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CHAPTER SIX

ENTREPRENEURSHIP AND THE ENVIRONMENT

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ABSTRACT

The paper looks at entrepreneurship as a dynamic variable affecting the environment. These are in terms of its impacts as both economic and social agent of change. It argues that the entrepreneur affects and is affected by its environmental factors. A model is presented to show the impacts of environment on the entrepreneurial personality. It is argued that the entrepreneur has tremendous impact on the environment in terms of harnessing resources for social and economic development. It, therefore, presents some recommendations that would produce large numbers of entrepreneurs imbued with moral values who see that the survival of their organizations and their development depend on a decent environment.

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INTRODUCTION

Entrepreneurs are agents of economic, social and technological changes in any society. They are the business leaders who are concerned with exploiting business opportunity for profit motive. The entrepreneurs, therefore, have direct impact on the environment and are affected by the environment. They draw all kinds of resources from the environment and send the outputs of their entrepreneurial activities into the environment. Experiences in other parts of the world, have shown that a nation that is in hurry to develop in all spheres of human endeavors, must have in place appropriate training and development programmes, that will facilitate the turning out of large number of entrepreneurs; who are equipped with adequate skills for initiating and managing their own organization effectively. Training is concerned with acquisition of skills and specific knowledge, which are required to perform particular job or series of jobs. As a result the emphasis will be on acquisition of relevant skills (Ogundele, 2004). Development on the other hand is considered as systematic process of training and growth, through which the individuals gain and apply skills, knowledge, insight and attitude to manage work organization effectively. The aspects of development, which emphasize stage and growth have implications for change in the individual behaviour and consequently their impact on the environment.

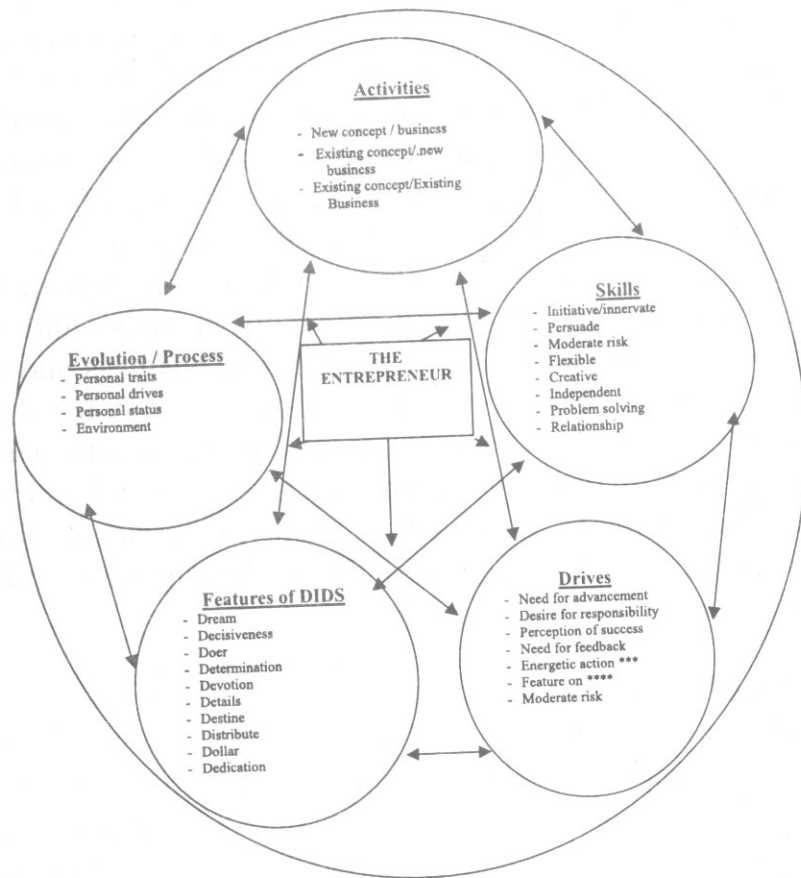
The paper is concerned with the nurturing of the actual and potential entrepreneurs to become very effective in running their own business ventures. This has to be done at various stages in various environments or institutions of learning (Singh, 1986). This paper is concerned with a presentation of models of proposed entrepreneurial development programme, in line with the demand of National Economic Empowerment and Development Strategy (NEEDS)

which will produce, hopefully, large number of indigenous entrepreneurs, that can rise up to fulfill the aspirations of NEEDS, in terms of having a self-reliant and dynamic economy in a sustainable environment. The training of entrepreneurs in desirable patterns of behaviour in relation to the environment is very important. Entrepreneurial organization produces goods and services for human consumption. But in the process they generate wastes that lead to environmental pollution. There are also some aspect which corrupt the entrepreneurs. On the other hand entrepreneurs are expected to be disciplined, honest and trustworthy in their business and social relationships. The absence of these qualities in business and social interaction constitute another set of environmental moral pollution, which can slow down the wheel of progress in any society. All these call for appropriate training of entrepreneurs so that they will appreciate the dangers involved in lack of concern for the environment and as such guide against them. They must also cultivate the attitude of environmental friendliness.

Models of the Proposed Approach

Two models are presented here which will serve as effective vehicles on which the entrepreneurial development programme for environmental friendliness should be anchored or steered. The first model is showing areas of entrepreneur's activities where entrepreneurial skills are required and should be developed in actual or budding entrepreneurs. The second model relates to several environments that have strong impacts on the entrepreneurs and on which the entrepreneurs also have impacts.

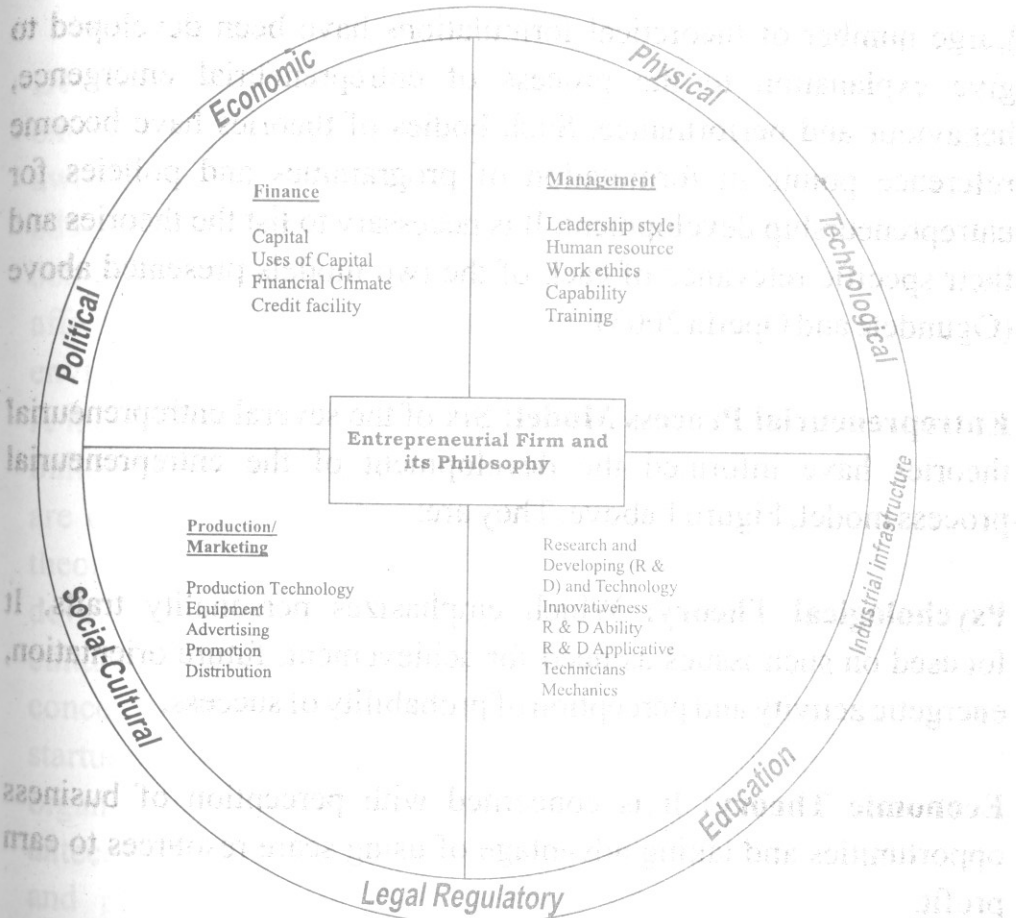
Figure 1: Model of Entrepreneurial Process for Personality skill and Development.



Source: Developed by the authors from several sources

Figure 1 above is a model of the entrepreneurial process that focuses on developing relevant personal traits and skills in the entrepreneurs. There are five broad categories of such personal levels skills shown in Figure 1. The relevant issues, activities, skill, drives, are ten sets of Ds, and the evolution of the individuals. Each of these five categories have several elements which if properly developed in the entrepreneurs will make them effective achievers. The evolution process clearly brings out the relevance of the environment in the development of the entrepreneurial personality. In essence the activities, skills, drives, personal status are all affected by the entrepreneurial environment.

Figure 2: Model of Entrepreneurs and Environmental Complexity



Source: Adapted and modified from several sources

Figure 2 above is a display of the entrepreneurs nested in the web of environmental factors of various descriptions. The entrepreneurial process as show in Figure 1 above, is located centrally and called the entrepreneurial firm and its philosophy, the environmental factors have impacts on the finance, management, production and marketing, Research and Development (R & D) and technological aspects of the entrepreneurial organization.

Theoretical Bases for the Entrepreneurial Process and Environmental Complexity Models

Large number of theoretical formulations have been developed to give explanation to the process of entrepreneurial emergence, behaviour and performance. Such bodies of theories have become reference points in formulation of programmes and policies for entrepreneurship development. It is necessary to list the theories and their specific relevance of each of the two models presented above (Ogundele and Opeifa 2003).

Entrepreneurial Process Model: Six of the several entrepreneurial theories have informed the development of the entrepreneurial process model, Figure 1 above. They are:

Psychological Theory: Which emphasizes personality traits. It focused on such issues as need for achievement, future orientation, energetic activity and perception of probability of success.

Economic Theory: It is concerned with perception of business opportunities and taking advantage of using scarce resources to earn profit.

Innovation Theory: considers the entrepreneur as innovator who brings about novel combination of products, services and ideas, making obsolete previously existing products services or idea.

Managerial Theory: this approach focuses on perception of market opportunities. It also emphasizes the operational skills required to run a successful enterprise.

Development Theory: This approach focuses on the development of entrepreneurial skills. Areas involved are training in opportunities awareness, relating to relevant parties, attitudes, motivating, education, market and dealing with government agencies. The factors considered in Figure 1, are personal or individual level variables affecting entrepreneurship. But they are all to a very large extent environmentally based.

A number of other theories of entrepreneurship also influence the building of model of **Environmental Complexity** in Figure 2. they are eight in number. They include; **Social Cultural Theory:** this theory sees entrepreneurship as a social role and entrepreneurial development as a function of the form of society and characteristic of culture (Brown and Steyeart, 1990). **Ecological Theory:** the concern here is on the influence of the environment on business startup without concern about the characteristic and motivation of the organization owners. **Historical Theory:** It focuses on historical antecedents as independent variable on the emergence, behaviour and performance of entrepreneurs. **Educational Theory:** This approach is concerned with general level of education in the society. It emphasis the facts that education equip people with needed skills and outlook at the world in a more organized and coordinated fashion. **Experiential Theory:** The exposure of the individual in his social and occupational environment, is the focus of this approach. Experience enables individuals to acquire skills, insight, and

knowledge on how to run organizations successfully. **Network theory:** It focuses on the social links, which promote or hinder entrepreneurship. **Structural Theory:** It examines the effect of the internal patterns of relationships among the various parts and components of an organization on entrepreneurial behaviour and performance. **Technological Theory:** This theory is concerned with machines, equipment, tools and methods used in producing goods and rendering services and their impacts on entrepreneurial success. It should be noted that there are some overlaps in the number of factors that are relevant within each model. The economic, developmental and innovation theories are all applicable in the model in Figure 2. They should not be regarded as watertight and exclusively separate models. Because of the impact of entrepreneurs on the environment and vice versa there is need for change in the entrepreneurship development programmes in Nigeria to produce entrepreneurs that are positively tuned towards environmental sustainability.

Imperative of Change in Entrepreneurial Development

Approaches in Nigeria

The pattern of entrepreneurship development in India, the Philippines and South Africa that have succeeded in multiplying entrepreneurship in those nations are different from the Nigerian approach in a number of ways. First, there is the massive nurturing of entrepreneurship across the nations in cases of India and Philippines. In the cases of South Africa, Koopman is spreading pragmatic humanism across indigenous enterprises (Gatley, Lessem and

Altman, 1996 and Ogundele 2005,b). Second, there is the lack of adequate and effective management of the entrepreneurship development programme on the part of the supervising agencies in Nigeria (Ogundele 2000) in the case of NDE programmes, and Ogundele and Opeifa (2004) in respect of the NAPEP programmes. Third, beneficiaries see financial and other supports provided by supervising agencies as forms of political, social and economic patronages and the willingness to repay loans provided is generally lacking. Ogundele and Opeifa (2004) particularly emphasized this unique problem in the case of Nigeria entrepreneurship development programmes, this calls for value reorientation of our entrepreneurs. Fourth, the general lack of disciplined behaviour at both the official and beneficiaries level, which are reflections of a degenerated society (Ogundele, Alaka and Balogun, 2005; Ogundele and Alaka, 2005, Ogundele and Balogun, 2005) There are other minor problems of financing wrong projects, poor supervision and unstable government policies (Ogundele, 2000). Consequent upon the above listed problems there is need for a shift in our approach paradigm to entrepreneurship development programme in Nigeria so as to catch up with the global trends.

Recommended Approach to entrepreneurship development in the 21st century Nigeria.

The National Economic Empowerment and Development Strategy (NEEDS) was launched in 2004 with the following four major policy thrusts; reforming government and institution; growing the private sector, implementing a social charter and re-orienting the value system of the people. Ogundele and Oghofafor (2005) note that all

these policy thrusts call for massive human development in several dimensions. In this segment of the paper we highlight the forms of human development that are necessary in entrepreneurial development, which could be linked with growing the private sector. The objective is for the entrepreneurs to impact positively on the environment. They are as outlined below:

There should be massive entrepreneurial education at the primary, secondary and tertiary educational levels and for the general society (Ogundele, 2005, a).

The governments at various levels and their agencies should embark on entrepreneurial evangelism of sustainable dimension (Ogundele, 2005, b)

The training programmes for individual development should incorporate items listed model 1 Figure 1 as input in the training and development programme for actual and potential entrepreneurs.

The recommended approach for entrepreneurship development should embrace the functional, behavioral and environmental approaches. (Ogundele, 2005,b). This will incorporate all the factors identified in Figure 2 above, which have impact on entrepreneurship and the environment.

Global skills for effectiveness, ranging from time management, entrepreneurial self-development, managing change for competitive success, corporate excellence, managing information and cross-

sectional skills, should be included in entrepreneurial development programmes (Ogundele, 2005,b).

The entrepreneurship development programmes should be managed more effectively. This calls for developing the officials, in charge of such programme on their new roles requirements in the interest of the society and for sustainable environment.

The beneficiaries need to be oriented to see the facilities provided as loans that must be repaid and not as political, social or economic patronages or their shares of the national cake.

The value-reorienting component of NEEDS should be employed to put in the mind of Nigerians and entrepreneurs new patterns of valued behaviour and positive mindset with a focus on disciplined behaviour which is required for the success of any venture and for positive relationship with the environment.

The various entrepreneurial development programmes should be more purposively coordinated. Ogundele (2000) recommended that there should be a National Commission for Entrepreneurial Development with it state and local government level counterparts.

There should be more consistent and stable government policies designed at fostering entrepreneurial development for sustainable development.

Projects that will contribute to meaningful development should be financed based on their relevance to environment and society needs. There should be more purposeful and effective supervision and monitoring of EDP across the nation to ensure comprehensively coordinated and purposive entrepreneurship development based on the needs of the nation in the 21st century.

CONCLUSION

Based on pattern of entrepreneurship development across nations, Nigeria has a lot of lessons to learn from India, Philippines, and South Africa and several other developing nations. The models presented show the relevant areas where skills and personality development are relevant. The theoretical approaches help in sharpening the focus on the areas where entrepreneurship developments are needed. The listed problems highlighted some of the major weaknesses in our entrepreneurial development efforts to date. The recommendations if implemented will effectively provide leverage for successful execution of NEEDS phase II, which will be in line with the requirement of our environment in 21st century and beyond.

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