



# Induction Strategy of Igbo Entrepreneurs and Micro-Business Success: A Study of Household Equipment Line, Main Market Onitsha, Nigeria

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**Abstract.** This work justifies the “Igba-odibo” (Traditional Business School) concept as a business strategy for achieving success in business which is measured through business/opportunity utilization, customer relationship/business networking and capital acquisition for business. It gives the in-depth symbolic interpretation and application of the dependent and independent variables used. The paper extends its discussion on the significance of these business strategies as practised among Igbo entrepreneurs and on how they equip Igbo entrepreneurs to immensely contribute their quotas in the area of developing entrepreneurship in Nigeria in particular and the globe in general. Research questions were formulated to investigate the relationship between business strategy and success. Related literature was reviewed. The study population covers the household equipment line of Main Market Onitsha in Anambra State, Nigeria, which has shop capacities of over five hundred, which were used to assume the population of the study – out of the 300 questionnaires administered to the directors of the business or the Masters/Mistresses, who were the business owners during the study, 180 were returned, 73 were invalid, so the researcher was left with 107 valid questionnaires to work with. The data collected were tested using frequency tables, percentages, Pearson Product-Moment correlation analysis, and regression analysis. The result shows that there is a strong positive relationship between the two variables. The researcher recommends that the government should encourage and strongly support these entrepreneurs by providing loans and adequate infrastructure that aids business.

**Keywords:** “Igba-Odibo”, induction-strategy, Igbo-entrepreneurs, business-success, business opportunity/expansions, business/customers networking

**JEL Classifications:** M10

## **Introduction**

Igbo people live at the south-eastern part of Nigeria, having a population of approximately 40 million, which amounts to 23.5% of the total Nigerian population estimated at 170 million. Igbo is the third major tribe out of the more than 250 ethnic groups in Nigeria. The after-effects of the Biafra war severely damaged most of the infrastructure in the eastern part of the country and rendered this ethnic group the poorest among the three major ethnic groups; hence, life in this part of Nigeria was marked by poor infrastructure, lack of jobs coupled with the loss of life-time savings of the Igbo and discrimination by other ethnic groups (Falola & Afolabi, 2008). The Igbo, therefore, were seen as the “disobedient children” due to the Biafra war. The Igbo entrepreneurs were left with no better choice than to migrate to other places within and outside Nigeria; hence, there is hardly any part in the countries of the world where the Igbo cannot be found engaged in commercial activities. Olanrewaju (1999) praises the courage with which the Igbo carry on with their lives despite these bad experiences. Agozino & Anyanike (2007) note the universal belief that Igbo people are too money-centred, but this is a misconception of the highly ambitious and competitive spirit of the Igbo man, who finds confidence in the spiritual understanding that “Onye ruo, O rie” (He who labours for wealth, should enjoy his wealth).

Ogundele (2000) explicitly explains who an entrepreneur is by defining entrepreneur as an innovative individual who initiates and nurtures the growth of a new business that has not existed before. An entrepreneur is defined as one who undertakes a commercial enterprise and who is an organizational creator and innovator (Mordi, Simpson, Singh & Okafor, 2010). Entrepreneurs are ambitious, achievement-minded, reliable, responsible, hardworking, competent, optimistic, innovative, aggressive, honest, creative, and they enjoy social recognition and growth (Kotey & Meredith, 1997). Entrepreneurship involves discovery, evaluation, and exploitation of opportunities. This relates the entrepreneur with his environment, studying the needs and attending to them – hence, an entrepreneur is a problem solver. An entrepreneur starts and makes his living out of the business he has started. An entrepreneur plans, organizes, staffs, and coordinates a new business, thereby, enriching himself and others through the business.

Indigenous people see themselves as a collective group who work together on the basis of their common ancestry, history, language, and, at times, religion. Indigenous entrepreneurship has strong overlaps with ethnic, social, and domestic entrepreneurship. Dana (1995) broadly defines indigenous entrepreneurship as self-employment based on indigenous knowledge. Indigenous Igbo entrepreneurs are communal and possess almost similar characteristics and motivation in terms of business.

## **Statement of the Problem**

Many entrepreneurs devote much time to customer acquisition, only to lose them to competitors in a very short period because they do not acquire the business induction strategy of Igba-odibo (Traditional Business School), which would give them the opportunity to be trained and exposed on building customer relationship and business networking as ways of attracting customers, gaining their trust, and hence encouraging loyalty that directly relates to profitability through increased sales and market shares. Studies have shown that the lack of enough customers contributes to 80% of business failure (Analoui, Moghimi & Khanifar, 2009). Rosenberg and Czepiel (1983) are of the view that the costs of attracting a new customer have been found to be up to seven times higher than the costs of retaining old ones and a study by Oboreh, Umukoro, & Ayozie (2013) show that many Igbo entrepreneurs are yet to fully understand and properly use customer relationship and networking as a business strategy to achieve profitability and success in their businesses.

Profitability is central to success in today's fast-moving competitive business environment and it is related to business expansion. Many newly established small and medium enterprises could not last long due to lack of business profitability (ILO, 2006). Despite the amount of the capital invested in a business, if there is no previous solid knowledge of the business, it may be difficult to yield the expected profit. And one cannot think of expansion if the already established business does not yield a profit that could be used in expansion. Gaining previous knowledge of a business through "Igba-odibo" (Traditional Business School) helps an entrepreneur to understand every aspect of the business, which will enable him to start his own business not as a learner as it gives him insight on who the customers are, the competition involved in the business, where to buy goods, even on credit, and how to network in the business. All these will result profitability in the long run, which will be helpful in business expansion.

Raising capital for a business is arguably the most pressing policy objective in the developing countries of the world and supporting the self-employed is critical in an environment where banks and venture capitalists are not favourable to a beginner who has almost nothing to deposit as collateral. Despite the effort of the government to ensure that its citizenry is engaged, many have remained unemployed due to the single reason of the lack of capital to embark on the businesses of their choice. The Igbo entrepreneurs hardly wait for government funds to venture into the business of their choice – "Igba-odibo" (Traditional Business School) has remained a source of livelihood and a means of being employed that aids incubate entrepreneurs to stand on their own, raise capital for business, and actively engage in economically worthwhile ventures.

The following research questions were considered:

1) Does the “Igba-odibo” practice (Traditional Business School) affect the customer relationship marketing and business networking of the business under study?

2) Is there any relationship between the “Igba-odibo” practice (Traditional Business School) profitability and the business under study?

3) Does the “Igba-odibo” (Traditional Business School) practice aid in raising capital for the business under study?

This study is particularly significant as it is perhaps among the first studies that focused exclusively on the business apprenticeship, strategy, and success of Igbo businesses. It would assist the following:

*Entrepreneurs:* This research would serve as a useful one to encourage both the existing and potential entrepreneurs. The results would identify some lapses of the indigenous Igbo entrepreneurs and also provide solutions that would alleviate problems and help them to sustain business growth and success.

*Academia:* The study would also contribute immensely to the existing body of knowledge and literature in management sciences with focus on the area of entrepreneurship studies. This study has ultimately enhanced further academic and non-academic research in the field of entrepreneurship. It could as well be used as a secondary research source for further studies on indigenous Igbo entrepreneurship since there is very little research in this area.

*Government/policy makers:* Furthermore, results would educate the government and its relevant agencies to make policies to encourage the indigenous entrepreneurs to advance their businesses in order to benefit the country.

## **Review of the Related Literature**

The Igbo are the Nigerian industrialists; are believed to be the backbone of businesses in Nigeria and Africa; as a result, today they are referred to as the Japanese and Chinese of Africa. The practice of the right business strategy is the secret of business successfulness among Igbo entrepreneurs. These practices are embedded in the communal culture of Igbo. Their entrepreneurial activities have facilitated an improved standard of living among the people in both rural and urban settings. Maliga (2013) and Udegbe (2013) revealed in their separate studies that the assets of the Igbo in Lagos state of Nigeria alone is about 74% of the total investments in Lagos, which is nothing less than N300 trillion, and twice as much is to be found in the Federal Capital territory of Abuja: about N600 trillion, while in Kano and Kaduna, in the northern part of Nigeria, Igbo investments run up to N10 trillion, respectively. Hence, Agazie (2012) comments on the developmental capabilities of the Igbo entrepreneurs, and adds that “Governor Gabriel Suswan

of Benue State of Nigeria notes, therefore, that any State government that ignores the Igbo does so at the risk of its economy”. In support of this, Olanrewaju (1999) argues that one of the reasons for the lack of development – which he called “development hiccups” – in African countries and in Nigeria in particular “is that the Igbo entrepreneurs have not been given enough chance to participate in the development process”.

In this research work, business is viewed as activities involving buying and selling of goods or services. Business strategies are those systematic decision processes or plans of resource allocations aimed at giving the indigenous Igbo entrepreneurs competitive advantage through the realization of major business objectives and goals. Strategy has been defined as the broad programme for defining and achieving an organization objective. Entrepreneurs respond to environmental changes over time through the utilization of different strategies, as all entrepreneurial activities are goal driven.

## **Igbo Entrepreneurs’ Business Induction Strategy**

The Igbo entrepreneurs adopt a technique and many business strategies, such as “Igba-odibo” (Traditional Business School), as well as create personalized strategies to manage their entrepreneurial businesses in order to achieve their objectives, and therefore attain greater success, since this is a measurable variable.

## **Definition of Indigenous Igbo Strategy using the Mintzberg Model (1978)**

Mintzberg (1978) explained strategy as five “P-s”, namely: strategy as a plan, ploy, pattern, position, and perspective.

**1) Strategy as a Plan:** This means that strategy is a continuously intended course of action. An entrepreneur intending to venture into business studies the best method which will suit his/her motive. Business decisions require planning based on the resources at hand. The Igbo entrepreneurs study the business environment of their choice thoroughly before venturing into it.

**2) Strategy as a Ploy:** It means that strategy is a specific manoeuvre intended to adopt to defeat competitors. This is why it seems as if Igbo entrepreneurs were secretive in their businesses. An entrepreneur needs to plot, scheme, and organize ideas in order to take advantage of an opportunity in their business since there is high competition in the business environment. The ability to take advantage of opportunity places an entrepreneur above others.

**3) Strategy as a Pattern:** This means that strategy is also consistent in behaviour whether intended or not. Igbo entrepreneurs do not practise business; business is part of their life and part of culture inculcated upon their upbringing. Business is an embedded subset of the Igbo culture, they understand very well the language of money and business, and they are consistent with business, which is part of their behaviour.

**4) Strategy as a Position:** Strategy is a means of placing indigenous Igbo in the Nigeria business environment. Business has remained a career associated with Igbo entrepreneurs both in Nigeria and the Diasporas.

**5) Strategy as a Perspective:** This means that strategy is usually in line with indigenous Igbo culture or in line with the way they see things.

These strategies include: Igba-odibo, “Imu-ahia”, “Imu-oru”, and “Igba-oso-ahia”.

Although this study concentrates on Igba-odibo, the differences between these strategies are discussed briefly:

“**Igba-odibo**” (Traditional Business School), deals mainly with buying, selling, promoting, and distributing goods as business strategy. Here, the apprentice is exposed to the concepts of marketing.

“**Imu-ahia**” (business coaching): this is used for a learner who is not under the direct supervision of a master/coach in marketing business, but who is just there to learn the business. It is mainly for those who have some capital to invest in a business but lack the knowledge thereof. Many traders use this also to diversify their businesses.

“**Imu-oru**” (craft/vocational apprenticeship): this involves working with different tools and equipment. It means learning the expert knowledge of a particular vocation. It is also a means of diversification.

“**Igba-oso-ahia**” (a form of business trick): this is used by traders to raise capital for business. It involves selling another person’s goods at a higher price.

This research work deals with Igba-odibo (Traditional Business School) as a business induction strategy towards the success of indigenous Igbo entrepreneurs in microbusiness.

“**Igba-odibo**” (Traditional Business School): once a ward is under the care of his master/mistress, he becomes a servant “Odibo” (servant). The “Igba-odibo” (Traditional Business School) in this context refers to someone who is being trained in the act of buying and selling or marketing concepts. It is a process whereby a family gives out their children to live and serve the wealthy ones in the society. The terms and conditions of “Igba-odibo” are mostly oral, yet they are embedded in the Igbo customs, norms, and traditions, and there is no charge for “Igba-odibo” unlike in the case of some apprenticeship trainings.

The final apprenticeship contract between the master and the apprentice’s family is normally preceded by a trial or test period of about three months,

a period during which the apprentice's suitability for the job or other role is being tested. Once an apprentice is under the care of his/her master/mistress, he becomes a servant. The master and/or mistress cares and caters for the servant's/maid's well-being for an agreed period of time, while, in turn, the servant/maid assists his/her master and/or mistress in business and other domestic works while living with them. The apprentice is expected to be faithful to his/her master/mistress. During this period, the master/mistress as the mentor exposes the strategies of the business to him/her. If the apprentice is intelligent enough to master the business, the master/mistress may start another business outlet for the servant to manage. This helps them to master all the strategies and techniques of the particular business. The apprentice is expected to serve his master without reservation. The Igbo believe that "onye fee eze, eze e-ruo ya aka" (You will be measured in the same way you measure others.). The implication of this is that when a servant/maid serves his master and/or mistress faithfully, he/she will be served faithfully by another servant/maid. Mukhtar (2011) comments that this is against the practice found in the northern part of Nigeria, where one serves his "master" for as long as he lives without any plan put in place to make the "servant" independent. There is a clear difference between an entrepreneur who passes through the period of "Igba-odibo" and one that does not. Women also engage in the "Igba-odibo" as paid/unpaid house maids. They can be allowed to engage in any skill of their choice depending on the agreement while living with their master/mistress, after which their master/mistress settles them. Normally, most paid house maids are not allowed to learn any skills except if their master/mistress is the mentor, but most unpaid house maids always have a contractual agreement on learning skills and settling afterwards.

## **The Importance of the "Igba-odibo" Practice**

Both the master and the servant have their own share of benefits from "Igba-odibo" (Traditional Business School). "Igba-odibo" (Traditional Business School) helps an entrepreneur to start his own business not as a learner. He is already familiar with the customers of the business, has their phone numbers and addresses. This is very helpful in building a good customer relationship. It helps the entrepreneur to know where to buy goods at a cheaper rate and how to sell them. Most wealthy families send their children to "Igba-odibo" (Traditional Business School) practice before providing capital for their own business. This helps them to master all the strategies and techniques of the particular business. They also use this method to change or diversify their businesses if their former businesses are not as profitable as they expected. The servant is always supposed to be grateful to his/her master and/or mistress for showing him/her the way.

The master is forever seen as the godfather of the servant. This earns a lot of respect and prestige to the master and/or mistress. Most servants always turn out to be helpers to their masters/mistresses later in life. The servant, who might have come from a very poor family, could mobilize resources for his/her business without begging or disposing of any of his/her biological father's property. The servant can always call on the master/mistress in case of any problem. At times, this relationship can result in marriage between the servant/maid and any of his/her mistress's/master's immediate family, just as Jacob in the Bible, who ended up marrying two of his master's daughters. It is very helpful in building a good customer relationship. Most of the time, the "settlement" of a servant managing an outlet depends on the profit he realizes within the given period, so that the master does not incur losses. The master may choose to use the servant to expand his business, achieve market penetration and development, both concentric and conglomerate diversification, or change to another business.

## **The Disadvantages of the System "Igba-odibo"**

The system of "Igba-odibo" (Traditional Business School) also has its disadvantages. Apprenticeship agreements are mostly oral, yet they are embedded in the society's customs, norms, and traditions. Most servants/maids may not be as faithful as expected since some may get involved in stealing from their master/mistress instead of being patient. This might be due to peer influence, fear of the future, impatience, fear of the unknown, bad advice from their family members or friends, or greed.

Some masters, too, are greedy – they find it difficult to settle their servants/maids. Some do use their servants/maids for rituals or initiate them into cultic activities, maltreat or abuse them. Most apprentices are subjected to long working hours, unsafe working conditions, low or no allowances or wages, little or no social protection in case of illness or accident, while strong gender imbalances are also among the work-related problems often met in apprenticeships.

**"Idu-odibo" (Official settlement of a servant):** this is the main essence of the "Igba-odibo" strategy. Once a servant/maid has served his master and/or mistress faithfully, the master/mistress is expected to reward him. Both families see it as a great day because both the master/mistress and the servant/maid are seen as having been responsible. The master/mistress is expected to give part of his wealth to the servant/maid who had served him/her all those years. The servant/maid is expected to start his/her own business from the resources the master/mistress used to settle him/her. Usually, people wine and dine at the settlement party, which serves as a graduation, and a commencement ceremony for the ward. Once the servant/maid is settled, he/she is free from his/her master.

## **The Dimension of Business Success of Igbo Entrepreneurs**

The Igbo entrepreneurs are known to be very successful in their lines of businesses because of their effectiveness in business operations. Among the Igbo, wealth is determined through a number of factors such as: the development projects launched in one's community – as the saying goes: “*Aku ruo ulo, o kwuo ebe o si*” (developmental projects declare one wealthy) – and how many Odibos one coaches in his community, as Igbo is aggressively communal rather than individualistic. Wealth, therefore, is only a means of acquiring social prestige among the Igbo people. That is why, business success is not hidden away among the Igbo. Igbo entrepreneurs believe that success in their businesses is not a choice but a must. Circumstances like poor background and illiteracy are not limiting factors but a reason and strength of success. Successfulness connotes effectiveness: effective entrepreneurs are successful. Business success is defined as the ability to choose an appropriate objective to achieve a given business objective. Drucker (1967) defines effectiveness as doing the right thing, thus equating it to efficiency. Feather (1988) notes that a successful business owner possesses entrepreneurial characteristics. Being effective in daily activities, goals, and objectives can be translated into overall entrepreneurial effectiveness, and hence success in the long run. Although Burnett (2000) notes that it is difficult to empirically measure the rate of entrepreneurial business successfulness because developing the tools to measure it has been problematic, Karvin (2013) outlines the variables of measuring entrepreneurs' business successfulness as: profitability, reputation, growth in number of employees, growth in number of customers, and different target audiences. Business successfulness has no universally accepted definition, but it is formulated as according to what a particular author believes to be the most relevant objectives and goals to be achieved in a particular business; therefore, the “business successfulness of the Igbo entrepreneurs” is measured hereby as: relationship marketing and business networking, business profitability and expansion, employment creation ability and capital/fund generation for businesses.

**Business Expansion/Opportunity Utilization:** this involves opening many outlet stores/branches for the current business and diversification into a new business. Establishing branches at different locations, cities, and even abroad is very common among Igbo entrepreneurs as a means of business expansion and utilizations of opportunities. Adams (2013) argues that some entrepreneurial traits and skills acquired through apprenticeship are strongly related to business expansion and success. These entrepreneurs identify and utilize the opportunities identified in their surroundings to establish businesses in different locations and cities since opportunities are not known to all parties at the same time, and some individuals are more sensitive than others and can either exploit or think up

particular opportunities that others have not yet realized (Shane & Venkataraman, 2000). The “Igba-odibo” concept has been used by some of these entrepreneurs who established business for their “Odibo” in different places. This also enables them to settle their “Odibo” from the proceeds of such outlet store.

**Business/Customer Networking:** Access to networks is essential to develop business ideas, meet potential clients, suppliers, and business partners, understand the market together with its changes, opportunities, and weaknesses, and obtain strategic information, cooperation, and support. Researchers found that social networks provide links between the entrepreneur, resources, and opportunities and that several personality dimensions of perceiving opportunities affect entrepreneurship (Timmon, 1978; Wesh & White, 1981). Studies have accordingly shown that network relations can be a source of business success (Aldrich & Zimmer, 1986b; Burt, 2000). They must collaborate with other firms to gain access to information, skills, expertise, assets, and technologies, and thus leverage their internal resources. It helps to increase the number of customers (within and outside the city), the volume of sales per day and the market shares of the entrepreneurs. Networking and meaningful networks are an opportunity hallway for the entrepreneur as they develop broad social and professional networks, which can promote opportunity detection (Wiklund & Shepherd, 2005b; Granovetter, 1973). Igbo entrepreneurs are excellent networkers: networking spirit is one of the major reasons of the existence of Igba-Odibo. During this period, one is exposed to almost all the importers regardless of their location: Aba, Onitsha, Lagos, Kano, and even outside the country like China, Cotonou, Ghana, etc. They know where to buy their goods at all time and their major customers. They hardly stay at one place; they move from Onitsha to Lagos, from Lagos to Aba or even outside the country in search of goods to either import or export. Networking skills confer Igbo entrepreneurs’ advantages over their competitors as they can order goods both locally and internationally on credit.

## **The Significance of Igbo Entrepreneurs’ Business Induction Strategy**

Due to the Igbo belief in extended family and induction of/introducing family members into their line of businesses, “Igba-odibo” and “Imu-ahia” techniques have made it possible for business strategies to run through families, across towns and communities from one generation to another.

Today, different communities in Igbo dominate particular lines of product or business. For instance, the Akokwa indigenous entrepreneurs dominate the line of kitchen utensils and household equipment, Nando indigenous traders dominate the pharmaceutical drugs business. Egwu, Ogbu, Ogunji, Oselebe &

Udu (2011) mention that Nnewi indigenous entrepreneurs dominate the motor parts and transportation business. Egwu et al. (2011) traced this back to Sir Luis Odemegwu Ojukwu, whom the British and the allied forces used to transport soldiers and ammunitions across Africa during the Second World War. In the spirit of communalism, he employed most of his kinsmen as drivers out of which Ekene dili Chukwu Nigeria Ltd, a famous transport company of our days emerged. Alor indigenous entrepreneurs dominate “ogbo abada” (wrappers), Abiriba indigenous traders deal with “Okirika” (second-hand materials), Agulu indigenous traders are known for bread making, Ebonyi indigenous traders are known for petty businesses and they are also very good at farming, Awka-Etiti people dominate the cosmetics line of business, Uke people is known for tobacco stuff and articles, Nsukka entrepreneurs have the best palm wine up to the present day, Awka indigenous traders are known for blacksmithing, etc. This is a result of indoctrinations in business lines found in those places and being handed down from one generation to another.

Igbo entrepreneurs make use of entrepreneurial skills in expanding and creating new markets through opportunity utilization. The eastern metropolitan cities are all surrounded by markets, even the interior villages, as business and money are inseparable terms among the Igbo. For instance, a city in Anambra State of Nigeria, in the eastern part of the country called Onitsha, has a well-organized market that can be found all over the city, with Onitsha Main Market as the biggest one. There is Ogbo Efere Market for mainly household equipment, Relief Market for provisions and condiments, Electronic Market for household electronics, Construction Material Market for construction materials, as the name implies, Madueke Street Market for polyester, Ogbo Abada for African textile materials, Bridge-Head Market known for drugs, Ngbuka Market for old motor spare parts, Ose Market for food ingredients, Ochanja Market for shoes, Plastic Market at Amaobi, Electrical Parts Market at Upper Iweka, etc. Nnewi Market is known for automobiles and motor transport business. As for Aba Market in Abia State, the Aba products have earned the Igbo entrepreneurs the name Japanese and Chinese of Africa (Olanrewaju, 1999). While other Igbo entrepreneurs, especially from Anambra State of Nigeria, travel all over the world in search of goods to import or export, the Aba people of Abia State, Nigeria, benchmark and produce foreign products together with their labels and trademarks. Hardly can one distinguish their products from those of foreign manufacturers like China, Japan, the USA, or Turkey. Other neighbouring countries patronize them knowingly or unknowingly, thinking that they were imported goods.

## **Brief Overview of the Household Equipment Line, Main Market Onitsha**

The main market is rated as one of the largest markets in West Africa, and Yangy (2011) calls it Main Market Onitsha, Nigeria, which is located in the south-eastern part of the country as the world's biggest market. The market is actually heavily populated and covers a wide geographical area with many divisions known as "lines". Some lines bear names of some important or prominent personalities, some are known by the street where they are situated, while others are known by the specific articles being sold there. Yangy (2011) notes that the streets outside are jammed with customers and salespeople and that the shops are stacked six feet high and that all kinds of goods can be found there. Household Equipment Line, Main Market Onitsha is one of the lines in Main Market. It is situated directly at the bank of River Niger. All kinds of household equipment, especially kitchen utensils, are sold there. The shops are decked and have a capacity of over five hundred smaller shops arranged parallel to one another. The majority of these entrepreneurs are importers and producers. For instance, many of them own businesses in plastics industry, aluminium industry, etc.; therefore, they have many apprentices to learn the business.

## **Theoretical Framework**

*Cognitive Apprenticeship Theory:* Cognitive apprenticeship is an instructional design model that emerged from situated learning theory and was developed by Collins, Brown, and Newman (1989). Cognitive apprenticeship is a theory of the process where a master of a skill teaches that skill to an apprentice. A cognitive apprenticeship is much like a trade apprenticeship, where learning occurs as experts and novices interact socially while focusing on completing a task; the focus, as implied in the name, is on developing cognitive skills through participating in authentic learning experiences. Cognitive apprenticeship assumption indicates that learning occurs using processes such as modelling and coaching, and it also supports the three stages of skill acquisition of: the cognitive stage, the associative stage, and the autonomous stage (Anderson, 1983). In the cognitive stage, learners develop a declarative understanding of the skill. In the associative stage, mistakes and misinterpretations learned in the cognitive stage are detected and eliminated while associations between the critical elements involved in the skill are strengthened. Essentially, apprentices are learning about both the overall process of the larger task and profession and the criteria for evaluating performance through the completion of small tasks. As they

gain experience, they are offered larger, more central tasks to complete. Their understanding of how these tasks affect the end-product in a holistic manner supports their performance, as does their knowledge of the criteria that will be used to assess the end-product. The cognitive apprenticeship theory has its gap in the fact that some masters may not be the central point of learning, and the apprentice may subscribe to environmental imports.

## **Methodology**

The preoccupation of this research work is to carry out a thorough investigation on the relationship between business induction strategies and success among indigenous Igbo entrepreneurs in Nigeria. In testing this hypothesis, success is considered the dependent variable while the aggregate measures of business strategies the independent variables.

The sample of the study covers the household equipment line of Main Market Onitsha. The total number of the population is over five hundred traders since the actual number of the people is not certain, but the number of the shops' capacity in the market was used to assume the number of business entrepreneurs in the market. The population of this study centres on the masters/mistresses, who are believed to have passed through this induction and also have "Odibos" they are mentoring. 300 questionnaires were administered to the masters/mistresses, as it is not possible to use the whole population, 180 were returned, and 73 were invalid; so, the researcher was left with 107 valid questionnaires to work with. Getting questionnaires filled by these traders was obviously a tedious work as many of them complained of the time factor and some are not educated; hence, the researcher made interviews to complete the questionnaires. In addition, it is also difficult to get secondary data on this area of research. The researcher's sound knowledge of the subject matter contributed immensely to the success of this work.

## **Data Presentation and Analysis**

This chapter contains the result of statistical analysis conducted on the responses from the questionnaires. The data are presented in frequency tables and percentages. This analysis is used for the purposes of clarity and simplification. The data presented below is based on the returned questionnaires.

## Section A

**Table 1.** *Analysis of Bio-Data*

<b>Sex</b>	<b>Frequencies</b>	<b>Percentages</b>
Male	75	70.0
Female	32	30.0
<b>Age</b>		
Less than 30	22	20.6
31–45	48	44.9
45–59	27	25.2
60 and above	10	9.3
<b>Education qualification</b>		
No school certificate	21	19.6
First school-leaving certificate	11	10.2
Secondary school/ Primary school drop-out	34	31.7
WAEC/NECO/GCE	19	17.7
OND/NCE	8	7.4
BSC/HND	7	6.5
Others	3	2.8
Certificate in view	4	3.7
<b>Family background of the respondents</b>		
Rich family	30	28.0
Poor family	50	46.7
Average family	27	25.3

Source: research survey, 2015

## Discussion of the Biographical Data

The above analysis shows that 70% of the respondents were male and 30% were female. That is, the distribution is more concentrated on the male respondents than the female ones.

The age-group and age segment of all the people interviewed is very significant as it shows that these entrepreneurs start business at a tender age. If approximately 21% of the <30 year-olds are already having their own businesses, could it be that they are either school drop-outs or succeeding in their family business? This also confirms the name “ono na wata buru ogaranya” (a wealthy young man). The bearing of this could be traced back to family succession. While the older ones prepare for retirement, the younger ones take over the family businesses.

A look at the education qualifications shows that the Igbo are more into business than education. The school drop-outs are leading this group with approximately

32%, with illiterates at approximately 20%. This finding is in correlation with Akeredolu-Ale (1975) and Akpor-Robaro (2012), whose respective studies conclude that more entrepreneurs had lower levels of formal education compared to civil servants. The questionnaire reveals that a higher level of education is represented in a greater percentage by the women in this group. Those striving to improve themselves were just approximately 4% because of the time factor.

Respondents’ family background is essential in finding out the type of the entry mode of the different classes in business. It is still surprising that the rich also send their children to learn business mainly through Igba-odibo and Imu-ahia. This gives us another insight that Igba-Odibo is not only for the poor among the Igbo ethnic group of Nigeria.

**Section B**

*Table 2. Questionnaire Data*

<b>How old were you when you started learning business?</b>	<b>Frequencies</b>	<b>Percentages</b>
<7	8	7.4
8–10	46	42.9
11–13	32	29.9
14–16	13	12.1
16<	8	7.4
<b>Have you passed through “Igba-odibo”?</b>		
Yes	80	85.6
No	27	25.23
<b>For how many years did you serve your master/ mistress?</b>		
Less than 4	18	22.5
4–7	50	62.5
8 or more years	12	15
<b>Did the training help you in your own business?</b>		
No	66	82.5
Yes	14	17.5
<b>Are you still in the same line of business as you were trained in?</b>		
Yes	55	69
No	25	31
<b>Do you have “Odibos”?</b>		
No	74	69.2
Yes	33	30.8

<b>Relationship with the master/mistress</b>	<b>Frequencies</b>	<b>Percentages</b>
The same family	20	25
The same town	42	53
From other town or state	18	22
<b>Were you settled by your master/mistress?</b>		
Yes	60	75
No	20	25
<b>What kind(s) of settlement were you given?</b>		
Cash only	20	33
Goods only	10	17
Combination	30	50

Source: research survey, 2015

The respondents' age at the start of learning business is linked to the education qualification of the entrepreneurs. Greater percentages are represented either by school drop-outs (to do business) or those who simply could not proceed to higher levels of education; so, the age brackets of 8–10 and 11–13 are leading this table with 43% and 30%, respectively.

Obviously, the greater percentages of respondents learn business through Igbo-odibo. The table stresses the importance of "Igbo-odibo" as a practice that should be upheld and encouraged irrespective of the class.

Out of the total number of 80 people that passed through "Igbo-odibo", we can state that people served their master from 4 to 7 years before being settled to start their own business. The researcher also found out here that the older the child, the fewer the years of service. Those people that served or learned businesses in less than 3 years are mainly from rich families or are holders of higher education school diplomas.

The importance of business learning strategy cannot be overemphasized as the proof is shown in the above table that approximately 82.5% agreed to that. 17.5% percent claimed that they are no longer in the same line of business as they were trained in.

Out of 80 people that passed through "Igbo-odibo", 69% are still in that line of business, while 31% have changed to another line of business. The reason for this is not far-fetched as so many factors can contribute to this: government policies (e.g. ban on the importation of some goods like vehicle wheels, second-hand clothes (okirika)), market saturation, diversification, relocation, opportunity alertness, huge capital to pursue a better line of business, lack of capital to continue, etc.

A greater percentage sees the need of training others in their line of business probably because they were trained too, but the researcher finds out from the questionnaires that a greater percentage that were not trained also have "Odibos",

while some that were trained did not engage themselves to “Odibo”; on the contrary, the interviews reveal that they prefer sales girls and boys to ‘Odibo’. The reasons for this are yet to be unfolded, but many complained of the insincere attitudes of ‘Odibo’.

As we can see from the Table, those from the same family and within the same community (town) dominate the table with 25% and 53%, respectively. This Table is very significant as it reveals the core essence and effect of the indoctrination into business among the Igbo. It supports the communal culture of Igbo and the reason why a particular town dominates a particular line of business among the Igbo.

79% were settled, while 20% were not settled. The researcher did not actually proceed to find the reasons for this, but it is obvious that problems of different sort, bankruptcy, impatience, or even sudden death could contribute to this.

Out of the 60 respondents’ answers, who claimed to have been settled by their master/mistress, we can deduce that the normal settlement conditions involve a combination of shop and cash for the beginners. Some were actually subsidizing or monetizing the shop, hence settling the servant with a huge amount of money. Settling a servant with goods only, as we can see from the table, is not a good method.

## Test of Hypotheses

**H<sub>01</sub>:** *Correlation between “Igba Odibo”, relationship marketing and business networking*

	“Igba-odibo”	Relationship marketing and Networking
“Igba-odibo” Pearson Correlation	1	.975” .000
Sig. (2-tailed)	107	107
Pearson Correlation	.975”	1
Relationship marketing and Networking	.000	
Sig. (2-tailed)	107	107

\*\*• Correlation is significant at the 0.01 level (2-tailed).

Source: research survey, 2015

From the above Pearson correlation table, the correlation coefficient represented by (r\*\*) ranges between -1 and +1 and the closer the r value to +1, the stronger the relationship between the variables of the study. As evidenced from the above table, the results indicate that a significant positive relationship exists between Igba-odibo, business, and customer networking (r =0.975, p <

0.01). Hence, the null hypothesis is rejected, while the alternative hypothesis that “Igba-odibo” has a positive correlation with customer relationship and business networking is hereby accepted. This result, therefore, means that Igba-odibo has a strong or significant positive relationship with business and customer networking. By interpretation, this result is an indication that “Igba Odibo” helps an entrepreneur to start his own business not as a learner as he will be already familiar with the customers of the business, have their phone numbers and addresses. The indoctrination through Igba-odibo allows them to be well-grounded in the business even before commencing their own business. By then, they will have mastered their business to such an extent that they will be already familiar with every aspect of it, be able to do repairs, remodel their goods. They know the in-depth intricacies of the various businesses they are involved in, and this helps them in networking.

The Igbo entrepreneurs are very good at customer relationship. This helps the entrepreneur to know where to buy goods at a cheaper rate and how to sell them. The Igba-odibo exposes one to having thoroughly understood their line of business and know it like the back of their hand.

**H<sub>02</sub>:** *“Igba-odibo” does not have a positive impact on the profitability of the business under study – Correlations*

	“Igba-odibo”	Profitability
“Igba-odibo” Pearson Correlation	1	.960(**)
Sig. (2-tailed)		.000
N	107	107
Pearson Correlation		
profitability	.960(**)	1
Sig. (2-tailed)	.000	
N	107	107

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

The table above is the Pearson correlation matrix of the impact “Igba-odibo” has on business/opportunity expansions. The results of the multiple correlation matrix show that “Igba-odibo” has a positive relationship on the profitability of the business under study (r=.96). The computed correlation coefficient of the relationship between “Igba-odibo” and profitability (r=.96) is greater than the table value of r=.195 with 105 degrees of freedom (df=n-2) at alpha level for a two-tailed test (r=.96, p<.05). The decision rule is to accept the null hypothesis if the computed r is less than the table r, otherwise reject the null hypothesis.

Since the computed  $r=.96$  is greater than the table value of  $.195$ , reject the null hypothesis. Therefore, we conclude that “Igba-odibo” has a positive impact on business profitability as exemplified ( $r=.96, p<.05$ ).

**H<sub>03</sub>:** “Igba-odibo” practice does not aid in the provision of capital/fund for the business under study

Variable	Mean	SD	Df	r-cal	P-value
“Igba-odibo”	12.62	1.95			
Increase sales volume and market shares	1635.	1.98	98	0.254	.011

2015  $P<0.05$ ,  $r$  cal  $0.0254$ ,  $p$ -value  $0.011$ , thus it is significant

Source: research survey

## Interpretation

Since the  $r$  calculated of  $0.254$  is greater than the  $p$ -value of  $0.011$  at the degree of freedom of  $98$  and at a significance level of  $0.05$ , the null hypothesis is rejected, and thus it can be concluded that “Igba-odibo” aids in the provision of capital/fund for the business under study.

## Recommendations

The basic aim of this study was to investigate the relationship between business strategy among Igbo entrepreneurs and business success in Nigeria. This paper tries to relate the business strategies of indigenous Igbo entrepreneurs and their success. The research is descriptive and employs mainly primary data and few secondary data with unstructured interviews with some entrepreneurs and elders of the Igbo community.

These simple Igbo business strategies are not hidden and they are the major essence of indigenous Igbo entrepreneurs’ success in business. The Igbo culture is also a bedrock for achieving these business strategies as Igbo upholds and cherishes their tradition known as “Omenoni”, or “dominant”. The spirit of kinship and brotherhood has also made it possible for these business strategies to be handed down from one generation to another besides being open to every family, irrespective of class, through the process of “Igba-odibo”. Other tribes are therefore advised to perhaps emulate this aspect of the Igbo culture in order to tackle unemployment, which is one of the greatest challenges our country is facing today.

The Igbo should encourage their children to complete their higher education before embarking on learning any of this strategy. As a matter of fact, the

biological aspect of this research is not discussed in full in order not to deviate from the main issue, but it is also worth discussing as the data collected on the age and educational background of these entrepreneurs indicates that children leave their family and education at a tender age because of “Igbo-odibo” – the questionnaires revealed that between the ages of 30 and 45 these entrepreneurs already have control of a flourishing business, without having their studies completed, while they also indicate that quite a large number of them are primary- and secondary-school drop-outs.

The issue of family successors is another area that should be encourage among the Igbo entrepreneurs. So many families interviewed have many “Odibos” who takes care of their businesses without any of their children involved in the business. Parents that engaged in entrepreneurial business should encourage their children to acquire entrepreneurial orientation as this would assist in family businesses succession.

Presently, the federal government, through its agencies like TETFUND, is seriously encouraging entrepreneurs in different levels of education to get people to embrace self-employment. The Igbo should not overlook what they have. Some of these children end up moving from one street to another in search of white collar jobs, whereas a settled “Odibo” is already employing other people for his business. In such a case, when the founder of the family business is no more, the business dies with the person.

Lack of an experienced management team: only very few Igbo entrepreneurs employ outsiders as managers in their business – they are their own manager, cashier, sales person, virtually, a utility man. Perhaps they do not realize the importance of management in their business.

The government should encourage and strongly support these entrepreneurs by providing loans and adequate infrastructure that aids business. If our government, for instance, sponsored some of this Aba-made products, there would be no need to import them because these Aba-made products would compete with some of the imported products when their prices are affordable to common Nigerians, and we could embark on exporting them too in large quantities to other countries, thereby earning exchange currency and increasing the GDP of the country.

Entrepreneurship education should be enriched in the school curricula from post-primary to tertiary institutions.

Vocational training centres should be created in rural and semi-urban areas to train villagers in entrepreneurship development. This will enable the youths and women who are not able to provide a livelihood; and this training must be at a low cost and delivered using methods based on life skills and adopting the easiest communication means. The various tiers of government should be able to fund such training.

Entrepreneurship education should be included in the education policy of many countries in Africa to serve as a link between technology, the industries, and those who want to establish a business on their own.

## Conclusion

Igbo people have been known since ancient times for their inclination towards business. They are believed to be the backbone of business in Nigeria; as a result, today they are referred to as the Japanese and Chinese of Africa. The practice of the right business strategies is the secret of business successes among Igbo entrepreneurs. These practices are embedded in the communal culture of Igbo. Therefore, through the small and medium enterprises, the indigenous Igbo entrepreneurs play a major role in the Nigerian economic development, pioneering innovation, new methods, and ideals. We may conclude that quality and access in entrepreneurial education will reduce the incidence rate of unemployment, poverty, and bring the necessary development to Nigeria and other developing worlds. Also, it is concluded that with much investment in entrepreneurial education Nigeria can achieve Millennium Development Goals and promote inclusive growth.

The government should strengthen its National Youth Development Policies to focus on empowering the youths at the grassroots level by providing entrepreneurship education through vocational education training. Young people should be encouraged to take entrepreneurial development courses in tertiary institutions since this is the only education which gives its graduates the marketable skills to be self-reliant and become employers.

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