

Assessing the Role of Corruption on Failure of Entrepreneurial Ventures in Asaba, Delta State, Nigeria

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Abstract

*Despite the role of Entrepreneurship in driving economic growth, many entrepreneurial ventures fail to survive beyond the initial stages. This study focused on the role of corruption on failure of entrepreneurial ventures in Asaba metropolis. The objective of this study is to assess the relationship between corruption and failure of entrepreneurial ventures in Asaba, Delta State. The study employs a survey research design and the sample size of 171 respondents was selected from the population of 300 employees spread across seven (7) selected businesses in Asaba metropolis using the stratified sampling method. Data collected from 150 respondents was analyzed using both descriptive and inferential statistics. Two hypotheses were tested and the findings revealed a significant positive correlation between nepotism and failure of entrepreneurial ventures ($r=0.253^{**}$, $N=150$, $P<.01$) and a significant positive correlation between kickback scheme and failure of entrepreneurial ventures ($r=0.375^{**}$, $N=150$, $P<.01$). Thus, the study concludes that corruption in terms of nepotism and kickback schemes leads to failure of entrepreneurial ventures by limiting talent pool, reducing innovation, causing huge financial losses and making business ventures to engage in unethical decisions that damage their reputation leading to lower productivity. The study recommends that people should be given tasks based on their qualification and competence, formal policies that would curb the practice of kickbacks within an organization should be established and government should establish and enforce strong anti-nepotism laws to prevent unfair hiring practices.*

KEYWORDS: corruption, entrepreneurial ventures, nepotism, kickback schemes, unethical decisions.

1. Introduction

Across the world, entrepreneurial ventures have contributed greatly to national economies. A wide range of studies has indicated the crucial contribution of entrepreneurial SMEs as drivers of economic development (Xiong, 2024). A strong entrepreneurial SME sector significantly contributes to a country's GDP by lowering the concentration of poverty and reducing the level of unemployment (Khan, 2022).

Entrepreneurial Ventures have been regarded globally as a vital source of economic growth and development (Savastano, Samo, Channa & Amendola, 2022).

In Nigeria, EV has contributed greatly in the creation of job opportunities, economic diversification through the reduction of dependence on oil and gas, innovation, wealth creation and social development (Ekong, 2024). In spite of the importance and significance of entrepreneurial ventures and their contribution to economic development, EV are still faced with multiple barriers such as poor management, limited access to fund and lack of governmental support which is restricting their survival and development (Ismail Albalushi, & Naqshbandi, 2022)

Corruption poses a significant challenge to the success and sustainability of entrepreneurial ventures, particularly in developing economies where weak institutions and regulatory frameworks are prevalent (Maupin & Hales, 2021). For instance, issues such as bribery and extortion are widespread (Gibson, 2021). These corrupt practices distort market dynamics, increase operational costs, and create barriers to fair competition, ultimately leading to the failure of many entrepreneurial ventures (Bashir, Abdullah & Ramzan, 2021).

However, Mohammad & Husted (2021) stated that in certain environments, corruption provides opportunities for entrepreneurs to exploit inefficiencies in the market. Jauregui, Heriot & Mitchell (2021) found that corruption positively correlate with the formation of new formal-sector firms and that excessive corruption negatively impact firm formation. Their findings suggest that moderate levels of corruption helps entrepreneurs navigate complex regulations, but too much corruption hinders entrepreneurship (Jauregui & Mitchell, 2021).

In the light of this, significant information vacuum emerges, little is known about the relationship between corruption in terms of nepotism and kickback schemes and failure of entrepreneurial ventures in Asaba metropolis. While existing literature highlights the general relationship between corruption and economic development (Spyromitros & Panagiotidis, 2022, Afonso & de Sá Fortes Leitão Rodrigues, 2022). The specific consequences of corrupt practices such as nepotism and kickback scheme on entrepreneurial ventures have received less attention. The particular complexities of this interaction within Asaba metropolis still need to be fully investigated. By exploring this relationship through empirical research, valuable insights that can inform both academic discourse and practical applications within the field will be provided. Thus, the aim of the study is to assess the role of corruption on failure of entrepreneurial ventures in Asaba, Delta State, Nigeria. The specific objective of the study is to examine the relationship between nepotism and failure of entrepreneurial ventures, to investigate the link between kickback schemes and failure of entrepreneurial ventures in Asaba and determine the combined effect of nepotism and kickback scheme on the failure of Entrepreneurial ventures in Asaba.

2. Literature Review

2.1 Conceptual Framework/Conceptual Review

This study is built on the assumptions conceptualized below

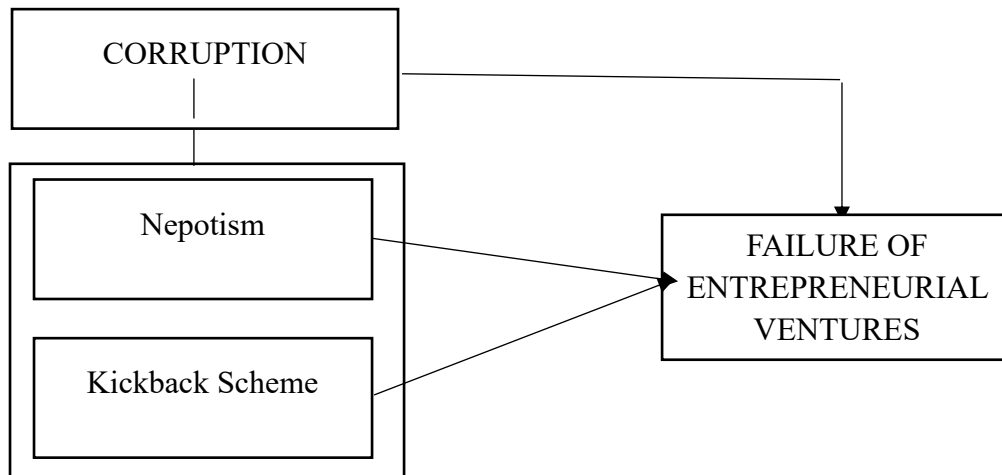


Figure 2.1: Conceptual Framework of Corruption and Failure of Entrepreneurial Ventures
Source: Desk Review, 2025.

2.1.1 Concept of corruption

According to Grasso (2024), corruption is “a dishonest or illegal behavior, especially of people in authority”. Corruption can manifest in various forms, including bribery, embezzlement, fraud, and manipulation of regulatory systems, all of which undermine the effectiveness and sustainability of entrepreneurial ventures (Magakwe, 2024). A study by Okoye & Mbanaso (2022), suggest that entrepreneurs in environments characterized by high corruption levels face heightened challenges in business operations, including difficulties in securing financing, unfair competition, and market distortion. Corrupt practices often lead to a lack of trust in business dealings, resulting in diminished investor confidence and a reluctance to engage with businesses that are perceived as compromised by corrupt activities (Alvesson & Spicer, 2021).

In Nigeria, a country where corruption remains a significant challenge in the business environment, corrupt practices has a detrimental effect on entrepreneurial ventures (Ogundele & Akinlabi, 2021). Entrepreneurs in Nigeria often face an environment where bribery, embezzlement, nepotism, fraud and kickback schemes prevail (Kareem, 2024). As a result, their ability to access and manage critical resources is compromised, thus leading the failure of businesses (Kareem, 2024).

However, Carrasco (2021) suggests that in environments with substantial bureaucratic hurdles, corruption can be seen as a necessary tool for entrepreneurs to expedite business operations, particularly when the official channels are excessively slow or unresponsive. In this context, corruption help businesses establish themselves more quickly and achieve a competitive advantage by overcoming regulatory obstacles that might otherwise stifle

growth. D'Agostino, Greco & Bianco (2021) further stated that, in some emerging markets, corrupt practices may temporarily improve market efficiency by allowing businesses to bypass time-consuming procedures that could otherwise impede the flow of economic activity. In this sense, corruption enables businesses to respond to market opportunities faster than their competitors, giving them an edge in a rapidly changing business environment (D'Agostino, Greco & Bianco, 2021).

Therefore, emphasis on corruption in terms of nepotism and kickback scheme and the failure of entrepreneurial ventures is further discussed.

2.1.2 Nepotism

Nepotism is the act of granting an advantage, privilege, or position to relatives and friends in an occupation or field regardless of their qualifications (wikipedia). In Nigeria, this practice has been prevalent across various sectors, notably in the public service (Ekumankama, 2022). A report by the National Bureau of Statistics (NBS) revealed that between 2020 and 2023, at least 60% of public sector workers were hired through nepotism, bribery, or both. Specifically, 27% of these candidates admitted to using only bribery, 13% to only nepotism, and 19% to both bribery and nepotism. This indicates a significant deviation from merit-based recruitment, undermining the integrity of public institutions (National Bureau of Statistics, 2024)

According to Osifo-Dawodu, Eze&Olayemi (2021), nepotism restricts the growth of small and medium-sized enterprises (SMEs) by ensuring that business opportunities, resources, and contracts are often reserved for individuals with connections to political elites or influential figures. This dynamic creates a business environment where entrepreneurs without such connections struggle to access essential resources, including financing, permits, and government contracts (Osifo-Dawodu, Eze&Olayemi, 2021).

A study by Akinboade&Odebiyi (2022) elaborates on the role of nepotism in business failures, emphasizing that entrepreneurs who lack political or familial ties often face severe barriers when trying to enter the formal economy. These entrepreneurs are unable to gain the same market access or legitimacy, ultimately causing business ventures to collapse under the weight of an unlevelled playing field (Akinboade & Odebiyi, 2022).

In contrast, Zapata-Cantu, Sanguino, Barroso & Nicola-Gavrila, (2023) stated that leveraging family resources allows entrepreneurs to reduce operational costs, enabling more efficient use of available resources. This strategic approach enhances productivity and competitiveness in the market. In addition, Inakefe, Onyekachi&Uduak, (2024) stated that in Nigeria, where family ties are significant, combining nepotism with individualism can be advantageous. This blend allows for the optimization of individual skills within a familiar context, leading to effective enterprise development (Inakefe, Onyekachi & Uduak, 2024).

2.1.3 Kickback scheme

Kickback scheme which is a term used to describe individuals who receive illicit payments for facilitating deals or awarding contracts is another widespread form of

corruption that adversely affects entrepreneurial ventures in Nigeria (Adekunle & Olusa, 2021). Nwachukwu, Eze, & Oloyede, (2021) highlight that kickback schemes are prevalent in both public and private sectors, creating an unfair environment for businesses. Entrepreneurs often face the dilemma of having to engage in corrupt practices themselves to secure deals, permits, or funding (Komba, Shepherd & Wincent, 2024). This distorts the business environment and forces entrepreneurs to focus on managing corrupt relationships rather than growing their businesses.

According to Awolusi, Adewoye & Adesanya, (2022), businesses that practice kickbacks invest less in research and development or innovative solutions. Instead of focusing on improving their products or services, these businesses are often preoccupied with maintaining their corrupt networks. The stagnation in innovation further limits the growth of businesses and contributes to the eventual failure of ventures that cannot keep up with global trends. Moreover, Akinboade & Odebiyi, (2022) noted that kickback schemes exacerbate economic inequality, as only businesses that can afford or are willing to pay these illicit payments will have access to resources.

However, Uwasa (2021) stated that kickbacks schemes facilitates networking opportunities between entrepreneurs and influential individuals or organizations, potentially leading to new business opportunities or partnership. Adeyemi, (2021) also noted that kickback schemes provides entrepreneurs with access to financing or investment opportunities that they might not have otherwise had.

Therefore, Understanding as well as providing proof of the major influence of nepotism and kickback schemes on entrepreneurial ventures in Nigeria is necessary to contextualize the larger significance of this research. It is essential to present quantitative data in order to obtain proper understanding of the significant impact of these factors across different businesses in Nigeria.

2.1.4 Corruption and Entrepreneurial ventures

Corruption, which is the misuse of power for personal or organizational gain, undermines the potential of new businesses and can be a primary contributor to their failure (Fisman & Miguel, 2021). Corruption manifest in various forms, including bribery, nepotism, embezzlement, fraud, and manipulation of regulatory systems, all of which undermine the effectiveness and sustainability of entrepreneurial ventures (Magakwe, 2024). Entrepreneurial ventures are typically characterized by innovation, risk-taking, and the potential for significant economic returns (Shane, 2021). The success or failure of these ventures is influenced by a wide range of factors, including market conditions, access to resources, and institutional support. Corruption acts as a disruptive force in this dynamic by distorting these critical factors and creating a system where the success of an entrepreneurial venture depends less on merit and more on the ability to navigate corrupt systems (Lambsdorff, 2021). Okoye & Mbanaso (2022), suggest that entrepreneurs in environments characterized by high corruption levels face heightened

challenges in business operations, including difficulties in securing financing, unfair competition, and market distortion.

Some studies indicate that corruption has positive effects on enterprises performance (Adomako, Ahsan, Amankwah-Amoah, Danso, Kesse&Frimpong, (2021), Devi, Widanaputra, Budiasih, &Rasmini, 2021). These effects are represented in the ease of obtaining investment opportunities, especially when the government is the contractor or submits contracting offers, the enterprise that pays the bribe gets the offer even without competence or legitimacy. Besides, customs clearance procedures or even tax payments, the bribing firm may get big discounts and sometimes exemptions.

In contrast, (Chadee, Roxas & Kouznetsov, 2021) indicate that corruption has negative effects on enterprises performance. These effects are represented in raising the operational cost, creating uncertainties, reducing the level of innovation, engaging in unethical decision making that results in failure of businesses.

2.2 Theoretical Framework

This study is anchored on the Agency theory as it provides a well-grounded explanation and predictions of the likely outcome that corrupt practices will yield on entrepreneurial ventures. Agency theory, initially formulated by Jensen and Meckling (1976), addresses the relationship between principals (owners or shareholders) and agents (managers or employees), emphasizing the potential conflicts of interest that arise when agents act in their own self-interest rather than in the best interest of the principals. This theory is particularly relevant in the context of corrupt practices within entrepreneurial ventures (Solomon, Bendickson, Marvel, McDowell, &Mahto, 2021).

In Nigeria context, agency problem in business ventures is characterized by a gap between the goals of the owners and the actions of the agents (Badejo, Ogege&Oseni, 2024). Corruption exacerbates this problem by allowing agents to exploit their positions for personal gain, undermining the interests of the business owners and stakeholders (Majeed, Ahsan & Gull,2024). It is believed that employees and managers acting as agent engages in corrupt activities by selecting people based on their relationship and not on merit (Hudson,González-Gómez &Claasen, 2022). As such, those persons selected on relationship as against merit misuses and diverts resources meant for business growth and development into personal use (Bhandari, 2023). This results to unethical decision making, lack of innovation, reduced competitiveness and loss of financial resources (Nwachukwu&Ogbu, 2022).

Thus, the agency theory highlights the potential connection between corrupt practices and failure of entrepreneurial ventures as it provides a robust framework for understanding the role played by business managers and employees towards the failure of many business ventures.

2.3 Empirical Review

Diola & Arcadio, (2024) carried out a study to examine the relationships between perceived nepotism, perceived fairness, and employee innovation. This study utilized a

quantitative survey approach, collecting data from 434 employees across various organizations. The analysis revealed that the indirect effect of nepotism on innovation, mediated by perceived fairness, was statistically insignificant. Furthermore, the direct effect of nepotism on innovation was significant and negative, indicating that nepotism directly hinders innovation within organization. The study recommends that government should implement and enforce policies that combat nepotism in both public and private sectors.

An investigation by Akinola & Okafor, (2022) on nepotism and the growth of SMEs in Nigeria. The mixed study involved surveys and interviews with 120 small and medium-sized enterprise owners in Nigeria. The study found that nepotism especially in SMEs, does not necessarily result in failure. Rather, it enables business owners to leverage trust and familiarity in decision making processes, which can improve efficiency and stability. The study concluded that in most cases, nepotism fostered a supportive working environment, contributing to the long-term survival of these businesses. The study recommends that the practice of nepotism should not be totally abolished but should be controlled within an organization.

A study by Adeyemi, Uwasa & Adeyemo, (2022) examined the impact of kickback schemes on innovation in small and medium-sized enterprises (SMEs) in Nigeria. The study used a survey research design, collecting data from 300 SME owners/managers through a structured questionnaire. Data was analyzed using the regression analysis. The results showed a significant negative relationship between kickback schemes and innovation, indicating that kickback schemes hinder innovation in SMEs. The study recommends that business managers should implement strict anti-bribery and corruption policies by developing and enforcing policies that clearly define kickbacks and the consequences of engaging in such activities.

3.0 Methodology

3.1 Research Design

The design for this study was survey research design which measures two variables, independent variable and dependent variable. The independent variable is corruption while the dependent variable is failure of entrepreneurial ventures. Corruption was measured by two sub variables (namely; nepotism and kickback scheme).

3.2 Population for the Study

The target population from which sample was drawn for the study consists of all categories of worker (top, middle and low level of management) spread across seven (7) selected businesses (namely Asaba Aluminium company, Annie supermarket, Flight Aluminium Company, Gabbs supermarket, Jemok petroleum ltd, Zenith Hotel and Delight ventures) all in Asaba.

Table 3.1: Population Distribution

Business Ventures	Top level management	Middle level management	Low level management	Total
AsabaAluminium company	5	33	16	54
Annie supermarket	3	20	11	34
Flight Aluminium company	4	15	13	32
Gabbs supermarket	3	26	13	42
Jemok Petroleum ltd	3	20	9	32
Zenith Hotel	4	35	18	57
Delight Ventures	4	30	15	49
Total	26	179	95	300

Source: Researcher's compilation 2025

3.3 Sample Size and Sampling Procedure

Stratified random sampling method was used, after application of the Yamane formula to select one hundred and seventy one (171) respondents from the population of (300) who are staff of selected seven (7) business ventures. Table 2 shows the sample size distribution.

Table 3.2: Sample size Distribution

Business Ventures	Proportion of Population	Sample Size
AsabaAluminium company	$54/300 \times 171$	31
Annie supermarket	$34/300 \times 171$	20
Flight Aluminium Company	$32/300 \times 171$	18
Gabs Supermarket	$42/300 \times 171$	24
Jemok Petroleum ltd	$32/300 \times 171$	18

Zenith Hotel	57/300 x 171	32
Delight Venture	49/300 x 171	28
Total		171

Source: Researcher's compilation 2025

3.4 Source of data and Research Instrument

This study relies mainly on primary source of data collection that was sources using a well-structured questionnaire. The questionnaire was self-administered on the sample. The questionnaire was divided into three parts. Part A measured the demographic information, Part B measured corruption which has two variables namely nepotism and kickback scheme while Part C of the research instrument measures failure of entrepreneurial ventures. All items are close ended questions coded in five (5) point likert scale. The research instrument was subjected to validity and reliability test before being administered on the respondents

3.5 Reliability of Instrument

A pilot study of test-pre-test was conducted with 5 staff Flight Aluminium Company Asaba, Delta State, to confirm that the question substance, wordings, sequence, and scale range are correct. The pre-test research instrument was used to improve the questionnaire before it is used for data collecting for the first time. Cronbach's alpha value of reliability was used to assess construct reliability. Table 3 shows the Cronbach's alpha value of reliability for each variable.

Table 3.3: Cronbach's alpha value of reliability

Variables	Acronyms	No of Items	Cronbach's alpha
Independent Variables			
nepotism	NP	4	0.699
Kickback scheme	KS	4	0.701
Dependent Variable			
Failure of Entrepreneurial Ventures	FEV	4	0.712

Source: Researcher's compilation 2025

3.6 Method of Data Analyses

The tool used for data analysis was the statistical package for social sciences (SPSS) version 25. The demographic data as well as the responses from the thematic issues was analyzed and presented with frequency counts and simple percentages. Data was analyzed using Pearson's product moment correlation coefficient (PPMCC), correlation analysis and simple linear regression and multiple regression analysis, analysis of variance (ANOVA). All analyses were done using 5% level of significance.

4. Results and Discussion

This section deals with the presentation, analysis and interpretation of data collected for the study. From 171 copies of the questionnaires distributed to participants, 150 copies were successfully collected accounting for 87.72% response rate. The data presentation includes tables 1, 2 and 3 showing personal characteristics of respondents and the distribution of responses to thematic questions, on relationship between Nepotism, kickback scheme and failure of Entrepreneurial ventures in selected business ventures in Asaba metropolis, as gathered from all categories of respondents from the sample of the study population. The returned questionnaires were analyzed as follows.

4.1 Demographic Characteristics

Table 4.1: The Demographic Characteristics of the Respondents

Characteristics	Frequency	Percentage
Sex		
Female	77	51.3
Male	73	48.7
Total	150	100.0
Age		
20-29	69	46.0
30-39	54	36.0
40-49	17	11.3
50 and above	10	6.7
Total	150	100.0
Marital status		

Divorced	18	12.0
Married	61	40.7
Separated	14	9.3
Single	57	38.0
Total	150	100.0
Education		
BSC/HND	81	54.0
OND/NCE	44	29.3
Post Graduate	14	9.3
SSCE	6	4.0
Primary School Certificate	5	3.3
Total	150	100.0
department		
operation	32	21.3
Human resource	56	37.3
Accountant	31	20.7
Customer care	31	20.7
Total	150	100.0

Source: Researcher's compilation 2025

From Table 1, it is shown that, 77(51.3%) of the respondents are female while 73(48.7%) are male. As regards age, 69(46.0%) respondents are between ages 20 and 29 years, 54(36.0%) of them are between ages 30-39 years, 17(11.3%) are between 40 - 49 years of age, 10(6.7%) are 50 years and above. On marital status, the Table shows that there are 57(38.0%) singles among the respondents, 61(40.7%) are married, 18(12.0%) are divorced and 14(9.3%) are separated. On qualifications, the Table shows that 81(54.0%) have B.Sc./HND, 44(29.3%) have OND/NCE, 14(9.3%) possessed post graduate certificate, 6(4.0%) have SSCE and 5(3.3%) have Primary School Certificate. The purpose of Table 1 is to ensure that the sample represents the population, thus, reducing sampling bias which may lead to over or under representation.

4.2 Test of Research Hypotheses

Hypothesis One

There is no significant relationship between nepotism and failure of entrepreneurial ventures in Asaba metropolis.

Table 4.2: Relationship between Nepotism and Failure of Entrepreneurial ventures

Variable	Mean	Std. Dev.	N	R	P	Remark
Nepotism	4.360000	.3674285	150	.253**	.001	Sig.
Failure of Entrepreneurial ventures	4.79833	.848012				

Source: Researcher's compilation 2025

It is shown in Table 2 that there is a significant relationship between nepotism and failure of Entrepreneurial ventures in Asaba metropolis ($r = .253^{**}$, $N = 150$, $P < .01$). Hence, it could be deduced that nepotism has influence on the failure of Entrepreneurial ventures in Asaba.

Hypothesis Two

There is no significant relationship between Kickback scheme and failure of Entrepreneurial ventures in Asaba metropolis

Table 4.3: Relationship between Kickback scheme and failure of Entrepreneurial ventures

Variable	Mean	Std.Dev.	N	R	P	Remark
Kickback scheme	4.1633	.48896	150	.375**	.000	sig
Failure of Entrepreneurial ventures	4.79833	.848012				

Source: Researcher's compilation 2025

It is shown in Table 3 shows that there is a significant relationship between kickback scheme and failure of Entrepreneurial ventures in Asaba metropolis ($r = .375^{**}$, $N = 150$, $P < .01$). The implication of this is that a 1% change in kickback will result in a 37.5% change in failure of Entrepreneurial venture. Hence, it could be deduced that kickback scheme influences the failure rate of Entrepreneurial ventures in Asaba.

Hypothesis three

There is no significant combined effect of nepotism and kickback scheme on the failure of Entrepreneurial ventures in Asaba metropolis.

Table 4.4: Regression analysis of FEV variables and FAILURE OF Entrepreneurial ventures

Variables	F- Ratio	Sig of P	R	R ²	Adj R ²	B	t	P
Nepotism	21.937	.009	.474	.225	.216	.376	-2.771	.042
Kickback scheme						.300	2.005	.019

Source: Researcher's compilation 2025

Table 4 showed that the linear combination of nepotism and kickback scheme on failure of Entrepreneurial ventures in selected business ventures in Asaba metropolis was significant. $F = 21.937$; $R = .474$, $R^2 = .225$, $\text{Adj. } R = .216$; $P < .01$). The followings shows the various relative contributions and level of significance of the independent variables: nepotism ($\beta = .376$, $P < .05$) and kickback scheme ($\beta = .300$, $P < .05$). It can be concluded that all independent variables (nepotism and kickback scheme) will jointly and independently predict failure of Entrepreneurial ventures in selected businesses in Asaba metropolis.

4.3 Results and Discussion

This study investigates the relationship between nepotism, kickback schemes and failure of Entrepreneurial ventures in Asaba metropolis. The result of the first hypothesis shows that there exists a significant relationship between nepotism and failure of entrepreneurial ventures. The findings are in agreement with Osifo-Dawodu, Eze, & Olayemi, (2021) that nepotism restricts the growth of small and medium-sized enterprises (SMEs) by ensuring that business opportunities, resources, and contracts are reserved for individuals with connections to political elites or influential figures. This dynamic creates a business environment with limited talent pool where entrepreneurs without such connections are denied access to essential resources, including financing, permits, and government contracts (Osifo-Dawodu *et al*, 2021). Akinboade & Odebiyi, (2022) also elaborates on the role of nepotism in business failures, emphasizing that entrepreneurs who lack political or familial ties often face severe barriers when trying to enter the formal

economy. These entrepreneurs are unable to gain the same market access or legitimacy, ultimately causing business ventures to collapse under the weight of an unlevelled playing field and lack of innovation (Akinboade *et al*, 2022).

However, the survival and sustainability of Entrepreneurial ventures cannot be assured if people are not being employed on the basis of merit and competence rather than familiarity. Management of different organizations can creatively solve this problem by ensuring that tasks are assigned to people based on their qualification and competence.

The second hypothesis revealed that there exists a significant relationship between kickback scheme and failure of entrepreneurial venture. The findings are in line with the study by Awolusi, Adewoye, & Adesanya, (2022) that businesses that practice kickbacks invest less in research and development or innovative solutions. Instead of focusing on improving their products or services, these businesses are often preoccupied with maintaining their corrupt networks. The stagnation in innovation further limits the growth of businesses and contributes to the eventual failure of ventures that cannot keep up with global trends. Engaging in kickback schemes compromises the ethical standards of entrepreneurial ventures. This leads them to make decisions that could demoralize employee and cause a toxic culture where unethical behavior is normalized. Apart from legal fines, businesses involved in kickback schemes faces increased operational costs that reduces profitability and divert resources away from legitimate business activities.

The third hypothesis was to determine combined impact of nepotism and kickback scheme on failure of entrepreneurial ventures in Asaba and the result shows that FEV measures has a significant impact on failure of entrepreneurial ventures. This is in line with a study by Ferdousi and Sultana (2022) which revealed that nepotism and kickback scheme within small and medium- sized enterprises leads to poor decision-making, resource mismanagement and inefficient leadership. They further highlighted that when businesses favor family members over qualified individuals, it undermines organizational performance.

5.1 Conclusion and Recommendations

The results of the regression analysis shows that nepotism as a form of corruption has a significant relationship with failure of entrepreneurial ventures. Nepotism negatively impacts entrepreneurial ventures by reducing morale and motivation of employees and limiting the pool of talent which results to lower productivity and lack of innovation.

Kickback scheme also had a significant relationship with failure of entrepreneurial ventures. Engaging in kickback schemes compromises the ethical standards of entrepreneurial ventures thus leading them to make decisions that could demoralize employee and cause a toxic culture where unethical behavior is normalized. Businesses involved in kickback schemes faces increased operational costs that results in financial loss and reduced profitability. It is clear from the vast number of factors identified, reported and through the literature review, that the goal of this study was achieved. Based on the outcome of the findings, the following recommendations are suggested;

- i. Considering the steam with which businesses are failing, it is recommended that management should ensure that tasks are assigned to people strictly based on their qualification and competence.
- ii. Organizations should ensure that formal policies that would curb the practice of kickbacks within an organization are established.
- iii. Government should establish and enforce strong anti-nepotism laws to prevent unfair hiring practices.

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