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ENTREPRENEURIAL MICROBUSINESSES AND EMPLOYMENT GENERATION IN ADO-EKITI, EKITI STATE

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ABSTRACT
Entrepreneurship plays a crucial role in promoting global economic growth and development, particularly in developing economies where formal employment opportunities are limited. This study examined the role of entrepreneurial microbusiness activities in promoting employment in Ado-Ekiti Metropolis, Ekiti State, Nigeria. The study specifically assessed the contribution of microbusiness enterprises to youth and women's employment, examined the relationship between entrepreneurial skills and employment sustainability, evaluated the influence of access to microfinance on business expansion and employment creation, and identified the major challenges faced by microbusiness operators. A descriptive survey research design was adopted. A sample of 280 respondents was selected from a population of 928 using Yamane's formula. Data were collected from primary and secondary sources and analysed using descriptive statistics, Pearson correlation, and multiple regression analysis. The findings showed that 71.0% of respondents reported creating employment opportunities for young people, while 47.3% indicated that their businesses supported women's employment. The study found a strong positive relationship between microbusiness growth and employment sustainability ($r = .984$, $p < .01$). Furthermore, 69.8% agreed that improved access to microfinance would enhance business expansion and employment generation. The study concludes that the Ekiti State Government, in conjunction with financial institutions, should explore innovative strategies to lower interest rates, thereby improving access to capital for microbusiness growth and job creation among others.

Keywords: Self-employment, youth unemployment, women entrepreneurship, entrepreneurial competence, economic development

Introduction

Entrepreneurship is recognized as a pivotal catalyst for global economic advancement and development. Specifically, self-employment and small-scale entrepreneurial initiatives provide practical avenues for local livelihoods, particularly for marginalized workers in developing nations, Nigeria being one such example. In urban areas such as the Ado-Ekiti Metropolis, the capital of Ekiti State, micro-businesses have emerged as a significant means of job creation and poverty alleviation, thereby contributing to economic empowerment and promoting inclusive growth.

Micro-business ventures in Ado-Ekiti are small, owner-operated businesses founded and run by individuals or small groups that leverage creativity, innovation, and risk-taking to offer a range of goods or services for profit. Thus, micro-businesses can be characterized as very small operations that, despite having limited financial resources and personnel, significantly impact local economies through job creation, grassroots innovation, and bolstering demand for goods and services within communities. Research indicates that micro and small enterprises are instrumental in driving employment growth and poverty reduction in sub-Saharan Africa (Onwuchekwa, 2023).

In Nigeria, unemployment presents a significant socio-economic challenge, particularly affecting the youth and graduates, which has driven greater focus on alternative job-creation methods (National Bureau of Statistics [NBS], 2023). The state of Ekiti, specifically the Ado-Ekiti metropolis, is not immune to these employment challenges. With an expanding population and increasing urbanization, Ado-Ekiti faces a growing demand for job opportunities that the formal sector alone cannot meet. As a result, entrepreneurial micro-business ventures emerge as a viable and sustainable approach to absorb the labor pool and encourage self-reliance (Sunday et al., 2025).

Micro-business operations in Ado-Ekiti cover various sectors, including retail trading, food processing, arts and crafts, tailoring, transportation, barbering, and beauty services such as hairdressing. Beyond providing direct employment, these micro-entrepreneurial activities also indirectly contribute to economic progress by creating a demand for products and services in the metropolis. Furthermore, micro-entrepreneurship helps reduce poverty and fosters socio-economic stability by empowering individuals to earn income and improve their living standards (Aroyehun, 2025).

Nonetheless, despite the acknowledged significance of micro-businesses in enhancing employment opportunities, they face challenges such as limited access to financial resources, insufficient entrepreneurial skills, inadequate infrastructure, and poor policy support, which often impede their growth and sustainability. It is therefore critical to understand the dynamics of entrepreneurial micro-business activities in Ado-Ekiti to formulate effective interventions that maximize their contributions to employment generation and economic development. Within the context of Ado-Ekiti, micro-business activities offer a promising opportunity to elevate employment prospects for youth and women, foster self-sufficiency, and stimulate local economic activity in a metropolis facing a scarcity of formal job opportunities.

Accordingly, this research intends to explore Entrepreneurial Microbusiness Activities in Promoting Employment in Ado-Ekiti Metropolis of Ekiti State. The primary aim is to investigate how these small-scale businesses, frequently propelled by individual innovation, which serves as the foundation of entrepreneurship, limited resources, and local market needs, contribute to job creation for youths, women, and other community members.

In the Ado-Ekiti metropolis, which is the capital of Ekiti State, unemployment represents a significant socio-economic issue in Nigeria, further intensified by an increasing population, limited industrial engagement, and a relatively restricted economic framework. Despite numerous governmental policies and intervention initiatives designed to mitigate this

challenge, unemployment rates continue to escalate, revealing a limited capacity for integration within the formal sectors, both public and private. This situation contributes to rising poverty levels, social unrest, and an overall decline in economic productivity. According to the Annual Report of the Nigeria Labour Force Survey (NLFS), published by the National Bureau of Statistics (NBS) in 2023, the unemployment rate in Ekiti State was recorded at 5.5%, situating it in the mid-range among the 36 states of Nigeria.

Thus, the primary issue that this study seeks to address is the inadequate acknowledgment, utilization, and support of entrepreneurial micro-business activities as a strategic mechanism for generating employment in Ado-Ekiti metropolis. Despite their ability to drive local economic growth and create employment opportunities for the unemployed, these small-scale enterprises often receive insufficient attention in policy formulation and development initiatives. Therefore, it is imperative to investigate the extent to which micro-businesses contribute to employment in the area, comprehend the specific challenges and constraints that impede their growth such as lack of access to finance, inadequate infrastructure, limited market opportunities, unfavorable economic policies, and insufficient government support by exploring practical strategies that can fortify their capacity for sustainable job creation. By doing so, the study aims to examine the role of Entrepreneurial Microbusiness Activities in Promoting Employment in Ado-Ekiti Metropolis of Ekiti State.

The existing empirical literature concerning Entrepreneurial Microbusiness Activities and their role in fostering employment within the Ado-Ekiti Metropolis in Ekiti State reveals significant deficiencies. Specifically, there is an absence of localized and concentrated exploration in the Ado-Ekiti area. In light of this, the researcher aims to address this gap through the present study.

The primary aim of this study is to examine Entrepreneurial Microbusiness Activities in Promoting Employment in Ado-Ekiti Metropolis of Ekiti State, Nigeria. Specific objectives are to:

I. Analyse the extent to which micro-business enterprises have impacted youth and women's employment in Ado-Ekiti Metropolis.
II. Examine the relationship between entrepreneurial skills of micro-business owners and the sustainability of employment opportunities in Ado-Ekiti Metropolis.
III. Evaluate the extent to which access to microfinance influences the expansion of micro-businesses and subsequent employment creation in Ado-Ekiti Metropolis.
IV. Identify the challenges faced by micro-business operators in generating and sustaining employment in Ado-Ekiti Metropolis.

For the purpose of this study, the following null hypotheses were formulated:

Ho^{I}: Employment promotion and generation have no significant effect on the performance of micro-business enterprises in Ado-Ekiti Metropolis.
Ho^{II}: There is no significant relationship between employment sustainability and the growth of micro-business enterprises in Ado-Ekiti Metropolis.
Ho^{III}: Access to employment opportunities does not significantly influence the expansion of micro-business enterprises in Ado-Ekiti Metropolis.
Ho^{IV}: Employment-related challenges do not significantly affect the development of micro-business enterprises in Ado-Ekiti Metropolis.

Literature Review

Micro-business enterprises, at their core, represent the smallest unit within the business landscape, often characterized by limited capital investment, a small workforce, and a localized operational scope. Sunday et al. (2025) emphasize this perspective, defining micro-businesses as entities with fewer than ten employees and `minimal annual turnover. These businesses frequently operate within niche markets, providing specialized goods or

services tailored to local demands, highlighting their agility and responsiveness to community needs.

Building on this foundational understanding, scholars like Onwuchekwa (2023) introduce the element of entrepreneurship, framing micro-businesses as vehicles for self-employment and wealth creation. In this view, these enterprises are driven by individual initiative and a desire to capitalize on market opportunities, often filling gaps left by larger corporations. This entrepreneurial spirit fosters innovation and diversifies the economic landscape, with micro-business owners serving as key drivers of local economic growth.

Expanding the definition, Dabo et al. (2019) highlight the informal nature of many micro-businesses, particularly in developing economies. These businesses often operate outside the formal regulatory framework, lacking official registration and adhering to simplified accounting practices. While informality can present challenges in terms of access to finance and government support, it also allows for greater flexibility and adaptability, enabling micro-businesses to thrive in dynamic and uncertain environments.

Furthermore, the role of micro-businesses in poverty alleviation and social inclusion cannot be overlooked. According to Quingco & Leonoras (2020), these enterprises provide income-generating opportunities for marginalized groups, including women, youth, and individuals with limited education or skills. By offering pathways to economic empowerment, micro-businesses help reduce inequality and promote social cohesion within communities.

In a similar vein, Teka (2022) studies highlight the significance of micro-businesses in promoting local economic development. These enterprises stimulate demand for local goods and services, create employment opportunities, and generate revenue that can be reinvested in the community. They also serve as incubators for entrepreneurial talent, providing individuals with the skills and experience needed to start and grow their own businesses.

For the purpose of this paper, the definition of micro-business enterprises as articulated by Onwuchekwa (2023) will be adopted: ***"Micro-businesses are ventures driven by individual entrepreneurship, serving as a means for self-employment, wealth creation, and filling niche market gaps."*** This definition encapsulates the core elements of the research topic, highlighting the entrepreneurial nature of these businesses and their potential to promote employment in the Ado-Ekiti Metropolis of Ekiti State.

Youth and women's employment, a multifaceted concept, signifies the active engagement of young individuals and women in productive economic activities, encompassing both formal and informal sectors. It extends beyond mere job acquisition, exploring aspects of decent work, economic empowerment, and social inclusion. The International Labour Organization (ILO) emphasizes that youth employment encompasses the availability of opportunities for young people to engage in productive and fulfilling work, highlighting the importance of skills development, access to finance, and entrepreneurship support, while in consideration of gender equality (ILO, 2020).

From a gender perspective, women's employment acknowledges the unique challenges and barriers women face in accessing and retaining decent work. These barriers include gender discrimination, unequal pay, lack of access to education and training, and the burden of unpaid care work (UN Women, 2021). Therefore, promoting women's employment requires targeted interventions that address these systemic inequalities, such as enacting gender-responsive policies, promoting female education and entrepreneurship, and providing childcare support.

Similarly, Aroyehun (2025) emphasizes the critical role of women's employment in driving economic growth and reducing poverty. He argues that women's economic empowerment leads to improved household welfare, increased investment in education and health, and greater social stability. In Ado-Ekiti Metropolis, promoting women's employment

through microbusinesses can unlock the immense potential of women entrepreneurs and contribute to the overall development of the study area.

For this study, the definition of youth and women's employment adopted is drawn from a synthesis of the ILO's framework and the insights of Quingco & Leonoras (2020) and Aroyehun, (2025), Youth and women's employment is defined as the engagement of young individuals (aged 18-35) and women of all ages in productive economic activities, encompassing both formal and informal sectors, with a focus on decent work, economic empowerment, and social inclusion. This definition recognizes the unique challenges and opportunities faced by youth and women in Ado-Ekiti Metropolis and emphasizes the importance of policies and interventions that promote their participation in microbusiness activities.

Conceptual Framework

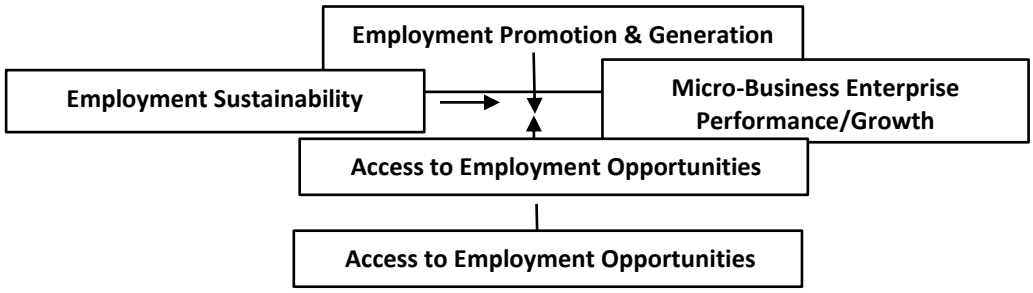


Fig. Adopted and re-modified from Ambriz et al. (2024).

The diagram above illustrates the hypothesized relationships between employment-related factors and the performance/growth of micro-business enterprises in Ado-Ekiti Metropolis. The diagram outlines the expected connections between employment dynamics and micro-business outcomes within the study area.

Independent Variables**:** Employment Promotion & Generation, Employment Sustainability, Access to Employment Opportunities, and Employment-Related Challenges are posited as independent variables.

Dependent Variable**:** Micro-Business Enterprise Performance/Growth is the dependent variable, influenced by the independent variables.

Direction of Influence**:** The arrows indicate the theorized direction of influence, with employment factors impacting the performance and growth of micro-businesses. The specific nature (positive or negative) of these relationships will be determined through empirical testing.

Interrelationship**:** Note the arrow between Employment Sustainability and micro-business performance, as it shows the need for sustainability relating to business growth, in order to ensure business continuity and growth.

Theoretical Framework

The theoretical framework outlines the theories that provide the foundation for understanding the role of entrepreneurial microbusiness activities in promoting employment in the Ado-Ekiti metropolis of Ekiti State.

Schumpeter's Innovation Theory, propounded by Joseph Schumpeter (1942), posits that innovation is the driving force behind economic development and job creation. This theory suggests that entrepreneurs who introduce new products, services, or processes are more likely to disrupt existing markets, create new demand, and, consequently, generate employment opportunities. Scholars like Aroyehun (2025) and Zastempowski (2024) have emphasized the role of creative destruction, where innovative microbusinesses displace less efficient ones, leading to a more dynamic and productive economy. The theory highlights

how microbusinesses in Ado-Ekiti, through their unique innovations, can stimulate local economic growth and foster a more competitive labor market.

Applying Schumpeter's theory to the Ado-Ekiti metropolis requires recognizing the specific types of innovations that are relevant to microbusinesses. These innovations may not always be radical technological breakthroughs, but rather incremental improvements or novel applications of existing technologies tailored to local needs. For instance, a microbusiness might innovate by introducing a more efficient food-processing method, developing a new type of local craft, or creating a platform that connects local artisans with a broader market. According to Přívara et al. (2025), such innovations, even on a small scale, can have a significant cumulative impact on employment by increasing productivity, expanding market reach, and creating new business opportunities for others in the community.

Therefore, Schumpeter's Innovation Theory provides a valuable framework for understanding how entrepreneurial microbusiness activities can promote employment in Ado-Ekiti. By focusing on the role of innovation in driving economic development, the theory highlights the potential of microbusinesses to create new jobs, stimulate local growth, and contribute to a more dynamic and competitive economy.

Human Capital Theory, pioneered by economists like Gary Becker, posits that investments in education, skills, and training enhance an individual's productivity and earning potential, subsequently contributing to economic growth (Becker, 1964 as cited by Kimjeon & Davidsson, 2021). In the case of entrepreneurial microbusinesses in Ado-Ekiti, this theory suggests that the human capital possessed by micro-entrepreneurs directly impacts their ability to establish and manage successful ventures, ultimately driving employment generation within the metropolis. Entrepreneurs with higher levels of education, relevant skills, and experience are better equipped to identify opportunities, manage resources, innovate, and navigate challenges, leading to business growth and job creation (Hemmington & Neill, 2022).

The applicability of Human Capital Theory to microbusinesses in Ado-Ekiti lies in understanding how investments in the human capital of potential and existing entrepreneurs can stimulate employment. Training programs focused on business management, financial literacy, and specific technical skills can equip individuals with the necessary tools to start and scale their own microbusinesses. Moreover, access to education and mentorship opportunities can foster entrepreneurial mindsets, enhance problem-solving abilities, and build networks, all of which are crucial for success in the competitive business environment of Ado-Ekiti.

However, it is crucial to acknowledge the limitations of solely relying on Human Capital Theory. While education and skills are undoubtedly important, other factors such as access to finance, infrastructure, and a supportive regulatory environment also play significant roles in the success of microbusinesses and their ability to generate employment (Mustaffa et al., 2020). Therefore, a holistic approach that considers both human capital investments and the broader enabling environment is necessary to effectively promote entrepreneurial microbusinesses and maximize their employment-generating potential in Ado-Ekiti.

Empirical Review

A research investigation by Opafunso and Adepoju (2014) entitled “The Impact of Small and Medium Scale Enterprises on Economic Development of Ekiti State, Nigeria” analyzed the influence of SMEs on the economic development within Ekiti State during the period of 2006 to 2013. Employing a survey research design, the study gathered data from 280 participants, which included traders, artisans, and representatives from production factories as well as other SMEs, utilizing a multi-stage sampling technique derived from Ado-Ekiti metropolis of Ekiti State. Four null hypotheses were tested to ascertain the

significant effects of SMEs on poverty reduction, job creation, and enhancements in living standards in the region. The data analysis was conducted through the Statistical Package for Social Sciences (SPSS), utilizing Chi-square to test the hypotheses at a significance level of 0.05. The results indicated a positive and significant correlation between SMEs and poverty alleviation, employment creation, and improvements in living conditions in Ekiti State, with a noted 57% growth in the number of SMEs between 2009 and 2013. The study concluded that access to capital through reduced bank loan interest rates could enhance the performance of SMEs not only in Ekiti State but also across Nigeria.

Utilizing a quantitative research methodology, the study surveyed a random sample of 177 women through a cross-sectional design via structured questionnaires. Additionally, non-entrepreneurs were included for comparative analysis. Data analysis involved descriptive and inferential statistics, with multiple linear regression employed to evaluate the influence of the characteristics of women entrepreneurs on their well-being. The findings revealed a positive correlation between personal well-being and factors such as education level, age, and wealth status, whereas household size and employment status yielded negative influences without statistical significance at the 5% level. Notably, being a woman entrepreneur and age had a significant positive impact (P = 0.000), while marital status revealed a negative significant effect (P = 0.000). The conclusion drawn indicates that certain characteristics of women entrepreneurs affect their personal well-being, suggesting that developmental initiatives should prioritize promoting women entrepreneurship, particularly focused on socio-economic and demographic factors to enhance their well-being.

Ilori et al. (2018) conducted a review titled “The Impact of the National Micro Small and Medium Enterprise Policy on Youth Employment and Enterprise Development: A Case Study of the Small Medium Enterprises Development Agency of Nigeria.” This paper investigates the effects of the national small enterprise development agency established to promote employment generation and entrepreneurship among the youth in Nigeria. The essential contributions of the small, micro, and medium enterprises (SMMEs), often referred to as SME or MSME, to national development encompass job creation, sustainable livelihood improvement, and equitable wealth distribution. Effective SMME policies not only foster savings for future investments and optimal resource utilization but also enhance tax revenues for the government and significantly contribute to the Gross Domestic Product (GDP). The focus of this study was on the Small Medium Enterprises Development Agency of Nigeria (SMEDAN), legally empowered to stimulate growth in the small and informal sectors of the economy. Specifically, the operations within Akure and surrounding areas of Ondo State were examined. The research heavily relied on meta-analytical techniques to assess both official and informal reports on the policy's impact as overseen by SMEDAN towards fulfilling its mandates. Key areas of the research included (a) evaluating the extent of policy implementation from a monitoring and evaluation perspective, (b) assessing the policy's effectiveness in creating youth employment, and (c) analyzing overall enterprise development outcomes achieved by the policy and the agency. Preliminary findings indicated several unexpected, and sometimes self-inflicted, obstacles hindering the realization of objectives. Given that enterprise development is an ongoing process, the paper advocates for a longitudinal monitoring and evaluation framework to ensure alignment between goals and actual results regarding the influence of SMMEs on youth employment and enterprise development in Nigeria. For this study, limited primary data was collected while heavily drawing on existing secondary data, supplemented by a structured in-depth interview guide to gather additional data from officials of the small business development agency.

The empirical evidence above presents a mixed picture of micro-business influence on youth and women's employment. However, current literature is deficient in comparative analyses of the specific mechanisms through which micro-businesses uniquely impact youth

versus women's employment outcomes, particularly across diverse socioeconomic contexts such as Ado Ekiti.

Methodology

This study adopted a descriptive survey research design to investigate the role of entrepreneurial microbusiness activities in promoting employment in Ado-Ekiti Metropolis, Ekiti State. The design was considered appropriate because it enabled the collection of quantitative data from owners and employees of entrepreneurial microbusinesses and facilitated the analysis of the relationships among the study variables. The target population comprised 928 registered micro, small, and medium enterprises (MSMEs) in Ekiti State, as reported by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the National Bureau of Statistics (NBS, 2017). These registered businesses constituted the sampling frame for the study.

The sample size was determined using Yamane's (1967) formula for finite populations at a 5% level of precision:

where n represents the sample size,

N is the population size (928), and

e is the acceptable margin of error (0.05).

To improve the likelihood of obtaining the required number of valid responses, a total of 300 questionnaires were distributed to owners and employees of entrepreneurial microbusinesses in Ado-Ekiti Metropolis using a stratified random sampling technique. This sampling approach ensured that respondents were fairly selected from the different categories of microbusinesses represented in the study. Remarkably, a total of 286 questionnaires were successfully returned, allowing us to select 280 for analysis, resulting in a response rate of 95.3%.

Data were collected through a structured questionnaire consisting of two sections. Section A obtained information on the demographic characteristics of the respondents, while Section B contained items designed to measure entrepreneurial microbusiness activities and employment promotion. Responses were measured using a four-point Likert scale of Strongly Agree (4), Agree (3), Disagree (2), and Strongly Disagree (1). The questionnaire was subjected to expert review to establish its content validity. The internal consistency of the instrument was assessed using Cronbach's alpha coefficient, and the reliability result indicated that the instrument was sufficiently reliable for data collection. The data collected were analysed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarise the respondents' demographic characteristics and responses to the questionnaire items. The study hypotheses were tested using Pearson Product-Moment Correlation and Ordinary Least Squares (OLS) regression analysis at the 5% level of significance.

Results and Discussion

Demographic Analyses of Respondents

Table 1

Distribution of respondents based on Gender

Item	Frequency (F)	Percent (%)
Male	103	36.8
Female	177	63.2
Total	**280**	**100.0**

Note: *Data from the June 2026 Field Survey*

Table 1 presents the gender distribution of respondents within the Ado-Ekiti metropolis. The data reveals a higher participation rate from females (63.2%) compared to males (36.8%) in the surveyed entrepreneurial micro-business activities. This suggests a

potentially significant role of micro-businesses in providing employment opportunities for women within the local economy.

Table 2

Distribution of respondents based on Age

Item	Frequency (F)	Percent (%)
18-25years	72	25.7
26-35years	114	40.7
36-45years	47	16.8
46-55years	29	10.4
56years and above	18	6.4
Total	**280**	**100.0**

Note: *Data from the June 2026 Field Survey*

Table 2 presents the age distribution of the 280 micro-business owners surveyed in Ado-Ekiti. A significant 40.7% of respondents fall within the 26-35 year age bracket, suggesting that entrepreneurial activity is particularly prevalent among young adults in their late twenties and early thirties. This could be attributed to factors such as increased access to information, a desire for financial independence, or limited formal employment opportunities. The 18-25-year-old age group constitutes the second-largest segment at 25.7%. This indicates a strong inclination towards entrepreneurship among even younger individuals, possibly driven by the pursuit of innovative ventures or a proactive response to youth unemployment. The 36-45 year age group accounts for 16.8% of the sample, while those aged 46-55 and 56 and above represent 10.4% and 6.4%, respectively. This suggests a potential decline in entrepreneurial activity with increasing age, which could be linked to factors such as risk aversion, access to resources, or a preference for more stable forms of employment later in life. Overall, the age distribution highlights the critical role of micro-businesses in providing employment opportunities for the younger demographic within Ado-Ekiti.

Table 3

Distribution of respondents based on Education Level

Item	Frequency (F)	Percent (%)
No Formal Education	22	7.9
Primary Education	42	15.0
Secondary Education	68	24.3
Vocational Training	88	31.4
Tertiary Education	60	21.4
Total	**280**	**100.0**

Note: *Data from the June 2026 Field Survey*

Table 3 presents the educational profile of respondents engaged in entrepreneurial micro-businesses in Ado-Ekiti. A significant 31.4% possess vocational training, suggesting a practical, skills-based approach to their ventures. Respondents with secondary education constituted 24.3% of the sample. Those with tertiary education accounted for 21.4%, which indicates the presence of a formally educated segment within the micro-business landscape. Individuals with primary or no formal education make up 22.9% of the cohort. This breakdown highlights the diverse educational backgrounds of individuals participating in micro-business activities within the Ado-Ekiti metropolis.

Table 4: ***Distribution of respondents based on whether micro-businesses have provided employment opportunities for young people in Ado-Ekiti.***

Item	Frequency (F)	Percent (%)
Strongly Disagree	34	12.1
Disagree	17	6.1
Neutral	30	10.7
Agree	169	59.6
Strongly Agree	32	11.4
Total	**280**	**100.0**

Note: *Data from the June 2026 Field Survey*

Table 4 elucidates the perception of respondents regarding the role of their micro-businesses in fostering youth employment within Ado-Ekiti. The data indicate a strong consensus, with a cumulative 71.0% (59.6% agreeing and 11.4% strongly agreeing) acknowledging that their micro-businesses have indeed generated employment opportunities for young individuals in the metropolis. Conversely, only 18.2% (12.1% strongly disagreeing and 6.1% disagreeing) hold a dissenting view. This suggests that a significant proportion of micro-business owners in Ado-Ekiti recognize their contribution to alleviating youth unemployment, thereby underscoring the importance of these enterprises in the local economy and social structure. The neutral stance of 10.7% implies either uncertainty or a perception of negligible impact, warranting further qualitative investigation to ascertain the nuances underpinning this viewpoint.

Regression Analysis to test null hypothesis 1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.993[a]	.985	.985	.47537	.985	2614.017	10	269	.000

a. Predictors: (Constant), Number of Employees (Including Owner): , Type of Micro-Business, Education Level, Age, Access to Microfinance, Number of Years Operating Micro-Business, Challenges in Generating and Sustaining Employment, Youth Employment Opportunity, Entrepreneurial Skills, Women Employment

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5906.958	10	590.696	2614.017	.000[b]
	Residual	87.903	269	.226		
	Total	5994.861	279			

a. **Dependent Variable:** Micro Business Performance

b. Predictors: (Constant), Number of Employees (Including Owner): , Type of Micro-Business, Education Level, Age, Access to Microfinance, Number of Years Operating Micro-Business, Challenges in Generating and Sustaining Employment, Youth Employment Opportunity, Entrepreneurial Skills, Women Employment

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.190	.095		2.009	.045	.004	.376
	Youth Employment Opportunity	-.062	.059	-.045	-1.037	.300	-.178	.055
	Women Employment	.660	.054	.511	12.189	.000	.554	.767
	Entrepreneurial Skills	.390	.039	.399	10.115	.000	.314	.465
	Access to Microfinance	.184	.021	.217	8.920	.000	.144	.225
	Challenges in Generating and Sustaining Employment	-.069	.031	-.081	-2.244	.025	-.129	-.008
	Age	.612	.051	.164	12.090	.000	.513	.712
	Education Level	-.033	.077	-.011	-.426	.671	-.184	.119
	Type of Micro-Business	-.023	.019	-.010	-1.220	.223	-.061	.014
	Number of Years Operating Micro-Business	-.345	.064	-.089	-5.412	.000	-.471	-.220
	Number of Employees (Including Owner):	-.234	.061	-.052	-3.818	.000	-.355	-.114
a. **Dependent Variable:** Micro Business Performance								

Discussion of Findings

The study's findings reveal a compelling narrative about the role of micro-businesses in fostering youth and women's employment within Ado-Ekiti, Nigeria. A significant 71.0% of respondents acknowledge that their micro-businesses generate employment for young individuals, underscoring their importance in alleviating youth unemployment, 10.7% express reservations. Regarding women's employment, the data is more nuanced: 47.3% actively prioritize female employment, while 45.5% do not. However, a commanding 72.3% affirm that micro-businesses are vital for women's economic empowerment, suggesting a strong consensus on their broader impact beyond mere employment. The regression analysis robustly rejects the null hypothesis, confirming that employment promotion and generation significantly affect micro-business performance in Ado-Ekiti, with factors like women's employment, entrepreneurial skills, and age positively influencing outcomes.

Comparing these findings with empirical studies, Opafunso & Adepoju (2014) found a positive correlation between SMEs and poverty alleviation, employment creation, and improved living conditions in Ekiti State, aligning with the positive impact of micro-businesses on youth employment observed in this study. Ilori et al. (2018) emphasized the need for effective SME policies and monitoring, which complements the understanding that challenges in generating and sustaining employment can negatively impact micro-business performance. Lastly, Onileowo (2019), examining women entrepreneurs in Ado-Ekiti, found that they are dominantly motivated by push factors. Relating the findings to theoretical frameworks, Schumpeter's Innovation Theory suggests that entrepreneurial innovation drives economic development. The positive influence of entrepreneurial skills on micro-business performance in Ado-Ekiti supports this theory, indicating that innovation within these enterprises contributes to employment generation and economic empowerment.

The research findings illuminate a complex interplay between entrepreneurial skills and micro-business sustainability in Ado-Ekiti, Nigeria, thereby impacting employment opportunities. While a significant proportion of micro-business owners acknowledge the importance of possessing adequate business management skills, adaptability to market changes, and marketing/sales acumen, a considerable percentage express deficiencies in these areas, particularly in financial management. For instance, 57.3% of respondents report a lack of understanding of financial management principles, which directly correlates with the potential for unsustainable employment levels in their businesses, as revealed by the rejection of the null hypothesis (HO) and the strong, positive correlation (.984) between micro-business growth and employment sustainability. This highlights a critical skills gap hindering the realization of stable employment prospects within the Ado-Ekiti metropolis.

While Onyekwelu & Oyeogubalu (2020) found that entrepreneurial skills development significantly enhances employment generation within Nigerian MSMEs. Adepoju et al. (2024) identify visionary capability and resilience as prevalent entrepreneurial traits in Ado-Ekiti's confectionery businesses, the current study emphasizes the necessity of financial acumen and market adaptability. These findings are consistent with the Human Capital Theory which emphasizes that entrepreneurial knowledge, skills, and experience enhance business performance and sustainability. The significant relationship between entrepreneurial skills and employment sustainability indicates that entrepreneurs with strong managerial and financial competencies are better able to sustain their businesses and create long-term employment opportunities..carry clear implications when viewed through the lenses of Schumpeter's Innovation theory which posits that innovation drives economic development, and in the context of Ado-Ekiti's micro-businesses, the demonstrated deficiencies in skills such as financial management and market adaptability stifle innovation and constrain growth, thus threatening employment sustainability. The data indicating a lack of these capabilities, particularly financial literacy, implies that Ado-Ekiti's micro-businesses are not fully leveraging their internal resources for sustained success. Therefore, bridging the identified skills gaps through targeted interventions, such as accessible financial management training and fostering a culture of adaptability, is crucial for realizing the potential of micro-businesses as engines of employment and economic development within the Ado-Ekiti metropolis.

The findings reveal a complex relationship between microfinance access and micro-business expansion. The rejection of the null hypothesis, supported by the regression analysis and the positive coefficient for 'Employment Opportunity' (0.255, $p < 0.001$), reinforces the idea that micro-businesses are responsive to opportunities. Oladele et al. (2016) found that formal financial sources were the most significant predictors of SME performance in Ado-Ekiti, a conclusion ostensibly at odds with the current study given the challenges articulated. This discrepancy may reflect a change in the microfinance landscape within Ado-Ekiti, or

differences in the specific SMEs targeted across the two studies. Contrastingly, Sheku and Kamara (2023), focusing on ECOBANK Microfinance in Sierra Leone confirmed the positive influence of MFIs on SME growth. However, similar to the challenges identified in Ado-Ekiti, Sheku and Kamara (2023) highlight stringent requirements and high-interest rates as significant barriers to accessing credit for SMEs. Also relating to Ekpo and Ebewo (2024), it was confirmed that MFIs have not adequately fulfiled their intended roles. The contrast between the perceived potential and the experienced reality in Ado-Ekiti underscores the importance of context-specific analysis of microfinance effectiveness. Relating these findings to theoretical frameworks, Schumpeter's Innovation Theory and Human Capital Theory. The former emphasizes the role of access to finance in enabling entrepreneurs to implement innovative ideas and drive economic development. The fact that a large percentage of micro-business owners perceive microfinance as inaccessible or too expensive suggests a constraint on their ability to innovate and expand. If access to affordable and accessible microfinance is limited, it creates a disadvantage for micro-businesses in Ado-Ekiti, hindering their ability to acquire and utilize resources for sustainable growth. Therefore, improving the microfinance ecosystem in Ado-Ekiti is critical for fostering entrepreneurial activity, promoting innovation, and driving sustainable economic development. The latter theory posits that knowledge and skills enhance entrepreneurial performance. Access to microfinance enables entrepreneurs to apply their financial and managerial competencies more effectively, thereby facilitating business expansion and creating sustainable employment opportunities in Ado-Ekiti Metropolis of Ekiti State.

The research findings from Ado-Ekiti reveal a multifaceted challenge for micro-businesses in generating and sustaining employment. The lack of access to capital (62.6% agreement), frequent power outages (71.8% agreement), and burdensome government regulations/taxes (62% agreement) emerge as significant impediments. Intriguingly, the perception of a lack of skilled labor is not considered a major obstacle (73.1% disagreement), suggesting that micro-businesses rely on readily available labour or internal training. Furthermore, economic instability and fluctuating prices are perceived as substantial challenges to maintaining stable employment by 56.6% of respondents. Regression analysis corroborates these challenges, demonstrating that limitations in microfinance access, deficiencies in entrepreneurial skills, and the impact on youth and women's employment significantly hinder micro-businesses' employment potential. Several empirical studies echo these findings. Agwu & Emeti (2014) highlighted similar constraints of insufficient funding, poor infrastructure, and excessive taxation on SMEs in Port Harcourt, while Yusuf et al. (2024) reiterated these issues in Bauchi Metropolis. The lack of access to funding and the need for streamlined regulations are recurring themes. However, Onileowo's (2021) study on women entrepreneurs in Ekiti State emphasizes an additional layer of societal barriers, such as familial pressures and discrimination that were not directly addressed in the Ado-Ekiti data. These findings can be interpreted through the lens of Schumpeter's Innovation theory which suggests that innovation drives economic development. Micro-businesses, with adequate resources and favorable conditions, can be innovative drivers of employment. However, the Ado-Ekiti data shows that lack of capital, infrastructure deficiencies, and regulatory burdens stifle innovation and, consequently, job creation.

Conclusion

In conclusion, the research unequivocally demonstrates the pivotal role of entrepreneurial micro-businesses in driving employment in Ado-Ekiti. Micro-businesses significantly contribute to youth and women's employment and economic empowerment, counteracting the initial null hypothesis. However, the sustainability and expansion of these employment opportunities are intrinsically linked to entrepreneurial skills, particularly in marketing and financial management, and are heavily influenced by external factors. Access

to microfinance, while perceived as potentially beneficial, is currently hampered by high interest rates and limited availability, hindering the capacity of micro-businesses to scale and create more jobs.

Furthermore, the study reveals the significant challenges faced by micro-business operators, most notably, limited access to capital, unreliable power supply, and burdensome government regulations. These challenges, combined with economic instability, demonstrably impede the ability of micro-businesses to generate and maintain employment. Despite these obstacles, the inherent potential of micro-businesses to serve as engines of job creation within Ado-Ekiti is undeniable, contingent upon addressing the identified constraints and fostering a more supportive ecosystem. This ecosystem would prioritize skills development, affordable access to finance, and a conducive regulatory environment. Given the positive impact of micro-businesses on youth employment and their potential role in women's economic empowerment, targeted interventions are needed. Micro-business owners should therefore proactively seek to employ and empower women, and financial literacy programs should be used to improve the financial stability of young and female employees. Likewise, the Ekiti State Government, in collaboration with financial institutions, must seek creative ways to lower interest rates for businesses, thereby increasing access to capital for micro-business expansion and employment.

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