

Entrepreneurship and the Nigerian Cultural Context

Olajumoke Adeosun-Familoni
(Lead City University, Ibadan, Nigeria)

Abstract: Cultures that have embraced the concept of entrepreneurship and nurtured those with the traits have seen tremendous progress and development. The economic vitality in these nations have been noticeable, as they are described as the developed world, the capitalist world, and the first world and so on. While those who have not tapped into it, are those called the emerging nations, the less developed world or the underdeveloped world and even the third world are gradually understanding the importance of encouraging entrepreneurship. The paper explores the impact of culture in nurturing entrepreneurs in Africa with a reference to Nigeria, and how culture plays a part in shaping entrepreneurial tendencies. The paper concludes by proffering strategies for cultures to embrace entrepreneurship to ensure the economic vitality of nations.

Key words: entrepreneurship; small businesses; culture; development

JEL codes: M1, L1, L2

1. Introduction

According to Jones and Sakong (1980) Entrepreneurship is “a force that mobilizes other resources to unmet market demand”. Timmons (1995) defines entrepreneurship “as the ability to create and build something from practically nothing”. Stevenson et al. (1985) also defines entrepreneurship as “the process of creating value by pulling together a unique package of resources to exploit an opportunity”.

Schein defines culture as the norms of a people, the way and manner of doing things, bedded in the norms, espoused values and artifacts. Culture is a modern concept from the Latin word “cultura”, which connotes a process of doing things. It is a process of improvement, i.e., the belief of a people. En Luthans (1989) explained that among the many factors that influence attitude, culture makes a more significant contribution to personality. Considering personality as a psychological process of perception, learning, and motivation, culture dictates what a person will learn. Usually people with entrepreneurial traits have learnt at an early age the dignity of labor, the nature of risks and hence are much averse to risk than their counterpart in a culture that believes otherwise. The Luthans further submitted that the contribution of family and social group to personality development have the most impact on the development of entrepreneurial skills and mindset. It is the family and later the social group, which selects, interprets, and dispenses the culture; hence the ease with which individuals from entrepreneurial families imbibe the notion of starting their own businesses. Entrepreneurship is then best viewed as a creative process that stimulates an individual to undergo the stages of ideation, conceptualization, enterprise creation, and commercialization.

Olajumoke Adeosun-Familoni, Ph.D., Lead City University; research areas/interests: entrepreneurship/leadership and strategic management. E-mail: jmkicled82@gmail.com.

Mussen (1963) defined socialization as the process, which an individual requires from the enormously wide range of behavioral potentialities that are open to him at birth, those behavioral pattern that are customary and acceptable according to the standards of his family and social group. In essence, home environment and the immediate community of a person plays a vital role in developing his/her beliefs. The home environment is the initial base from which the guts to develop an entrepreneurial spirit is based. This cultural stage forms the basis of our entrepreneurs. In the developed world like the United States, the entrepreneur is celebrated and the environment encourages and nurtures ideas and innovation. Hence, we have places like the University of Stanford investing in Silicon Valley, a venture capital forum, where ideas from the students are evaluated and funded for business development. This is a society that prides itself in nurturing the ideas of its students, formulating policies with a focused attempt to stimulate the growth of entrepreneurs.

In the developing world like Nigeria for example, the focus is more on the white collar job, the prestige is more on what kind of work you do, the lawyer, the doctor etc, hence the growth of entrepreneurs was not much celebrated until recently. The focus is different where the culture celebrates people who are able to land jobs with multinational organizations as opposed to creating innovative ideas to develop a multinational organization. The external factors contributing to entrepreneurial endeavor such as economic policy, infrastructure, technology development, education system, information technology development may affect the predisposition of a person. In summary, the contributions of these factors in framing the attitude of the youth are important to determine for a successful youth entrepreneurship programs. In the developed world, no one is bothered about lack of infrastructure, the notion is that if you have an idea and you have the guts to sustain it, the culture backs you even if you fall, you can get up several times over. In the undeveloped world the learning curve and tolerance for failure is very narrow, coupled with the lack of environmental facilities and infrastructure to encourage the pursuit of entrepreneurial skills.

2. The Entrepreneur

First, we define the word culture in relation to entrepreneurship. Entrepreneurs are not born they are product of their environment (Familoni, 2008). Entrepreneurship is not an inborn skill, it is a product of the environment, which involves a complex economic and social behavior. For success, entrepreneurs have to remain dynamic and responsive to the environment they have to be open to the culture in which they reside, and can only flourish under the right environment. They have to be able to interpret the values, social system, the government, the policies, politics, customs, and laws of the environment in which they are located.

Accordingly, the many attributes of entrepreneurship recorded in the economic literature are influenced by the personality of an individual that determines his/her attitude towards it. This attitude towards entrepreneurship constitutes his/her entrepreneurial personality. Personality has been defined as a whole person concept. It includes an individual's perception, learning, motivation, experience, socio-economic characteristics, among others (Luthans, 1989; Kimbel, Garnezy, & Zigler, 1974). Personality is described further as a set of behavior patterns, which a person has acquired under special circumstances of his/her development and as a member of his/her society and the several groups he/she belongs. It is this personality that is shaped by the cultural environment of the entrepreneur, the ability to think in critical terms, and to analyze situations faster are usually all shaped by the environment in which the entrepreneur reside. The cultural environment shapes the entrepreneurial perception. In the United States for example, everyone believes in the American dream, hence you constantly hear the slogan,

“only in America”. Meaning some dreams are only able to come true in America because of the presence of the free enterprise system.

This contribution of family and social groups in dispensing the culture is what is referred to as the process of socialization. Morgan opined that individuals view issues from different lenses from where lenses are framed. The lens in which the entrepreneur is viewed is shaped by the cultural environment. In the Nigerian environment, the successful entrepreneur is admired and revered and accorded much respect, based on the show of wealth. Is the entrepreneur an innovator or risk taker or just a dropout? The culture shapes these views. Culture as defined by Schein is the norms, artifacts and espoused values, while Morgan sees culture as framing values from which we view our world. Entrepreneurial culture implies a set of values, norms and traits that are conducive to the growth of the entrepreneur. Cultural values affect entrepreneurs and the economic development of the location or country.

3. Culture and the Process of Entrepreneurship

Dionco-Adetayo (1998), the culture has to do with the entrepreneurial process, the focus on the discovery and interpretation of opportunities in the immediate environment. This is why entrepreneurs are often described as those that see value and opportunity, where others see chaos and problems. That is; why today, in Nigeria, many foreign organizations are coming, and have been coming here since the era of the colonial times till today to tap the vast resources that are inherent in our culture. Where, the citizens see only chaos and uncertainty, others are tapping into the humongous opportunities in terms of resources, minerals, population and the human capital. Usually, the entrepreneurial process starts with the ability to identify opportunities and shape those views into a business idea.

4. Importance of the Cultural Environment to the Entrepreneur

The cultural environment will alert the entrepreneur to the fact that challenges can be seen as opportunities. The mind of the entrepreneur is shaped by how much this belief is encouraged. In the pursuit of an entrepreneurial idea, the ease with which the entrepreneur is able to translate the idea to a business opportunity will depend on the impetus it gets from its culture. The mere thinking of an idea continues if the entrepreneur presumes the culture says it is alright to think about that idea, it's alright to pursue it, it's a right to try it out. While another culture can give the silent or unspoken disapproval, encouraging the pursuit of job with a multinational organization. Questions of doubt are planted, How will you feed yourself and do you want to go begging for food? A culture that prefers white collar job to talent and entrepreneurship would vastly affect the mindset of entrepreneurship. The American culture imbibes the American dream, where you have the wherewithal to start a venture, fail and get up and start again. While the Nigerian culture supports the employment into established organizations, and where business failure was looked upon as a failure and stigma or disgrace. The cultural environment should influence the entrepreneur in the following ways;

- Help to predict behavior and how people will react in certain situations

- It develops the sensitivity of the entrepreneur

- It facilitates change in attitude to entrepreneurship

Culture determines the ethos of the people (Zigler, 1974) and trains people in particular lines. It also conveys identity and enhances social system stability. It creates enterprising people and risk takers, while at the same time it determines the goods and services. The understanding of the culture of a place enables the entrepreneur to

skillfully manipulate the system to his favor. The entrepreneurial opportunity cannot be done in isolation as the entrepreneur will require the ability to read the times, ability to pick up what is a fad and what the consumer wants and what will be accepted.

5. The Entrepreneur and the Environmental Sensitivity

Dionco-Adetayo, (1998) opined that the cultural environment shapes the entrepreneurs sensitivity to the events in the society. A poor culture to entrepreneurship, will hardly notice the opportunities that abound. In Nigeria, we generate so much waste that foreigners are coming in droves to use the waste to generate energy, biodegradable and waste energy, as well as hire our local labor at the factories they create. We have failed to see the vast resources and opportunities in our nation for a while. Of recent I believe we are waking up to the realization and our sensitivity is becoming heightened to opportunities. Universities, the government are now holding hands to encourage the culture of entrepreneurship which is great to see.

6. Entrepreneurship and Market Identification

Gill (1963) described the entrepreneur as an individual who possesses the drive, ambition, foresight and imagination to break through traditional barriers, overcome social inertia and transform theory into practice. The entrepreneurial ability to move ahead with confidence and survive in the business world is based on the knowledge and instinct that comes from experience gathered in a particular cultural milieu.

Sociologists like Max Weber opined that entrepreneurs, are most likely to emerge under a specific social culture. The ability of the entrepreneur to analyze market situations, develop creative approaches to market all are influenced by his cultural environment. The marketing concept used will only be successful to the extent in which the environment accepts and embraces it. Creative process therefore, involves the ability of an entrepreneur in perceiving economic opportunities, innovation, risk-taking, and capital formation, selection of venture type, enterprise creation, resource organization, production and marketing. Throughout the process, the entrepreneur uses his creativity with his mind as a creative masterpiece, full of infinite power. In reality, if men are to fully harness and use his creative thinking ability, the wonderful technical, economic and social progress that we have today will even be more than what we have actually harnessed. It has been estimated that man uses less than 10 percent of his creative ability.

These creative tendencies to identify markets depend on the cultural environment of the entrepreneur. Some cultures are enormously supportive of entrepreneurs and others are not. Hong Kong is such a culture that supports entrepreneurs to the point where entrepreneurs develop their own culture. While the communist communities regard entrepreneurs with suspicion, another culture embrace them, encourages them, formulates policies for them and ensure their growth. And this goes a long way to explain why some societies are vibrant and progressive while some are stagnant.

7. Recommendations for Encouraging Entrepreneurial Culture

Religion: some are conducive to entrepreneurship while some greatly inhibit it. Religion often determines what business one stays away from and what one can do. In India religion determines what ones stays in and not. Religion becomes a reference point for actions in business. Churches begin to celebrate gradual business growth.

Family; plays an important role in the shaping of entrepreneurs. Family and background, Family values, table talk, all increases the instinct for going into business (Mayer & Sutton, 1996). Fishbein (1976) opined that beliefs are feelings, perceptions and knowledge over a certain object or idea that can be acquired through direct experience and through communication and learning. Luthans further submitted that the contribution of family and social group to personality development have the most impact. It is the family and later the social group, which selects, interprets, and dispenses the culture. This contribution of family and social group in dispensing the culture is what is referred to as the process of socialization.

Environment; How well are we encouraging our youth, what policies do we have in place. Our centers must be ready to listen, equip, support and encourage even the wildest of ideas. The youths believed that earning their certificates means challenging jobs either in the public and private sectors and are optimistic of getting job placement in the industry (Moibi, 2002). But then our institutions should be open to ideas, creative minds, innovative ideas from our youth and students.

Values interest in fast money; Discourage get rich quick schemes, the community, the family all discourage this interest in the youths and other family members..Respect for materialism; Lower our appreciation for materialism, encourage Ethics: Imbibing the culture of pride in talent and gradual business growth to wealth as opposed to get rich quick schemes.

Government: Policies by governmental agencies that will encourage the growth of entrepreneurs. Such as encouragement of low documentation processing of small term loans.

Role Models: This refers to people who have made the mark in their field of entrepreneurship and the success stories can be traced. Neighbors/community Community encouragement, support for young and budding entrepreneurs in the immediate community in which they live.

Interfirm cooperation is a strategy that includes bigger organizations working with smaller firms to lift them up and mentor them in some entrepreneurial tendencies. The United States of America, small business Administration encourages larger organizations to work and contract with smaller organizations. They get rewarded for this in terms of awards etc. Government on emerging nations like Nigeria should research into such strategies for developing and encouraging growth of entrepreneurs and small businesses.

8. Conclusion

The culture of an individual will shape our entrepreneurial tendencies, most of the time people that come from family businesses are very sensitive to business, they have seen it first hand and embraced it and believe in it. Most successful businesses in the developed world have seen the fourth generation, celebrating 100 years, 150 years of being in business. While in the undeveloped world like our country Nigeria, we always witness the demise of organizations, because there have been no succession planning, the children will rather go on to get jobs than stay and continue in the family business. Also, most family businesses are not run professionally so at the death of the founder the business ends. There is no sustainability.

The onus is on the entrepreneurial centers in higher institutions to develop conscious plan to work with the successful small businesses in our community and hold their hands as they grow and assist in ensuring their sustainability, that should be one of our roles to the community. We should feed them with research data, market plans and technical knowledge. Parents should begin to nurture our children's skills and talents and encourage the growth of ideas, critical reasoning so that we can begin to see the emergence of our own local multinationals

rather than seeking jobs and heralding and glorifying jobs opportunities in a multinational company.

References:

- Adedoyin S. and Torimiro D (1998). "Rural children and the future food security in Nigeria", *Children in Agricultural Program*, Nigeria.
- Adeosun- Familoni (2010). *Entrepreneurship in Emergent nations*, Concept Publications.
- Dionco-Adetayo E. (1998). "Entrepreneurial performance of micro scale food processing industries in Osun State, Nigeria", Ph.D. Dissertation, Obafemi Awolowo University, Ife, Nigeria.
- Dionco-Adetayo E., Fayomi I. and Oribabor P. (1999). "Entrepreneurial development in tertiary institutions: A strategy for self-employment", *Journal of Behavioural Research*, Obafemi Awolowo University, Ife, Nigeria.
- Dionco-Adetayo E. and Nassar M. (1999). "Personality traits associated with entrepreneurial performance in post-harvest crop production in Nigeria", *Journal of Behavioral Research*, Vol. 1, No. 1.
- Familoni O. (2010). *Key Traits of Successful Leaders/Entrepreneurs* (2nd ed.), Eas Yemison Publishers.
- Fishbein M. (1976). "A behavior theory approach between beliefs and attitude toward an object in readings", in: Fishbein (Ed.), *Attitude Theory and Measurement*, McGraw-Hill, New York.
- Gill R. (1963). *Economic Development: Past and Present*, Prentice-Hall, Inc., Englewood, Cliffs, New Jersey.
- Kimble G., Garnezy N. and Zigler E. (1974). *General Psychology* (4th ed.), The Ronal Press Company, New York.
- Kline J., Stegall D. and Steinmetz L. (1982). *Managing the Small Business* (3rd ed.), Richard D. Irwin, Inc., Homewood, Illinois.
- Luthans F. (1989). *Organizational Behaviour* (5th ed.), McGraw-Hill Book Company, New York.
- Mayer F. and Sutton K. (1996). *Personality: An Integrative Approach*, Prentice-Hall, Inc., New Jersey.
- Moibi K. (2002). "Perception of final year students towards employment", B.Sc. theses, Obafemi Awolowo University, Ife, Nigeria.
- Rabbior G. (1996). "Elements of successful entrepreneurship education program", in: Kent C. (Ed.), *Entrepreneurship Education*, Quorum Book, New York.
- Reynolds P., Hay M., Bygrave W., Camp S. and Autio E. (2000). *Global Entrepreneurship Monitor: Executive Report*, Ewing Marion Kauffman Foundation, USA.
- Torimiro D. and Dionco-Adetayo E. (2003). "Children Involvement in entrepreneurship in Rural Communities: An Attitudinal Analysis", *Journal of International of Technology and Innovation*, Elsevier Science, England.
- Mussen P. (1963). *The Psychological Development of Child*, Prentice-Hall, Inc. Englewood, Cliffs, New Jersey.