
CULTURAL FACTORS AND ENTREPRENEURIAL PERFORMANCE (SELECTED SMALL SCALE BUSINESS ORGANIZATIONS IN OMOKU- OGBA/EGBEMA/NDONI LGA)

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Abstract

This study examined the effects of cultural factors on entrepreneurial performance in selected small scale business organizations in Omoku land. The objective of the paper was to examine how dimension like cultural norms/value affect the performance of entrepreneur in Omoku. To achieve the objective of the paper, this research question was constructed 'To what extent does cultural factors affect the Entrepreneurial performance in Omoku land'. Based on survey of literature review, interview from selected business owners and qualitative content analysis, the study found out that cultural factor like Norm and Value has great impact on the level of innovativeness and the kind of business the people will go into. It also has impact of how the consumer will react to Product/Services offering in the market. Cultural symbols and language regulate entrepreneurs' business idea as well as value he will create in satisfying people wants and needs. Finally, it was recommended that entrepreneurs should attend business seminars and workshops in order to reduce the negative influence of peer groups on entrepreneurial performance and higher institutions should introduce the practical aspect of teaching and learning of entrepreneurial studies in Nigerian Secondary and Tertiary Institutions to promote entrepreneurship in Omoku, Ogba land and Nigeria in general.

Keywords: Entrepreneurial, cultural, performance.

INTRODUCTION

An entrepreneur is someone who identified existing gap in the need of the people or market opportunity in a particular area and, responds to it and made effort to exploits it as an opportunity (Rahma & Farhana, 2014). Nwachukwu (2005) defined an entrepreneur as that person who has the ability to see and evaluate business opportunities, gather the necessary resources to take advantage of them and initiate appropriate action to ensure success. Entrepreneur refers to that one who recognizes a need and the opportunities to gain from production. Entrepreneurship is the capacity and attitude of an individual or group of individuals to undertake venture with the probability of success or failure. According to Pihie as (cited in Mariah, Ghulam & Mah, 2012) entrepreneurship is about those individuals who discover and assess the opportunities.

It is the process of recognizing available business opportunities, mobilizing available resources and persistence to explore that opportunity. Entrepreneurial activities are carried out in a constant changing environment with diverse cultural variables. These cultural variables influence the extent to which effective entrepreneurial performance is achieved. The culture of an entrepreneur is seen as a determinant of entrepreneurship and entrepreneurial behaviour across cultures.

The decision to venture into business and not to go is influenced by entrepreneurial attitude. Hofstede (2001) posits that a cultural trait strongly associated with entrepreneurial attitudes towards business risk and uncertainty is „uncertainty avoidance“. According to Hofstede, uncertainty avoidance relates to the degree to which societies tolerate ambiguity. In the same vein, Urban (2007) revealed that cultural values affect the perception of an individual resulting in key entrepreneurial outcomes; culture is depicted as a moderator in the relationship between business regulations and entrepreneurial performance.

The fact that cultural factors can affect entrepreneurial performance positively or negatively in Omoku Town is yet to be given a scholastic attention. Therefore, this study is interested in investigating the extent to which cultural factors relate (if any) to entrepreneurial performance and to whether the relationship is significant.

Omoku People and Cultural Background

The Omoku people are one of the many indigenous people in the Orashi Region of Rivers State, South -South region of Nigeria. The population is about 1.2 million people and they live in a 304-square-mile, homeland in Rivers State. Omoku people formerly were of the old Ahoada Local Government Area. The people have common cultural and religion believe. They believe in the existence of a Supreme Being called Abiama who is the creator of the universe and everything within (Paul, 2014). The people are naturally and culturally religious and this gives them high sense of divine interpretation and engenders fear, respect for elders, obedience to the Spirit and careful observation of the “dos” and “don’ts” as their taboos stipulate. According to Paul (2014), the Omoku people value very much the good life or character, charity, hospitality of friends and strangers, generosity, truth, honesty, hard work and kindness.

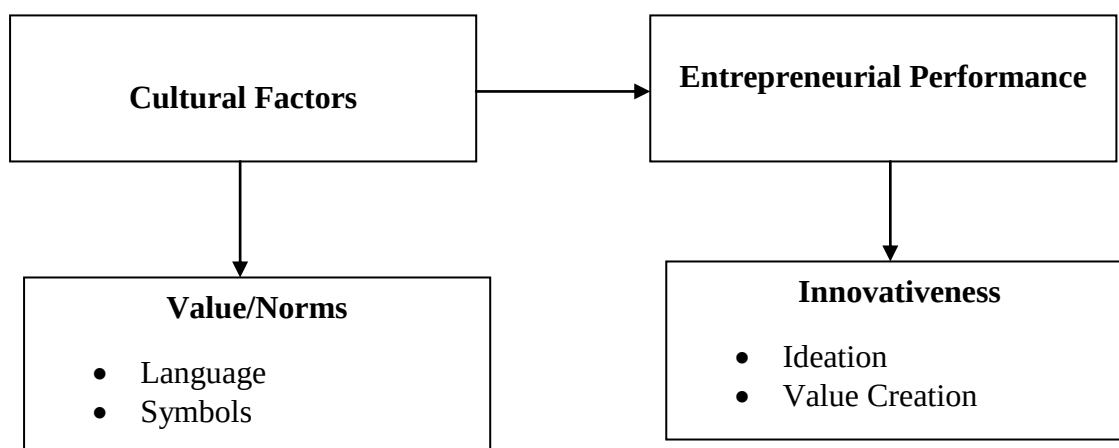
This made them believe that upright living and doing things accordingly bring blessings in various ways such as children, business and those doing otherwise face the wrath of their Chukwu in the form of misfortunes, sickness, death and barrenness. The people believe that success in business is from God (Abiama) and that individual’s destiny is controlled by God (Abiama) only. They believed that entrepreneurial success and higher performance comes

from God (Abiama) which limited their entrepreneurial competencies. They are not business risk takers.

STATEMENT OF THE PROBLEM

The cultural factors constitute the structure of society which plays a crucial role in the practice of entrepreneurship in any country. The emphasis on analysis and evaluation of the cultural elements is prompted by the fact that these factors such as cultural values/norms influence directly the behaviour and actions of people and when they are about to venture into any business or when they are already in business how they go about it. The way the consuming public respond to new products in the market is influence by their norms, value and beliefs. The problems facing entrepreneurs in Omoku people are averse to take business risk; they believe that success in business is destine from Supreme Being (Abiama), and that any successful businessman may be doing the unthinkable which goes contrary to their believe, more so, some product or business may witness poor patronage from the people as a result of the norms and value.

Conceptual Framework



Sources: Desk Research, 2021

Aim/Objective of the Study

- (1) To investigate the extent to which cultural values/norms relate to entrepreneurial performance (innovativeness) in Omoku land.

Significance of the Study

Theoretically, the outcome of this study will result in the creation of further awareness on the perceived impact of cultural factors and the performance of small and medium scale business. The findings of this study will further serve as a resource material for future researchers in this direction since there is an obvious dearth of empirical assessment on the area.

Operational Definition of Terms

Cultural Factors: The cultural factors consist of variables related to human relationship with the society.

Entrepreneurial Performance: The performance entrepreneurial is the entrepreneurs' ability to obtain favourable outcomes in terms of his/her level of productivity and innovativeness

Norms and Value: Norms are the formal and informal rules regarding what kinds of behaviour are acceptable and appropriate within a culture

Language and Symbols: Language is a system of words and symbols used to communicate with other people. This includes full languages as we usually think of them, such as English, local dialects.

A symbol is anything that is used to stand for something else. People who share a culture often attach a specific meaning to an object, gesture, sound, or image.

Innovativeness: Innovation is the creation of better or more effective products, processes, services, technologies or ideas that are readily available to markets, governments and society

Ideation: Ideation is the process of forming ideas from conception to implementation, most often in a business setting. Ideation is usually derived from brainstorming sessions, online forums, seminars, surveys, social media platforms, and team-building exercises

Value Creation: Value creation happens when a business or organization uses its work and resources to create something of value that is sold to a customer base. In turn, the business earns a profit for what it has created and the customers have a want or need fulfilled

Review of Related Literature

Concept of Cultural Factors

Culture is the total way of life shared by members of a particular society. Culture serves as the backdrop for basic concept of right and wrong, good and bad, important and unimportant and other social activities in the society. According to Kazmi (2008), cultural environment consists of factors related to human relationship within the society, the development, forms and functions of such a relationship and learned and shared behaviour of groups of human beings having a bearing on the business of an organization. In the same vein, Rahma and Farhana (2014) defined socio-cultural factors in relation to entrepreneurship, as consisting of all the variables of social system and culture of a particular people which affects entrepreneurial emergence, behaviour, performance and entrepreneurship development. The cultural factors consist of variables related to human relationship with the society.

These variables are cultural norms, value, belief, attitude, family, peer group, education, language and customs of a particular people in the society. The above variable moulds and shapes the behaviour of an entrepreneur and actions of the consumers toward products in the market. For example, in Omoku land, Hausa traditional attires of HIJAB are not generally welcome because of the strong effects of cultural norms governing dressing in Omoku land.

In this study, cultural norms/value, is used as dimension of cultural factors. Norms are specific rules of behaviour which are both prescription, definition of the acceptable and unacceptable behaviour. According to Haralambos and Heald (2006), cultural norm is a specific guide to action which defines acceptable and appropriate behaviour in a particular situation while, value is the ideas shared by members of a society as to what is good, right and desirable. Anikpo and Atemie (2006) noted that cultural values is a conception, explicit, distinctive of an individual or characteristic of a group, of the desirable, which influence the selection from available modes, means and end of action.

This means that, cultural value shapes the way people respond to a particular product which is guided and enforced by norms in the society. In all, Mariah, Chulam and Mah (2012) posit that values and norms are the standard patterns of human behaviour to control them which shapes the human cognition and motivational variables to guide choices, commitments, and standards of behaviour towards entrepreneurship. A typical Omoku man does not value joint venture and partnership business because of lack of trust and risk involved, most of the businesses in Omoku land are one man business. Peer group is a group of people of the same social status and social intercourse. It is the peer group that people learn and acquire additional skill for dealing with people and other environmental conditions. Peer group play a crucial role on the behaviour of an entrepreneur because a person is more likely to become an entrepreneur if his/her member has been entrepreneur before. Pihie (cited in Mariah, Ghulam & mah, 2012) noted that peer group helps in developing entrepreneurial knowledge and skills by sharing the information about entrepreneurship programs and provides opportunities for young to have social interactions with their peers from different milieu and entrepreneurs in various field. In Omoku land, most entrepreneurs inherited the business of their parents, master and family members. Kuratko and Hodgetts (1998) posit that the family background of an individual is a strong influence on his values and character and therefore serves as a strong source of influence whether he would be an entrepreneur or not. Again, People with poor background and low level of education in Omoku land attached themselves with notable entrepreneur.

Dimension of Cultural Factors

Norms and Value:

A particular culture consists of many elements, such as the values and beliefs of its society. Culture is also governed by norms, including laws, mores, and folkways. The symbols and language of a society are key to developing and conveying culture. Norms are the formal and informal rules regarding what kinds of behaviour that are acceptable and appropriate within a culture. • Norms are specific to a culture, time period, and situation. Norms are often divided into two types, formal norms and informal norms. Cultural value was assessed by disaggregating it into five components: aesthetic, social, symbolic, spiritual and educational value. As a test of the symbolic and spiritual components were specified as value to the individual himself or herself, and value to others or to society in general.

Concept of Entrepreneurial Performance

The performance entrepreneurial is the entrepreneurs' ability to obtain favourable outcomes in terms of his/her level of productivity, profitability, survival and innovativeness. The entrepreneurial performance is the ability of a business organization to achieve desire results and attain its generic goals by making efficient and effective use of available resources.

Entrepreneurship performance is the actual output of an entrepreneur as measured against his expected output. According to David (2014), measures of entrepreneurial performance at the firm level are growth, productivity, innovation, profitability and survival. Productivity is the firm's output level; profitability is firm's ability to meet and exceed financial benchmarks; innovativeness measures the quantity of new ideas including products the firm produced; business survival is the continuity in business operation in terms of ability to pay staff, attract business and maximize profit; business growth is the ability of a firm to generate significant positive earnings which fuel business expansion.

All entrepreneurial activities are aimed at achieving growth, profit, business survival, high productivity and innovativeness.

Aldrich and Zimmer (1986) pointed out that the crucial cultural factor which affects the decision to create new business is the social context. In this study, innovativeness is the measures of entrepreneurial performance.

Entrepreneurial Performance (Innovativeness)

Innovation is the creation of better or more effective products, processes, services, technologies or ideas that are readily available to markets, governments and society. Harrison, (2010) define innovation as an input or introduction of new component into a product or new process or ways of carrying out an operation in an organization. Damanpour and Gopalakrishnan (2008) defined innovation as the creation of new ideas and new behaviour to the organization. Studies have indicated that employee performance to a large extent depends how innovative a worker is in delivery of his assigned job (Sadikoglu & Zehir, 2010). Innovation through employee's creation of new ideas for new products and services is considered to result in improved competitiveness job (Sadikoglu & Zehir, 2010) improve administrative process, increase efficiencies and effective work management (Walker, et al., 2010). Still on the efficacy of innovative mindset, Chi, Jang and Hyun (2009), assert that there are so many implication of having innovative mindset and one of which is increased organizational fitness, and increase quantity, quality and timeliness of output, attendance on the job, efficiency and effectiveness of work completed (Tinofirei, 2001).

It has been noted by researchers, scholars, philosophers and practitioner that basically, there are two distinct types of innovation classified in most literature, namely technological innovation, and administrative innovation (i.e. Chuang, 2005; Damanpour & Evan, 1982). Whereas technological innovation concerning products, services, and product looks at the use of radically new technology or a mixture of pre-existing technologies to execute a task (Dasgupta, Gupta & Sahay, 2011). Administrative technology is focus on creation of a good or service that is either new or improved on previous goods or services of its kind which should be of value to its consumers. Innovativeness represents a basic willingness to depart from existing technologies or practices and venture beyond the current state-of-the-art (Covin *et al.*, 2006). Innovation differs from improvement in that innovation means doing something different, rather than doing the same thing better.

Ideation

Fresh, new ideas help organization stand out. With intense competition for resources, organizations must differentiate in order to survive. Ideation is the process of forming ideas from conception to implementation, most often in a business setting; Ideation is usually derived from brainstorming sessions, online forums, seminars, surveys, social media platforms, and team-building exercises. Ideation is the process where you generate ideas and solutions through sessions such as Sketching, Prototyping, Brainstorming, Brainwriting, Worst Possible Idea, and a wealth of other ideation techniques. Every business idea has to start somewhere. Ideation helps you visualise a business opportunity by creatively identifying market demands and analysing competitors.

Value Creation

You don't have innovation if your new ideas aren't creating value. Organizations must implement ideas and programs identified as most effective in delivering value to stakeholders.

Value creation happens when a business or organization uses its work and resources to create something of value that is sold to a customer base. In turn, the business earns a profit for what it has created and the customers have a want or need fulfilled. The failure rate of established companies has skyrocketed during the past year. However, there are companies still experiencing monumental success despite the economic downturn. These companies are thriving because they effectively deliver products valued by consumers.

The purpose of innovation is to create business value. Value can be defined in many ways, such as incremental improvements to existing products, the creation of entirely new products and services, or reducing cost. Businesses seek to create value because their survival, growth, and ability to compete in a rapidly changing market depend on whether they innovate effectively.

The Relationship between Cultural Factors and Entrepreneurial Performance

A business organization does not operate in a vacuum and so cannot entirely control its own destiny as it is subject to external business environment which positively or negatively affects entrepreneurial performance. The cultural factor is one of the external business environmental factors which affect the behaviour of an individual to business activities and consumers' response towards products in the market. According to Onuoha (2012), cultural factors affect the ways in which an organization can do business, difference in value and the dominant attitudes toward risk taking and a particular product in the market. The Omoku people positive attitude towards business is very low compared to the Igbos and Chinese. A typical Omoku man believes success in business comes from supernatural power. Justin (2014) supported that cultural norms influence all business functions from accounting to finance and from production to service and the strategic moves is presented. In the same vein, Awujo (1995) also revealed that cultural factors such as cultural norms /value influenced the entrepreneurial ability and sets limit for the entrepreneur as well as providing opportunities and threats. That is to say, cultural factors are external business environmental factors which positively or negatively affect the business decisions and behaviour of an entrepreneur and even influence consumers' taste in the market.

Theoretical Framework

The cultural theory was developed by Max Weber in 1976. The theory emphasized the influence of culture on entrepreneurship and entrepreneurs in a given society. The theory states that certain groups are believed to possess beliefs, values/norms and traditions that enable them to succeed.

Cultural values influence behaviour in a society, such as the propensity to take risk or to pursue innovation that may deviate from their norm while some culture is silence. According to Jaja (2009), the Ibos-Jews, Chinese, Japanese and Lebanese are business-like and innovative in nature. Weber in his theory noted that the cultural systems in which individuals live give a set of value that has effect their thinking pattern, hence this has great influence on their propensity to take risk, or pursue innovativeness. The culture and social systems of an individual affect the entrepreneurial spirit, adventurous spirit and innovations by displaying values that fuel entrepreneurship behavior and practice. Aldrich and Zimmer (1986) argue that the cultural perspectives do not reveal why individuals in the same group behave differently towards the same life situations.

Thomas Cochran (1965) state that, cultural values and role expectations in the origin sections are the key elements in the society. In this theory, the environment of an individual to a great extent determines the entrepreneurial urge and ability of such individual, apart from the

attitudes of an individual the expectations of society on him is capable of forcing him into entrepreneurship.

In Nigeria, an average Nnewi man from Anambra state is expected to be an entrepreneur dealing on motor vehicle parts while an average Ijaw man is expected to be an entrepreneur dealing on fishing. In Omoku Ogbaland, a typical Omoku man is expected to be an entrepreneur dealing on farming and operates a sole proprietorship business. The pressure from relatives especially for first sons in Omoku land also expects them to generate income from salaries job in order to take care of the family and relatives.

Empirical Review

Research conducted by Adler and Bartholomew (1992) taking into account all 28,707 articles in 73 academic and professional journals ranging from October 1985 until September 1990, found that 70.6% of all papers covering human resources, management and organizational behavior, concluded that culture indeed has an effect on entrepreneurship. Hofstede and colleagues came to a similar conclusion stating that cultural values indeed have an impact on entrepreneurship (Hofstede, Noorderhaven, Thurik, Uhlaner, Wennekers, & Wildeman, 2004) (Noorderhaven, Wennekers, Hofstede, Thurik, & Wildeman, 1999). Although cultural factors within a society are often hard to change, it might be beneficial to identify the factors to be able to build public policy to reach specific goals.

Public policy can promote certain 'beneficial' cultural factors while at the same time constraining disadvantageous cultural factors. After identification which cultural factors are beneficial and which are disadvantageous, an analysis can be made which factors to constrain and which factors to encourage. If for example higher rates of individuality lead to higher amounts of starting entrepreneurs and higher rates of entrepreneurial startups is indeed the goal a certain country wants to reach, stimulating individuality could be beneficial to the country as a whole.

Certainly other factors have to be weighted as well in order to make sure the policy does not have other unbeneficial factors which in turn annihilate societal welfare, however, knowing how culture influences entrepreneurial performance might be a useful tool for policymakers all over the world.

Gap in Literature

Most of the literature or studies reviewed established the fact that cultural factors affect the performance of Entrepreneur, but did not state the extent. Also, the effect of culture on entrepreneur performance in Omoku Land has not been much researched on and documented hence there is dearth of much literature in this aspect. This work will try to fill the gap a little bit.

Conclusion

The desire of every businessman is to excel in their field of endeavour. It was observed that entrepreneurs operate within the confines of cultural factors such as cultural values/norms. The study shows that cultural values/norms has great influence on the people with regard to venturing into business and the nature of business to undertake, how consumers embrace product/services offering in the market place is influence by norms/values of the people. This agreed with the findings of Justin (2014) which state that cultural norms influence all business functions from accounting to finance and from production to service. In Omoku/Ogbaland, cultural norms and value such as language and symbol has great impact

on ideation and value creation. Thus product and service to be introduced or display in business place has to be in line with the culture.

Awujo (1995) also revealed that cultural factors such as norms /value influenced the entrepreneurial success in business. Cultural factors moulds and shapes their ideas of going into a particular business and even the consumers' perceptions toward goods and services in the market. Therefore, it is important to note that cultural factors (cultural values/norms influenced entrepreneurial performance (innovativeness).

Recommendations

1. Workshops and seminars should be organized for Entrepreneurs, this will broaden their knowledge and awareness in order to reduce the cultural norms and value influence on them.
2. Entrepreneurs should try to develop the techniques of monitoring and scanning their business environment effectively in order to identify and explore opportunities when it comes.
3. International Oil Companies (IOC) should establish Small and Medium Scale Enterprises Scheme in their area of operation, these would avail the people access to consultancy services and possibly soft loan , thereby overcoming some of the challenges pose by cultural factors.
4. Secondary and tertiary institutions learning curriculum should be drawn to incorporate skill and entrepreneurial training

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