

Effect of Working Capital on Entrepreneurship Development in Anambra State

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Abstract: *The study examines the effect of working capital management entrepreneurship development in Anambra State. The main objective of the study is to examine the effect of inventory management on entrepreneurship development; receivable management and cash management on entrepreneurship development in Anambra state, Nigeria. Relevant literature was review under conceptual framework, theoretical framework and empirical review. The study was anchored on operating cycle theory and Economic Theory. Survey research design was adopted. Population of this study is not known and therefore it is an infinite population. The sample size consists of 368 using Topman's non-parametric sample size formular. The researcher made use of primary sources of data. The instrument used in this research work was the questionnaire. The reliability of the instrument was ascertained through the test-retest method and Cronbach's Alpha test to reliability of the instruments reliability. The reliability of the instrument was ascertained at 0.77 which means that the instrument is reliable. The data generated through questionnaires were analyzed using table and percentage analysis. Furthermore, multiple regression analysis was conducted to test the hypotheses. The study discovered that inventory management has a significant effect on entrepreneurship development. Receivable management (RM) have a significant effect on entrepreneurship development, Cash management (CM) has a significant effect on entrepreneurship development in Anambra State. The study concludes that working capital have positive significant effect on entrepreneurship development in Anambra State. The study recommends among others that entrepreneurship should adequately plan and control their operations, adjust the shortfalls as noted, consider the principles of inventory management in their decision making, employ the services of experts (analysts) in complex business areas, and conduct periodic stock taking if possible every two weeks. The study suggests that managers should effective control cash management through operating cash flow, debt ratio and sale growth, in the average level for entrepreneurship development.*

Key words: *Inventory Management; Receivable Management, Cash Management and Entrepreneurship Development.*

INTRODUCTION

INTRODUCTION Entrepreneur cannot operate without working capital, and investment in this class of assets requires sound judgment on the part of entrepreneur management of the business. Working capital for any company according to Rehman and Anjum (2013) is the amount of capital to carry out its daily basis operations, and that the management of working capital is normally considered a device to maintaining capability of the business inside their operations. Working capital is often assessed by lenders to judge the financial short term paying back ability

in difficult financial periods (Osundina, 2014).

Employment creation and the increasing income-opportunity are some of Nigerian's top challenges today. This is without doubt associated with other factors that are impeding the national development. It had been adjudged that prosperity and success are what many entrepreneurs envision when they start their own business. However, it takes more than a vision for business to succeed. Capital, which is the money needed to start, operate, and grow a business is important. This could be in form of short term or long term sources of finance. Entrepreneurs do have options when it comes to funding of their businesses and they must be wary of the implications of selecting among alternative sources of finance. The obligation entrepreneurs must make to their business as follows: Opening a business is a lot like becoming a parent. Not only do they have to prepare for their start-up emotionally and financially, but they have to be committed to its constant needs until it is mature enough to hum along on its own. And even then (much like a child) it will always need them in some capacity, no matter how old it gets" (Money Management International 2011).

It is no gain saying that there are pros and cons to entrepreneurship, and one need to take some time to decide if owning a small business is right or not. An entrepreneur must be able to coordinate resources in a successful way, using for that specific skills. Entrepreneur is the person that possess the business ideas, originality, ingenuity, vision and foresight about what, how, and where to produce (Haynes, 2015). Entrepreneurship process represents a growth-oriented outlook where great leaders are born from. It entails an innovative and proactive approach to challenges, tasks, needs, obstacles, and opportunities by starting with nothing but a daring idea and great self-assurance, entrepreneurs bring together and organize the resources and the sweat in order to attain organizational goals.

Obviously, it is an act of winning the game of competition. (Aktan & Bulut, 2008). Any person who organize other factors of production and bears the risk and reward of uncertainty as a result of investing time and other resources in a business ventures is referred to as entrepreneur, while entrepreneurship is the act and science of utilizing factors necessary for the running of creative business ventures in a profitable manner with associated risk and value addition. Growth on the other hand according to wiki (2015) refers to a positive change in size, often over a period of time. Growth can occur as a stage of maturation or a process toward fullness or fulfilment. Nigeria is a country in West Africa. It is said to be an African country on the Gulf of Guinea. In the background of the preceding thoughts, this research intends to examine the effect of working capital management on entrepreneurship business in Nigeria using panel data analysis. The nexus between the management of working capital and it effect on the growth of entrepreneurship business in Nigeria is worthy of investigation. This research would therefore empirically seek answers to the effect of working capital management on the growth of entrepreneurship business in Anambra State, Nigeria.

Statement of the Problem

Entrepreneurs are not able to take into consideration the financial strategies with respect to the matching of the applicable sources of finance to the opportunities that presented itself to the business owners. One of the functions of entrepreneurs is to be creative and this is not limited to

the process of conceiving idea on how to produce acceptable goods or services to the target market but also in terms of finding suitable means of financing such creative ideas. This has been major problem to the entrepreneurs as most of them may not have required finance background and at start, the need to consult finance experts is not seen as priority but the quest to lunch out their products and services which is the products of their creative processes. As noted by Maris (2012), entrepreneurship is a practical creativeness which combines resources and opportunities in new ways and that it involves the application of personal character, finance and other resources within the surroundings for the achievement of business successes.

In the same manner, Odunsina (2015) sees entrepreneurship as the process of using available capital in any form for business endeavours in an open and free market economy for the sole purpose of making profit and its includes all enterprises in new filed or in older ones at all risk level. Though the word capital in Odunsina's definition is not limited to finance but include creativity as the back bone of factors relating to entrepreneurship development.

Many scholars in the field of finance, and accounting, business management and entrepreneurship, such as Akinlo (2012), Akoto, Awunyo-Vitor and Angmor (2013), Andrews, Freedland, and Shapiros, (1958), Bei, and Wijewardana. (2012), Bellouma, (1998), Filipa, Garcia, (2011), Forghani, M, Shirazipour, Hosseini (2013), Gulzar, Ghazi, (2013), Malik, and Bukhari, (2014), Osundina, (2014), Owolabi, (2012), Owolabi, and Alu, Nkechinyere, (2012), Olaoye (2013) among others have conducted several studies into the impact of working capital on stability of firms, the impact of working capital on stability of companies of working capital on entrepreneurship development; the Effect of Working Capital Finance on entrepreneurship development; while others researches are on Working Capital Requirements of companies.

Many other researchers have extensively and inconclusively debated the nature of working capital and it effect on entrepreneurship development owing to lack of consensus among them. Also, much of the corporate financial management theory are devoted to gaining understanding into the trade-off between long term financing and short term financial of businesses. While researchers such as Somoye (2013), Aktan, and Bulut, (2008), Jean-Etienne de Bettigrites, and Brander, (2006), Mantell, (2008), Oyedokun, (2015), Rehman, and Anjum, (2013), Somoye, (2011), Somoye, and Ilo, (2009), among others have also studied, with divergent conclusions, the cause-effect relationship between the financial strategies adopted, financial intermediaries, availability of finance to entrepreneurship business and its financial performance. While many researchers found positive and significant these performance relationships, because it is generally believed that the availability of finance and financial intermediaries is one of the sources of organizational competitiveness and by extension, financial performance. Many are of the opinion that financial strategies and financial performance are negatively related.

The research by Somoye (2011) focuses on the role of financial intermediation in entrepreneurship financing. The results show a significant relationship between financial intermediation and entrepreneurship financing on one hand, and the finance gap and entrepreneurship development on the other among other findings of the study (Somoye, 2011). While the study by Rehman and Anjum (2013), was to determine the Effect of Working Capital Finance on entrepreneurship development. They however found out that there is inverse and

positive association between working capital management and profitability. They achieved this by examining the impact that the running assets management on the profitability of Pakistan cement sector. Moreover, the study outlines the main factors that basically determine the working capital in the financials of Pakistan cement sector (Rehman & Anjum, 2013). The exact influence of working capital management on the growth of entrepreneurship business in Nigerian is therefore not clear, and it is calling for further investigation within the context of Nigerian. The effect of adequate management of the business's working capital which is more of short term financing management on Entrepreneurship Business Growth in Nigeria is the central point of this research work. The gap here is that working capital has not been seen as an effective tool that can bring about growth in Entrepreneurship business activities in Nigeria.

Following from the above, the basic problem this study seeks to proffer solution to is to fill the gap in literature and increase the frontiers of knowledge with respect to the effect of working capital management on entrepreneurship development Nigeria. This study therefore seeks to assess empirically the effect of working capital finance on entrepreneurship development. The study will also examine the relative significance of each of these factors in working capital and their impact on the selected proxies of entrepreneurship business growth in Anambra using multiple regression analysis.

Objective of the Study

The main objective of this study is to determine the effect of working capital management on entrepreneurship development in Anambra state Nigeria. The specific objectives of this study are to:

1. Determine the influence of inventory management on entrepreneurship business growth in Anambra state, Nigeria
2. Examine the effect of receivable management can improve Entrepreneurship development in Anambra state, Nigeria.
3. Examine the influence of cash management can improve entrepreneurship development in Anambra state, Nigeria.

Research Questions

The study seeks to provide answers to the following questions:

1. To what extent does inventory management influence entrepreneurship development in Anambra state, Nigeria?
2. To what extant does receivable management improve entrepreneurship development in Anambra state, Nigeria?
3. To what degree does cash management affect entrepreneurship development in Anambra state, Nigeria?

Hypotheses

The following hypotheses guide the study

H01: Inventory management does not have significance positive influence on entrepreneurship development in Anambra state, Nigeria.

H02: Receivable management does not have significance positive influence on entrepreneurship development in Anambra state, Nigeria.

H03: Cash Management does not have significance positive influence on entrepreneurship development in Anambra state, Nigeria.

REVIEW OF RELATED LITERATURE

Conceptual Review

Working Capital Finance

Review of Related Literature: Conceptual Review Working Capital Finance Funds needed by a business to carry out its daily operations is referred to working capital, this operation includes but not limited to; purchase of raw material, payment of wages, offering credit services and overhead expenses (Merchant, 2015). In the word of Osundina (2014), the organization of working capital is central to the development and survival of any business, this then means that for any business to continue with it object clause, attention of the managers must be on how best to management the day to day running of the business in term of financing of working capital need. Profitable businesses can have working capital problems; in particular, this can develop because of long dated payments from clients.

This is affirmed by Enyi (2011), as he opined that the capability of an association to continue in business is greatly anchored on the continued solvency of such organization. Also, Amarjit, Nahum and Mathur (2010) postulated that the creation of shareholder's wealth is premised on the ability to management the company's working capital. Therefore, the sum of money that can be deployed very swiftly is known as working capital. Working capital management has also been argued by Joshi (1995) to be a sensitive area in the field of financial management while it efficiency is essential, particularly in manufacturing companies, where a major part of assets is poised of current assets (Horne & Wachowitz, 2014). Eljelly (2014) further asserted that efficient working capital has to do with effective planning and controlling of current assets and current liabilities in such a way that the risk of incapability to meet due short term obligations on the one hand is eliminated and avoid excessive investment in these assets on the other hand.

While investigating how the effect of working capital of a firm affects its profitability, Raheman & Nasr (2007) opined that the ultimate objective of any firm is to maximize the profit but also preserve the liquidity of the firm is significant objective too. The problem is that rising profits at the cost of liquidity can bring graves problems to the firm. Therefore, there must be a trade-off between these two aims of the firms (Raheman & Nasr, 2007). Proper management of working capital and profitability according to Horne and Wachowitz (2004) ensures liquidity and profitability positions while liquidity-profitability relationship is said to be associated with the maintenance of the proper level of working capital (Horne & Wachowitz, 2004). Umara, Sabeen, and Qaisar (2009) alluded to the fact that firm's working capital is as unavoidable in business as blood is in human body. Nicholson, and Noonan, Callen (2014) opined that working capital costs do rise during the financial crisis and remain elevated. He also asserts that there are three types of problems related to supplier working capital costs, each of which is magnified for smaller suppliers: lack of access to loans for working capital; higher interest rates for small firms; and, extended payment terms, meaning that buyer firms are paying suppliers more slowly.

Therefore, for firms to optimize success and to maintain good liquidity position, corporate financing decision should be measured side by side with their working capital composition (Ajibolade & Oboh, 2013). Merchant (2015) subdivided working capital into two areas viz:

regular working capital that provides a fixed base for general business purposes; and temporary working capital used to facilitate the day-to-day business operations. The primary motive of going into business most especially, entrepreneurship business is to make profit. Financing working capital is crucial to the profitability motive of the promoter(s) of such businesses; Merchant (2015) argued that the sources of finance for working capital include bank loans, retained earnings, credit from suppliers, long-term loans from financial institutions, or proceeds from sale of assets. Fairlie (2012) ascertained that under-capitalized businesses will most likely have lower sales, profits and service and may likely to fail than businesses getting the most favorable amount of capital at startup. Evidence on the link between startup capital and owner's wealth is provided by examining the relationship between business loans and personal commitments, such as using personal assets for collateral for business liabilities and guarantees that make owners personally liable.

Entrepreneurship Development

According to Somoye (2013), Entrepreneurship development is a multidimensional process with tremendous capacity to accelerate economic development. Duffner (2013) argued that the process of entrepreneurship development is a process of financial acceleration and growth, where the entrepreneur has made a financial decision to invest his or her savings or disposable income plus any exogenous income from inheritance in micro or small scale project. This position was also affirmed by Somoye (2013). According to Brush (2008), there are three main skills that influence the ability of entrepreneurs to reach success viz: visioning, bootstrapping and social skills. Onwuliri (2009) also opined that entrepreneurial skills are: risk taking, innovation, persistence, vision, ability to manage change, and creativity. This he separated from business management skills which are: planning and goal setting, decisions making, human relation, marketing, finance, accounting, management, evaluation, negotiation, venture launch, and managing growth (Onwuliri, 2009). Aktan and Bulut (2008) opined that most studies have revealed that corporate entrepreneurship has a multidimensional structure which is empirically found out and tested viz: risk taking, innovativeness, proactiveness and competitive aggressiveness as cited in (Lumpkin and Dess 2001; Sharma and Chrisman 1999; Dess, Ireland, Zahra, Floyd, Janney and Lane 2003). Entrepreneurial start-up ventures create jobs, and sustain the economic growth.

Understanding the financing options in different stages of the venture's lifecycle is essential for securing sustainable growth. (Markoval and Petkovska-Mir_ evska, 2009). Innovation which is burn out of creativity is at the heart of entrepreneurship. An organization-wide entrepreneurial spirit to deal with the assistance from fast changing marketplace conditions would be possible only if appropriate innovative activities are established (Drucker (1985). It is believed that when these organizational initiatives are supported and coordinated within the organization, the outcomes will be gained as sustainable competitive advantage through innovation in the form of new products, services, and processes, or in a combination of these (Aktan and Bulut, 2008). Entrepreneurial and non-entrepreneurial behaviours are clearly distinguished with the risk taking features of the individuals and organizations (Aktan and Bulut, 2008). Proactiveness and financial pare are also the main two challenges of new borderless competitive environment are the shortened product life cycles and sensitive demand for the new products, while by acting aggressive through marketing tools, forces relatively stronger competitors to make entry barriers

for the current markets. From the two points of views, either new entrants or existing firms- the purposes of these bold and aggressive behaviours are initially to remain in competition and then to make profit by fulfilling the opportunities of markets (Aktan and Bulut, 2008).

Entrepreneurship is a conceptual approach to doing new things (Abraham, 1999, in Oni and Olaleye 2004), this again further buttresses the fact that creativity is key in entrepreneurship development and within the new philosophy of value creation and purpose of utility and quality with a use that relates to the indigenous trait that is endowed in an entrepreneur (Osagie et al 1990; as cited in Oni and Olaleye 2004). With all above definition and perspective on entrepreneurship, creativity is central as one cannot be innovative, ready to take risk while adding values with first been creative. Churchill (1992) opined that there has been an increased consensus on the idea of entrepreneurship as the procedure of discovery and increasing an opportunity to create value through modernization and seizing that opportunity without look up to either resources (human and capital) or the location of the entrepreneur in a new or existing company. This is sure made possible because of the ingenuity of the entrepreneur. Entrepreneurship is sharply distinguished from non-entrepreneurship behaviour as it can be seen as the management of existing activities. Entrepreneurial behaviour on the other hand drives a process of emergence of organization formation and innovation (Churchill, 1992). According to Obasan (2013), creativity plays a role in the innovation processes, and innovation that market value is a creator and sustainers of performance and change. This then mean that creativity is the hearth of entrepreneurship.

This is further confirmed when creativity was said to be the heart of human behaviours (Obasan, 2013). Creativity is the mental and social process-fuelled by aware or un aware insight of create ideas, and relations while innovation is the successful exploration of new ideas as it is a profitable outcome of the creativity process (Obasan, 2013). It is crystal clear that creativity will support and entrepreneur that it in the running of the business, this is not without the happenings in the business environment. Amabile (1998) as cited in Obasan (2013) stated that creative-thinking skill determine how flexible and imaginative people approach problems and how they proffer solutions. She opined that an inner passion to solve the lingering problem leads to solutions far more creative than do external rewards. The following are the three component of creativity (Obasan (2013): Expertise; motivation and creative-thinking skill. Entrepreneurship creativities and other innovative skills do lead to entrepreneurship development. This is also evident as Somoye (2013) opined that “a properly funded entrepreneurship [business] development can serve as a vehicle for structural transformation of countries from weak industrial base, low income, primary-sector based societies into high-income service, technology based societies and employment generating instruments, provided more financial resources and infrastructural provisions are channelled towards its deepening”. This thus, implies that entrepreneurship development is crucial to meaningful economic growth and in turn could lead to economic development of the host nation.

Theoretical Framework

The Operating Cycle Theory

The operating cycle theory looks explicitly at one side of working capital that of current benefit accounts and therefore gives income declaration deals with firm’s operating activities, that is, about production, distribution and collection. Receivables, for instance, are directly affected by

the credit collection policy of the firm and the frequency of converting these receivables into cash matters in the working capital management. By granting the customers more liberal credit policy, the profitability will be increased but at the same time liquidity will be sacrificed. The same analysis goes for other components of current asset account. However, the operating cycle theory tends to be deceptive in that it suggests that current liabilities are not important in the course of firm's operation. Our understanding of payables as the sources of financing the firm's activities can be assailed as a result and with this inadequacy of the operating cycle theory, it is essential to infuse current liabilities in the picture to enhance analysis and understanding (Ogundajo, 2012).

Empirical Review

Osundina (2014) researched on working capital management and profitability of selected quoted food and beverages manufacturing firms in Nigeria with the main objective of investigating the relationship between working capital management and profitability of food and beverages manufacturing firms listed on the Nigerian Stock Exchange. The study used secondary data of 120 firm-year observations between 2002 and 2011. The study found that there is relatively strong positive and significant relationship between Working Capital management and Net Operating Profit and that a positive but insignificant relationship exists between Cash Conversion Cycle and Net Operating Profit. Also, Account Collection Period has significant negative relationship with Net Operating Profit while Inventory Conversion Period and Account payment period have insignificant negative relationship with Net operating profit of food and beverages manufacturing companies in Nigeria.

Mumtaz, Rehan, Rizwan, Murtaza, Jahanger, and Khan, (2016) looked at the Effect of Working Capital Finance on firms' performance from Chemical Sector Listed Firms in KSE-100 Index. They found that there is negative relationship between the working capital and firm performance while The relationship between the size and profitability is positive. If the size of the firm is increased or decreased, then the profitability increased or decreased respectively. Moreover, there are negative relationship between the profitability and the debt utilized by firms that support to pecking order theory. \

Owolabi and Alayemi (2019) studied the effect of working capital management as a financial strategy of Nestle Nigeria Plc. They showed that there is a negative correlation (-0.67) between current ratio and profitability. This means that as current ratio reduces, profitability of the firm will increase. On the other hand, the collection days was regressed against ROCE, and it showed that there is negative correlation between (0.43) collection days and ROCE. Nazir and Afza (2019), investigated the Impact of aggressive working capital management policy on firms' profitability using the panel data set for the period 1998-2005, the impact of aggressive working capital investment and financing policies has been evaluated using return on assets as well as Tobin's Q. The study found that investors give weight to the stocks of those firms that adopt an aggressive approach to managing their short-term liabilities.

Bellouma (2018) studied the Effect of Working Capital Finance on Profitability of Small and Medium - Sized Export Companies in Tunisia. The results of fixed and random effects models show a negative relationship between corporate profitability and the different working capital components. This reveals that Tunisian export SMEs should shorten their cash conversion cycle

by reducing the number of days of accounts receivable and inventories to increase their profitability. Andrews, Freedland, and Shapiros (2018) investigated the Working-Capital Financing of Small Business with concentration on finding the financial relationships between small businesses and the commercial banking system, other financial business firms in their lending activities, and specialized financing institutions. He opined that the means used by small concerns to secure short-term financing are associated closely enough with the institutional practice of these lenders that, in large part, the two must be considered together.

METHODOLOGY

Research Design

This study adopted survey design. Survey research design was used as it had merits such a researcher having no control over the variables and only reported what was happening. This study was carried out in Anambra State. Anambra is a state in southeastern part of Nigeria. Anambra is a state with a rich culture. Its' known for its great myths, giant strides, creative, hardworking and innovative people. The population of study was made up of all the all the SMEs and entrepreneur in Anambra State. The population of this study is not known and therefore it is an infinite population. Since the population is unknown, as such the sample size of the study was determined with the aid of Topman's non-parametric sample size determination formula, applied when the population frame is unknown. 368 was obtained through Topman's non-parametric sample size. With respect to this work, the researcher made use of primary sources of data. The primary sources of data include the questionnaire and the personal interview. The researcher used structured questionnaires. This instrument was pre-tested on a small group that is similar to one under study to check its validity and reliability. For face validity was adopted. The reliability of the questionnaire was established through the test- retest method and Cronbach's alpha Reliability Coefficient and 0.77 was obtained. This was considered high enough to make the instrument reliable. The collected data was analyzed using quantitative data analysis methods. Descriptive statistics such as mean and standard deviation was used to present quantitative data in form of tables. Data from questionnaire was coded and entered into the computer using Statistical Package for Social Science (SPSS Version 21) for analysis. It gave means, standard deviations and correlations of each independent and dependent variable. Working capital and entrepreneurship development was regressed against the three independent variables using the regression model. The study also employed Multiple Regression Analysis (MRA) method to evaluate the effect of working capital on entrepreneurship development.

DATA PRESENTATION AND ANALYSIS

In this section, the demographic features of the respondents such as gender, marital status, age bracket and educational qualification are presented and analyzed.

Demographic Profile of the Respondents

Demographic Variables	Particulars	No. of Respondents	Percentage
Gender	Female	146	54
	Male	124	46
Marital Statues	Single	102	38
	Married	141	52
	Separated/Divorced	27	10
Age Bracket	20 - 30 years	61	23
	31 - 40 years	118	44
	41 - 50 years	38	14
	51 years and above	53	19
Educational Qualification	OND/NCE/O'Level	113	42
	B.Sc./HND	103	38
	MSC/MBA	30	11
	PhD and others	24	9

Source: Field Survey, 2022.

The table above shows the demographic profile of the customers of the sampled commercial banks in Anambra State. A higher proportion of the respondents (54%) are female while 46% of the respondents are male. Table 4.1 also shows that 38% of the respondents are single, 52% are married while the remaining 10% of the respondents are either divorced or separated. The table further revealed the age bracket of the respondents. The distribution shows that 23% of the respondents are between the age bracket of 20 to 30 years while 118 respondents representing 44% are within the age bracket of 31 - 40 years. On the same note, 14% of the respondents are within the age bracket of 41 - 50 years while the remaining respondents representing 19% are within the age bracket of 51 years and above. The Table further shows that 42% of the respondents have either Ordinary National Diploma, National Certificate on Education or O'Level Certificate as their educational qualification. 38% of the respondents agreed that they have either Bachelor of Science (B.Sc.) or Higher National Diploma (HND). 11% of the respondents have either M.Sc. or MBA while the remaining 9% have Ph.D. and others as their educational qualifications.

Presentation of Data relevant to the Research Questions

To what extent does inventory management influence entrepreneurship development in Anambra State.

Respondents views on effect of inventory management and entrepreneurship development

Statement		SA (%)	A (%)	UD (%)	D (%)	SD (%)
1	Organization has inventory management policies to determine working capital under its control	103 (38)	82 (30%)	20 (7%)	31 (12%)	34 (13%)
2	Inventory management is to avoid shortage, surplus of working capital and wastage	96 (34%)	107 (40%)	23 (9%)	25 (10%)	19 (7%)
3	Inventory management helps in proper stock taking	102 (38%)	124 (46%)	16 (6%)	14 (5%)	18 (6%)
4	Inventory management system has a profound effect on performance of working capital	103 (38%)	106 (39%)	11 (4%)	16 (4%)	20 (7%)
5	Inventory management improves working capital	105 (39%)	100 (37%)	20 (7%)	25 (10%)	20 (7%)

Source: Field Survey, 2022.

Table 4.1 above shows that 38% of the respondents strongly agreed that organization has inventory management policies to determine working capital under its control, 30% of the respondents agreed, 7% of the respondents were undecided, 12% of the respondents disagreed while the remaining 13% of the respondents strongly disagreed. Also, 34% of the respondents strongly agreed that inventory management is to avoid shortage, surplus of working capital and wastage, 40% of the respondents agreed, 9% of the respondents were undecided, 10% of the respondents disagreed while 7% of the respondents strongly disagreed.

A higher proportion of the respondents (45%) agreed that Inventory management helps in proper stock taking, 34% of the respondents strongly agreed, 6% of the respondents were undecided, 15% of the respondents disagreed while 6% of the respondents strongly disagreed. Table 4.1 also revealed that 38% of the respondents strongly agreed that Inventory management system has a profound effect on performance of working capital, 39% of the respondents agreed, 4% of the respondents were undecided, 4% of the respondents disagreed while 7% of the respondents strongly disagreed. Finally, the table revealed that 39% of the respondents strongly agreed that inventory management improves working capital, 37% of the respondents agreed, 7% of the respondents were undecided, 10% of the respondents disagreed while the remaining 7% of the respondents strongly disagreed with the assertion.

Research question Two: To what degree does receivable management improve entrepreneurship development in Anambra State.

Respondents Views on effect of receivable management on entrepreneurship development

Statements	SA (%)	A (%)	UD (%)	D (%)	SD (%)
1 Receivable management demand forecasting to determine stock coverage	105 (39%)	100 (37%)	20 (7%)	25 (10%)	20 (7%)
2 Receivable management reduction in wastes	102 (38%)	124 (46%)	16 (6%)	14 (5%)	18 (6%)
3 Receivable management control stock for production costs	103 (38%)	106 (39%)	11 (4%)	16 (4%)	20 (7%)
4 Receivable management improve stock taking schedules	96 (34%)	107 (40%)	23 (9%)	25 (10%)	19 (7%)
5 Receivable management has accurate material stock records	103 (38%)	82 (30%)	20 (7%)	31 (12%)	34 (13%)

Source: Field Survey, 2022.

The Table above indicated that 39% of the respondents strongly agreed that receivable management demand forecasting to determine stock coverage, 37% of the respondents agreed, 7% of the respondents were undecided, 10% of the respondents disagreed with 7% of the respondents strongly disagreed. A higher proportion of the respondents 46% agreed that receivable management reduction in wastes, 37% of the respondents agreed, 6% of the respondents were undecided, 5% of the respondents disagreed while 6% of the respondents strongly disagreed.

The table also shows that 38% of the respondents strongly agreed that Receivable management control stock for production costs, 39% of the respondents agreed, 4% of the respondents were undecided, 4% of the respondents disagreed while 7% of the respondents strongly disagreed. Furthermore, 34% of the respondents strongly agreed that Receivable management improve stock taking schedules agreed, 9% of the respondents were undecided, 10% of the respondents disagreed while 7% of the respondents strongly disagreed with the assertion.

Finally, higher proportion of the respondents 38% strongly agreed that receivable management has accurate material stock records, 30% of the respondents agreed, 7% of the respondents were undecided, 12% of the respondents disagreed while 13% of the respondents strongly disagreed with the assertion.

Research Question Three: To what extent does cash management affect entrepreneurship development in Anambra State

Respondents views the relationship between cash management and entrepreneurship development

Statements	SA (%)	A (%)	UD (%)	D (%)	SD (%)
1 Cash management planning increase entrepreneurship development	96 (34%)	107 (40%)	30 (11%)	25 (10%)	15 (6%)
2 Cash management improve entrepreneurship development	102 (38%)	124 (46%)	18 (6%)	16 (6%)	14 (5%)
3 Cash management provides adequate safe of cash for entrepreneurship development	103 (38%)	106 (39%)	20 (7%)	16 (6%)	11 (4%)
4 Cash management planning system ensures the available cash for entrepreneurship development	96 (34%)	107 (40%)	19 (7%)	23 (9%)	25 (10%)
5 Cash management planning system reduce of poor entrepreneurship development	82 (30%)	103 (38)	34 (13%)	31 (12%)	20 (7%)

Source: Field Survey, 2022.

The Table 4above shows that a higher proportion of the respondents (40%) agreed that cash management planning increase entrepreneurship development, 34% of the respondents strongly agreed, 11% of the respondents were undecided while the remaining 10% of the respondents disagreed while the remaining 6% of the respondents strongly disagreed. On a similar note, 46% of the respondents strongly agreed that Cash management improve entrepreneurship development, 38% of the respondents agreed, 6% of the respondents were undecided while the remaining 6% of the respondents disagreed while the remaining 5% of the respondents strongly disagreed. The table above shows that, 39% of the respondents agreed that Cash management provides adequate safe of cash for entrepreneurship development, 38% of the respondents strongly agreed, 7% of the respondents were undecided 6% of the respondents disagreed while the remaining 4% of the respondents strongly disagreed. Also, 40% of the respondents strongly agreed that cash management planning system ensures the available cash for entrepreneurship development, 34% of the respondents agreed,7% of the respondents 9% of the respondents disagreed were undecided while the remaining 1% of the respondents strongly disagreed. Furthermore, 38% of the respondents agreed that Cash management planning system reduce of poor entrepreneurship development , 30% of the respondents strongly agreed, 13% of the respondents were undecided, 12% of the respondents disagreed while the remaining 7% of the respondents strongly disagreed.

T-Statistics and Probability Value from the Regression Result

Model	T	Sig.
(Constant)	4.135	.000
IM	4.848	.000
RM	3.089	.000
CM	2.387	.007

Source: Authors Compilation from the Regression Result

Test of Hypothesis One

Ho₁: Inventory management has no significant effect on entrepreneurship development in Anambra State.

Hi: Inventory management has a significant effect on entrepreneurship development commercial banks in Anambra State.

In testing this hypothesis, the t-statistics and probability value in table 4.7 is used. Inventory management has a t-statistics of 4.848 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that Inventory management have a significant effect on entrepreneurship development in Anambra State.

Test of Hypothesis Two

Ho₂: Receivable management (RM) have no significant effect on entrepreneurship development commercial banks in Anambra State.

Hi: Receivable management (RM) have a significant effect on entrepreneurship development commercial banks in Anambra State.

Receivable management (RM) has a t-statistics of 3.089 and a probability value of 0.000 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that Receivable management (RM) has a significant effect on entrepreneurship development c in Anambra State.

Test of Hypothesis Three

Ho₃: Cash management (CM) has no significant effect on entrepreneurship development commercial banks in Anambra State.

Hi: Cash management (CM) has a significant effect on entrepreneurship development commercial banks in Anambra State.

Cash management (CM) has a t-statistics of 2.387 and a probability value of 0.007 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypotheses which state that cash management (CM) have a significant effect on entrepreneurship development in Anambra State.

Summary of findings

The study revealed that:

1. Inventory management has a significant effect on entrepreneurship development in Anambra State. Inventory management has a t-statistics of 4.848 and a probability value of 0.000 which is statistically significant.
2. Receivable management (RM) has a significant effect on entrepreneurship development in Anambra State. Receivable management (RM) has a t-statistics of 3.089 and a probability value of 0.000 which is statistically significant.
3. Cash management (CM) has a significant effect on entrepreneurship development in Anambra State. Cash management (CM) has a t-statistics of 2.387 and a probability value of 0.007 which is statistically significant.

Conclusion

This work examined effect of working capital on entrepreneur development in Anambra state. The data generated were subjected to statistical analysis. The result of the analysis shows that Inventory management has a significant effect on entrepreneurship development; receivable management (RM) has a significant effect on entrepreneurship development and cash management (CM) has a significant effect on entrepreneurship development in Anambra State. Therefore, the study concludes that working capital have positive significant effect on entrepreneurship development in Anambra State

Recommendations

Base on the findings of this study, it is recommended that:

1. To facilitate the smooth running and/or effective inventory management of working capital so as to enhance the level of entrepreneurship development, it was recommended that the entrepreneurship should adequately plan and control their operations, adjust the shortfalls as noted, consider the principles of inventory management in their decision making, employ the services of experts (analysts) in complex business areas, and conduct periodic stock taking if possible every two weeks.
2. The study suggests that managers should effective control cash management through operating cash flow, debt ratio and sale growth, in the average level for entrepreneurship development.
3. In order to improve entrepreneurship development, the state government should provide long and short term credit facilities to entrepreneurship in grand policy of state financing scheme with adequate

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