

Boosting Entrepreneurship in Nigeria: The Need for a New Management Approach

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Abstract

Developing nations obviously need ever-improving entrepreneurial activities to keep afloat given the dynamics of the global environment. This study examined the need for a new approach to entrepreneurship in Nigeria if its related activities must receive the necessary boost. Data was obtained from secondary sources including books, journals magazines, newspaper internet, etc. The theory of entrepreneurial growth by Mahajan (1970) was adopted as its theoretical framework while data analysis was by the mode of content analysis. Result revealed that a dynamic approach which is capable of evolving changes in line with the global business trends is required in Nigeria if entrepreneurship must be given the necessary boost. The paper recommended that government should give serious consideration to such an approach.

Keywords: *Entrepreneurship, Nigeria, Content analysis, New management approach*

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Background to the Study

The mono-product feature of the nation's economy has left Nigeria heavily dependent on crude oil for more than 90% of its foreign exchange earning inspite of its endowment with large agriculture potentials in arable land space of over 70%. The nation is classified as one of the poorest in the world. "Its industrial sector, which is expected to create substantial job opportunities and reduce unemployment, is fast deteriorating due to low productive capacity" (Chibundu, 2006). Poverty and unemployment continue to grow rapidly due to ever-increasing population and the dwindle in production for both domestic and international markets. The picture becomes clearer as the National Bureau of Statistics (2010) reported that "about 70% (105 million) Nigerians live below poverty line against 54% which was reported in 2008". Its harmonized living standard survey (2010) further reported that 90% of Nigerians live on less than \$2 a day and puts the current poverty rate at 79% out of which 30.3% are extremely poor.

Awe (2010) described an entrepreneur as, "an innovating individual who perceives needs, conceives goods or services to satisfy the need and organized factors of production". The role he performs is called the entrepreneurial function and the process is called entrepreneurship. Entrepreneurship is the activity of venturing into new enterprises. It is distinct from management and involves the creation of new enterprises to meet new challenges and opportunities presented by a given situation. "It is a process of bearing a non-insurable risk as to achieve business objectives" (Awe 2006). Thus, the entrepreneur perceives the commercial potency of an idea, mobilizes the needed resources, and provides the forces to detonate the commercial exploitation of the business idea; such business idea then turns into commercial ventures, which adds economic value and has profit as its main objective.

A direct outcome of technological improvements is the increased alternatives in production techniques. Information flows more freely and even more easily than ever. Industries become more complex and competitive even as countries develop, which calls to question the essence of entrepreneurship. It is against this backdrop that "entrepreneurial activities have been found all over the world to be capable of making positive impacts on the economy of the nation and quality of life of the people" (ACs and Storey,2004). The present comatose state of the Nigerian economy is a sad reminder that the country's tremendous potential for growth and poverty reduction are far from being fully exploited" (World bank, 1996)

Entrepreneurship is pertinent to the analysis of how new ideas or recipes for reconfiguring objects in the material and social world can be harnessed to enhance a nation's wealth. In the long term, a country's economic progress depends on its ability to increase the value of what it produces with its resource base (people, land, and capital). The point to make is that neither the end to which these resources are put nor the means for achieving the seeds (i.e. the set of resources and how they are used) are given or fixed. They are the result of entrepreneurial choices and are open to entrepreneurial initiative. Individual entrepreneur and entrepreneurial teams bring to light the resources, technologies and trading opportunities that make economic development possible. Indeed, "whenever entrepreneur is the first to discover the availability and potential economic value of new resources, they are in effect bringing those resources into existence in economic terms" (Kirzner, 1989).

Nigeria as a country has numerous business and investment potentials due to the abundant, vibrant and dynamic human and natural resources it possesses. Entrepreneurship activities and innovative ingenuity in Nigeria have developed enterprises in such areas as agriculture/agro allied, solid minerals, transportation, information and telecommunication, hospitality and tourism business, building and construction.

Anyadike, Emeh and Ukah (2012), observed that “these human and natural resources notwithstanding, Nigeria is still one of the poorest countries in the world and has one of the highest rates of youth employment in sub-Sahara Africa”.

Statement of the Research Problem

The critical role of entrepreneurship in developing societies is no longer a subject of debate. However, while such a role is widely acknowledged, it also needs to be underscored that entrepreneurs can neither function in isolation nor vacuum. Government policies are needed to emplace effective judicial, educational, financial, e.t.c. systems synergizing to encourage and promote entrepreneurship. In addition, basic infrastructure such as power, water, and transportation are all required to enable entrepreneurship to flourish. Lastly, while entrepreneur refers to an individual (i.e. the person), entrepreneurship is a process and like every process needs to be properly managed to achieve better results. This study seeks to examine the need to boost entrepreneurship in Nigeria by adopting an improved management approach.

Objectives of the Study

The broad objective of this study is to assess the extent to which entrepreneurship in Nigeria can receive a meaningful boost through the adoption of a new management approach. Specifically, the study seeks to:

- a) Ascertain the potentials of a new management approach in the effort to boost innovation through entrepreneurship.
- b) Examine the extent to which a new managerial approach to entrepreneurship can enhance innovation among Nigerians.

Research Questions

This study will address the following questions:

- a) Does a new management approach have the potential to boost innovation through entrepreneurship in Nigeria?
- b) To what extent can a new management approach towards entrepreneurship enhance the innovation by Nigerians?

Literature Review

Conceptual Clarification

Entrepreneurship

Entrepreneurship is defined as; an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes and raw materials through organizing efforts that previously had not

existed (Venkataraman 1997; Shane and Venkataraman, 2000). Other definitions subscribe to the notion of innovation is a key attribute of entrepreneurship. From Kirzner's (1997) perspective, the entrepreneur is "an individual who is alert to opportunities for trade".

"The entrepreneur is capable of identifying suppliers and customers, and acting as an intermediary where profit arises out of the intermediary function" (Deakins and Fineel 2006). In his perspective, Schumpeter (1934) "involves innovations that result in new combinations that spur creative destruction where the newly created goods, services or firms can hurt existing goods, service or firms" (Shane, 2003). Zimmen and Scarborough (2005) hold that, "entrepreneurs are new businesses or combinations that arise in the fall of risk and uncertainty for the purpose of achieving profit and growth". The factors that distinguish entrepreneur most strongly are, "innovation, opportunity recognition, process, and growth in business and employment of strategic management practices" (Carland, Bonltons and Carland 1985; Watson, 2001).

Content Analysis

This is a research tool used to determine the presence of certain words or concepts within texts or sets of texts. It is a highly flexible research method that has been widely used in the library and information sciences (LIS) studies with varying research goals and objectives. The research method is applied in qualitative, quantitative and sometimes mixed mode of research frameworks and employs a wide range of analytical techniques to generate findings and put them into context.

New management approach (NPM) or new public management approach. This is a new paradigm for public management which emerged since the 1980s. The emergence was prompted by the increasing awareness in society regarding transparent functioning of government which has improved on accountability concept. According to Hughes (1998) "traditional pattern theories on how to operate now is old and in any way not consistent with today's changing community needs". Therefore, a new approach for public management with little new public management is evident. The approach was used for the first time in 1980 when Prime Minister of England Margaret Thatcher, with a neoliberal approach of governance formed the restructuring of the public sector. Hood (1991) opines that "this approach is the result of combining two different ideas". The first idea of conventional economics which is based on representation theory founded management and the second idea oriented management which is the idea about reforming public sector and it originated from private sector (Yamamoto, 2003).

Empirical Review

Past and current works by researchers that are related to the subject matter are hereby reviewed. This is presented in a tabular form as follows:

Table 1.

Surname of researcher(s), title/ year of study, time frame of research.	Geographical & content scope	Data sources and analytical tools	Findings/recommendations/ conclusions
Idam (2014) Entrepreneurship development in Nigeria: a review	Nigeria: the paper is an attempt to identify the causal factors which militate against the effectiveness of government efforts at entrepreneurship development	Secondary data from both empirical and theoretical literature constituted the sources of data. Content analysis was the tools for analysis	Study recommended that entrepreneurial firms should be separated from other non-entrepreneurial small businesses to allow for distinct policies and programmes required by each category of small business.
Bodunrin (2014) The problems and prospects of entrepreneurship activities and business management practices in Nigeria.	Nigeria: the research work examined the problems and prospects of entrepreneurship activities and business management.	Secondary data was used for evaluation.	Result of the study revealed that poor transportation system inaccessible market, inadequate capital, unstable political structure, poor response of financial institutions and shortage of infrastructure were the major problems to the development of entrepreneurship and business managements in entrepreneurship to the study area. Sustainable development practice in entrepreneurship was recommended.
Agu and Ayogu (2015) Assessing the prospects and problems of entrepreneurship development in Nigeria.	Nigeria: The study is an assessment of the prospects and challenges of entrepreneurship development in Nigeria.	Data was sourced from both secondary and primary materials including books, journals periodicals etc. while questionnaires and an interview, chi-square analysis was used.	Findings indicate that multiple taxes and levies, lack of knowledge of technology, and unfair competition are the challenges of entrepreneurship development in Nigeria.

Theoretical Framework

Mahajan (n.d) presents different perspectives on the theories of entrepreneurship development. One such theory is the political system theory of entrepreneurial growth. The theory states that favorable political environment has impact on the entrepreneurship growth because stable political system creates infrastructure promotes policies and encourage people towards entrepreneurship. Commitment in the political system creates a favorable business environment and enhances creative and entrepreneurial ability which leads to the entrepreneurial growth in the country.

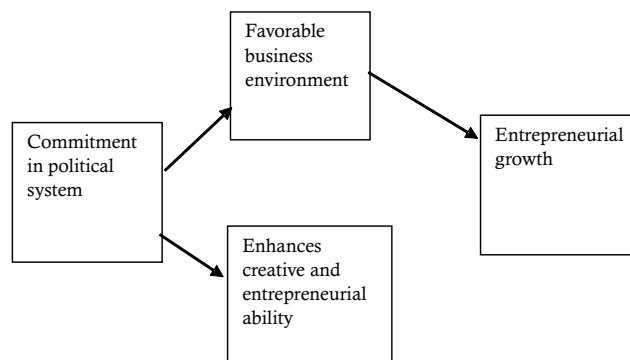


Fig. 1: Political system theory of entrepreneurial growth

Sources: [https:// ecestudy. Files. Wordpress.com/2015\02 theories of entrepreneurship. pdf](https://ecestudy.files.wordpress.com/2015/02/theories-of-entrepreneurship.pdf)

Research Methodology

This study is a descriptive study which examined the needs for a new management approach in the effort to boost entrepreneurship in Nigeria. Data obtained from secondary materials are analysed using the techniques of content analysis. The analysis proceeds thus:

Research Question One (1): Does a new management approach have the potential to boost innovation through entrepreneurship in Nigeria?

According to Aldrich and Wiedenmayer, (1993) “the socio-political environment maybe so powerful as to create or destroy entrepreneurship in a country”. “Developing economics of which Nigeria is an example are characterized by a number of structural institutional and infrastructure deficits which makes doing business a bit of a challenge” (Ojeifo, 2013). In his view, Utomi (1998) argues that poor policy formulation, inconsistent application of these policies and the so-called predatory (corrupt) actions of government officials, weak institutions (such as the judiciary, education), which are supposed to hold citizens to a minimum acceptable standard of behaviors and weak business associations (pressure and lobby groups makes of particularly difficult for entrepreneurship to thrive. Following Utom's argument, it stands to reason that certain combination of factors created a situation where the USA is the world's leading incubators for entrepreneurs and global enterprise. The same factors result to the situation where well over 50% of the Forbes lists of 100 richest persons in the world are Americans. These factors are simply summed up in the deliberate effort of government and citizens to build robust institutions, including educational institutions, infrastructure and financing institutions. It is not an accident that the private equity and venture capital systems originated in the United States, without which ventures like face-book, yahoo, Google and amazons, etc would have remained just ideas in the mind of their promoters.

Entrepreneurship development takes place within a framework of forces which constitute the system environment which maybe either internal or external. Hence, Gorber (2002) submits that “for entrepreneurial development to survive in these varying degrees depend on strategic management of the environment”. The study by Osemeka (2012) posits that though there is widespread knowledge of efficiency of entrepreneurial development mix, integrated entrepreneurial development efforts indicate that” several of the institutions established by government concentrated on partial approach to entrepreneurial development programmer”. The paper recommended a new approach comprising of four priorities agenda to enhance entrepreneurial development in Nigeria.

Research Question Two (2): To what extent can a new management approach towards entrepreneurship enhance innovation by Nigerians?

An empirical investigation by hemen, uguru and atuba (2016) assessed the various sectors of the Nigerian economy that need innovation, the defects in the legal framework for the protection of innovators in Nigeria, and the factors challenging technological innovation in the country. It discovered that the level of innovation and technology in Nigeria is low and the

Nigerian patent law is weak. The article therefore, recommended that government should evolve policies that would address the challenges in technological innovations. It further stated that the patent law indeed amendment. Modern research facilities should be established and human capital developed. The paper believes that given this new approach to the management and protection of entrepreneurship and its innovative skills, the Nigerian economy can complete favourably with any other on the global science. This empirical stance adds values to the views of scholars on a better management approach to innovation in Nigeria. In this vein, uguru (2011) asserts that, “patent matters in Nigeria are governed by the patent and design act, Cap p2. Law of the federation of Nigeria, 2004”.

He defines such a patent document as:

A document issued, upon application by a government office (or a recognized office acting for several countries) which describes an invention and creates a legal situation in which the patented invention can normally only be exploited (manufactured, used sold imported) with the authorization of the owner of the patent.

According to Maskus, Dougberty (2005) and Martha, “economists have now recognized that there are simulative effects. It is as important for firm to adopt a new management and organizational system and a new product and quality control and mechanism as is to find a new technology. Those interventions can be quite costly and will be undertaking only when the risk of their loss to unfair competition and trademark infringement is minimized in an environment of weak protection, it is difficult also to foster attitude of creativity, intervention and risk taking. Rather the economic stagnate in a mode favouring copying and counterfeiting and technology. According to Schumpeter (1934) innovation would not occur in the absence of patent protection of alternative mechanism for protection.

The strength of IPRS enforcement efforts differs with economic development levels as noted by Maskus et.al (2005), according to them on the part of pour countries, this reflect both an unwillingness to pay the costly administrative expenses and inability to manage complicated technological and judicial issues associated with IPRS. These call for a new approach in management. In a study on a frame work for technological entrepreneurship development: Key issues and policy directions (2011) by Siyanbola, and Sanni, it was under assured that innovation process is facilitated by technological entrepreneurship which is in turn pre-conditioned within the context of favorable policy, financial and institutional support.

Findings

The analysis in the study recorded a number of revelations of innovation, intellectual property right (IPRS) protection on economic development and growth”. An inadequate set of IPRS according to this author can stifle innovation and intervention processes even at low level of economic development.

Thus as illustrated by them:

Patience protects innovation which in turn promotes economic development. Accordingly, economic development involves carrying out innovative activities. Innovation involves taking

of risk the basic functions of patent is to protect innovation. The study discovered that there was an urgent need for a new management approach to boost entrepreneurship in this country. Such need arising out of the fact that:

1. Nigeria like other developing country are characterized by a number of structural institutional and infrastructure deficiencies which make doing business a bit of challenge.
2. There is the predominance of poor policy formation, inconsistency, and application of policies and so called predatory (corrupt) acts of government officials.
3. The need to follow the example of the United States(USA) where certain combination of factors oriented a situation which made the US the world's leading incubator for entrepreneurship and global enterprise.
4. The same factor as mentioned above has resulted to the situation in which over 50% of the Forbes list of 100 richest persons in the world is Americans need to constitute the role model for developing countries like Nigeria.
5. It is revealed also that entrepreneurship development take place within a frame work of forces which constitute the system environment that may be either internal or external. New management techniques are needed to establish such a frame work.
6. It was also revealed that the survival of entrepreneurship development depends on strategic planning.
7. A new management is required in Nigeria for the purpose of protecting to establish protection of entrepreneurs through enactment of patent right.
8. Defects in the legal frame work for the protection of innovators and the challenging factors challenging technology innovation necessitate the adoption of new management approach.
9. Nigeria's patent laws are weak in Nigeria and need to be revisited via a new management approach.

Conclusion

The study exposed the fact that Nigeria lacks the institutional legal framework to enhance entrepreneurship above all the nature of challenges facing the entrepreneur activities and enterprises in the country is such that require alternative measures as a present policy have not facilitated the development of entrepreneurship. It is in this vein that the authorities concern with the management of entrepreneurship either to policy making or otherwise, need to adopt a new direction.

Suggestion

Following the findings recorded in this study, the paper makes bold to suggest that:

To foster the development of entrepreneurship in a developing country as Nigeria. The following step must be taken. These steps would constitute a new management approach that will ensure that:

1. Structural institutional and Infrastructural deficiencies' which hindered the ease of doing business be tackled in earnest.
2. The issue of poor policy formulation and implementation be addressed forth with.
3. There must be positive change towards adopting a management approach which makes the United States successful with regards to entrepreneurship development.

4. A framework which constitutes the system environment should be instituted and adopted.
5. Patent laws to give adequate protection to innovation should be enacted. Such patent law must be strong enough to stand the test of time.

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