

## Empirical Assessment of Social Motivation and Performance of Informal Entrepreneurs in Computer Village, Lagos State

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**Abstract:** The current upsurge of unemployment in Nigeria can be downplayed by entrepreneurship, an economic driver which reflects negatively on the adopted mono-economy of Nigeria with her dependence on oil rather than attaining a multi-diversification in all sectors. The informal entrepreneurship has proved its stance positively in curbing the unemployment issues in all sector and yet there seems to be an aggressive action taken towards its sustainability by the government and in this study, Nigeria. The study focuses on the need to understand the level of social drive in relationship to the performance attained by the informal entrepreneurs. In this regards, the propelling force to why the informal entrepreneur with governmental regulation have a positive performance and this was conducted in Computer village, Ikeja, Lagos. The explorative and causal research was adopted for the study. Survey research was considered appropriate for the study. 250 copies of questionnaire were distributed and 205 were returned depicting 82%. Analysis was done using the SPSS package and the hypothesis tested suggested that there is a significant relationship between social motivators and business competitiveness in the informal electronic market at 5 percent significant level, thereby accepting the alternate hypothesis. This study recommends that the place of family support has been noted to highly affect the motivation of the business and to this end, the basic support gotten from the government should be redesigned (i.e. schools, health), such that the remaining income will be used for expansion or transition while performance is primed.

**Keywords:** Social Motivation; Entrepreneurial Performance Informal Economy

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## **Background to the Study**

Entrepreneurship has been identified as the economic driver of a nation and reflects negatively on the adopted mono-economy of Nigeria, whose dependence on oil has constructively built this image rather than attaining its multi-diversification in other sectors, particularly in the private sector (Ugoani & Ibeenwo, 2015). It has been concluded via research (especially from the views of developed nations), that entrepreneurial organisation are set to drive a nation's economy with employment generation as the basic vine of their existence (Rasool, Gulzar & Naseer, 2012).

Thaddeus (2012) opines on the accuracy that the largest employer of labour, being the government of the involved nation is true but does not solve the re-occurrence of unemployment regardless of an attained good economy. Thus, showing that the government of any nation cannot singlehandedly attain high level of employment from governmental provision but rather engage in a structural entrepreneurial enhanced balance via policy intervention to ensure employment continuity amidst any form of disparity due to economy distress (Aven, 2012; Knight, 1921, 2012; Huang & Pearce, 2015).

The rightful identification of the risk element to work, brings about business growth and where missing, another search begins with the compliance of the situated environment. Therefore, an entrepreneur will not function without certain instruments in place, though he acts as the pivots for economic sustainability (Ugoani & Ibeenwo, 2015). This is further aided by resource allocation, motivation-related and institutional theories as discussed by Webb, Bruton, Tihanyi, & Ireland (2013) being the propagandas that strive entrepreneurs into informality in business practice.

## **Statement of Problem**

Like a hydra, the issue of unemployment has been a reoccurring problem in developing nation, which is neither strange nor new but greatly involving to all. The unemployment situation is constantly dealt with, though it never yields as it is caused by poor implementation and bad succession plan in the affairs of management when government transition is due and it is not bizarre to Nigeria (Thaddeus, 2012; Nwachukwu, 2012; Popoola, 2014; Adeoye, 2015). Nwachukwu (2012) stated the existence of agencies such as Nigerian Industrial development bank (NIDB), National Economic Construction Reconstruction Fund (NERFUND), Nigerian Agricultural and Cooperative Development Bank (NACDB), Bank of Industry (BO), Industrial Development Coordinating Centre (IDCC), People bank, Community banks, etc. were all birthed to aid in the demise of unemployment and bring about the growth and practices of existing and would-be entrepreneurs in

ensuring the robust growth of the economy in totality in Nigeria by creating more capable entrepreneurs. The intending objective has been marred by a various ill accomplice and is crowned by corruption, bad or no planning on the part of the existing or would-be entrepreneurs. In this regards various forms of entrepreneurs exist in every society and classified into formal and informal entrepreneurs.

The Nigerian experience of the would-be and practising entrepreneurs with the use survival tactics of informal employment is not new in occurrence, especially in the 21st century with relations to insincere policy coupled with its instability in the business environment alongside the dynamic government regulations which causes unemployment to thrive (Adeoye, 2015). It, therefore, does not come as a surprise that international Labour Organisation (2014) conjectured that the existence and patronization of the informal employment in the economy helps in kerbing the mitigating effects of unemployment, thus surging the problems that should have being born amidst the existing teething troubles.

This avoided mitigating effects by the practice of informality ranges from depression, anxiety, psychosomatic symptoms, low subjective well-being, and poor self-esteem (Paul & Moser, 2009). The avoidance of these mitigated effects might vanish established on the provision of the needed drive to pursue such dream. There is little empirical evidence on the motivational strategies involving determinism and free will of informal entrepreneurs' level of entrance in the economy and as such resulting in an upsurge performance.

Therefore, the need to provide an assessment of motivational, particularly in the view of social elements/drive, expressed in a form of a free will ought to be discard as it forms the entrepreneurs' existence, particularly the informal entrepreneur, which could be inform of the free will or a determined mind to explore another option that must be in place for the entrepreneur to exist and perform in the business of the informal entrepreneurs.

### **Research Objective**

The overall objective of the study is to examine the relationship between social Motivation and Performance of Informal Entrepreneurs. It is further decomposed into more specific objectives and they are to:

- I. Examine the socio-economic characteristics of entrepreneurs in the informal electronic market in Lagos Metropolis;
- II. Ascertain the extent to which social motivations can enhance business' performance in the informal electronics market in Lagos Metropolis.

## **Literature Review**

This section of the study reviews the relevant literature that is related to the research. The concepts relating to motivations, performance and informal entrepreneurship will be holistically studied and broken down into components. Relevant theories will be discussed.

## **The Informal Economy**

Using the Adopted definition of Informal economy by Webb, Bruton, Tihanyi, & Ireland (2013), informal economy is defined as concerned economic activities that are outside of formal institutional boundaries (illegal but lawful activities) yet fall within informal institutional boundaries (i.e., legitimate) (Webb, Tihanyi, Ireland & Sirmon, 2009 cited in (Webb et al, 2013)).

The informal sector is an avenue, where practising entrepreneurs use to boycott the due process that has been laid down by existing framework by the government in ensuring smooth running and monitoring of business activities.

It is established to ensure various ills existing in our society which prevent the attainment of an easy transition to a formal business operation or disprove the realism of an enabling environment are eradicated or reduced. In lieu of this, the way forward is for the entrepreneur/business owners to find a niche (Jugdev, 2008; Samila & Sorenson, 2011; Timmons, 2011).

In connection with Knight (1927, 2012) positing on the line of economic prosperity, the transcending agent is the entrepreneur, referred to as business operators. Knight (2012) propounds on the levels of risk, encountered which produces the profit/loss result via the rendered service(s) of scientific research and reduce the ills that uncertainty would have brought with it. It is pertinent to note that risk is associated with uncertainty which produces profit or loss (Knight, 2012; Huang & Pearce, 2015).

It is the interplay between risk and uncertainty on one hand and competition on the other, that calls for the incumbent and new entrepreneurs entrance, leading to an enormous variation in profitability across firms and for the same firms over time (Aven, 2012). This insight on the sources of profit has been instrumental in shaping modern economic theory and to the development of a useful understanding of probability, comes from the characteristics that are tied to the business activities which are ventured into.

## **Concept of Informal Sector**

The informal sector refers to that part of the economy where business activities that take place are legal but are not registered or monitored by the government

authorities for planning, tax remittance among many other reasons (ILO, 1973) cited in ILO (2014). With this explanation, the hidden activities that are clandestine are free from being called informal activities but strictly termed criminal activities.

While the definition of what an informal sector entails, ILO, (2002) cited in ILO (2014) recognised that it does not capture all the dimensions of the informal economy. It was also reflected in a more comprehensive definition at the 2002 International Labour conference to be an “all economic activities by workers and economic units that are in law or practice not covered or sufficiently covered by formal arrangements” (International Labour Conference, 2002) cited in (ILO, 2014). Some common working definitions in the literature are given below;

Feige (1994) and Schneider (2002), defined it as “all economic activities that contribute to the officially calculated/observed GDP but are currently unregistered”. Hartzenburg & Leimann (1992) preferred it to be an “all economic activities pursued without the sanction of the authorities; i.e. those not recorded in the national accounts.” Smith (1999) defines it as “market-based production of goods and services, legal and illegal that escapes detection in the official estimates of GDP.”

There are two main reasons why business operations are conducted within the informal sector and they are:

1. Coping strategies (survival activities);
2. Unofficial earning strategies (illegality in business) (World Bank, 2017).

Coping strategies: are techniques/ methods adopted by entrepreneurs to survive the current trends in the society that do not favour the business operations in the society. It also refers to survival business tactics for the business operator to survive as against engaging in social vices. They include casual jobs, temporary jobs, unpaid jobs, subsistence agriculture, multiple job holding (Philips Consulting, 2014).

Giles (1988) stated the unofficial earning strategies alias the illegality includes tax evasions, avoidance of regulations, and no registration of the company which houses the business activities. It is also possible that this section includes the underground activities crimes but in the course of this study, this is exempted but focused on the legality in the sector. Neuwirth, (2011), claimed the informal sector played an infamous role in the substance of MTN being the telecommunication market leader in Nigeria with the adoption of hawkers and street vendors as distribution agents.

The proper harvesting of the informal sector will relieve the burden placed on the formal sector which tend to restrict entrepreneurs from engaging in the formal sector, since the informal sector comes with 58% contribution (National Planning

Commission, 2013), but it is not documented hence the bulk of monetary contribution into the economy via tax from those entrepreneurs operating in the formal economy. The inability of the Nigerian government to harnessing it, comes as a result of the absence of synergy between the policy makers, the informal entrepreneurs and the business environment. The proper harmonisation of these three will aid in building a constructive model where the informal sector will be appreciated.

The electronics sector in the Nigeria has helped to improve all sphere of life in the Nigeria but with proper planning based on research, the electronics informal sector will achieve more. A properly designed Silicon Valley can be remodelled in the electronics informal sector in Nigeria with its ability of being a source of livelihoods for individuals, families, and communities with a design centred on indigenous custom and tradition on a sentimental choice to conducting business operations outside the formal sector.

### **Characteristics of Activities in the Informal Sector**

There are certain descriptions that are pertinent to an event, place, occurrence, etc. and in this respect, the informal sector must be identified with such qualities. The features exhibited in the informal sector include;

1. Small scale operation with individual or family ownership: The informal sector is individually owned and operated, generally for less than five years' duration (Yankson, 1992). It is possible that they are operated for more but consistency is noted to be less.
2. Ease of entry: The setup of a business in the informal sector is extremely easy with a major requirement of low capital being low, aside technology and regulatory requirements, thus making it easy for anybody at any time to set up a business in the sector (Somuah, 2011).
3. Reliance on locally available resources: The informal sector businesses lack the capacity to do an off-shore acquisition of resources, either material, financial or human since such business are small in size.
- 4 Labour intensive and adopted technology: Yankson (1992) postulated that the operators of informal sector businesses lack adequate financial resources and this could be different in a situation where the importation of advanced technology, is replaced with local technology. Thus, the absence in the sector heavily relies on labour for its production.
- 5 Unregulated and competitive market: the ILO (2000) cited in ILO (2014) posited that the acceptance of a combined effort of government and individuals is what is required to regulate the activities of the informal sector.

### **Schools of Thought**

ILO (2014) says informal economy has three competing schools of thought. They are:

**1. Dualists:** Prevalent in the 1970's, the informal activities were synchronised with the lack of sufficient modern jobs to mop up surplus labour (due to low economic growth and/or higher population growth). It was ascertained that informal activities comprised marginal activities distinct from formal activities and mostly included the poor and unemployed (ILO, 2014)

**2. Structuralists:** They assumed informal economy as a subordinated economic unit of firms (micro firms) and workers, existing to reduce the input and labour costs while increasing competition of large capitalist's firms. The modes and forms of production in both the formal and informal economies are supposedly held to co-exist and interdepend on each other. This nature of capitalist development, rather than a lack of growth, is what results in the growth of informal production relationships (Portes, Manuel, & Benton, 1989).

**3. Legalists:** Established by Hernando de Soto in the late 1980's and early 90's, brings the belief that micro enterprises rationally decide to participate informally in order to avoid the costs, time and effort of formal registration. The complex and time-consuming procedure associated with registration was noticed to favour large corporations rather than small and medium enterprises; therefore, it can be concluded that with government procedures being cumbersome and costly, informal micro enterprises will continue to exist (DeSoto, 1989).

### **Embedded Entrepreneurship in the Informal Sector**

Entrepreneurship is a phenomenon that has been accepted to have a global impacting resource in any nation where it is well practised and based on criteria which have to do with the implementation of the country economic policies (Ahmad & Seymour, 2008).

The prospect of all nations is in the development and sustainability of her populace and this comes at a price of opportunity discovery in lieu with resilience and innovation by the nation's entrepreneurs (Smit & Musango, 2015).

Thus, it is necessary that all nations give room for entrepreneurs to thrive in their business activities as this will have multiplying effects in the nation's growth via a developing commerce economy.

Hitherto, having a uniform definition of what entrepreneurship is, could be stifling but will be attempted (Brockhaus & Horowitz, 1986; Cole, 1969; Shave & Scott, 1991; William & Nadin, 2010).

Andersson, Curley, & Formica, (2010) was of the opinion that an entrepreneur is an independent agent with the adoption of set rules, consistency coupled with an attitude that searches for goal attainment which amongst others consists of growth and profitability. This, displays yarns of the involved individual(s) for a difference in a stipulated business operation along with success orientation on the undergone exploration.

Bula (2012) posited entrepreneurship as a multi-dimensional concept and this was based on the different views it had being given across the years of existence. These views range from the urge to define it via the two prominent school of thoughts; neo-classical and classical school of thoughts and thus making the revealing evidence that entrepreneurship cannot have a single definition due to the view(s) the theorist decides to make it portray.

Therefore, it can be agreed that there is no agreed definition of Entrepreneurship except partly acceptable views. The risk and profit attributes are therefore in agreement with the Schumpeterian models which clearly links risk taking and innovation with reward and inducements, thereby showcasing the effects in entrepreneurial activities via profit (Kanbur, 1979; Aghion & Howitt, 1997; Bula, 2012).

The criteria include psychological factors, education and experience of the intending or practising entrepreneur (Ahmad & Seymour, 2008) and with a rotational impact on the way entrepreneurship is being practised

### **Motivation Concepts**

According to Rudolph and Kleiner (1989), motivation is “an inner state that causes an individual to behave in a way that ensures the accomplishments of some goals”. It can also be defined as arousal, energizers, urges, aspirations, drives and peoples’ needs that induce or compel and maintain behaviour. Stoner et al (2002) refer to motivation as “human psychological characteristics that contribute to a person’s degree of commitment. It includes the factors that cause, channel and sustains an individual behaviour in a committed direction”. From this definition, motivation consist of the following characteristics:

1. An internal force that induces or energises behavior;
2. A goal which behaviour is directed to achieve; and
3. A sustained behavior.

Motivation is an unseen force that can be classified into intrinsic and extrinsic motivation. Intrinsic motivation arises from the satisfaction an employer derives from his or her job while extrinsic motivation comes from the compensation attached to job performance, such as a salary but Herzberg called extrinsic motivation a poor way to try to motivate someone (Obamiro, 2008).



### **The Motivation Process**

Motivation process starts with identifying or recognising an unsatisfied need or a deficiency that person experiences. For instance, an individual may feel the need for promotion or a better salary, food, companionship, and growth. A need is an internal state that creates tension in an individual who moves in a certain direction in searching for ways of satisfying it and after identification of unsatisfied need and different ways of satisfying it, the selection of one of these ways to satisfy the need and making the move towards the realisation of the need (goal-direction behaviour) (Dagmar, 2014). Tension disappears as soon as the needs are satisfied.

Therefore, the process theory of motivation argues that motivating people is a rational internal cognition process rather than an external process. This process approaches are not particularly concerned with the needs of people but concerned with the decision making process through which motivation takes place (Philips Consulting, 2014). The most popular process theory is expectancy theory.

### **Importance of Motivation**

According to Obamiro (2008), motivation helps managers to determine the employee's needs and wants at the workplace and with the identification of people's needs and wants, an appropriate reward system can be designed to satisfy these needs and wants. Furthermore, both short and long-term motivation will enhance business productivity and profitability while enhancing entrepreneur's morale at work. Then attainment of this will lead to job satisfaction and low staff turnover coupled with good given suggestions and opinions for improvement created by motivated individuals.

### **Motivation Views**

Over the years, many concepts of motivation have been propounded by scholars to describe how motivation affects work behaviour. The underlying principles guiding motivation are derived primarily from motivational theories having the Maslow's hierarchy of needs, Douglas McGregor theory X and theory Y, Frederick Herzberg's two-factor theory, McClellan's Achievement motivation theory and Victor Vroom's expectancy theory as the fundamental motivational theories.

For this study, the focus will be placed on Maslow's hierarchy of needs. This is because it has the basic explanation for the drive gotten by the informal entrepreneurs in exhibiting their business which is the basic build up. Motivation has been presented as a basic psychological and social process consisting of primary, general and secondary motives or drives, which is further broken into intrinsic and extrinsic motivators. In order to understand entrepreneurial behaviour, these basic motives must be recognised and studied.

**Needs (content) Theory**

The Needs theory focus on specific desires people want to satisfy with several theories on motivation to explain as a result of these needs. Dagmar (2014) said the underlying theory is the belief that an unsatisfied need creates tension and a state of disequilibrium, vis-à-vis results to restoring the balance of the goal identified that will satisfy the need and the selection of a behaviour pathway.

Gawel (1997) stated that Maslow posited that all behaviours are motivated by unsatisfied needs and as a result, people will be better motivated if their work experience satisfies their needs and wants. With the help of Abraham Maslow theory on motivation using the needs concept, distinguishing between primary needs, such as food, sleep, and other biological needs, and secondary psychological needs that are learned and vary by culture and by an individual becomes a requirement.

This is in necessary because a need becomes insignificant once it's satisfied as the higher needs to be met becomes dormant and in pursuit, as they become important (Gawel, 1997). Dagmar (2014) stated that in the hierarchical listing, the desires on higher needs becomes important and ties a higher sense of motivation since the lower needs have being met. Stephan, Hart, and Drews (2015) stated that different people may have different priorities, thus having an effect on the needs to be met and the ways to strategically get them.

The needs theory is believed to identify the particulars needs, individuals intend to get and how relevant they could be in the combination of resources to acquire it. These concepts are based on the idea that people are driven to meet basic needs that produce satisfaction. In this research, we start from the generally perceived inception of the motivation concept by Abraham Maslow, psychological concept.

**Maslow's Hierarchy of Needs: An Important Historical Contribution**

The most popular need theory of motivation was developed by Abraham H. Maslow in 1954. Maslow describes human need in form of hierarchy, ascending from the lowest to the highest needs by pointing out that when a need or set of needs is satisfied, it can no longer motivate someone.

Abraham Maslow in a classic paper outlined the elements of the overall theory of motivation, which was drawn chiefly from humanistic psychology and his clinical experience, said that a person's motivational needs could be arranged in a hierarchical manner. Maslow (1943) cited in Upadhyaya, (2014) noticed that his method was a radical departure from two standard psychological approaches to the study of human nature. This was the Freudian psychoanalytic school emphasis on people's destructive tendencies.

Maslow (1970) cited in Kaur (2013) gave a breakdown on the levels of needs that any human strives to get and they are:

1. **Physiological Needs:** these are the basic human needs such as the need for food, water, sex, etc. for sustaining human life. Satisfaction with this basic needs enables the individual to survive and the individual's behaviour is directed at satisfying the needs which can be tied to the reason behind the informal entrepreneur's existence as the basics needs that ought to be achieved are missing and thus, an option to survival is beckoned on.

2. **Safety and Security Need:** these are needs for freedom from fear, threat or danger. They also include the needs for safety and job security in the workplace. Most physiological and security needs are provided by an organisation through adequate wages or salaries which are used to acquire such things as cloth, food, and shelter.

3. **Social and Belongingness Needs:** these are concerned with establishing and maintaining relationships with other individuals. Social needs represent the need for love, friendship, affection, to belong to a group and be accepted by one's peers to be recognised, belong to workgroups or teams, and informal groups are means of satisfying social needs in the organisation.

4. **Esteem Needs:** These refer to needs for self-respect, self-confidence, and self-recognition, high status, and respect from others. These needs influence the development of various kinds of relationships based on adequacy, independence. The giving and receiving are indications of esteem and acceptance (Rue & Byars, 2005). Once these needs are met, they cease to be motivators and individual move to achieve the next highest needs.

5. **Self-Actualization Needs:** these are the highest needs in the order which refers to the desire for self – fulfilment of potential and personal growth both in the workplace and general life. It is concerned with the need for individuals to maximise their full potential in applying their skills and abilities.

### **Implications of Maslow's Theory to Informal Entrepreneurship**

The Maslow's theory identifies and arranges the needs of persons in the society as displayed in the hierarchy. It asserts lower needs must be satisfied before trying to satisfy the higher needs. In this light it can be assertive that the needs for informal entrepreneurs are expected to be in the basic needs platform and are found in the physiological needs. Possibly the identification of this needs will lead to the reduction or elimination of vices in the society.

Also, once a need is satisfied, it ceases to be a strong motivator. The criticisms against Maslow's theory is that it is not research based and it is questionable

whether human needs can be clearly arranged and satisfied in such hierarchy (Rue & Byars, 2005).

Maslow's suggestion of specific order of needs may not apply to everyone but in the case of the informal entrepreneurs, it sure will apply for the fundamental growth cause the requirement for physiological and socials need are general as the necessities that needs to be fulfilled are basic and as the created government regulation for business activities are for accountability not to ensure the basic survival or business continuity.

Thus, the ability for them to result into success led to mishap. This noticeable mishap by business opportunity detectors results into currency making chance for the informal entrepreneurs, where the sorted needs are found and created. Viewing the concept of the Maslow theory, the informal entrepreneurs can be linked with the psychological needs (i.e. food, shelter, sex and etc.) with possible influence from other needs and could be attributable to.

The attainment of needs brings forth a relationship between like minds and thus the social needs is considered, sprouting the informal entrepreneurship's growth.

#### **Implication of Theory of Planned Behavior to Informal Entrepreneurship**

The theory of planned behaviour was proposed by Icek Ajzen in 1985 in his article "From intentions to actions: A theory of planned behaviour and was birthed from the theory of reasoned action by him and Martin Fishbein in 1980" (Ajzen, 2006).

This theory was based on the evaluation of a particular suggested behaviour as positive (attitude), with the mindset that others want them to perform that behaviour (subjective norm), thereby resulting into a higher intention (motivations). A high correlation of attitudes and subjective norms to behavioural intention has been confirmed in many studies (Albarracín, 2001). though a counter argument was established in contradiction of the high relationship between behavioural intention and actual behaviour proposed, which came as a result of some of the established studies and because of circumstantial limitations, behavioural intention does not always lead to actual behaviour (Sniehotta, 2009).

Since behavioral intention cannot be the exclusive determinant of behavior where an individual's control over the behavior is incomplete, the theory of planned behavior was introduced by adding a new component, "perceived behavioral control" and thus, the theory was extended by the use of reasoned action to cover non-volitional behaviors for predicting behavioral intention and actual behavior. In recent times, a third factor was added, the perceived behavioural control and this refers to the degree to which a person believes the control over any behaviour can be done/gotten (Sniehotta, 2009).

Albarracín, (2001) stated that the theory of planned behaviour suggests that people are much more likely to enact certain behaviours when they feel that they can enact them successfully and this comes with an increased perceived behavioural control which has a mixture of two dimensions: self-efficacy and controllability (Krueger & Carsrud, 1993).

Ajzen (1980) cited in Ajzen (2006) defined the term “self-efficacy” to denote the level of difficulty that is required to perform the behavior, or one’s belief in their own ability to succeed in performing the behavior while controllability refers to the outside factor and one’s belief that personally have control over the performance of the behavior, or where controlled externally or uncontrollable factors. A scenario description of the above will be an individual with high behavioural control perspective will exhibit an increased confidence that are capable of performing the specific behaviour successfully.

With the help of Martin Fishbein, who was Ajzen colleagues, improved the theory and renamed it as the reasoned action approach. Further study of the self-efficacy under the planned behaviour brought about the need to add attitudes and subjective norms (since it brought about the theory of reasoned action) (Ajzen, 2006) An increasing number of scholars believed that motivation and goals of an entrepreneur will affect business performance in the informal sector (Gentry & Hubbard, 2005).

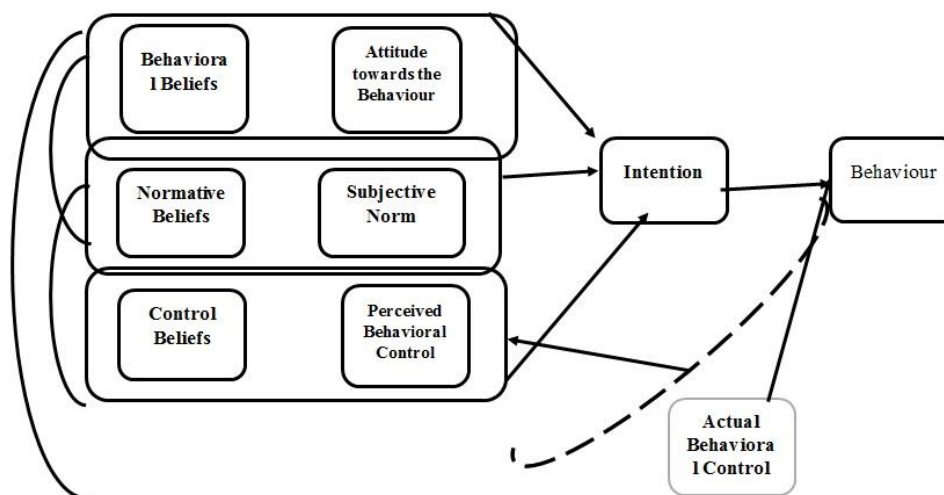


Figure 1. Icek Ajzen depiction of Theory of planned behavior (Ajzen, 2006)

## Methodology

The explorative and causal research was adopted for the study. Survey research was considered appropriate for the study as the population from the study covers

all the participants in the informal electronics market, computer village, Ikeja. Simple random technique was used to select the respondents. The selected market is focused on sales and rendering of services of electronics products. The data used for this study was obtained from both primary and secondary sources. The questionnaire used the 5-point Likert scale and SPSS version 21 in the assessment of relevant statistical analysis. In showing the relationship and effects between the variables, Anova and regression analysis was used.

### Analysis of Results and Discussion of Findings

A total number of 250 copies of questionnaire was administered to informal entrepreneurs in computer village, Ikeja, Lagos, 205 were duly recovered for analysis which constitutes 82 percent while those unreturned or returned invalid were 45 (18%).

Table 1 presents the socio-economic characteristics of the informal entrepreneurs in the selected electronic markets in Lagos State metropolis. The result shows that electronic informal sector is dominated by male entrepreneurs (95%) and most of them are aged between 36 to 45 years (53%) with an average age of about 42 years. Among the 205 respondents, 118 (58%) are married, 80 (39%) are single and 7 (3%) reported others. This implied that an average male informal entrepreneur has a productive year of 42; as a result, they are strong enough to get engaged in labour activities that will bring in more money to take care of their household.

Furthermore, the educational status was divided into seven groups (see Table 1). The table reveals that larger proportions of the entrepreneurs (50%) don't possess the post-secondary education and went into electronic business as a means of survival (64%). Most of their business are aged less than 10 years (86%) and reported monthly income of ₦ 100,000 and less.

**Table 1. Descriptive Analysis of Socio-economic characteristics of Informal Entrepreneurs in Computer village (n = 205)**

Socio-economic characteristics	Frequency	Percentage (%)	
<b>Sex</b>			
Male	150	73	
Female	65	27	
<b>Age (years)</b>			
< 25	36	18	
26-35	109	53	
36-45	55	27	
≥ 45	5	02	

<b>Marital Status</b>			
Single	80	39	
Married	118	58	
Others	07	03	
<b>Age of Business</b>			
< 5	75	37	
5 – 9	100	49	
10 – 14	19	09	
≥ 15	11	05	
<b>Educational background</b>			
No formal education	14	07	
Primary education completed	78	38	
SSCE	103	50	
OND/NCE	02	01	
HND/BSc.	04	02	
MSc/MBA/M.Ed	-	-	
Others	04	02	
<b>Reason for setting up Business</b>			
Additional Income	71	35	
Survival	131	64	
Employment	-	-	
Others	3	01	
<b>Income Level (monthly)</b>			
≤ ₦ 50,000	47	23	
₦ 51,000 - ₦ 100,000	114	56	
₦ 101,000 - ₦ 200,000	33	16	
₦ 201,000 - ₦ 300,000	10	05	
≥ ₦ 301,000	-	-	

Source: Field Survey (2017)

**Table 2. Descriptive Analysis of social motivation of informal entrepreneurs**

S/N	Item	Mean
1	Need for value creation	4.3933
2	Age factor	4.1236
3	Family support	4.4719
4	Sustenance of social status	3.9551
5	Social Status improvement	3.3793
6	Educational background	2.7955
7	Social support from government	2.5955
8	Business Networking	4.4719

The motivation of an entrepreneur determines the success of such enterprise. Table 2 results revealed that entrepreneurs in the electronic market are motivated the need to create value for them, their age favours involvement in the informal sector,

insufficiency of their parent income, cordial relation with a registered business encourages their economic and survival needs.

**Hypothesis Testing**

**H<sub>1</sub>** : A significant relationship exist between social motivation and performance of informal entrepreneurs.

**Table 3. Social motivation and Performance**

Model Summary <sup>a</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.598 <sup>a</sup>	.562		.293	1.00428	
a. Predictors: (Constant), Need for value creation, Age factor Family support, Sustenance of social status, Social Status improvement, Social support from government b. Dependent Variable: Business Performance (Q8)						
ANOVA <sup>b</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	77.098	7	11.024	10.931	.000 <sup>a</sup>
	Residual	92.789	92	1.009		
	Total	136.887	99			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.113	.559		.202	.840
	Need for value creation	.624	.277	.208	2.253	.027
	Age factor	.046	.078	.038	.595	.553
	Need for Family support	.175	.073	.157	2.387	.018
	Sustenance of social status	-.078	.143	-.060	-.545	.587
	Social Status improvement	-.041	.069	-.039	-.593	.554
	Educational background	.088	.048	.122	1.839	.067

The motivation of an entrepreneur determines the success of such enterprise. Table 2 results revealed that entrepreneurs in the electronic market are motivated the need to create value for them, their age favours involvement in the informal sector,



insufficiency of their parent income, cordial relation with a registered business encourages their economic and survival needs.

The significant level of .018 depicted by the need for family support clearly shows the performance exhibited by informal entrepreneurs showing the effect of social motivation in the creation of the basic string for pushing the perceived and attainable performance of the informal entrepreneurs. The continuous flow gotten from the need for family support is propelled by the individual need for value creation. The reflection in the study showed a significant degree of .027 for the value creation and this possibly could explain the drive by informal entrepreneur's transit to formal business or improving their business operation. The presence of the 0.67 degrees of significance from the educational background reflects the effect of social motivation posits on the performance of the informal entrepreneurs as it shapes his business activities via value creation and futuristic planning.

The age factor displayed a coefficient of .046 which corresponded a negative significant of .553 and it was not let alone in the study as it reflected in the assessment of sustenance of social status and social status improvement, which displayed a coefficient of -.078 and -.041 respectively. This clearly shows that there is a transverse relationship between the need to sustain the social status and the ability to participant in an informal business activity. This means the higher the status of an individual, the lower the possibility of him participating in the informal sector and vice-verse.

The overall result in Table 3 reveals that social motivation (predictors) jointly explained 56 percent changes in the business competitive in the informal electronic market. Similarly, the ANOVA test suggests that there is a significant relationship between social motivators and business competitiveness in the informal electronic market at 5 percent significant level.

### **Discussion of Finding**

Findings from the study have shown a positive relationship between the informal electronics entrepreneur's performance and motivation. Therefore, the activities in the informal electronics sector has been legitimated by the majority of the populace and this has led to a better performance coupled better with the creation of a structure, (an association) that is legally acceptable with the prospect of being income generators in the Nigerian economy. This finding comes in alignment with Webb et al (2013) which calls for the framing of an agenda for the informal sector.

The continuous flow from the need for family support was noticed to have being propelled by the individual need for value creation. The reflection in the study showed a significant degree of .027 for the value creation and this possibly could explain the drive by informal entrepreneur's transit to formal business or improving their business operation. Aside the need to survive and be among like mind, the

requisite ability to add value was noticed during the course of the research to commensurate performance as it avoids stagnation and this tallies with the study of Huang and Pearce, (2015) on the need for value leading to better performance.

The presence of the 0.67 degrees of significance from the educational background reflected the effect of social motivation posits on the performance of the informal entrepreneurs as it shapes his business activities via value creation and futuristic planning and were all in sync with the axiom of Yusuff, (2013) on the relationship between entrepreneurial performance and family support.

Finally, social motivation was noted to have a positively enhanced business performance in the informal electronics market via the significant degree of .027 for the value creation and this explained the drive by informal entrepreneur's transiting to formal business or improving their business operation and the presence of the 0.67 degrees of significance from the educational background reflected the effect of social motivation on performance of the informal entrepreneur's business activities via value creation and futuristic planning. This findings tallies with Stephan, Uhlander, and Stride (2015), Williams and Martinez-Perez (2014) and Yusuff (2013) on the performance of entrepreneurs having a tie with educational background, ability to execute futuristic plans and improve business activities.

The findings also revealed that more often, it is the well-to-do and affluent people that possess the capability to mobilise resources for entrepreneurial processes, thus lending credence to informality as a matter of choice and this is not far from Jennings, Greenwood, Lounsbury, and Suddaby (2013) stand on why the informal economy stays as the bedrock of informality business practice.

### **Conclusion and Recommendation**

From the findings of the study, depicting a positive relationship between the informal electronics entrepreneur's performance and motivation, there is an evidence that the activities in the informal electronics sector has been legitimated by majority of the populace and this is the result shown from positive performance from the study. This explains why it is the Chiefs, Rulers and the influential men and women that are close to the seat of power that were entrepreneurs in Africa before colonisation. In lieu of this, the following recommendation are suggested:

1. In lieu of this, the need for value creation by informal entrepreneur will be truly harnessed when efforts are made in the provision of basic infrastructures at a relative low cost;
2. With the high mean depicted by the need for value creation, the need to have simple regulatory framework, will make it easier, friendly and encouraging to individual entrepreneurs in harnessing this;

3. The high proliferation of youth between the ages of 18 to 45 shows the informal economy is filled with able and likewise deep thinkers, who are lacking in the financial means but organization of financial assistance, seminars and developmental programs encouraged by government by subsidizing them will cause for a revolution in their current business;
4. This could be done by selection to business organization that are between the ages of 5 to 9, which means the basic trials periods are over;
5. The place of family support has been noted to highly affect the motivation of the business and to this end, the basic support gotten from the government should be redesigned (i.e. schools, health), such that the remaining income will be used for expansion or transition;
6. Due to the low social support from government, it is recommended that the government step up their game as they will end up creating an alienage which will enhance development by the creation of progressive researched policies;
7. Informal entrepreneurship should be tailored to the Nigerian cultural norms and values, which can be done by fashioning out homegrown entrepreneurial processes that suit local peculiarities based on the realities of their circumstances, natural resources, geographical location and culture, thus leading to sustenance of social status while performance is primed;
8. The knowledge from the study should be replicated in other markets by providing better-oriented views to fellow researchers on the constant role played by informal entrepreneurs in knowledge ascertainment while personally attaining a personal growth after surpassing survival in the society., which in totality will lead to a general social status improvement;

Further empirical studies across several sectors of the economy should be done to show commonality in making singularity decision (if any), in policy making for informal entrepreneurs/businesses.

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