

COURSE GUIDE

ENT 301 SOCIOLOGY OF ENTREPRENEURSHIP

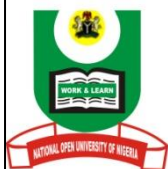
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At the end of this lecture, we shall understand that entrepreneurship theories emphasize that research remains important. And the following will be covered

- Economic Entrepreneurship Theories
- Psychological Entrepreneurship Theories
- Sociological Entrepreneurship Theory
- Anthropological Entrepreneurship Theory
- Opportunity based Entrepreneurship Theories
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UNIT 1 INTRODUCTION TO SOCIOLOGY OF ENTREPRENEUR

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1.0 INTRODUCTION

Economists have for many centuries discussed the sociology of entrepreneurship in bringing about industrial growth and economic

development: Evidence of this can be found in the treatise of Adam Smith, *The Wealth of Nations*, and in the works of Joseph Schumpeter, notably, *The Theory' of Economic Development* published in 1934. The major concern of economists has been the macroeconomic concerns of national growth and development. It was the industrial psychologists, sociologists and other organizational researchers that delved into the issue-of discovering the man behind the enterprise, the real engine of industrial progress. The enterprising man himself is the subject of this course which is the entrepreneur.

There are two major planks of interest in this lecture in the study of the sociology of the entrepreneur. These are (i) concerns about the entrepreneur's perceived social position and (ii) issues relating to his psychologically based traits. We shall discuss the early and contemporary views of the entrepreneur's social profile first and then his basic psychological traits later.

2.0 OBJECTIVE

The Objective is to have a proper understanding of the entrepreneur and the entrepreneurship before delving into the main stream of the subject matter.

3.0 MAIN CONTENT

3.1 Social Profile of the Entrepreneur

This course "Sociology of Entrepreneurship" has attracted a lot of attention in academia and industry circles. This course seeks to explore theories of entrepreneurship. Attention will be given to the theorists, psychologists, economists and sociologists who have made contributions in this field. Economic constraints such as resource availability as well as a comparison of supply and demand perspectives will be undertaken to appraise how they contribute to the emergence of entrepreneurs in the society with particular reference to the Nigeria society.

3.1.1The Early Views

The word "entrepreneur" or "businessman" did not actually represent desirable personalities in the 1960s and 1970s in the Nigerian nation inspite of the fact that the entrepreneurs obviously wielded financial power in their communities even in those early years. This was because the businessmen of those times were illiterates, socially unaware and perhaps hustlers, at a time when it was desirable to behave like any of the departing colonial English gentlemen - the educated bureaucrat.

This negative view of the early entrepreneur is not isolated. Evidence abound to show that the early entrepreneurs in other parts of the world were equally perceived in similar light. It has been indicated that to have been called an entrepreneur in the early part of the 1900s in United

States, would have been cause for a fight, for, the ascription meant that the individual was overly aggressive and probably not trustworthy.

This early view was supported by initial research findings about the personality of the entrepreneur. Among these early studies, was one initiated at Michigan State University by Collins and Moore and reported in the *Enterprising Man* which was published in 1964. This study of 150 entrepreneurs saw entrepreneurs as people of little or no education and as organizational rejects who had difficulty throughout their lives playing the roles of employee and subordinate and could never stand the prevailing situations such as the unenviable positions they occupied in industry, their subordination to authority figures, the support from others, and the dependence of their security upon forces outside themselves. For these reasons among others, they settled for the establishment of their own businesses. As Collins and Moore summed up:

Our study suggests that the carriers of the entrepreneurial values of our society tend paradoxically enough, to be those who are marginal to the established social networks.

They are those who for social, psychological, ethnic, or economic reasons cannot make a go of it in existing social structures.

3.1.2 Contemporary Views

The old negative view of the entrepreneur has given way to a more modern perception. Today's Nigerian entrepreneur commands a high social position in both the city and the countryside. Research has shown that most owners of promising ventures in Nigeria hold a university degree. Researchers at Harvard and MIT in the United States have also seen the modern entrepreneur as those who had experienced a generally higher than average level of success in previous employments. According to one account of the modern American entrepreneur, he represents the successful hard charging, young business executive or engineer and definitely not a reject figure. The departure from the earlier negative viewpoint of the entrepreneur was provided by the empirical investigation by Smith in 1967 which showed two major types of entrepreneurs as follows:

1) Craftsman Entrepreneur

He displayed narrowness in education and training, little social awareness and social involvement, a feeling of having little competence in dealing with the social environment and concerned with the present. The craftsman entrepreneurs according to Smith, ran rigid and conservative organizations of the smallest types and had difficulty in introducing changes in the firm's customer mix, the product mix and production methods. Their businesses remained what they were when they were first set up. Production remained small and served the local market.

2) Opportunistic Entrepreneur

He is characterized by a higher level of education and training, high social awareness and involvement, high confidence and ability to relate to his social environment and possessed a futuristic orientation. These opportunistic entrepreneurs ran very adaptive firms that remained alert and responsive to environmental opportunities. They were found to readily achieve improvements in market size, product mix and production methods. They are often the growth organizations of the future.

Smith's typology is evidently a very practical one. It is operative in many economies, irrespective of the level of development. Entrepreneurs of the craftsman type in Nigeria can be found among the owners of such enterprises as hair dressing saloons, shoe mending, small tailoring establishments, small bakeries and the plethora of one-room stores of various descriptions found in Nigerian cities. These entrepreneurs usually have little or no education and their businesses fit the characteristics described by Smith. Their initial capital is often relatively low and the potential for corporate growth also low. They do not provide employment to many and can barely provide the monetary needs and comfort to its owners. This class of entrepreneurs constitute the greater percentage of private business owners in the less developed countries of the world.

The focus of entrepreneurship studies is not on these marginal firms but on the modern promising businesses that are capable of growth and impact upon the environment, recent research has revealed the emergence of a new breed of entrepreneurs in the Nigerian economic system. These entrepreneurs are younger, bold, educated and socially aware. They possess higher educational qualifications, employ greater capital and invest in business sectors related to their educational specialization and/or to their previous job experience. These new entrepreneurships are in the areas of engineering, construction, pharmaceuticals, agro-allied, plastics, leather works, garments and furniture, among others.

3.2 Negative Perceptions and Clarifications

The old negative views of the entrepreneur's character and profile are fast disappearing. He was earlier seen as an illiterate, a cheat and an aggressive and untrustworthy personality. This negative view has practically disappeared. The above view of entrepreneurs is wrong, retrogressive and destructive to economic development. Entrepreneurs are the builders of nations. Recall that even the conservative classical economist, Adam Smith, and his peers, who saw entrepreneurship as an externality to economic development, still recognized entrepreneurs as the invisible hands in the development of the wealth of nations.

Entrepreneurs are active and innovative personalities who are able to overcome fixed ways of doing things and ensure the creation of products, services, life styles and institutions through the introduction of new

technologies. In consequence, they create wealth, jobs and careers, values and skills. Truly, they increase the size of the national pie and all things being equal, the quality of life in all nations. It is obvious that "a rising tide lifts all boats". Everyone in a nation is lifted by the entrepreneurship of its people, Let us examine some, of these myths about entrepreneurs and try to burst them.

3.2.1 Entrepreneurs are Money Mongers

Many people believe that the entrepreneur's sole aim for going into business is to become rich. These groups of people see lavish spending, costly cars, mansions, holidays abroad and wealth as what successful entrepreneurs enjoy. This view is very far from the truth. Most entrepreneurs in the organized private sector are in business for the sake of achievement, motivation, adventure, freedom and innovation. It is easier to make a mark in life by creating your own venture. Have you not noticed that most entrepreneurs are not materialistic nor do they live lavish lifestyles. Real entrepreneurs are extremely drifty, wanting every penny to count in the business.

Entrepreneurs are not motivated by the external measures that the public sees - mansions and other material possessions but by internal satisfaction of achieving goals set-by themselves such as converting a product idea into a successful marketable good, breaking through 'stiff competition, increasing market share,' achieving turnaround in a declining business, etc? These are some of the things entrepreneurs spend most of their time in trying to achieve and sometimes forgetting that they have a family at home. Such things as fine ears and mansions are just side effects of the entrepreneur's real motivation.

3.2.2 Entrepreneurs are Tricksters

Some people believe that business people go into unwholesome practices to maximize profit. They lie, inflate prices, produce inferior products, and so on. One must acknowledge that few entrepreneurs are guilty of these charges. These things can only happen when there is little or no competition which creates the avenue for unscrupulous businessmen (mostly traders) to engage in such acts. Most entrepreneurs engage in decent acts that promote their businesses. It must be recognised that (a) bad practices are not a requirement for business success and (b) many modern entrepreneurs are intelligent and rationale people who leverage on quality products, fair prices and better customer relations to accomplish higher performance.

3.2.3 It Is Entrepreneurs versus Society, When Entrepreneurs Win, Society Loses

This suggests that success in business is achieved "on the back of society". It also implies that for one side to win, the other must lose. This is a zero sum mentality and it is very unentrepreneurial. It suggests the existence of a finite amount of resources and that an increase in one party's share would witness a reduction in another's share. An entrepreneurial approach to this situation is different. Entrepreneurs are

creative and expansive thinkers. The zero-sum scenario and resource scarcity would catalyze their entrepreneurial adrenalin, and' move them into innovation, resources mobilization and venturing to create abundance and wealth. For entrepreneurs, winning is the provision of practical alternatives to societal problems. They provide win-win solutions.

3.2.4 You Can Be Taught to be an Entrepreneur

It is said that three types of skills are required for anyone to be a good entrepreneur. These are technical skills, business management skills and personal entrepreneurial skills. While the technical skills such as oral communication, interpersonal relationship, network building, etc and business management skills such as planning, decision making, human relations, marketing and accounting can be taught, it is certainly not clear that the more personal entrepreneurial skills like inner control/discipline, risk taking, innovativeness, drive and competitiveness can be easily taught. .

The truth is that most people are born and/or nurtured with some levels of entrepreneurial personality which can be activated at any point in life or remains dormant for a long time. Sometimes, individuals take up employments that do not task their imagination or present entrepreneurial challenges. When such it the case, the entrepreneurial traits may be extinguished. But they can be revived by training. Enrolment into an entrepreneurship development programme (EDP) can help to activate and sharpen the personal entrepreneurial skills. However, some individuals are very low on the entrepreneurial continuum that they cannot be easily pulled up into active entrepreneurship.

3.2.5 Entrepreneurs Exist Only in the Business World

Most books on entrepreneurship focus on business creation and management. They define an entrepreneur as an individual who takes advantage of opportunities to create business ventures and manage them to fruition. This limitation of the concepts of "entrepreneur" and "entrepreneurship" to the business world is wrong. Entrepreneurs are innovators, risk takers and venture creators. They are people who strive to realize their dreams. These dreams and ventures may lie in any walk of life - profit seeking or non-profit seeking, private or public endeavours.

Entrepreneurs are found in educational institutions, military establishments, religious institutions, political parties, governments, in community development efforts and of course in the business world. All those change agents and innovation champions who create newness and values, and identify new technologies, new methods and new projects, and work

hard to mobilize resources to bring them to reality for the benefit of society, no matter the walk of life, are all entrepreneurs.

4.0 Conclusion

In this study we have come to understand the emergence of entrepreneur- its origin and progression and the social perception of the entrepreneur in the past and the present

5.0 Summary

Covered in this study are the understanding of the entrepreneur and the entrepreneurship and the entrepreneurship, early and contemporary views, personality traits of the entrepreneurs, genetic and environmental influences on personality development of the entrepreneur and his enviable position in the society and the economy

6.0 Tutor-marked Assignments

- 1) The wealth of Nations of Adam Smith is synonymous with industrial growth and economic development. How relevant is the Theory of Economic Development by Joseph Schumpter to the development of entrepreneurship?
- 2) What are the major two interests in the study of Sociology of Entrepreneurship?
- 3) The social profile of the entrepreneurship is bordered on
 - a) Early views
 - b) Contemporary viewsExplain them in details
- 4) There are negative perceptions of entrepreneurs
 - a) Is it real?
 - b) Clarify the situation
- 5) Other than the perceived social status of the entrepreneur, there are the basic personality traits that make the entrepreneur distinct from the general population. List and discuss them.
- 6) In the work of Murray and Khickholn, they extensively discussed four determinants of personality traits of entrepreneur. List and discuss them fully.

7.0 References/Further Readings

Byrne A.J., "How entrepreneurs are shaping the world Economy" International Business Week, (December, 1996) pp.50-55

Hisrich R.D and Peters M.P., Entrepreneurship: Starting, Developing and Managing a New Enterprise (Boston, Mass:Irwin McGraw-Hills, 1995) p.14

Sulaiman S.N., Entrepreneurship: Theories, Concepts and Perspectives (Kano, Nigeria: Triumph Publishing Co. Ltd, 2010) pp.49-53

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UNIT 2 PERSONALITY TRAITS OF THE ENTREPRENEUR

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- 7.0 References/Further readings

1.0 INTRODUCTION

The enterprising man himself is the subject of this course which is the entrepreneur. There are two major planks of interest in this lecture in the study of the sociology of the entrepreneur. These are (i) concerns about the entrepreneur's perceived social position and (ii) issues relating to his

psychologically based traits. We shall discuss the Personality Traits of the Entrepreneur.

2.0 OBJECTIVE

The Objective at the end of this lecture is to have a proper understanding of the:

- Personality Traits of the Entrepreneur
- Achievement Motivation
- Innovativeness
- Independence
- Risk taking
- Leadership
- Optimism

3.0 MAIN CONTENT

3.1 Personality Traits of the Entrepreneur

Apart from the issue of the perceived social status of the entrepreneur, one must set one's mind on those basic personality traits that separate the entrepreneur, from the general population. This will help to explain why some individuals prefer to go into business while others prefer salaried employments and why some entrepreneurship are dismal failures. The multitude of psychological tests conducted on entrepreneurs over the last thirty years have conclusively shown that entrepreneurs have certain common traits and characteristics that are different from those of the general population in every country of the world. These characteristics' are stated below.

3.1.1 Achievement Motivation

Achievement motivation is perhaps considered the single most important trait, which separates entrepreneurs from non-entrepreneurs. Some persons exhibit a greater degree of the motivation to accomplish, to achieve success, to achieve better performance for the sake of "the urge to achieve" rather than for tangible or material rewards. These people are this way because of the natural urge for achievement and performance. David McClelland has referred to this high need for achievement, as n'Ach, and has differentiated it from the need for affiliation, n'Aff, and the need for power, n'Pow. Those with high need for affiliation, prefer friendship circles and those with the need for power, which is peculiar to politicians want power, recognition and control.- According to McClelland, those with high need for affiliation and power are not as Concerned as those with the n'Ach in the quest to improve, work performance for its own sake.

3.1.2 Innovativeness

Entrepreneurs are very creative people. This creativity can be manifested in many ways. They have the ability to create new ways of doing things. They can easily identify errors or problems in systems and recommend new solutions. They are watchful and alert and can easily isolate business opportunities and think of original or improved products or services to take advantage of such opportunities. This attribute is a very important one for the modern entrepreneur.

3.1.3 Independence

Entrepreneurial individuals are not content with situations where their future and security are dependent upon forces outside-their control. They have internal locus of control. They prefer" situations where they make their own choices and set their own pace. They do not want their creativity and freedom stifled by rules and authoritarian leadership. They prefer freedom in bringing about changes and working towards challenging goals and the corresponding quick and concrete feedback on their performance.

3.1.4 Risk Taking

Entrepreneurs are not risk averse. They identify opportunities and take risks in exploiting those opportunities. Research however has shown that such individuals prefer moderate risk situations and not those where the probability of success is low. They therefore set moderately difficult, but potentially achievable goals for themselves.

3.1.5 Leadership

Entrepreneurial personalities have leadership ability. This is demonstrated in their ability to identify, employ, and manage capable individuals to work toward the success of their ventures. They are usually able to create goals and direct the work force through purposeful leadership.

3.1.6 Optimism

Entrepreneurs are usually very optimistic individuals. They see opportunities where the average person will see the need for caution. They create opportunities where none appears obvious. For the entrepreneurial personality, the bucket is never half-empty, it is always half-full.

Other personality traits possessed by the entrepreneurial personality include decision-making ability, good use of time and good planning ability, among, others. Entrepreneurial personalities are however, also known to score less than the general population in such traits as benevolence, need for support and conformity. Entrepreneurs score low on the related needs of support and benevolence because they are not concerned about situations where their progress and success are dependent on others. Conformity on the other hand is not desired because it is not harmonious with their creative nature.

4.0 Conclusion

In this study we have come to understand the **Personality Traits of the Entrepreneur** perception of the entrepreneur in the past and the present

5.0 Summary

Covered in this study are the understandings of the Personality Traits of the Entrepreneur, Achievement Motivation, Innovativeness, Independence, Risk taking, Leadership and Optimism on personality development of the entrepreneur and his enviable position in the society and the economy.

6.0 Tutor-marked Assignments

1. Other than the perceived social status of the entrepreneur, there are the basic personality traits that make the entrepreneur distinct from the general population. List and discuss them.
- 7) In the work of Murray and Khickholn, they extensively discussed four determinants of personality traits of entrepreneur. List and discuss them fully.

7.0 References/Further Readings

Byrne A.J., "How entrepreneurs are shaping the world Economy" International Business Week, (December, 1996) pp.50-55

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UNIT 3 DETERMINANTS OF ENTREPRENEURIAL PERSONALITY CONTENTS

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 - 3.1.4 The Influence of Role and the social class
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1.0 INTRODUCTION

We shall discuss the **Determinants of entrepreneurial Personality**.

2.0 OBJECTIVE

At the end of the study learners should be able to:

- Determinants of Entrepreneurial Personality
- Identify Genetic influences on personality development
- Explain Group membership determinants
- Describe The Influence of Role and the social class
- Explain Situational Determinants

3.0 MAIN CONTENT

3.1 Determinants of entrepreneurial Personality

Are entrepreneurs born or made? Are the critical, 'traits inherited genetically or are they acquired environmentally? This nature/nurture debate has been on for centuries and continue to linger because it is not a question that can be easily wished away. Many scholars have sought to deal with this issue.

An important description of factors that determine personality has been proposed by Murray and Kluckhohn. They described four major types which for simplicity, are presented below.

1. . Constitutional determinants - Genetics
2. Group Membership determinants - parents, culture, peers, etc.
3. Role determinants (the specific and variable roles assumed by a

person at different times).

4. Situational determinants (frequent, infrequent and single experiences that shape one's life).

3.1.1 Genetic Influences on Personality Development

While many researchers hold the view that differences in the behaviour of infants are caused by inherited characteristics, some others insist that these differences are due mainly to child rearing practices. This question of how much of personality is inherited and how much is learned has prevailed since the time of Plato and Aristotle.

Despite this controversy, there exists enough grounds to believe that many aspects of behaviour and social development are caused by inherited characteristics. Recent research evidence has shown that hyperactivity and stuttering and some less extreme personality traits like sociability and impulsivity are influenced by inherited predispositions. Among the most convincing evidence of the impact of genetic factors on personality are the outcomes of studies of schizophrenia and autism. These studies have shown that when one twin is schizophrenic, the chances that the other member of the pair is also schizophrenic are very high. The chances are however much higher for identical twin than for the fraternal twin.

It should be underscored here that inherited factors definitely influence behaviour and personality. The problem only lies with the precise determination of the extent of influence of the genetic factor.

3.1.2 Group Membership Determinants

The second types of influences are related to groups such as parents, the culture, and peers. These are discussed below.

(a) The Influence of Parents' Child Rearing Practices

The preschool years of the infant represents a period when the parents | influence the behaviour of the child from breakfast to bedtime, and it offers an exceptional opportunity for studying parent-child relationships. Investigations by Diana Baumrind has led to the classification of three major-techniques of control in child rearing and the types of child behaviour associated with each technique.

(i) Authoritative Technique

This is a technique where parents establish firm control but .offer reasons for restrictions as soon as the child is able to understand. They permit and encourage children to learn and do things independently and provide warm, loving and supportive environment for the children. Children from backgrounds of authoritative child rearing technique are found to be independent, mature, competent, self-reliant, self-controlled, explorative and self-assertive.

(ii) Authoritarian Technique

In using this technique, parents set inflexible and absolute standards and use punishment to achieve compliance from the children. Children are just to comply and no questions are allowed nor explanations offered. The environments in which these children grow up are rigid, and lacking in love and emotion. Children from this type of background are insecure, uncheerful, unfriendly and hostile.

(iii) Permissive Technique

This is a technique where parents create a laissez faire environment. They are acceptant of children's behaviour and make no serious attempt to control it. Instead, self-regulation is encouraged. Children reared under this technique are often unserious, dependent and lack self-reliance and self-control.

It is obvious that the authoritative approach is far better than the authoritarian and the permissive approaches in producing serious-minded, competent and creative children. Generally, authoritative parents believe in their competence and abilities as parents and consequently provide a model of competence for their children to follow. When they establish firm control and provide reasons for restrictions, they imbibe in the children, the ability to regulate themselves and follow logical courses of action. Authoritarian parents use absolute standards and punishment to kill the flexibility and creativity in their children. The children of permissive parents on the other hand, are disorganized, unserious and incompetent because their parents allow them much liberty and do not shape their behaviour.

(b) The Influence of Culture

Culture is one factor that attempts to explain why some groups have, entrepreneurial instincts, a dedication to hard work, to savings, to striving toward material accomplishment, while some others devote their energies to leisure, to ostentatious consumption and to the possession of power among " such other orientations. Sociologists have tried to understand the entrepreneurship question from the culture perspective and have in the process identified exemplary entrepreneurial groups. The important sociological factors that explain the differential entrepreneurial behaviour in groups include the following.

i) Legitimacy of Entrepreneurship

This refers to social attitudes toward private business, wealth and crafts as opposed to working in large private or governmental bureaucracies. While some groups have positive attitudes towards ownership of businesses, crafts, and generally working with hands and tools, some other groups accord very low status to such occupations. Such negative attitudes inhibit the emergence of the entrepreneurial class from such groups.

ii) Self-determination

This refers to the dominant orientation towards personal achievement, free-wheeling openness and energizing republicanism as opposed to skewness towards ascriptions and natural membership to aristocracies and royalties peculiar to the inhibiting authoritarian societies or to one tending towards crippling lethargy and hedonism.

iii) Social/Geographic Mobility

Certain groups have less inhibition in moving around and in living in places other than their places of origin. This enhances entrepreneurship as such individuals or groups may have to live by their own abilities while away from home.

iv) Social Blockages and Marginality

When individuals or groups are refused position in existing organizations, the alternative is self-employment and entrepreneurship of some sorts. In the case of individuals, illiterates who cannot find employment in established social organizations, and foreigners, are examples. For groups, the Jews who were socially blockaded and marginalized after the holocaust in Nazi Germany, and who finally embraced the entrepreneurial option offer an excellent illustration.

c) **The Influence of Peers**

The influence of parental child-rearing strategy on the attitude and behaviour of children begins to wane as they get into primary and secondary schools and into adulthood. This implies that when children, teenagers and young adults interact with peers and social groups, they are influenced in the same way parents influence socialization in the early years. Children and teenagers usually identify models within these groups, who they imitate because the behaviour of such models are rewarded and seem worthy of emulation. Peers therefore can influence one's attitude and behaviour toward entrepreneurship.

3.1.3 The Influence of Role and Social Class

Societies are usually divided into such polarities as aristocrats and commoners, the rich and the poor, the bourgeoisie and the proletariat, and other such dichotomies. Such circumstances tend to influence the lives of people with respect to the level and type of education, employment and occupation as discussed below.

- a) **Education** - The children of parents who are aristocrats, elites, or professionals prefer to go into professions like law, engineering and medicine. Those from parents of the lower economic and social classes may not necessarily end up in the professional fields. In some cases, they may not attend university because of the absence of money or motivation.

- b) **Employment** - It has usually been much easier for the children of the aristocratic class, the rich, and the professional class to get the best jobs in the large, high paying establishments in Nigeria, while the offspring's of parents in the lower economic and social classes get the lower paid jobs and in many cases, none at all. Without a job, entrepreneurship of course, becomes the inescapable alternative
- c) **Choice of Occupation** - some studies have shown that an individual *is* likely to be an entrepreneur if one of his parents is or was an entrepreneur. Except in cases of inheritance of a going concern children of aristocratic, and professional origins do not necessarily choose entrepreneurship. Some factors explain this behaviour Young adults of -high socioeconomic origins prefer employment in big institutions or the professions; when they go into business, they prefer the high capital ventures and this is made possible by inheritance, savings after many years of employment, or by fallouts of the high social connections of their parents Low level businesses such as crafts, small stores and the like, do not fit their looming social origins. They often idle away and rot rather than engage in low level entrepreneurship. On the other hand, the entrepreneurship path comes readily to the low and lonely who do not have the family prestige to protect. They must live by the bootstrap.

3.1.4 Situational determinants

Situational determinants include all the individual incidents and experiences that influence the development of entrepreneurial personality. These include the frequent experiences that may have a cumulative impact on the individual, the occasional ones, and the single but traumatic or particularly significant experiences that change the direction of one's life. These abound in our lives and include poverty, painful denials, insults of all types, impact of role models and so on. Any of these can drive individuals into entrepreneurship.

4.0 Conclusion

In this study we have come to understand the emergence of entrepreneur- its origin and progression and the social perception of the entrepreneur in the past and the present

5.0 Summary

Covered in this study are the understanding of the Determinants of Entrepreneurial Personality, Identify Genetic influences on personality development, Explain Group membership determinants, Describe the Influence of Role and the social class and Explain Situational Determinants of the entrepreneur and his enviable position in the society and the economy

6.0 Tutor-marked Assignments

What are the determinants of Entrepreneurial Personality?

Identify Genetic influences on personality development?

Explain Group membership determinants

Discuss the Influence of Role and the social class

What is a Situational determinant?

7.0 References/Further Readings

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UNIT 4 ENTREPRENUERSHIP AND ENTREPRENUERSHIP THEORIES

CONTENTS

1.0 Introduction

2.0 Objective

3.0 Main content

3.1 Economic Entrepreneurship Theories

3.1.1 Classical Theory

3.1.2 Neo-classical Theory

3.1.3 Austrian Market process(AMP)

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

1.0 Introduction

According to Simpeh (2011), several theories have been reviewed by scholars to explain the field of entrepreneurship. However, these theories take their roots from economics, psychology, anthropology, sociology and management and accordingly, Simpeh reviewed the sociology of entrepreneurship as exhibited in this study.

Several theories have been put forward by scholars to explain the field of entrepreneurship. These theories have their roots in economics, psychology, sociology, anthropology, and management. The multidisciplinary nature of entrepreneurship is given a close examination in this lecture.

2.0 OBJECTIVE

The objective is to understand how entrepreneurship is a multidiscipline which cuts across human endeavour as attested by researchers, theorists and economists on:

- Classical Theory
- Neo-classical Theory
- Austrian Market process(AMP)

3.0 Main Content

3.1 Economic Entrepreneurship Theories

The economic entrepreneurship theory has deep roots in the classical and neoclassical theories of economics, and the Austrian market process (AMP). These theories explore the economic factors that enhance entrepreneurial behaviour.

3.1.1 Classical Theory

The classical theory extolled the virtues of free trade, specialization, and competition (Ricardo, 1817; Smith, 1776).The theory was the result of Britain's industrial revolution which took place in the mid 1700 and lasted

until the 1830s. The classical movement described the directing role of the entrepreneur in the context of production and distribution of goods in a competitive marketplace (Say, 1803). Classical theorists articulated three modes of production: land; capital; and labour. There have been objections to the classical theory. These theorists failed to explain the dynamic upheaval generated by entrepreneurs of the industrial age (Murphy, Liao & Welsch, 2006).

3.1.2 Neo-classical Theory

The neo-classical model emerged from the criticisms of the classical model and indicated that economic phenomena could be relegated to instances of pure exchange, reflect an optimal ratio, and transpire in an economic system that was basically closed. The economic system consisted of exchange participants, exchange occurrences, and the impact of results of the exchange on other market actors. The importance of exchange coupled with diminishing marginal utility created enough impetus for entrepreneurship in the neoclassical movement (Murphy, Liao & Welsch, 2006).

Some criticisms were raised against the neo-classical conjectures. The first is that aggregate demand ignores the uniqueness of individual-level entrepreneurial activity. Furthermore, neither use nor exchange value reflects the future value of innovation outcomes. Thirdly, rational resource allocation does not capture the complexity of market-based systems. The fourth point raised was that, efficiency-based performance does not subsume innovation and non-uniform outputs; known means/ends and perfect or semi-perfect knowledge does not describe uncertainty. In addition, perfect competition does not allow innovation and entrepreneurial activity. The fifth point is that, it is impossible to trace all inputs and outputs in a market system. Finally, entrepreneurial activity is destructive to the order of an economic system.

3.1.3 Austrian Market Process (AMP)

These unanswered questions of the neo-classical movement led to a new movement which became known as the Austrian Market process (AMP). The AMP, a model influenced by Joseph Alois Schumpeter (1934) concentrated on human action in the context of an economy of knowledge. Schumpeter (1934) described entrepreneurship as a driver of market-based systems. In other words, an important function of an enterprise was to create something new which resulted in processes that served as impulses for the motion of market economy.

4.0 Conclusion

Entrepreneurship is a multidisciplinary. From the study, it is clear that the field of entrepreneurship has some interesting and relevant theories which are underpinned by empirical research evidence. This development holds a rather brighter future for the study, research and practice of entrepreneurship.

5.0 Summary

Empirical studies show that human capital factors are positively related to becoming a nascent entrepreneur, increase opportunity recognition and even entrepreneurial success.

6.0 Tutor Marked Assignments

- Relate classical theory and the development of entrepreneurship during the industrial revolution in Great Britain
- Neo-classical theory has a different view from the classical theory and has a divergent view of entrepreneurship. Outline the criticisms against the neo-classical conjectures

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UNIT 5 ENTREPRENEURSHIP AND ENTREPRENEURSHIP THEORIES

CONTENTS

- 1.0 Introduction
- 2.0 Objective
- 3.0 Main content
- 3.1 Psychological Entrepreneurship Theories

- 3.1.1 Personality Traits Theory
- 3.1.2 Locus of Control
- 3.1.3 Need for Achievement Theory

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

1.0 Introduction

Several theories have been put forward by scholars to explain the field of entrepreneurship. This unit shall focus on psychology perception of multidisciplinary nature of entrepreneurship is given a close examination in this lecture.

2.0 OBJECTIVE

At the end of this lecture, we shall understand that entrepreneurship theories emphasize:

- Psychological Entrepreneurship Theories
- Personality Traits Theory
- Locus of Control
- Need for Achievement Theory

3.0 Main Content

3.1 Psychological Entrepreneurship Theories

The level of analysis in psychological theories is the individual (Landstrom, 1998). These theories emphasize personal characteristics that define entrepreneurship. Personality traits need for achievement and locus of control are reviewed and empirical evidence presented for three other new characteristics that have been found to be associated with entrepreneurial inclination. These are risk taking, innovativeness, and tolerance for ambiguity.

3.1.1 Personality Traits theory

Coon (2004) defines personality traits as “stable qualities that a person shows in most situations”. To the trait theorists there are enduring inborn qualities or potentials of the individual that naturally make him an entrepreneur. The obvious or logical question on your mind may be “What are the exact traits/inborn qualities?” The answer is not a straight forward one since we cannot point at particular traits. However, this model gives some insight into these traits or inborn qualities by identifying the characteristics associated with the entrepreneur. The characteristics give us a clue or an understanding

of these traits or inborn potentials. In fact, explaining personality traits means making inference from behavior.

Some of the characteristics or behaviors associated with entrepreneurs are that they tend to be more opportunity driven (they nose around), demonstrate high level of creativity and innovation, and show high level of management skills and business know-how. They have also been found to be optimistic, (they see the cup as half full than as half empty), emotionally resilient and have mental energy, they are hard workers, show intense commitment and perseverance, thrive on competitive desire to excel and win, tend to be dissatisfied with the status quo and desire improvement, entrepreneurs are also transformational in nature, who are life-long learners and use failure as a tool and springboard. They also believe that they can personally make a difference, are individuals of integrity and above all visionary.

The trait model is still not supported by research evidence. The only way to explain or claim that it exists is to look through the lenses of one's characteristics/behaviors and conclude that one has the inborn quality to become an entrepreneur.

3.1.2 Locus of Control

Locus of control is an important aspect of personality. The concept was first introduced by Julian Rotter in the 1950s. Rotter (1966) refers to Locus of Control as an individual's perception about the underlying main causes of events in his/her life. In other words, a locus of control orientation is a belief about whether the outcomes of our actions are contingent on what we do (internal control orientation) or on events outside our personal control (external control orientation).

3.1.3 Need for Achievement Theory

While the trait model focuses on enduring inborn qualities and locus of control on the individual's perceptions about the rewards and punishments in his or her life, (Pervin, 1980,), need for achievement theory by McClelland (1961) explained that human beings have a need to succeed, accomplish, excel or achieve. Entrepreneurs are driven by this need to achieve and excel. While there is no research evidence to support personality traits, there is evidence for the relationship between achievement motivation and entrepreneurship (Johnson, 1990). Achievement motivation may be the only convincing personological factor related to new venture creation (Shaver & Scott, 1991).

Risk taking and innovativeness, need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination Mohar, Singh and Kishore (2007). However, locus of control (LOC) had negative influence on entrepreneurial inclination. The construct locus of control was also found to be highly correlated with variables such as risk taking, need for achievement, and tolerance for ambiguity. The recent finding on risk taking strengthens earlier empirical studies which indicate

that aversion to risk declines as wealth rises, that is, one's net assets and value of future income (Szpiro, 1986).

In complementing Szpiro's observation, Eisenhauer (1995) suggests that success in entrepreneurship, by increasing wealth, can reduce the entrepreneur's degree of risk aversion, and encourage more venturing. In his view, entrepreneurship may therefore be a self-perpetuating process. Further evidence suggests that some entrepreneurs exhibit mildly risk-loving behavior (Brockhaus, 1980). These individuals prefer risks and challenges of venturing to the security of stable income.

4.0 Conclusion

Entrepreneurship is a multidisciplinary. From the study, it is clear that the field of entrepreneurship has some interesting and relevant theories which are underpinned by empirical research evidence on Psychological Entrepreneurship Theories, Personality Traits Theory.

5.0 Summary

This unit covered studies show the Psychological Entrepreneurship Theories, Personality Traits Theory, Locus of Control and Need for Achievement Theory.

6.0 Tutor Marked Assignments

Write notes on the following theories:

- a) Economic theory
- b) Psychological theory
- c) Psychological Entrepreneurship Theories
- d) Personality Traits Theory
- e) Locus of Control
- f) Need for Achievement Theory

7.0 References/Further Reading

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UNIT 6 ENTREPRENUERSHIP AND ENTREPRENUERSHIP THEORIES

CONTENTS

- 1.0 Introduction
- 2.0 Objective
- 3.0 Main content
- 3.1 Sociological Entrepreneurship Theory

3.2 Anthropological Entrepreneurship Theory

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

1.0 Introduction

This unit shall focus on nature of sociology and anthropology theory of entrepreneurship given a close examination in this lecture.

2.0 OBJECTIVE

At the end of this lecture, we shall understand:

- Sociological Entrepreneurship Theory
- Anthropological Entrepreneurship Theory

3.0 Main Content

3.1 Sociological Entrepreneurship Theory

The sociological theory is the third of the major entrepreneurship theories. Sociological enterprise focuses on the social context .In other words, in the sociological theories the level of analysis is traditionally the society (Landstrom, 1998).

Reynolds (1991) has identified four social contexts that relates to entrepreneurial opportunity. The first one is social networks. Here, the focus is on building social relationships and bonds that promote trust and not opportunism. In other words, the entrepreneur should not take undue advantage of people to be successful; rather success comes as a result of keeping faith with the people.

The second he called the life course stage context which involves analyzing the life situations and characteristic of individuals who have decided to become entrepreneurs. The experiences of people could influence their thought and action so they want to do something meaningful with their lives.

The third context is ethnic identification. One's sociological background is one of the decisive "push" factors to become an entrepreneur. For example, the social background of a person determines how far he/she can go. Marginalized groups may violate all obstacles and strive for success, spurred on by their disadvantaged background to make life better. The fourth social context is called population ecology. The idea is that environmental factors play an important role in the survival of businesses. The political system, government legislation, customers, employees and competition are some of

the environmental factors that may have an impact on survival of new venture or the success of the entrepreneur.

3.2 Anthropological Entrepreneurship Theory

The fourth major theory is referred to as the anthropological theory. Anthropology is the study of the origin, development, customs, and beliefs of a community. In other words, the culture of the people in the community. The anthropological theory says that for someone to successfully initiate a venture the social and cultural contexts should be examined or considered.

Here emphasis is on the cultural entrepreneurship model. The model says that new venture is created by the influence of one's culture. Cultural practices lead to entrepreneurial attitudes such as innovation that also lead to venture creation behavior. Individual ethnicity affects attitude and behavior (Baskerville, 2003) and culture reflects particular ethnic, social, economic, ecological, and political complexities in individuals (Mitchell et al., 2002a). Thus, cultural environments can produce attitude differences (Baskerville, 2003) as well as entrepreneurial behavior differences (North, 1990; Shane 1994).

4.0 Conclusion

From the study, it is clear that the field of entrepreneurship has some interesting and relevant theories on Sociological Entrepreneurship Theory and Anthropological Entrepreneurship Theory which underpinned development research and practice of entrepreneurship.

5.0 Summary

This unit discussed on Empirical studies on understand that sociology and anthropology entrepreneurship theories show that human socio factors are positively related to becoming a nascent entrepreneur, increase opportunity recognition and even entrepreneurial success.

6.0 Tutor Marked Assignments

- Write notes on the following theories:
 - g) Anthropological Theory
 - h) Sociological Theory
- Point out where applicable how such theories aid the development of entrepreneurship in Nigeria.

7.0 References/Further Reading

- Aldrich, H.E., & Cliff, J. (2003), "The pervasive effects of family on entrepreneurship: toward a family embeddedness perspective", *Journal of Business Venturing*, 18,573-596.
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UNIT 7 OPPORTUNITY BASED AND RESOURCE BASED ENTREPRENEURSHIP THEORY

CONTENTS

1.0 Introduction

2.0 Objective

3.0 Main content

3.1 Opportunity based entrepreneurship theory

- 3.2 Resource based entrepreneurship theory
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor-Marked Assignment
- 7.0 References/Further Readings

1.0 Introduction

The definition of entrepreneurship involves creation of value through fusion of capital, risk taking, technology and human talent. It is a multidimensional concept. researchers have shown that the willingness of people to pursue entrepreneurial opportunities depend on such than is as opportunity cost, stocks of financial capital, social ties to investors, career experience and motivational difference. The identification of opportunities' has been recognised as one of the most important abilities of successful entrepreneurs. This unit shall be focus on opportunity based entrepreneurship theory and resource based entrepreneurship theory given a close examination in this lecture.

2.0 OBJECTIVE

At the end of this lecture, we shall understand that entrepreneurship theories emphasize that research remains important. And the following will be covered

- Opportunity based Entrepreneurship Theories
- Resource based Entrepreneurship Theories

3.0 Main Content

3.1 OPPORTUNITY BASED ENTREPRENEURSHIP THEORY

An opportunity based entrepreneurship theory is perceived as situations in which new goods, raw materials, markets and organizational methods can be introduced and inject through formation of new means, ends or means-ends relationship. It simply implies that opportunities for creating future goods and services are discovered, evaluated and exploited. Opportunity based entrepreneurship theory intended that entrepreneurial opportunities often

have to be “created” by using the entrepreneurial imagination to embody human aspirations in concrete products and markets. The creative entrepreneurial act brings new realities and artefacts into existence parts of a market simply do not exist; they are, by definition, not present. At any point in time, many potential futures imaginable, based on more or less informed reflections which future will come into existence will depend on choices that are yet to be made. This suggests that entrepreneurial opportunities are endogenously formed by the entrepreneur through the process of discovery or creation. Opportunity based entrepreneurship are compounded by diversity in terminology namely; Economic opportunities, Marketing opportunities, Innovative opportunities and Business opportunities

3.1.1 Factors that influence opportunity based entrepreneurial

- i. Entrepreneurial alertness: it is related to cognitive recognition of opportunity by prospective entrepreneur and preceded by a state of heightened alertness to information relevant, vital and crucial to the opportunity
- ii. Information asymmetry : it concerned with information noticed and aware of with further mediation it trigger better recognition of the value which led to emanation of new information for entrepreneurial activates
- iii. social network: this is concerned with making more and new social network that can be leverage on to project more possibilities in entrepreneurial process
- iv. Personality traits: this is concerned with personal unique expounded trait and talent which is broaden by further individual development which serve as competitive edge in entrepreneurial endeavour.

3.2 RESOURCE BASED ENTREPRENEURSHIP THEORY

Resource based entrepreneurship theory is considered in the context of how entrepreneur firm may diversify in a related manner based on excess firm-specific resources, learn to extract different services from the same kind of resources, and emphasized that what are “productive opportunities” to engaged. It simply implies how firm-specific advantages could drive, simultaneously; a tendency towards increasing industrial concentration and

high returns attributes superior performance resource based entrepreneurship characterized by tracing the potential to create and appropriate more value than the competition to the resource endowments of firms, and the characteristics of these resources. A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors. A firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy

3.1.2 Factors that influence resource based entrepreneurship

- i. ***Dreams***: This is concerned with the kind of creativity that envelope an entrepreneur as an inventors who are keen and interested in moving proprietary knowledge in a new direction or pushing technology past it current limits
- ii. ***Technology Transfer***: Opportunity development concerned with search for a for application of more than product and service development
- iii. ***Business formation***: This is concerned with opportunity development involves matching known resources and needs to form business that can create and deliver value
- iv. ***Problem Solving*** : The aim of opportunity development in this situation is usually the design of specific product / service to address an expressed market need

4.0 Conclusion

From the study, it is clear that the field of entrepreneurship has some interesting and relevant theories on Opportunity based Entrepreneurship Theories and Resource based Entrepreneurship Theories.

5.0 Summary

This unit discussed on Empirical studies on understand of Opportunity based Entrepreneurship Theories and Resource based Entrepreneurship Theories as one the determinant factors that are positively related to becoming a nascent entrepreneur, increase opportunity recognition and even entrepreneurial success.

6.0 Tutor Marked Assignments

- Write notes on the following theories:
 - i) Opportunity based Entrepreneurship Theories
 - j) Resource based Entrepreneurship Theories
- Point out where applicable how such theories aides the development of entrepreneurship in Nigeria.

7.0 References/Further Reading

- Aldrich, H.E., & Cliff, J. (2003), "The pervasive effects of family on entrepreneurship: toward a family embeddedness perspective", *Journal of Business Venturing*, 18,573-596.
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UNIT 8 EMERGENCE OF SOCIOLOGY OF ENTREPRENEURSHIP

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Evolution of the concept of the Entrepreneur

3.1.1 Entrepreneur as a risk bearer

3.1.2 Entrepreneur as an organizer

3.1.3 Entrepreneur as an innovator

3.2 Functions of Entrepreneur

3.2.1 Entrepreneurs are innovative

3.2.2 For the Risk bearing component

3.3.3 The organizing and managerial functions

3.3 Who are the Entrepreneurs

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Reading

1.0 Introduction

The greatest of human endowments are intelligence and entrepreneurship. Besides man, animals and plants, every other thing in the world is a product of human intelligence and entrepreneurship. Cultures and nation-states excelling in entrepreneurship are the most developed in the world. This is the case even in countries without appreciable amounts of valued natural resources like petroleum, gold and diamond deposits. Examples of such countries are Japan and Israel. Taking a historical perspective, we can see that such great inventions and monuments as the Egyptian pyramids, the several models of space crafts, discoveries in telecommunication, electronics and medicine, among others are products of human entrepreneurship.

2.0 OBJECTIVE

The learning objective is to understand the concept of entrepreneurship and the involvement of man to be useful to himself and to the society.

3.0 MAIN CONTENT

3.1 Evolution of the Concept of Entrepreneur

The word “*entrepreneur*” has its origin from the French word *entreprendre* literally meaning between-taker or go-between, it was originally used to designate an organizer of musical exhibition or other entertainments. In the early 16th century, it was used to refer to those involved in military warfare and was later extended to civil engineering to cover those involved in large

scale construction projects. The application of the word “entrepreneur” in the business and economic sense only began in the 18th century. The Irish economist who lived in France, Richard Cantillon, is considered to be the first to employ the term in the context. The application was followed by other views resulting to three broad perspectives of the entrepreneur as a risk bearer, an organizer and an innovator. These views are considered below.

3.1.1 Entrepreneur as a risk bearer

Richard Cantillon in 1725 introduced the term “entrepreneur” to refer to the risk bearing function in economics. He described the entrepreneur as the economic agent who buys factors of production at fixed prices. He thus, saw the entrepreneur as a risk bearer, indicating that merchants, farmers, craftsmen and other sole proprietors are all entrepreneurs. Others who saw the entrepreneur in the mould of a risk bearer include Francis Walker and Frank Knight, among others.

Francis Walker in 1876 separated profits of entrepreneur from profits of capital and Frank Knight defined the conditions borne by entrepreneurs as uncertainty which cannot be insured against and is incalculable. He drew a distinction between ordinary risk and uncertainty can either be calculated, insured, capitalized nor salaried. Knight sees the entrepreneur as an extraordinary economic functionary who undertakes the responsibility of uncertainty.

3.1.2 Entrepreneur as an organizer

Jean Baptise Say, a French industrialist, extended the functions of the entrepreneur to include organization (creation and management) of a venture. He emphasized that the entrepreneur combines the land of one, the labour of another and the capital of yet another to produce a product. As the product is sold, the entrepreneur pays interest on capital, rent on land and wages on labour and considers the remainder as profit. He thus separated the role of the capitalist as a financier and entrepreneur as an organizer. He also noted the obstacles, anxieties and misfortunes experienced by entrepreneurs in the course of organizing and managing their ventures and attributed success to good judgement, perservance and knowledge of the business world. Albert Shapero in 1975 supported the above view of the entrepreneur and added that the entrepreneur takes initiative, organizes social and economic combinations and mechanisms and accepts risk of failure.

3.1.3 Entrepreneur as an innovator

Jospeh A Schumpeter in 1934 bequeathed the role or function of “innovation” to the entrepreneur in his book. *Theory of Economic Development*. Schumpeter also differentiated an inventor from an innovator, indicating that an inventor discovers new methods and new materials but an innovator utilizes inventions and discoveries to produce new combinations. This implies that innovators add value to the outputs of inventors, thus transforming them into marketable products and services. Much later by

1985, Robert Hirsch noted that the entrepreneur creates something different with value by devoting the necessary time and effort and assuming the accompanying financial, psychological and social risks while receiving the resulting monetary and personal satisfaction. He thus, also saw the entrepreneur as an innovator who creates values.

A historical example of an early entrepreneur as a go-between is Marco Polo who established trade routes to the Far East. In reality, Marco Polo often signed contracts with wealthy men (venture capitalists) for money, and with this, the merchant-adventurer purchased article of trade and sailed off to sell his goods. While Marco Polo took active part in the trading, bearing all the physical and emotional return, Marco Polo got a percentage of the total profit, while the money lender received his (often a larger part of the profit).

3.2 Functions of Entrepreneur

Most economists have emphasized the functional aspect of entrepreneurship, rather than the individual involved. The functional view refers to the perception of market opportunities, investing in the assembly of factors of production and the formation and start-up of an enterprise. Three grand functions can be gleaned from the evolutionary concept of the entrepreneur discussed above: the innovative component, the risk taking component and the organizing and managerial component.

3.2.1 Entrepreneurs are innovative: This is exhibited in many ways among which are the perceptions of market opportunities, identification of new products or services, or product/service substitutes. The product or service may or may not be new but value must be added. Newness or innovativeness may come about in terms of superior delivery, better pricing, identification of a gap in need fulfilment and so on.

3.2.2 For the risk bearing component, entrepreneurship is a risky business. There are too many uncertainties. Your perception of market opportunities may be unrealistic. The new product may not be accepted by the market. The journey into entrepreneurship is laced with risks and uncertainties. The entrepreneur must be ready to assume risks in terms of money, time, other resources and the opportunity cost of a forgone career or employment.

3.2.3 The organizing and managerial function of entrepreneurship is perhaps the most important and the most difficult. Once product/market opportunities have been identified, the would-be-entrepreneur would have to assemble the factors of production and create the new enterprise which will in turn produce and market the product or service. This sub-function is too demanding. It requires of the would-be-entrepreneur, a lot of determination, hard work, carefulness, good judgement and perseverance among others.

These grand functions are hereby disassembled into their various elements or sub-functions and presented in the sequential order to occurrence. Authors will however have differing view of these elements or sub-functions. For our convenience, the sub-functions of entrepreneurship are identified as follows:

1) Venture Opportunity Identification

This involves the act or process of identifying a product, service or idea that will constitute the venture. The opportunity may come in the form of a new product idea upon which an enterprise can be established from scratch. It can also come through acquisition or an existing venture or through franchising. This identification usually requires some form of foresight, creativity or innovation.

2) Venture Feasibility Analysis

The identification of a venture opportunity is not enough reason to start the venture without proper evaluation and analysis. Entrepreneurs usually undertake an analysis of socio-economic variables, the product market, resource supply issues and so on. The practical feasibility of the venture is always established before resource acquisition and venture creation.

3) Election of Ownership structure

Entrepreneurs usually decide on whether the venture should be a sole proprietorship, partnership, limited liability company or public company.

4) Determination of Objectives and strategies

Once the feasibility analysis is adjusted favourable, entrepreneurs usually delve into the determination of the objectives and the peculiar ways of managing their ventures. Issues to consider include-specific objectives to pursue, desired business size, growth strategies, how to serve customers and so on.

5) Production of the business plan

The business plan is very necessary and it is undertaken by entrepreneurs in the organized private sector of the Nigerian economy. Entrepreneurs consider entrance into business a risk. A roadmap to entrepreneuring is therefore essential.

6) Capital mobilization

No matter the size of the desired venture, entrepreneurs usually do not have all the money to start the venture. They therefore mobilize funds from banks, finance companies, venture capitalists, friends and relatives to complement their personal savings. The business plan is usually a veritable companion of the venture in the course of capital mobilization and venture creation.

7) Factory/office establishment

Entrepreneurs usually carefully choose their locations, build, buy or lease buildings or offices for their operations. This is a major task.

8) Resource procurement

Venture resources are carefully acquired. These include machineries, raw materials, consumables etc.

9) Staffing and organization

Having located the venture factory or office and procured machineries, materials and other necessary items, recruitment and staff placement is undertaken. The organization structure, authority and reporting systems are well streamlined to ensure smooth operations.

10) New venture management

Entrepreneurs are “alert and alive” in the management of new ventures. The mortality rate of new ventures is very high and therefore entrepreneurs usually ensure proper record keeping, employee motivation, financial control, marketing and sales control and other such necessary activities that are critical for the success and survival of the new ventures.

The three gland functions are recurring in every discussion of entrepreneurship. They do not however carry equal weights. In entrepreneurship studies, the new enterprise is the outstanding contribution. It is the primary invention. The product or service may be secondary, as it does not need to be original. While the enterprise is the primary invention, the entrepreneur himself is the major resource utilized in entrepreneurship. For the venture to be successful, the entrepreneur must be a “work horse” toiling well over twelve hours a day, seven days a week and sometimes wishing that some days may run beyond twenty four hours.

Entrepreneurship abounds in virtually all countries and cities. These entrepreneurships are started by individuals who possess qualities of initiative, good judgement and foresight to generate winning ideas, the drive and ambition to push ahead and take the risk by investing in the ideas and the motivation and energy to create the enterprise and propel it to success and fruition.

3.3 Who are the Entrepreneurs?

While the classical economists emphasized the functional aspect of entrepreneurship, it is necessary to explore the behavioural dimension in order to better understand that individual who makes things happen. In this direction, the entrepreneur is typically one driven by certain forces such as the drive for achievement, the desire for freedom and autonomy, or the desire for wealth. Schellenberger describes entrepreneurs with a host of synonyms—bold, venturesome, risk taking, doer as opposed to antonyms such as conforming, conservative and routine.

Generally, an entrepreneur is one who creates, organizes and takes the risk of a business or an enterprise. They are usually found undertaking profit-making activities. There is need to recognize other varieties of entrepreneurs however. The self-employed estate agent is an entrepreneur. The independent insurance agent is one and so is the shoe mender. These involve strong need achievement, resource combination, and risk taking, although no elaborate organizational formation is needed.

While the sole businessman typifies the entrepreneur because it is easy to identify the moving force in the business, the top manager (general manager,

managing director or president) who although, does not own the firm in the medium and large scale business, is also an entrepreneur. After the original entrepreneur performs the initial entrepreneurial roles and gets the business to the steady state, any other person who assumes the top management position must continue to perform the entrepreneurial role. Product/market competition and technological changes may cause shifts in objectives, strategies and even in organizational purpose. The entrepreneurial role is never a one-shot action. It is continuous.

It is necessary to add that the chief executive officer in the large firm is not the only entrepreneur in the firm. As the company gets larger, the entrepreneurial role is dispersed. This means that it may be performed by more than one person. Persons holding such positions as the general manager or managing director, heads of product divisions, corporate planners and venture teams among others, perform entrepreneurial roles in varying degrees.

Entrepreneurs are not always self-employed nor are they found only in profit-seeking organizations. Entrepreneurs are also found in not-for-profit organizations such as community development, government parastals, government owned hospitals, co-operatives, youth clubs, town unions and so on. These organizations also need to be strategically managed. Managers whose main role is the supervision of the day-to-day operation of a business and whose tasks tend to be routine are not entrepreneurs. They are not free to innovate and to take decisions of a strategic nature in the organization.

4.0 Conclusion

The lecture examined the concept of entrepreneurship, its functions and who is an entrepreneur per se.

5.0 Summary

The Lecture has been able to establish that the greatest human endowment are intelligence and entrepreneurship and the development of man on earth is as a result of that.

6.0 Tutor Marked Assignments

- 1) Evolve the concept of entrepreneur from the days of Richard Cantillon in 1725
- 2) In the context of Richard Cantillon, there are three broad perspectives of an entrepreneur, risk bearer, an organizer and an innovator. Discuss them. How do these perspectives appeal to you?
- 3) Once the market opportunities have been identified, the would-be entrepreneur faces the task of organizing and managing the enterprise. What are the organizing and managerial factors/functions to be considered in this regard?
- 4) Who is an entrepreneur?

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UNIT 9 SOCIOLOGY OF ENTREPRENEURSHIP IN NIGERIA ECONOMIC DEVELOPMENT

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 A Brief of Nigerian Economic History
 - 3.1.1 The Primary Commodity Era (1914-1960)
 - 3.1.2 The Import Substitution Era (1960-1983)
 - 3.1.3 The Era of Indigenous Entrepreneurship (1983-Present)
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor- Marked Assignments
- 7.0 Refernces/Further Readings

1.0 Introduction

While the classical economists may have been ambivalent about the contribution of entrepreneurs to economic development, contemporary development has shown that economic development is the outcome of entrepreneurial actions. This lecture principally examines the prevailing state of entrepreneurship and economic development in the Nigerian nation, and the role of entrepreneurship in economic development globally.

2.0 Objective

At the end of the lecture learners should be able to:

3.0 Main Content

3.1 A brief of Nigerian Economic History

The practice of entrepreneurship in Nigeria is as old as the Nigerian nation. Government's support and encouragement of indigenous entrepreneurship as a national policy for industrialization and economic development is however a relatively recent development. This can be understood from the economic-history of Nigeria which can be segmented into three major periods as shown below.

3.1.1 The primary commodity era (1914 to 1960)

This represents the period of colonial rule when the Nigerian economy, like those of other developing countries, was focused on the production and export of primary products in the category of raw materials. Specific primary products produced and exported from Nigeria were cocoa, palm oil and kernel, hides and skins, groundnut, cotton and rubber, among others.

During this period, the economy of Nigeria was entirely subordinated to the economy of the industrialized Western Europe which was the dynamic factor of the world economy. Europe saw Nigeria as a feeder economy and thus through their demand and investments, directed the course of economic development toward satisfying the requirements of factories and peoples of Europe rather than that of Nigeria. Another characteristic feature of this period was the lack of investments in the manufacturing sector in Nigeria by the colonial power. Such investments would have catered to needs of the domestic market. The decision, not to invest in such industries, was based on the rationale that such an endeavour would reduce or even eliminate the export to their home manufacturers'.

3.1.2 The Import Substitution Era (1960 to 1983)

The import substitution era commenced after the Nigerian independence in 1960, and marked the awakening of Nigerian leaders to the need for local manufacturing for the Nigerian market. The effort was to manufacture locally those products previously manufactured in Europe and exported to Nigeria, particularly those, whose raw materials were obtainable in Nigeria.

The operational strategy for this economic policy was technology transfer. It was believed that through the attraction of private foreign and multinational companies, the requisite know-how would be transferred to Nigerians. For about two decades, Nigerian governments made efforts to achieve the goal of import substitution through technology transfer but such factors as

- i) the choice of complex first world technologies with low diffusion rates and emergent white elephant projects
- ii) the sheer unwillingness of the foreigners to transfer their technologies
- iii) poor commitment on the part of government, and
- iv) crippling bureaucracy, led to the poor performance on this goal.

3.1.3 The Era of Indigenous Entrepreneurship (1983 to Present)

The failure of import substitution through the technology transfer strategy and the development profile of South-East Asian countries led Nigerian leaders to the realization that industrialization and economic development are relatively easier to achieve through indigenous entrepreneurship anchored on

- i) local manufacturing of indigenous foods and other locally consumed products
- ii) the use of local raw materials and other manufacturing inputs and
- iii) the use of indigenous and adapted technologies.

This wise logic was brought to the fore by the short-lived (1983-1984) Buhari administration which quickly banned the importation of all foreign goods that could be produced locally, and proceeded to induce Nigerians to consume locally produced goods. The Structural Adjustment Programme (SAP) of the Babangida years with its numerous operational strategies and incentive schemes provided the formal policy directives to concretize the shift to self-reliance through indigenous entrepreneurship. The practice of entrepreneurship is developing roots in Nigeria today. It is believed that indigenous entrepreneurship will move Nigeria into the ranks of the industrialized world.

4.0 Conclusion

We have studied the effect of entrepreneurship in Nigerian economic development through the review of Nigerian economic history.

5.0 Summary

This was able to cover the

- economic history of Nigeria

6.0 Tutor -Marked Assignments

- 1) Nigeria per se came to being in 1914 and since then the country has moved progressively to what it is today. You are required to give history of Nigerian economic development
- 2) You are required to write elaborately, the Era of Indigenous Entrepreneurship in Nigeria

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UNIT 10 ENTREPRENEURSHIP IN NIGERIA ECONOMIC DEVELOPMENT

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Entrepreneurship and Economic Development
 - 3.2.1 Development of New Technologies
 - 3.1.2 Employment Generation
 - 3.1.3 Wealth Creation
 - 3.1.4 Competition and Better Services
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor- Marked Assignments
- 7.0 Refernces/Further Readings

1.0 Introduction

This lecture principally examines the prevailing state of entrepreneurship and economic development in the Nigerian nation, Development of New Technologies, Employment Generation, Wealth Creation and Competition and Better Services.

2.0 Objective

At the end of the lecture learners should be able to:

3.0 Main Content

3.1 Entrepreneurship and Economic Development

There is no doubt, that today, greater reliance is placed on entrepreneurship all over the world for national development, technological innovations, and expanded employment opportunities, than was the case earlier. The reasons for this development only differ slightly from region to region and from country to country.

An important theory of economic growth presents innovation as the major factor in developing new products (and services) and in catalyzing investment interest in new ventures. According to Byrne, in the

developed world, as attested to 'by the situation in the United States, emerging companies have made great impact because the swift pace of technological changes and the fragmentation of markets have given the edge to these set of firms with the flexibility and dynamism to cater to smaller but more sophisticated market segments. In the previously placid Russia, which is now discovering the virtues of entrepreneurship, businessmen are spanning hundreds of companies and thousands of retail stores that are making strong impacts on the economy.

Unlike the developed countries of the world, many developing countries of the African continent see the development of entrepreneurs as the only way of achieving industrialization and economic development. Many of these countries are therefore making serious efforts to ensure the development of indigenous entrepreneurs. While such hurdles as shortage of capital, low technology base, poor entrepreneurship culture, poor infrastructural facilities, and the lack of lead industries, unsupportive political and legal institutions and the absence of a strong agricultural base are delaying quicker economic development, small and medium scale entrepreneurs are being successfully developed in varying degrees.

Nigeria has made great strides in the development of the entrepreneurial culture, and indigenous entrepreneurs have set up businesses in such low and medium technology sectors as plastics, food processing, textiles, breweries, auto and machine parts production, and pharmaceuticals, among others. The ensuing competition in the products and markets, and 'the improved environment created by the government are giving fillip to industrial and economic development. While the classical economists of old did not recognize the role of entrepreneurship in economic development, it has presently become clear that **economic growth is the effect** and **entrepreneurship is the cause**. The specific benefits of entrepreneurship to economic development are as follows:

3.1.1 Development of new Technologies and New products:

Entrepreneurs in the small, medium and large scale firms engage in creativity and innovation and thus create new products, services and technologies.

3.1.2 Employment Generation: In spite of the relatively small size of individual entrepreneurs in Nigeria and other developing countries, entrepreneurs in the aggregate, employ a large percentage of the workforce of any nation.

3.1.3 Wealth Creation: As more and more entrepreneurs develop their own ventures and become employers of labour, more goods and services and consequently more money is generated.

3.1.4 Competition and Better Services: The entrance of more people into business definitely enhances competition, and with competition comes better quality products/services, lower prices and better customer services.

3.2 Effective Use of Agricultural Outputs by Local Firms

The greater the number of entrepreneurships, the greater the consumption of local agricultural outputs as raw materials by local industries. This creates additional opportunities and wealth for farmers.

4.0 Conclusion

We have studied the

effect of entrepreneurship in Nigerian economic development through the review of Nigerian economic history. One of the most importance is the study of entrepreneurship in the Nigerian university system. We have also seen that while economic growth is the effect, entrepreneurship is the cause.

5.0 Summary

This was able to cover the

- economic history of Nigeria
- entrepreneurship and economic development of Nigeria and
- teaching of entrepreneurship in Nigerian tertiary institutions .

6.0 Tutor -Marked Assignments

- 3) What are the factors affecting entrepreneurship growth in Nigeria?
- 4) You are required to typify entrepreneurship

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UNIT 11 FACTORS AFFECTING ENTREPRENEURSHIP GROWTH IN NIGERIA

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Factors Affecting Entrepreneurship Growth in Nigeria

3.1.1 The Activities of the Government

3.1.2. Shortage of start-up capital

3.1.3 Corruption

3.1.4 Raw materials and other Industrial Outputs

3.1.5 Low Technological Base

3.1.6 Dumping (Excessive Importation)

4.0 Conclusion

5.0 Summary

6.0 Tutor- Marked Assignments

7.0 Refernces/Further Readings

1.0 Introduction

This lecture principally examines the Factors Affecting Entrepreneurship Growth in Nigeria.

2.0 Objective

At the end of the lecture learners should be able to:

Factors Affecting Entrepreneurship Growth in Nigeria

The Activities of the Government

Shortage of start-up capital

Corruption

Raw materials and other Industrial Outputs

Low Technological Base

Dumping (Excessive Importation)

3.0 Main Content

3.1 Factors Affecting Entrepreneurship Growth in Nigeria

It has already been underscored that entrepreneurship is a major driver to economic development and that the Nigerian Nation is making strident effort to institute a virile entrepreneurial culture. There are however some factors that present hurdles toward the emergence of an entrepreneurial economy. Among these are as follows:

3.1.1 The Actions of Government

The actions of government constitute the most critical barrier to entrepreneurship in an economy. The nature of political and legal institutions and the social pay-off structure towards productive entrepreneurship determine the extent to which people embrace entrepreneurship. If the political and legal structures favour politicians, political touts and frauds, most people will invest their energies in politics, government and other rent-seeking activities. What then is the nature of political institutions and social pay-off structure towards productive entrepreneurship in Nigeria?

Definitely, the Nigerian political and governmental policies do not favour entrepreneurship. The greatest rewards in incomes and -salaries, appointments and recognition, in contract award and so on, go to those in politics and government. The government cannot be said to be promoting entrepreneurship when government contracts are not awarded to entrepreneurs with the track records of performance. Presently, the required enabling environment is not in place. The government needs to enthrone the right economic climate, remove bureaucratic bottlenecks and institute the right fiscal and financial incentives, secure property rights, effective contract enforcement, and low to moderate taxation to attract entrepreneurship.

3.1.2 Shortage of Start-Up Capital

There is serious shortage of capital for entrepreneurship in Nigeria. Personal savings would normally constitute the seed capital for venturing among those who have been in employment for some years. There is however a serious disequilibrium in income distribution in Nigeria in favour of politicians who re-invest the money into politics. Most Nigerians do not have enough savings for venturing. The banks and other financial institutions do not grant loans except there is a strong collateral base. This factor is a serious obstacle to venture creation.

3.1.3 Corruption

This is a major problem in Nigeria. With corruption, entrepreneurship cannot take strong roots in Nigeria. Corruption is a destroyer of achievement motivation, hard work, honest living and economic development. According to Baumol, entrepreneurship is an omnipresent feature of human societies and what

differs among nations is not necessarily the degree of entrepreneurial spirit but how that spirit is channelled. Those nations that channel the entrepreneurial spirit of its people toward serious productive entrepreneurship will reap national wealth and economic development. Those that have weak political institutions and condone corruption, will, reap underdevelopment and poverty.

3.1.4 Raw Materials and Other Industrial Inputs

Entrepreneurship and industrial development require the availability of raw materials and other industrial inputs. Yes, for some industrial sectors, there are enough raw materials in some states and regions but not in other states and regions. In many other sectors, raw materials are insufficient or totally unavailable. There is also in most cases, a problem in the availability of semi-processed manufacturing inputs.

3.1.5 Low Technological Base

The low technological base of Nigeria makes the availability of equipment and machineries difficult. There are a few companies in Nigeria producing industrial equipment and machineries but the capacities of these companies are low and their outputs rather simple. Entrepreneurships desiring higher levels of technology for their production must source them from overseas. This bottleneck deters venturing.

3.1.6 Dumping (Excessive Importation)

The Nigerian government allows the importation of too many products including low technology products which are presently manufactured in Nigeria. Sometimes, bans are placed on the importation of same on account of pressures from local manufacturers. Most often, the government lifts these bans after a short period of time thus leading to quick policy summersaults which are discouraging and destructive to the continuity of the local economy. Bans and high tariffs on foreign products which can be manufactured locally are effective instruments in the development of a strong local economy.

4.0 Conclusion

We have studied the Factors Affecting Entrepreneurship Growth in Nigeria, The Activities of the Government, Shortage of start-up capital, Corruption, Raw materials and other Industrial Outputs, Low Technological Base and Dumping (Excessive Importation).

5.0 Summary

This was able to cover the Factors Affecting Entrepreneurship Growth in Nigeria, The Activities of the Government, Shortage of start-up capital,

Corruption, Raw materials and other Industrial Outputs, Low Technological Base and Dumping (Excessive Importation)

6.0 Tutor -Marked Assignments

What are the factors affecting entrepreneurship growth in Nigeria?

You are required to typify entrepreneurship

What are the types of entrepreneurship?

7.0 References/Further Reading

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UNIT 12 TYPES AND WHY THE COURSE IN ENTREPRENEURSHIP

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Types of Entrepreneurship
 - 3.1.1 Marginal Firms
 - 3.1.2 Professional Ventures
 - 3.1.3 Mass producers
 - 3.1.4 High Technology firms
 - 3.1.5 Diversifiers
 - 3.1.6 Speculators
 - 3.2 Why the Course in Entrepreneurship
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor- Marked Assignments
- 7.0 References/Further Readings

1.0 Introduction

This unit lecture principally examines Types of Entrepreneurship, Marginal Firms, Professional Ventures, Mass producers, High Technology firms, Diversifiers, Speculators and Why the Course in Entrepreneurship.

2.0 Objective

At the end of the lecture learners should be able to:

Identify types of Entrepreneurship

Discuss why the Course in Entrepreneurship

3.0 Main Content

3.1 Types of Entrepreneurships

The types of entrepreneurships in a nation define the economic and industrial structure of that nation and go a long way in channelling the efforts and aspirations of individuals interested in entrance into

entrepreneurship. The following is an effort to give form to the entrepreneurship landscape in developing economies such as Nigeria.

It is becoming clearer that entrepreneurships are not all of one type or kind. A number of typologies have been proposed to differentiate the principal actors and their entrepreneurships. One of these is an outcome of a study conducted in Nigeria by Ottih. His classification is considered useful in the sense that it is simple, it has succeeded in isolating subtypes that are relatively mutually exclusive, and finally, it is meaningful in an economy of the developing type. These subtypes are as follows.

3.1.1 Marginal Firms

These are small types of businesses that do not require much capital outlay and do not return much income. They are of a subsistence nature. They are usually owned and managed by single individuals with little or no education who would otherwise find it difficult to get respectable employments in established organizations. However, some educated and well-employed people operate marginal firms because of unemployment and/or to complement their incomes. Enterprises in this category include block moulding, tailoring, small printing businesses, bakeries, barbing saloons and dry cleaning services.

3.1.2 Professional Ventures

This type of enterprises is usually small but requires more capital outlay (in some cases) but large amount of professional knowledge. They are therefore owned and managed by highly educated professionals with high social awareness and acceptance. The enterprises under this category include medical clinics, accounting firms, management consultancies, and law firms.

3.1.3 Mass Producers

Mass producer do not necessarily produce complex products or services. The distinguishing feature is that they take advantage of the high economies of scale involved in large scale production in the establishment and operation of the venture. This type of enterprise is usually established by the bold, educated and socially aware personality. Mass production businesses may be located at a place or it may be geographically decentralized. Examples of mass producers in Nigeria include soft drink manufacturers, breweries, banks and insurance companies.

3.1.4 High Technology Firms

The high technology venture is the epitome of economic opportunity and innovation. Founders of high technology firms generally have technical backgrounds in terms of education, training or work experience. Non technically oriented persons can found high technology ventures with the aid

of technical collaborators. Enterprises in this category in Nigeria include engineering instrumentation, Pharmaceuticals, electronics and manufacturers of other high precision goods.

3.1.5 Diversifiers

These include all multi-product, multi-business, multi-market and multi-technology business organizations. They are usually large and are managed through the product divisional- structure. The various businesses or product divisions may be related or unrelated. The outcome is usually high turnover, high profitability, and large-scale employment. Owners and/or top managers of diversified businesses are usually educated, socially aware and ambitious and may operate within a higher social and economic network than the rest. This is the epitome of personal ambition and organizational formation. Examples of diversifiers in Nigeria include the Nasco group of companies, the Dangote group of companies and the Ibeto group of companies.

3.1.6 Speculators

Speculators specialise in acquiring assets at relatively small sums, and with little adaptations or none at all in some cases, resell them at much higher prices. Examples include companies which are bought, improved and resold. Others are land, buildings, stock (shares), gold, paintings and other items in which speculation is possible.

3.2 Why the Course in Entrepreneurship?

Students may ponder why the course in-entrepreneur ship has suddenly become important in our universities. The fore-going brief economic history of Nigeria has shown that without the encouragement of indigenous entrepreneurship, our nation will be unable to cope with the responsibilities placed .on it. What are these responsibilities of a nation-state like Nigeria? It is the responsibility of the nation to ensure the economic growth and development of the country. Schools and universities must be built and be properly maintained. Health services must be provided. Infrastructural facilities such as roads, pipe-borne water, telecommunication, and the like must also be provided. The provision of employment for the populace is another major responsibility. No nation can function without frequent crises and breakdowns of law and order when most of its citizens are unemployed.

The government alone cannot handle all these responsibilities. In free market systems, a greater amount of these responsibilities are borne by the private sector - private schools and universities, private medical clinics, and hospitals, telecommunication services provided by private sector corporations, etc. With respect to employment, the government cannot employ all its citizens. It is completely anachronistic for governments to seek to maintain large .bureaucracies in the name of providing

employment to citizens. Present-day governments have had to trim down the sizes of their bureaucracies and allow private sector organizations with better managerial efficiencies' to handle the production and distribution of goods and services. This is exactly why most government-owned enterprises in Nigeria have been sold to the private sector.

The size of the Nigerian private sector is however too small to handle these responsibilities. It is too small to provide the basic goods and services required by Nigerians. It is too small to provide employment to the teeming population of people seeking employment. Plainly put, the totality of companies in all the industrial sectors in the Nigerian economic system do not have the capacity to supply more than fifty percent of the basic goods and services and employment demanded by the populace. In some industrial sectors, Nigerians rely almost completely on imported goods and services, as there are no companies in Nigeria catering for such needs.

The present task of government is to put in place the mechanisms for the development of more entrepreneurs and entrepreneurships, to handle these outlined responsibilities. The federal government of Nigeria has therefore directed that all universities in Nigeria must establish a centre for entrepreneurship development and add entrepreneurship training courses to the curricula of all programmes in Nigerian universities.

The incorporation of entrepreneurship development courses into the curricula of all programmes is therefore a glaring paradigm shift from the traditional theoretical mode of education. The envisaged system prepares students to strengthen achievement motivation and also acquire some technical skills in innovation and entrepreneurship. This implies that entrepreneurship development is not only focused on the know-how but also on the unfreezing of the present mind-set, attitude and behaviour, the instillation of an entrepreneurial imagination and the cultivation of an innovative, paradigm-shifting mentality. These and other variations in the requirements for the development of entrepreneurs make this course" compelling for all students, in a nation set for diversifying its economic base through entrepreneurship.

4.0 Conclusion

We have studied various types of Entrepreneurship and Why the Course in Entrepreneurship.

5.0 Summary

This unit was able to cover the following

- Types of Entrepreneurship
- Why the Course in Entrepreneurship

5.0 Tutor -Marked Assignments

You are required to typify entrepreneurship

What are the types of entrepreneurship?

7.0 References/Further Reading

Ndubuisi, V.W and himba, 2, 2010, "Nigerian University Education and Entrepreneurship " ADSU Journal of Social and Development studies, Vol 4, No1, June, ISSN 2006-4196

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UNIT 13 SOCIOLOGY OF DEVELOPMENT OF ENTREPRENEUR

CONTENTS

1.0 Introduction

2.0 Objective

3.0 Main Content

3.1 Reason for Entrepreneurship

3.1.1 Achievement Motivation

3.1.2 Desire to be one's Own Boss

3.1.3 Opportunity for Creativity and Innovation

3.1.4 An Avenue for personal Wealth

3.1.5 Security

3.1.6 Inheritance from One's Family

3.2 Can I make it in Business

3.2.1 The Dominant profile of entrepreneurs

3.2.2 Entrepreneurs rater

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marker Assignment

7.0 Reference/Further Reading

1.0 Introduction

This lecture discusses matters related to the development of the entrepreneur, and specifically looks at issues concerning the entrepreneur's objectives for going into business.

2.0 Objectives

At the end of the lecture learners should be able to:

Reason for Entrepreneurship

Achievement Motivation

Desire to be one's Own Boss

Opportunity for Creativity and Innovation

An Avenue for personal Wealth

Security

3.0 Main Content

3.1 Reasons for Entrepreneurship

An important issue deserving of discussion is the matter of the entrepreneur's motivation for going into Business. Research has thrown up many reasons that people have for going into business. These are the need for achievement, the desire to be one's own boss, the opportunity for creativity and innovation, an avenue to personal wealth, security and inheritance reasons. These are discussed below:

3.1.1 Achievement Motivation

Some individuals are interested in starting their own businesses because of a strong need for achievement. Individuals want to be accomplished. They want to be self-actualized. They want to be celebrities, These individuals believe in self-determination and do not wish to place their fate in a system that is outside their control. They work very hard at their goals and this often requires high personal risks and decisions.

3.1.2 Desire to be One's Own Boss

This is concerned with the need for freedom and independence. Entrepreneurial individuals usually prefer to be on their own instead of working under existing corporate management hierarchy.

3.1.3 Opportunity for Creativity and Innovation

Very often, entrepreneurships have been started by technically innovative individuals who found it difficult to bring about change in the existing organizations where they worked. The existing organizations are often too embroiled in routine operations and are unable to discover or to appreciate new developments in products and technology. Oftentimes, creative employees leave these organizations out of frustration in their inability to get corporate approval to adopt their innovative ideas. These individuals eventually establish an enterprise to produce and market their innovations. Many creative people often prefer to start their own businesses without ever seeking employment in existing organizations.

3.1.4 An Avenue to Personal Wealth

A great deal of people sees personal business as a gateway to wealth. The world is filled with individuals who rose from rags to riches through the establishment of their own business organizations. In Nigeria, we have the likes of M.K.O. Abiola, Aliko Dangote of Dangote Group of Companies and Alhajj Dantata, all fitting into that mould. In the United States, the Horatio Alger story is similarly well known.

3.1.5 Security

Security is another reason that individuals have for preferring personal business. A common feeling among individuals in Nigeria and in many other Countries is that employers of labour will lay off workers at the slightest turn in the economy without qualms. This situation does not generate any hope for security. Personal enterprise, they believe, provides more security.

3.1.6 Inheritance from One's Family

One is sometimes influenced into entrepreneurship by the inheritance of a business from one's family. Such situations really do not allow one much choice. While it is true that the individual who inherits such a business can decide to sell the business, that is not a common line of action in Nigeria.

4.0 Conclusion

There is a better understanding of the course of developing an entrepreneur.

5.0 Summary

This study attended to reasons for Entrepreneurship, opportunity for creativity and innovation

6.0 Tutor-Marked Assignment

- 1) The profile of an entrepreneur is diversified and it is influenced by certain factors. List and discuss them
- 2) Entrepreneurship is interest bound. A would be entrepreneur goes into business because of certain motivations. List and discuss such motivations

7.0 References/Further Readings

Shapero, A. (1978), "Entrepreneurship and Economic Development" in W. Namesed, The Entrepreneurial manger in the Small Business, Readings, Mass, Adisan-Wesley Publishing Comapny.

McClelland, D.C.(1973), "Business Drive and National Achievement" in H.J. Leavitt and I.R. Pandy eds, Readings in Managerial Psychology, The University of Chicago press, Chicago.

UNIT 14 SOCIOLOGY OF DEVELOPMENT OF ENTREPRENUER

CONTENTS

1.0 Introduction

2.0 Objective

3.0 Main Content

3.1 Can I make it in Business

3.1.1 The Dominant profile of entrepreneurs

3.1.2 Entrepreneurs rater

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marker Assignment

7.0 Reference/Further Reading

1.0 Introduction

This lecture discuss matters related to the development of the entrepreneur, the profile of entrepreneurs, the development of entrepreneurial potentials, education for the entrepreneur and other issues.

2.0 Objectives

At the end of this unit the learner should be able to understand:

How to make Business

Explain the dominant profile of entrepreneurs

Discuss entrepreneurs' rater

3.0 Main Content

3.1 Making Business

Many people spend hours, days, months and- even years wondering whether they have what it takes to start their own business and whether they will make it if they start. It is difficult to assess entrepreneurial potential whether by the use of a standard entrepreneurial profile or by the use of any assessment criteria. However, the following dominant profile and assessment module have been suggested as starting points.

3.1.1 The Dominant Profile of Entrepreneurs

The following Exhibit presents the modal profile of current entrepreneurs. Compare these with your own position on each issue. Note that these represent the most recurrent profile and that there are many exceptions on each side of the pendulum. Also note that some of

the exceptions can be successful, particularly when extra or special attributes are present.

Exhibit 14.1: The Dominant profile of Entrepreneurs

	Issues	Dominant positions
1.	Birth position of entrepreneur	Oldest Child
2.	Sex/gender of entrepreneur	Man
3.	Modal age range for starting business	30-35
4.	Educational level of entrepreneur	Post-secondary Bachelor's degree
5.	Motivation for starting business	Independence
6.	Ingredient for success	Hard work
7.	Entrepreneur's orientation	Doer (not planner or manager)
8.	Level of risk acceptance	Moderate
9.	Physical presence (charisma)	Ordinaryfits into the crowd
10.	Desired areas of business interest	A variety of ventures
11.	Occupation of parents	Self employed
12.	Trigger of high ego & need for achievement	Father

Source develop by the author

3.1.2 Research Evidence and Explanations for Dominant Profiles

1. Entrepreneurs can fall into any birth order. However, the oldest child in the family is more commonly the entrepreneur. The likely explanation is that parental expectations of the first child are high, and parental influence is also high as the first child (particularly males) spends some time alone with the parents before the other children are born.
2. Most entrepreneurs are men. This is the case in Nigeria, the US and Western Europe.
3. While ventures can be started at any age, most Nigerian studies including that of Okia-Anie, have shown that the modal age range for entrepreneuring is 30 to 35 years. This is supported by studies carried out in the United States of America.
4. Many contemporary studies have shown that the average entrepreneur is slightly more educated than the general population. This is the case in Nigeria and in many other countries of the world including the U.S.A. While many Nigerian studies have shown that most entrepreneurs in the organized private sector are holders of any of the post-secondary educational certificates, Nwachukwu found that about 80% of the entrepreneurs in the manufacturing and wholesale businesses in Nigeria attended the university.
5. The need for independence has usually featured prominently as a motivation for entrepreneuring. This implies that most entrepreneurs like to be on their own and are not comfortable, with

authority figures.

6. A major ingredient for success in entrepreneurship is hard work. Money, connection, and good ideas are necessary but when the entrepreneur is hard working, the other factors become clearly apparent.
7. Entrepreneurs are obviously doers. They joyfully exert a lot of energy building, creating and doing. They fit more into the doer mould than they do in the planner or manager mould.
8. The level of risk acceptance by the entrepreneur is the moderate risk level. It is simply an over-statement to say that entrepreneurs are high risk takers. High risk takers will fail to win in many cases and this situation does not characterize the entrepreneur. Entrepreneurs are definitely not gamblers.
9. Entrepreneurs do not stand out in a crowd. They fit into the crowd.
They are ordinary people. There is no extra-ordinary physical presence.
10. The business interest of the entrepreneur is generally wide. They can create a variety of ventures depending on their experience, background, and specialization.
11. A great majority of entrepreneurs have parents, (particularly fathers) who are or were self-employed. This is the report of many studies of entrepreneurship. Among them are those-of Akeredolu-Ale, and Shapero. Shapero stated that 50. to 58% of company founders in a variety of studies in the Unites' States, 74% of Filipino manufacturing entrepreneurs, 80% of entrepreneurs in Kenya and 89% of those in Nigeria had self-employed fathers. He further posited that in spite of the hardship often experienced by the entrepreneurial father, the son frequently follows .his footsteps because, paradoxically enough, familiarity with the fact that obstacles have to be overcome in some way, has an assuring quality, and that, an early exposure to risk may increase one's tolerance to it.
12. Entrepreneurs report a strong relationship with their parents' (particularly their fathers). This strong relationship, regardless of whether it is a Love or hate relationship, is a prime motivation for the high need for achievement.

3.2 The Entrepreneurship Rater

Starting a business is undoubtedly a risky venture and many new business start-ups do not last for many years. Some crumble as soon as they are started. There is some need for one to .assess ones personality traits and technical abilities before the entrepreneurial adventure. It may

help to determine ones readiness for the plunge. What appears in Table 4.2 is not a certified assessment parameter but it can be very useful in 'the determination of readiness for entrepreneurship. A score of 50 points and above show a high preparedness for entrepreneurship. Those scoring a little below 50 points do not need to be very discouraged since the zeal for entrepreneurship and the determination to succeed can make up for some, deficiencies.

EXHIBIT 14.2: THE ENTREPRENEURSHIP RATER

	TRAITS AND ABILITIES	Extent
1.	To what extent do you consider yourself a doer and not an administrator or manager?	
2.	To what extent can you take up a project and complete it in spite of serious obstacles?	
3.	To what extent can you take up projects without relying on others for approval or support?	
4.	To what extent do you like to be in-charge and accountable for tasks and projects?	
5.	To what extent do you come up with new ideas and pursue them to completion?	
6.	How do you rate yourself on personal achievements so far (in terms of education, training, experience and skills, projects completed. -previous business ventures, etc.)?	
7.	To what extent can you take up tasking and enduring assignments whose rewards are .sure but not immediate?	
8.	How do you rate yourself on foresight (the ability to accurately see or imagine what will happen in the future)?	
9.	To what extent do you like meeting and dealing with people?	
10.	How well do people accept your view, concept und projections?	
11.	To what extent are you generally able to come up with new and effective ways of doing things?	
12.	Are you in good physical health condition?	
13.	To what extent do you have the technical skills for running a business (e.g. Book keeping, payroll preparation, inventory management, investment analysis, etc.	
14.	How well do you understand the marketing, finance and operations functions of business?	
15.	What amount of experience have you had in this type of business you want to 20 into?	-
16.	To what extent are you sure that there is need for the	

4.0 Conclusion

There is a better understanding of the course of developing an entrepreneur.

5.0 Summary

This study attended to reasons for entrepreneurship rater for self assessment

6.0 Tutor-Marked Assignment

- 1) Can I make it in business? Explore, using certain characteristics to ascertain your ability or inability to own and manage a venture
- 2) As a consultant, draw up an entrepreneurship rater to assess a hypothetical firm going into production of beverages.

7.0 References/Further Readings

Shapiro, A. (1978), "Entrepreneurship and Economic Development" in W. Namesed, The Entrepreneurial manger in the Small Business, Readings, Mass, Adisan-Wesley Publishing Comapny.

McClelland, D.C. (1973), "Business Drive and National Achievement" in H.J. Leavitt and I.R. Pandy eds, Readings in Managerial Psychology, The University of Chicago press, Chicago.

UNIT 15 DEVELOPING THE POTENTIAL FOR ENTREPRENEURSHIP

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

3.1 Genetics and Environmental Inheritance

3.1.1 Parental Inducement

3.1.2 The Enthronement of Entrepreneurial Culture and Values

3.1.3 The Contribution of Government

3.1.4 Education for Entrepreneurship

3.1.5 Encouragement of Corporate Entrepreneurs

3.2 Entrepreneurial Ethics

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignments

7.0 References/Further Readings

1.0 Introduction:

Are entrepreneurs born or made? This question might seem basic and even diversionary. It calls for exploration however. Most people will like to believe that the answer is obvious that entrepreneurs are born and not made. They will point to the avalanche of literature on the personality of the entrepreneur to buttress their point. Research has shown that some behavioural characteristics are positively related to successful entrepreneurship. Are the characteristics genetically inherited from parents or are they acquired environmentally. Are they conferred by nature or by nurture?

To come to grasp that today, greater reliance is placed on entrepreneurship all over the world and Nigeria in particular for national development, technological innovations, and expanded employment opportunities than was the case earlier.

2.0 Objectives

At the end of this unit we should be to:

- Understand genetics and environmental inheritance
- explain entrepreneurial ethics

3.0 Main Content

3.1 Genetics and Environmental Inheritance

While we definitely agree that children genetically inherit parental characteristics, we also believe that these traits can be acquired at childhood during the developmental stages of the child. McClelland has shown that (a) parents' high achievement standards, (b) encouragement and warmth in the home and (c) a non-dominating, non-authoritarian father, are the factors considered important in the development of achievement motivation in boys.

Encouragement of entrepreneurship is useful and has been practiced as a way of achieving economic development. There are reports on a number of world-wide programmes primarily developed to encourage economic development. Among them were the small scale industries development organization in India, project Brazil in North-Eastern, Brazil, and the minority enterprise programs in the United States of America.

There is evidence that business organizations have for long operated on the belief that entrepreneurial capability can be developed. Businessmen and business executives are known to attend or to send their bright employees to entrepreneurial seminars. Through the positive results in his training programs in India, McClelland has indicated that it is possible to develop achievement motivation in adults, and that the achievement motivation will lead to entrepreneurial activity.

Some basic ways of developing or encouraging the development of entrepreneurial capability are therefore as follows:

3.1.1 Parental Inducement

While the thesis of genetic transfer of entrepreneurial characteristics is plausible, parents can encourage the development of entrepreneurial capability through the display of interest and high expectations in achievements of children. The encouragement of individualism is also a necessary factor. A situation where parents wittingly or unwittingly provide their children with abundance (whether earned or acquired surreptitiously) particularly after their teen years, discourages enterprise and ties the children perpetually to the apron strings of their parents. Such children can hardly ever be the architects of their fortunes. Parents should

know that it is their responsibility to prepare their children for the future, not only in the amount of education and technical skill development but in terms of the amount of courage and confidence they are given to face that future. Ideally, children should be presented with conditions that allow them to try their hands at being their own architects, their own masters, towards the twilight of their teen years or as they become young adults. Material support from parents to young adults should be partial or only when necessary.

3.1.2 The Enthronement of Entrepreneurial Culture and Values

The extent to which personal achievement is recognized and applauded in a society encourages entrepreneurship. The culture and value system must extol work, personal achievement, creativity and excellence. Entrepreneurs must be recognized as making very important contributions. A situation where rogues in high places who mercilessly loot government and industrial treasuries are conspicuously and frequently placed on high pedestals and cheered, while entrepreneurs, the real engines of economic development are disregarded, definitely discourages entrepreneurship. As Sawyer noted, the national differences 'in the drive toward entrepreneurship cannot be entirely based on economic factors, individual cases of heroism and genetic inheritance. These differences cannot be explained without reference to the system of goals and values and the scale of social ranking and pattern of conduct that characterize the culture of the particular society.

3.1.3 The Contribution of Government

The government has a lot to do towards the encouragement of entrepreneurship. It must create the enabling environment for entrepreneurship. It should enthrone the right economic climate, the removal of bureaucratic bottlenecks, and these should be laced with the appropriate fiscal and financial incentives.

The government can make substantial contribution to the development of the right values and culture as stated in (2) above. It should extol work and productivity. It should project and reward achievers through the award of government contracts which must be bid for. Only those with the track record of performance should get government contracts. Fairness and transparency in governmental contract bidding and award are of utmost importance in the encouragement of entrepreneurship.

The government should also do well to provide the infrastructure necessary for entrepreneurship. These include pipe borne water, electricity, road network, communication systems and so on. The absence and ineffectiveness of the necessary infrastructure discourages entrepreneurship.

3.1.4 Education for Entrepreneurship

The ability to take action toward risk is influenced by achievement motivation, the individual's self-image and the ability to perceive environmental opportunities and the costs and benefits associated with investment decisions. These abilities and skills can be improved with education. McClelland's positive result in his training programs in India is obvious evidence. Education improves self-image, one's awareness of his environment, foresight and perceptiveness,' and therefore the ability to take decisions about the costs and benefits of actions. Education for entrepreneurship also includes expanded enrolment in business schools and the encouragement of persons to avail themselves of company and government operated business training programs.

Entrepreneurship education has become a reality in our universities. There are basic skills that entrepreneurs need, to successfully start and manage their businesses. Without these skills, the entrepreneur will face great difficulties. These skills are classified into technical skills, business management skills, and personality oriented skills. These are presented in Table 15.1 below. The easier to teach skills are the technical and the business management skills. The personality oriented skills like imagination, persistence, innovativeness, risk taking, courage, optimism and so on, are a lot more difficult to teach but can be acquired with a longer period of training.

Exhibit 15.1: Skills Required in Entrepreneurship

Technical Skills	Business Management Skills	Personal Entrepreneurial Skill
Writing	Planning and goal setting	Inner control/discipline
Communication	Decision making	Risk taking
Technology	Human relations	Innovativeness
Interpersonal	Marketing	Change orientation
Listening	Finance	Persistence
Organizing ability	Accounting	Imagination
Network building	Management	Drive
Coaching	Control	Flexibility
Team work	Negotiation	Competitiveness
Environmental	Venture launch	Optimism ^
	Growth management	Courage

Source: Adapted from Robert D. Hisrich "Toward an Organization Model for Entrepreneurial Education" Proceedings, International Entrepreneurship Conference, Dortmund, Germany (June 1992) p. 29.

3.1.5 Encouragement of Corporate Entrepreneurs

Many employees of existing organizations are innovative individuals. Companies should endeavor to tap this advantage in creating new products and services. Corporate idea champions or change agents should be encouraged to fully develop their ideas into products and services, to keep the creative adrenalin flowing. If company resources and time are available, these should be fully tested and if useful to the firm, marketed. If it is found inappropriate for current business, the idea champion can use these ideas for other purposes.

There are- cases of new firms that have been started from product/service ideas generated in existing large organizations. These large and formalized firms are often unable to take advantage of new product discoveries and this gives rise to the exit of the idea champion who sets up the new firm to produce and market the new product to his own advantage. Such spin-off from incubator organizations increase the rate of growth of technically oriented firms-.

3.2 Entrepreneurial Ethics

Entrepreneurial ethics have become a major concern in the creation and management of new ventures. It concerns the entrepreneur's treatment and concern for customers, employees, community, trade associations and competitors, among others. Does the entrepreneur understand that customers are at the centre of his business? Does he know that the customer should have the stated quality on the product package and

should not be deceived? Does he realize that employees deserve a chip of the burgeoning profit?

Oftentimes, entrepreneurs particularly the smaller ones in Nigeria, do not bother about ethics, fairness and the rights of customers, employees, competitors, community and so on. Concern for others is a virtue that must be cultivated by entrepreneurs. It is necessary for its own sake but it is also in the best interest of the entrepreneur to be ethical, for there is an iron law of responsibility which states that, in the long run, those who do not use power in a manner that society considers responsible will tend to lose it" '

4.0 Conclusion

Is entrepreneur born or made? This lecture has come to answer both questions positively. Research vis-a-vis this lecture shows that some behavioural characteristics are positively related to successful entrepreneurship. Are the characteristics genetically inherited from parents or are they acquired environmentally? Are they conferred by nature or by nature? The answer is both.

5.0 Summary

This study developing the potential for Entrepreneurship wraps up the subject matter of Sociology of Entrepreneurship. Genetic and environmental inheritance and entrepreneurial ethics which entrails the students to understand that the enterprising man is the entrepreneur behind the enterprise. He was succinctly covered during the study. Hence, the student is in grasp of sociology of entrepreneurship

6.0 Tutor-Marked Assignments

- 1) Are entrepreneurs born or made?
- 2) How do children inherit parental characteristics in entrepreneurship?
- 3) Discuss how genetics and environmental inheritance influence children ethics to become entrepreneurs.
- 4) Entrepreneurial ethics are central to success of an entrepreneur. How can an entrepreneur achieve this?

7.0 References/Further Readings

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