

The Influence of Individual Factor on Social Entrepreneurship in the Performance of Public Enterprises in Nigeria

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Abstract

Public Enterprises in Nigeria represent a vital part of the economy, being the sources of various economic contributions through the generation of income via providing new job, exporting and engine for employment. The role of Public Enterprises in a knowledge based economy has been highly appreciated and acknowledged. Moreover, in the present economy, Public Enterprises are facing tremendous challenges and threats to survive in a competitive environment. The study was guided by the following research objectives, which include; finding out to what extent personal trait factor, motivation factor, and competencies influences the performance of Public Enterprises in Nigeria. The study adopted a descriptive survey and exploratory design. The study targets four local governments namely Kaduna South, Kaduna North, Igabi and Chikun Public Enterprises in Kaduna that are registered in Bureau for Public Enterprises. Regression models was used to examine the influence of individual factor on social entrepreneurship in the performance of Public Enterprises in Nigeria. The study found that individual factor Social Entrepreneurship components (personal trait, motivation factor and competencies) have a great positive influence on the performance of Public Enterprises.

Keywords: *Influence, Social entrepreneurship, Public enterprises*

Background of the Study

Over the past ten years 'social entrepreneurship' has emerged as an important set of actions and discourse for social activities, policy makers, academics and the media (Nicholls 2006). Moreover, the number of social entrepreneurs and social enterprises is rising globally, as is their influence and impact (Harding 2004) in U.S.A. Such organizations are increasingly being portrayed as having a key role to play in welfare and enumerated policy innovation going forward as well as helping to restore economic activity (Mair & Seelos 2007).

The issue regarding the performance of public enterprises is a very difficult matter in Nigeria due to the fact that the society faces financial, human resources, welfare, skills acquisition and orientational problems. All these can represent a big challenge for the public enterprises in service delivery, for the citizen satisfaction. A major theme has been the creation of value through innovation (Schumpeter (1951) Drucker (1985) as applied more recently to social concerns, the concept has taken on a variety of meanings.

However, for example, social entrepreneurship have focused on combining commercial enterprises with social impacts. In this perspective, entrepreneurs have used business skills and knowledge to create enterprises that accomplish social purposes in addition to being commercially viable Emerson & Twersky (1996).

Therefore, Hafferman (2007) said social entrepreneurship should be understood as some one who targets an unfortunate but stable equilibrium that causes the neglect, marginalization or suffering of a segment of humanity, who brings to bear on this situation his or her inspiration, direct action, creativity, courage and fortitude, and who aims for and ultimately affects the establishment of a new stable equilibrium that secures permanent benefit for targeted group and society at large. However, as a result of the intensity and complexity of social and environmental problems, Social Entrepreneurship defined as the employment of entrepreneurial skills through an innovative process or activity that creates social, which can occur within or across non-profit, government or business sectors has become increasingly prominent.

Many researchers in this areas recognize three decisive macro-dynamics in the emergence of social entrepreneurial activities around the world. The first of these is the slowdown of the public offering of products and social services, which has contributed to an increase in unmet needs, Light (2008). This is especially true for social welfare, with regards to which public sector involvement is rather limited Sharir & Lerner (2006). Second, the existing disequilibrium in the distribution of income level in both developing and developed countries has increased the need for a new paradigm and new business strategies Bornstein (2004). Over the past two decades social entrepreneurs have also increasingly employed business strategies to address problems and generate revenues. Finally, the increased competition within the non-profit sector to achieve donations and grants has led to the need to professionalize the activities undertaken with the objective of reducing financial dependence, and thus ensure their economic stability for the development of their social mission Perrini (2006).

In this regard, and over the last couple of decades, social movements and organizations led by Ashoka Foundation (Bill Drayton), the Skoll foundation (Jeff Skoll) and Schwab Foundation (Hilde and Klaus Schwab) have begun promoting Social Entrepreneurship. The increasing dynamism and vitality are observed in the search for new themes and ideas concerning Social Entrepreneurship Christie & Honig (2006). The literature in Social Entrepreneurship has tended to focus on renowned social entrepreneurs' experiences, personal characteristics, leadership and success factors.

However, there is no solid evidence regarding one of the interesting aspects of Social Entrepreneurship: the study of how Social Entrepreneurship influences performance of public enterprises (promote or inhibit) the emergence of social entrepreneurial activities Urbano, Toledano & Soriano (2010). In this sense, an important number of both theoretical and case studies can be found Bacq & Janssen, (2011); Dhési (2010), Mair & Marti (2009) McMullen (2011); Sud, VanSandt, & Bauigous, 92009), Townsend & Hart (2008); Weerawardena & Mort (2006). Despite this, most studies deal with the issue in a fragmented and excessively descriptive way. This lack of empirical studies is putting limits on our understanding of social entrepreneurial activities so it is important to devote efforts in this direction. Taking account the considerations noted earlier, the framework of institutional economics North (1990, 2005) is adopted to analyse environmental, individual, resources, and organizational factors that affect Social Entrepreneurship. According to this framework, institutions include any form of constraint that human beings devise to shape their interaction.

According to the above, and in order to overcome this lack of research the main purpose of the present study is to statistically explore the relationship between personnel trait, motivation and competencies and how it influences the performance of public enterprises and social entrepreneurial activity.

Objectives of the Study

The general objective of the study is to investigate the Influence of individual factor on the Performance of Public Enterprises in Nigeria”.

- i. To determine whether personal trait influence the performance of public enterprises
- ii. To examine if motivation employed by social entrepreneurs affects performance of public enterprises
- iii. To determine whether competencies of social entrepreneurs affects performance of enterprises.

Research Hypothesis

Abiola (2002) Hypothesis is a tentative explanation that account for a set of facts and can be tested by further investigation. May be precisely defined as a tentative proposition suggested as a solution to a problem or an explanation of some phenomenon Ary, etal (2000)

- i. Social entrepreneurship personal trait factor have no relationship on the performance of public enterprises.
- ii. Social entrepreneurship motivation factor have no relationship on the performance of public enterprises
- iii. Social entrepreneurship competence factor have no relationship on the performance of public enterprises.

Theory of Social Entrepreneurship

Social entrepreneurship commonly defined as “entrepreneurial activity with an embedded social purpose Austin et al (2006), has become an important economic phenomenon at a global scale Dacin et al (2010), Mair and Marti (2006), Zahra et al (2008). Some striking social entrepreneurship innovations originate from developing countries and involved the deployment of new business models that address basic human needs Seclos and Mair (2005), such as the provision of low-cost cataract surgeries to cure blindness or the deployment of sanitation systems in rural villages Elington and Harigan (2008). yet, social entrepreneurship is a vibrant phenomenon in developed countries as well. For example, according to the estimates of the Global Entrepreneurship Monitor (2005) survey, 1.3M people in the UK (representing 3.2% of the working age population) are social entrepreneurs (defined in the survey as being involved in founding an running a social-mission organization younger than 42 months. given that the comparable number for commercial entrepreneurship is 6.2%, these data raises the intriguing possibility that social entrepreneurship may become almost as important a phenomenon as commercial entrepreneurship Harding (2006).

Although social entrepreneurs usually start with small initiatives, they often target problems that have a local expression but global relevance, such as access to water, promoting small-business creation, re-integration of individuals into the work-force or waste management. The innovative solutions that social entrepreneurs validate in their local context often get replicated in other geographic and can spun global industries Zahra et al (2008). An example is the growth of the microfinance industry throughout the world Seclos and Mair (2005) which now reaches more than 100 million clients worldwide Rhyne (200). Social entrepreneurship is thus having profound implications in the economic system, creating new industries, validating new business models, and redirecting resources to neglected societal problems.

Despite some skepticism about the ability of social entrepreneurs to solve large-scale societal problems Sud et al (2009), these developments have sparked a growing academic interest for this new domain Dacin and Dacin (2001). Practitioner-oriented research and several books focused on social entrepreneurship have been published in the last few years Dees et al (2001), Elington and Hartgan (2008), Nichols (2006). business schools which, with a few exceptions Dees (2001), had largely ignored this phenomenon have been joining the field by creating academic centers and developing new courses Mair and Marti (2006), a trend that accelerated at the start of this decade. Yet, despite this increasing academic interest, the management field lacks a conceptual understanding of the economic role and logic of action of social entrepreneurs Dacin et al (2010).

Definitions abound a recent paper reviewed 20 definitions of social entrepreneurship Zahra et al (2009) while another listed 37 definitions Dacin et al (2010) but these were mostly driven by practice rather than theory Mair and Marti (2006). Mainstream approaches typically and tautologically define social entrepreneurs as entrepreneurs with social mission Dees (2001; Martin and Osberg (2007) and consider social entrepreneurship as entrepreneurial activity with an embedded social purpose Austin et al (2006). Definitions are often derived from the combination of these two concepts – entrepreneurship and social mission Mair and Marti (2006), Martin and Osberg (2007). Social entrepreneurship has also been called the simultaneous pursuit of economic, social, and environmental goals by enterprising ventures Haugh (2007). One approach offers a more idealized view of social entrepreneurs as change agents in the social sector Dees (2001). This approach contrasts with more pragmatic definitions that see social entrepreneurship as the generation of earned income by ventures in the pursuit of social outcomes Boschee (2001).

The field of social entrepreneurship has thus become a large tent Martin and Osberg (2007) where distinct activities find a home under a broad umbrella of “activities and processes to enhance social wealth Zahra et al (2009) or “entrepreneurship with a social purpose Austin et al (2006). As a consequence, the concept of social entrepreneurship is poorly defined and its boundaries with other fields of study remain fuzzy Dacin and Dacin (2011); Mair and Marti (2006). Some authors consider this inclusive approach a beneficial situation for the development of the scholarly field of social entrepreneurship Nichols and Young (2008). They suggest that social entrepreneurship is connected with and may enrich more established fields of inquiry such as structuration theory, institutional entrepreneurship or social movements Mair and Marti (2006) and also cultural entrepreneurship and commercial entrepreneurship Dacin et al (2010). They also suggest that we do not need a new theory Dacin et al (2010). They also suggest that we do not need a new theory Dacin et al (2010) since social entrepreneurship should be seen as a context to study the broader phenomena of entrepreneurship.

Research Methodology

The study adopted an exploratory approach using a descriptive survey design, which ensured ease in understanding the insight and ideas about the problem. It aimed to investigate three objectives and testing of the research questions formulated from the review of the literature. According to Creswell (2003), descriptive survey designs are used in preliminary and exploratory studies, to allow researchers to gather information, summarize, present data, and interpret it for the purpose of clarification.

Target Population

According to the Bureau of Public Enterprises in Nigeria BPE (2000) data base shows that seventy one (71) public enterprises are registered in Kaduna State and Fourty (40) are located in Kaduna Metropolis that is namely Kaduna North, Kaduna South, Igabi and Chikun areas with a population of 2,100 staff working for the enterprises.

Therefore according to Gay (1989) ten percent of the accessible population is enough for a factual study.

The (SPSS) statistical tool will be used to calculate the result that will help to determine whether to accept or reject our stated research questions.

Therefore: Multiple Regression Analysis described or predicts/estimates the relationship between several independent variables and a dependent variable Robert (2009).

However, the general multiple regression equation being

$$Y = x_0 + b_1x_1 + b_2x_2 + b_3x_3$$

Where,

X_1 = Personal Trait Factor

X_2 = Motivation Factor

X_3 = Competence Factor

Y = Firm performance

Regression Analysis

Linear Regression Model of Performance of Public Enterprises/Personal Traits

The researcher had a general objective which was to investigate the influence of Social Entrepreneurship on performance o Public Enterprises in Nigeria. To this end, the researcher has used regression Analysis, correlation Analysis and Hypothesis Testing. This is done in various ways as dictated by the respective variables and sub-variable.

ANOVA Regression Analysis Tables

Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Betta		
1 (Constant)	24.081	94.053		.256	.002
Personal trait	1.387	2.074	.360	.669	.000

a. Dependent Variable: Firm Performance

From the table the model $Y = 24.081 + 1.387x$, is found which reveals that if we increase personal traits by 1 unit, it will cause a 1.387 increase in the personal trait performance of public enterprises in Nigeria. The model is statistically significant since .000 is less than

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.312	1	18.312	.447	.000 ^b
	Residual	122.688	3	40.896		
	Total	141.000	4			

a. Dependent Variable: firm performance

b. Predictors: (constant), personal trait

From the table shows the result of ANOVA test which reveals that personal traits have significant effect on the performance of Public Enterprises in Nigeria since the Pvalue is actual .000 which is less than 5% level of significance. This is depicted by linear regression model $Y = \beta_0 + \beta_1 X_1 + E$ where X_1 is the personal trait, the P value was .000 implying that the model $Y = \beta_0 + \beta_1 X_1 + E$ was significant.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.360 ^a	.130	.160	13.89233

a. Predictors: (constant), personal trait

From the model summary table it shows that there is positive correlation between performance of Public Enterprises and personal traits and that personal trait was able to explain about 36% in the performance of Public Enterprises in Nigeria.

Linear Regression Model of Performance of Public Enterprises/Motivation

The researcher had a general objective which was to investigate the influence of Social Entrepreneurship on performance o Public Enterprises in Nigeria. To this end, the researcher has used regression Analysis, correlation Analysis and Hypothesis Testing. This is done in various ways as dictated by the respective variables and sub-variable.

Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Betta		
1	(Constant)	22.361	13.858		1.614	.003
	Motivation	.281	.145	.620	1.936	.001

a. Dependent Variable: Firm Performance

From the table, the model $Y = 22.361 + 281X_1$ is found which reveals that if we increase motivation by 1 unit, it will cause a 0.281 increase in the performance motivation of Public Enterprises in Nigeria. The model is statistically significant since .001 is less than $\alpha = 0.05$

ANOVA^s

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.889	1	11.889	1.778	.001 ^b
	Residual	40.111	6	6.685		
	Total	52.000	7			

- a. Dependent Variable: firm performance
- b. Predictors: (constant), motivation

From the table shows the result of ANOVA that indicates that motivation as a key factor have significant effect on the performance of Public Enterprises in Nigeria. The Pvalue actual is .001 which is less than 5% level of significance. This is depicted by linear regression model $Y = \beta_0 + \beta_1 X_1 + E$ where X_1 represent the motivational factor, the P value was .001 implying that the model $Y = \beta_0 + \beta_1 X_1 + E$ was significant indicating that motivation as an independent variable influences the performance level of Public Enterprises in Nigeria.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620 ^a	.384	.282	12.89115

- a. Predictors: (constant), motivation

The model summary shows that there is positive correlation between performance of Public Enterprises and motivation was able to explain about 62.0% in the performance of Public Enterprises in Nigeria.

Linear Regression Model of Performance of Public Enterprises/Competencies

The researcher had a general objective which was to investigate the influence of Social Entrepreneurship on performance o Public Enterprises in Nigeria. To this end, the researcher has used regression Analysis, correlation Analysis and Hypothesis Testing. This is done in various ways as dictated by the respective variables and sub-variable.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Betta		
1 (Constant)	64.371	33.463		1.924	.001
competencies	.163	.414	.173	.394	.002

a. Dependent Variable: Firm Performance

From the table, the model $Y = 64.371 + 0.163x$, is found which reveals that if we increase competencies by 1 unit it will cause a 0.163 increase in competence firm performance. The model is statistically significant since 0.002 is less than $\alpha = 0.05$

ANOVA^s

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.907	1	26.907	.794	.002 ^b
	Residual	169.522	5	33.904		
	Total	196.429	6			

a. Dependent Variable: firm performance

b. Predictors: (constant), competencies

From the table shows the result of ANOVA test reveals that competence has significant effect on the performance of Public Enterprises in Nigeria. Since the Pvalue is actual .002 which is less than 5% level of significance. This is depicted by linear regression model $y = \beta_0 + \beta_1x_1 + E$ was significant.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.173 ^a	.030	.164	18.30355

a. Predictors: (constant), Competencies

The model summary shows that there is a positive correlation between firm performance and competencies and that competencies was able to explain about 17.3% in firm performance

Conclusion

The study concluded that to investigate the influence of individual factor social entrepreneurship on the performance of Public Enterprises in Nigeria, specifically, the study investigated personal trait factor, motivation factors, and competence factors.

The empirical literature showed that Individual Factor Social Entrepreneurship is a key ingredient of Public Enterprises performance. A pilot study was undertaken with Public Enterprises in four local government i.e Kaduna North, Kaduna south, Igabi and Chikun local government areas with a targeted population of 2100 to test the reliability and validity of the questionnaire.

Social Entrepreneurship individual factors have no relationship on performance of Public Enterprises

The findings of the study reveal that (Individual factors) influence the performance of Public Enterprises in Nigeria. Results of the inferential statistics such as ANOVA show that an individual factor which is a component of Social Enterprises has major significant contributions to the performance of Public Enterprises in Nigeria.

Recommendation

1. There is a need to demystify perceptions of risk and failures by facilitating dissemination of best practices as well as documentation of unsuccessful ideas in the entrepreneurial space. Recognition and rewards right from the local up to national level will energize and encourage new entrepreneurs, involving entrepreneurial networks, associations will also help in giving visibility and encouragement of entrepreneurship.
2. Good communication is base on the principle that there is need to treat employees as internal partners i.e (internal partners) who should meet their own needs associated with the global company performance and lead them to common goals.
3. In order to put a stop to problems militating against government industries, corruption should stop among them. Government should not interfere in the affairs of public enterprises and capable hand should be employed to manage them.
4. Entrepreneurial form – Formation of well structure and organized forum to coordinate and represent the interest of entrepreneurs both at the national and local levels, liaising with the government on the issues of policy formulation and reformation will serve as a good starting point to provide a conducive environment for business to thrive.

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