneurial practices on performance of medicinal herbal businesses in Osun State. Qualitative research approaches were used to examine the entrepreneurial practice on the performance of these enterprises. The population for this study is four respondents from the registered medicinal herbal businesses in Osun State, source (National Agency for Food and Drug Administration and Control, Osun State). Structured interview was adopted to collect data, thematic analysis was adopted to process the interview data. Findings showed that start-up initiatives have a strong significant influence with job creation and creativity and innovation on business growth. The study concluded that majority of the Nigerian herbal medicinal products have not been able to surpass their expectations to customers in terms of quality services but have always make a lot of funny stories surrounding their product. The study recommended that medicinal herbal business owners in Osun State needs to create more business opportunities that can create more small-scale jobs. Herbal medicinal entrepreneurs should utilize the available resources in Osun State to produce more reliable herbal medicinal products. There are lots of business opportunities the herbal business has not tapped into. Herbal medicinal business has to ease the comfort of people in terms of trust of the contents of the herbal medicinal products.

**Keywords:** Entrepreneurial Practices, Start-up Initiative, Creativity, Innovation, Job Creation, Business Growth and Medicinal Herbal Businesses.

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## 1. INTRODUCTION

Entrepreneurial practices on enterprise programmes have become a relatively new and important research subject globally. Many entrepreneurship scholars and professionals believe supporting enterprise within low- income communities as a plausible development strategy to combat poverty. In developed countries entrepreneurial development is a programme

through which the abilities and skills of human resources are created, and improved. It preserves their economy because creativity and innovations of business enterprises are enhanced. Entrepreneurial development is meaningful to these countries because of establishment of small-scale industries.

Starting a new business in these developed countries is a process that takes years to evolve and materialize, and so the entrepreneur needs to have the ability and flair to take risk and have the desire to manifest it through the creation of new business with adequate motivation. A start-up company is an entrepreneurial venture which is typically a newly emerged, fast-growing business that aims to meet a marketplace need by developing or offering an innovative product, process or service. A start-up is usually a company such as a small business, a partnership or an organization designed to rapidly develop a scalable business model (Start-up Company, 2017). This study is designed to investigate thematic assessment of entrepreneurial practices on performance of medicinal herbal businesses in Osun State.

### Statement of the Problem

The harsh business environment in Nigeria have limited start-up initiatives, this have brought about many challenges among medicinal herbal entrepreneurs. These hindrances include insufficient entrepreneurial knowledge from universities curriculum and training centers, managerial inability, and lack of marketing experience, lack of entrepreneurial pedagogy and the university authority lackadaisical attitude for the skills training programme. Having taken cognizance of the plights of our new generation of university graduates, there are not enough intellectual impartations to start-up initiatives to enhance the genesis of the entrepreneurship and economic development in Nigeria.

Nigerian food and drugs sector have not been able to utilize their creativity and innovative ideas to bring about small-scale development in the country. Nigeria has experienced persevering increment in unemployment level with graduate unemployment making up a major percentage of the unemployed population (Garba, Kabir & Nalado 2014). Recently, more and more corporate boardrooms are looking for other measures to reflect growth in shareholder's expectations and encourage strategic decision instead of short term planning. However, the academia, researchers and other concerned policy makers are yet to pay adequate attention to identify and proffer a long-lasting solution to the issues surrounding self-employment in Nigerian especially among the youths (Salami, 2013).

### Objectives of the Study

1. To what extent do start-up initiatives from entrepreneurs' increases job creation in Osun?
2. To what extent does creativity and innovation influence the business growth of enterprises in Osun?

### Scope of the Study

The scope of this study covers food and drugs companies in Osun State, Osun Central and Osun East to be precise. The population cut across all food and drug companies in Nigeria, while the target populations are the registered herbal medicinal business enterprises in Osun State. This study focused on the time frame of 2019 – 2022. The justification of this is that the companies have immense and huge economic and business impact in Osun State.

## 2. LITERATURE REVIEW

### Entrepreneurial Practices

The word "entrepreneur" is derived from the French verb *entreprendre*, which means to undertake. Economic scholars from the time of Adam Smith, through the neoclassical era, the English Economists, the American economists down to the German School all have their various perspective of the role and function of the entrepreneur in economic development. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change. Another view of entrepreneurship is that the progress is more likely to emerge at times where economic conditions are more favourable" (Bjerke & Hultman, (2012), who studied the subject extensively.

Entrepreneurship and small business development programs have become a relatively new and important research subject globally. The importance of entrepreneurship as an input process of material development is becoming widely recognized with the growing emphasis on the role of small-scale industries in view of their contribution to employment generation, rural development and general economic growth. Paul (2017) argues that entrepreneurship is more than "starting a business." It is a process through which individuals identify opportunities, allocate resources, and create value.

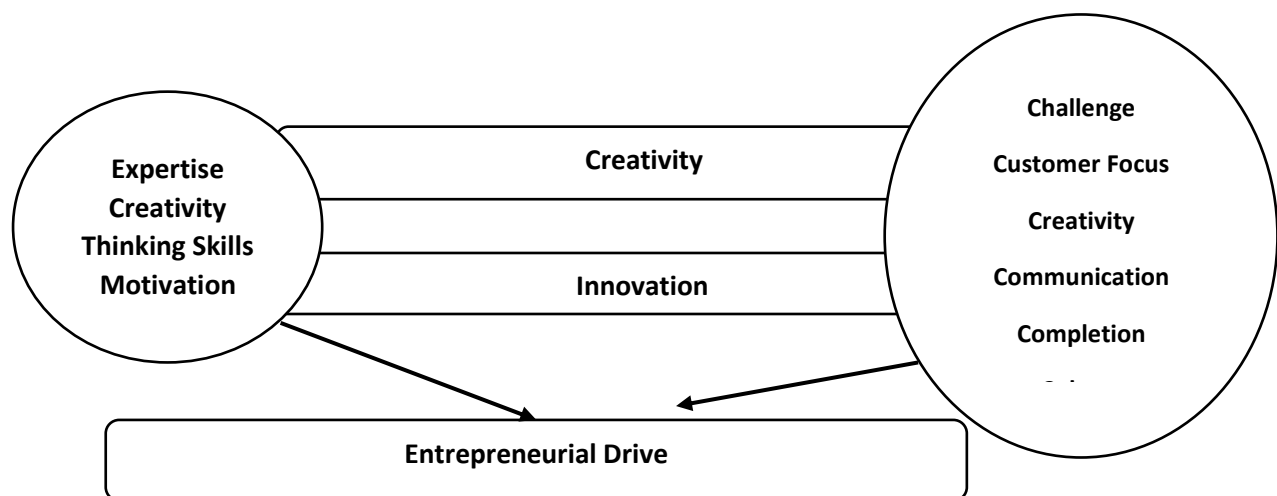
### Start-ups Initiatives

The discipline of entrepreneurship generally studies the why, when and how of opportunity recognition, creation and utilization for providing services and goods through the creation of start-ups (new firms) and within existing firms for both non-profit and profit purposes. Entrepreneurship development is a catalyst for economic, social and industrial development. Anyadike-Danes, Hart & Du (2013) affirms that entrepreneurship development is a disposition to accept new ideas, new methods and making people more interested in present and future than the past. Knowledge in start-ups provides leadership in innovation, resource change, capital formation and technical progress to produce new knowledge, new production techniques/possibilities, economic and growth profits. (Borras & Edquist, 2013). Furthermore, it is sufficing to say that entrepreneurs are becoming increasingly vibrant in the socioeconomic development of both developed and developing economies as they account for significant percent of the operators in informal and formal sectors.

### Creativity and Innovation

Creativity and Innovation are at the heart of the spirit of enterprise and based on the model, it is therefore necessary to widen the range of financing instruments available to entrepreneurs and business enterprises, in order to enable them to continue to play their role in investment, growth, innovation and employment creation. The incapability of innovative entrepreneurs to convince financial intermediaries to invest in risky projects with tendency to offer low returns also constitute a major hurdle for entrepreneurship development. Considering, the complexity of the concept of creativity, it is necessary to distinguish the concept of innovation and creativity (Akbar & Haitham, 2014).

Innovation is application of new ideas from cited creativity and it is believed that innovation can be a new product, new service or a new way of doing something, but creativity is ability of creating new ideas and innovative thought (Akbar & Haitham, 2014). According to Akbar & Haitham (2014) innovation can process steps required to conclude a new mastermind. The creative person can be non-innovative and have new ideas, but cannot supply or sell them. So often creative person is innovator, but all creative people are not necessarily innovative.



Source: Adebayo, Olashebikan, Agumadu, Akinsulire, & Ikumapayi (2017). *Analysis of the Role of Creativity and Innovation in Entrepreneurship*.

### Figure 2.1: Barringer & Ireland (2006) Relationship between Innovations, Creativity and Entrepreneurship Model

The proposed model above is supported by the claim of Barringer & Ireland (2006) that creativity and innovation are inseparable from entrepreneurship, which is in turn manifested in the act of starting up and running an enterprise. Pretorius, Millard & Kuger (2005) also affirms that creativity is clearly part and parcel of the entrepreneurial skills required to successfully start a venture. Based on the above, there is therefore no gain saying that where innovation and creativity is absent, there will be very limited entrepreneurship. Entrepreneurial activities will be on the minimal and will most likely happen by accident.

### **Performance of Medicinal Herbal Business in Osun State**

There is a tremendous increase in the number of medicinal herbal entrepreneurs who are now interested in becoming small business owners, starting up a business of their own. Entrepreneurship in the informal sector like the medicinal herbal business enterprises have remained untapped source of job creation, business and financial opportunities, innovations and economic development globally. If on the one hand, small enterprises require specialists and counseling firms less, with increasing chances of growth (Davidsson, Achtenhagen & Naldi 2010), the use of their abilities to enhance growth derives from the learning process acquired by experience and over time.

### **Job Creation of Medicinal Herbal Business**

Medicinal herbal entrepreneurs create new jobs for themselves and others through exploitation of entrepreneurial opportunities. Notwithstanding, they still represent a minority of all entrepreneurs. Unemployment can be a major driver of social vices in Nigeria. In recent times, the scourge of kidnapping, cybercrime, terrorism, armed robbery, prostitution, brain drain among others has been the order of the day among youths whose “get-rich-quick” ideology has continued to take new dimensions.

### **Business Growth of Medicinal Herbal Business**

The food and drug industry have been able to increase the existence of business establishments through competition. It will be unjust conclude that successive governments at one level or the other has not done anything to reduce the menace of unemployment in Nigeria. For instance, the creation of National Directorate of Employment (NDE) and its skills acquisition programmes, National Poverty Eradication Programme (NAPEP), Poverty Alleviation Programme (PAP), the Subsidy Reinvestment and Empowerment Program (SURE-P), Youth Enterprise With Innovation In Nigeria (YOUWIN), just to mention a few, are some of the various intervention mechanisms aimed at ensuring economic growth that is rich with job creation initiatives.

### **Empirical Review**

In a similar study by Bankole, Ezema, Omolade, & Idowu (2017), titled Entrepreneurship as Drivers of Sustainable Development in the Present Knowledge Economy, sustainable entrepreneurship is an emerging field in entrepreneurship which gradually creating attention to public and a way of interest in academic research. The objective was to give an insight conceptually the challenges facing entrepreneurs and equally to develop a conceptual framework for entrepreneurship in the present knowledge economy. The research methodology involves Systematic Literature Review Method (SLR) – its distinctive features and historical development. The reasons why SLR was chosen as a research method for the study. The data analysis is based on three categories which are; general information about the paper (journal, publication, years, etc.); specific information about the study and topic-specific analysis of the study (focus of sustainability, definition, and suggestion for future work etc.). The study concluded and recommended that there is also a number of topics that need profound basic studies. Some topics in the area already received wide coverage in the scientific community. The existence of sustainable entrepreneurship has been proven in practice. It is defined as a type of entrepreneurship where founders obtain economic gains while simultaneously improving local and global social and environmental conditions. The nature of market imperfections, leading to opportunities for sustainable entrepreneurship, is also widely covered in the current research.

Ologundudu & Ojo, (2017) examined a similar study titled Entrepreneurship Innovation and Economic Growth in Nigeria. This is accompanied by growth and increased output which allow more wealth to be divided by various participants. The methodology adopted in the study is the narrative-textual case study (NTCS) method which is justified by the absence of sequential data related to entrepreneurship and sustainable economic growth in Nigeria. However, interviews were conducted and they used simple percentages, graphs and charts in analyzing and interpreting the collated secondary data. They found that Nigeria’s economy has continued to grow over the last two decades with the real GDP growth rate hovering around 7.00%-10%. It was also found through the selected case studies that entrepreneurship innovation can enhance economic growth and development primarily by generating employment and foster the growth of micro, small and medium enterprises in Nigeria. They recommend that there should be proper policy coordination and stability; reforms in the educational curriculum to prepare for self-reliance and fixing the power sector basic infrastructure. When there is flourishing Micro, Small and Medium Enterprise (MSMEs) more employment will be generated wealth created will be distributed evenly and the economy is further developed and sustained.

### Gaps in Literature

The existing body of knowledge has not sufficiently considered the impact of thematic assessment of entrepreneurial practice on performance of medicinal herbal businesses in Osun State. Most of the research studies reviewed have not adequately address what actually brings about business performance through entrepreneurship focusing on the Nigerian food and drug industry. The medical herbal business in Nigeria have contributed immensely to the economic development of the nation over the past 2 decades. The importance of Nigerian medical herbal business is worth exploring. Researchers have not been able to explore the economic input of the industry. Most studies have focused on multinationals and conglomerates situated at industrialized states like Lagos, Oyo, Rivers, Kano, Ogun and Delta State. This study sought to fill the research gap by establishing the practice of entrepreneurial practices of medicinal herbal ventures focusing on the food and drug industry in Osun State.

### 3. METHODOLOGY

This research study adopts qualitative method due to the purpose and nature of the study. As it deals with primary data, the data were collected through a focus group interview. The purpose of adopting this research method is to generalize from a sample to a population so that inferences can be made about consumer's experience characteristics and attitude making up the population. Four respondents were randomly selected from the most popular medicinal herbal businesses in Osun State. The popular medicinal herbal businesses are popular medicinal herbal businesses, Sary Salam Herbal Nig. Enterprises, Aderonke Global Investment, Kogakoga Business Concept and Jadebak Jim Nig. Enterprises.

#### Thematic Analysis

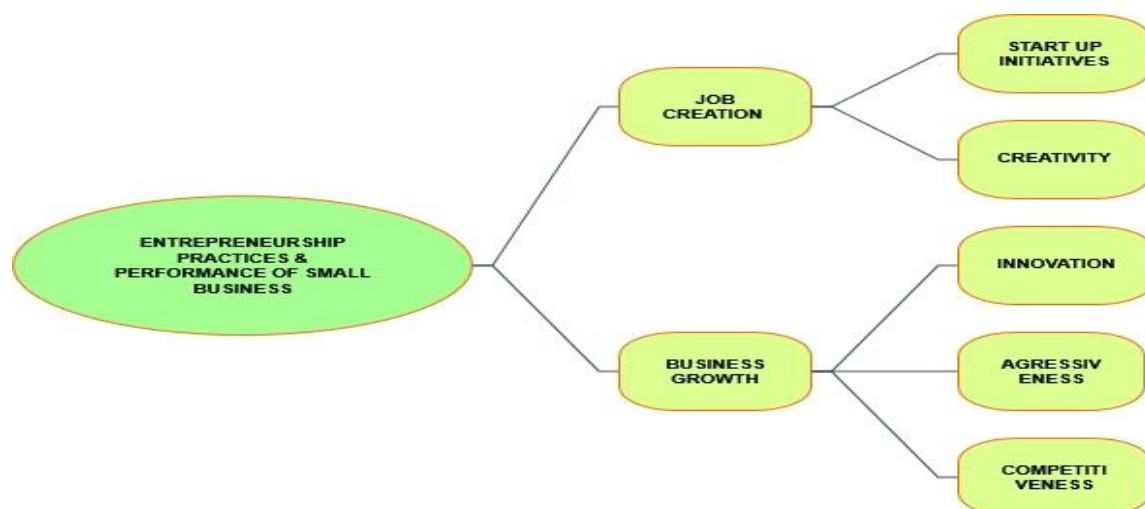
The thematic analysis was carried out using interview to provide information to confirm and the result of the quantitative data which addressed the issues entrepreneurial practices on performance herbal businesses in Osun States.

**Table 1: Distribution of the Respondents' Demographic Information for Interviewers**

List of Respondents	Position	Name of Company	Date of Interview
Respondent 1	Business owner	Sary Salam Herbal Nig. Enterprises	2/7/2022
Respondent 2	Marketer	Aderonke Global Investment	2/7/2022
Respondent 3	Production Manager	Kogakoga Business Concept	3/7/2022
Respondent 4	Staff	Jadebak Jim Nig. Enterprises	3/7/2022

#### Field Survey, (2022)

Table 1 shows the distribution of the respondents' demographic information for interviewers selected from the herbal medicinal businesses in Osun State. Using interview as a source of data help to explore the past, understand the present as well as predicting the future. The following the response from the four respondents interviewed.



**Figure 1: Theme on Entrepreneurial Practices on Performance of Medicinal Herbal Businesses**



Respondents 1 said that

*The business of herbal medicine requires a lot of innovation because customer needs keep changing from season to season. More so, there is great competition with the orthodox medicine. So, we have to keep on introducing new products to the people. For you to survive in this market you must continually introduce new products. People are willing to pay for decent products.*

Respondents 2 said that

*At all point in the business one should be able to redesign core operating processes to improve efficiency and effectiveness. People have over-time loss confidence in herbal medicine as it is often associated with dirtiness. the herbal medicine now uses tablets, capsules and syrups in their products. The traditional medicine is either bitter or has a look that provokes the sensory organs, but today a bitter drug in capsules is easy to swallow.*

Respondents 3 said that

*To start business in herbal medicine you must first obtain license from the association which are the first step towards job creation. Today many young men and women have created a living for themselves through this business. In herbal business, the entrepreneur must constantly watch out for gaps to fill. Like now, if you are selling herbal that can enhance sexual performance you are likely to get more patronage among the youths.*

Respondents 4 said that

*The business is guided by laws and regulations, social and cultural factors, demographic factors and others. The business concern must be creative in analyzing the various factors in the environment. There was a time when my business was locked up for not complying with certain regulatory policies in the State. Ever since then I look before I leap” the analysis of the responses is shown below. one cannot just venture into the herbal businesses unless one is able to register with relevant agencies.*

#### 4. DISCUSSION OF RESULTS

From the above, the sub themes start up initiatives, creativity and innovation were derived from the interview as elements that described the thematic assessment of entrepreneurial practices on performance of medicinal herbal businesses in Osun State. Start-up initiatives are described by level of business skill, creativity is been exhibited through opportunity search and environmental scanning. Bamnyer (2015) submitted that startups growth is tight to founders’ characteristics along with venture attribute, ease of doing business, access to finance, mode of operation, skills, experience and best business practices. Bundle of services provided to new start-ups such as low-cost space, credibility, management counsel, and secretariat administrative services support the start-ups to grow in their operation (Sonja, 2014). This was corroborated with findings of the interview.

#### 5. CONCLUSION

Based on the findings in this study, one can conclude that start-up initiatives, creativity and innovation influences job creation and business growth herbal medicinal businesses in Osun State. Medicinal herbal enterprises have created other business opportunities in other areas of food and drug industry. Medicinal herbal business has reduced the crime rate in the society. Though majority of the Nigerian herbal medicinal products have not been able to surpass their expectations to customers in terms of quality services but have always make a lot of funny stories surrounding their product. Thereby, creating controversial arguments among users of conventional and herbal medicinal products.

#### 6. RECOMMENDATIONS

1. Herbal business owners in Osun State needs to create more business opportunities that can create more jobs. Government needs to encourage and empower graduates to produce registered local herbal medicinal products. Herbal medicinal entrepreneurs should utilize the available resources in Osun State to produce more reliable herbal medicinal products.
2. Owners of herbal medicinal business should be more creative and make adequate provisions for investors/entrepreneurs who are interested in the business. There are lots of business opportunities the herbal business has tapped into. Herbal medicinal business has to ease the comfort of people in terms of trust of the contents of the herbal medicinal products.

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