LEADERSHIP INGENUITY, AN IMPERATIVE FOR ENTREPRENEURAL DEVELOPMENT

Abstract

The place of entrepreneurship as a catalyst of economic development is established citing some countries including the awakening in Nigeria. Entrepreneurship in Nigeria is a child of necessity and opportunities with diverse inaugurated schemes for its promotion and co-ordination. This paper discusses the problem of leadership as a menace to the sustainability of entrepreneurship. The concept of leadership as the process of influencing people to act towards the attainment of the organisational goals is highlighted. The ingredients of leadership and leader's attributes are stated. Diverse leadership styles ranging from traits, behavioural to contingency models are explained, but there is no simple and single answer to the best style. However, the leadership continuum concept is embraced as the appropriate leadership style which depends on the leader, the followers and the situation. The uniqueness of women style is enumerated making Katherine Hudson a reference point for distinguished women in business leadership. Leadership can be learnt hence entrepreneurs can be trained for effective leadership. Certain performance hints are listed for improvement. Recommendations like provision of on- the-job leadership training, sensitizing through radio and television reality show, availability of subsidized educative leaflets on leadership for entrepreneurs, and so on are proffered.

Introduction

One of every six business management students says that having their own company is one of their goals, and forecasters predict a large number of organizational births well into the future. In particular, an explosion in venture creation by men and women, immigrants, and members of minority groups is anticipated. The proportion of new business set-ups involving female entrepreneurs rose from 24 percent in 1975 to 32 percent in 1977. Entrepreneur is the label usually given to someone who creates a new business activity in the economy. During the past ten years, entrepreneurs have created several millions of new businesses throughout the world. Entrepreneurs are particularly active in Asia, Eastern and Western Europe, and increasingly so within Russia and the republics that formerly comprised the Soviet Union. In 1984, Holland registered 15,000 start-ups. In 1994, it registered 39,600 which accounted for sixty percent of the country's 100,000 created jobs. Gijs Donders, a 29–year–old Dutch entrepreneur who started his own mop factory says, "It's like the American dream. There is something happening here you didn't see a few years ago. Now it's cool to have your own business" (Helriegel, Jackson & Slocum 2003; 144). Entrepreneurship has actually jerked up the economy of these countries. Entrepreneurship does not exist without some pillars to hold on. The secret of the success and sustainability of entrepreneurial development is management and market.

Today's younger generations can rightly be referred to as the twenty-first century generation because they are going to be the most entrepreneurial generation since the Industrial Revolution. In addition, two million Nigerians below 34 years are actively trying to start their own businesses while one-third of new entrepreneurs are below 30 years of age (Oyenuga, 2004). This study is carefully undertaken to look into the aspect of leadership in relation to entrepreneurial sustainability and development

The Problem

The Nigerian economy has been through diverse phases since independence. Nigeria was pre-dominantly an agricultural country with viable economic stance of self-sufficiency in food production and cash crops as the basis of foreign exchange earnings. Shortly after independence, there was crude oil discovery, production and export gained prominence and the glory of agriculture started fading away. The energetic men and women started migrating from rural areas to urban centres – seeking for government paid white-collar jobs.

The Nigerian economy started decelerating swiftly from a position of oil affluence in the mid-seventies to a situation of lean financial resources in the early eighties. There was a significant decline in the Gross Domestic Product coupled with a decrease in agricultural, manufacturing and aggregate industrial output (Ilesanmi, 2002). Great problems plagued the country – unemployment, retrenchment, mismanagement of funds, unethical business practices, smuggling and so on. These problems led the government to adopt some interventional measures such as Austerity Measure, Low Profile, Operation Feed the Nation, abolition of import licence, Structural Adjustment Programme (SAP), Second-Tier Foreign Exchange Market (SFEM), Indigenisation, Nationalisation to moderate inflation and reduce pressure on balance of payment.

Every disappointment has an advantage, the adage says. The hardship was turned into opportunity. The hardship stirred up in Nigerians their hidden talents and innate tendencies for creativity. Different innovations surfaced and entrepreneurial activities were on the increase. Several schemes were introduced to fine-tune the entrepreneurial traits in them. MAMSER, National Directorate of Employment (NDE), National Poverty Eradication Programmes (NAPEP) and the Youth Employment Schemes (YES) as its nucleus are programmes that taught market strategies and offered financial assistance to interested and lucky beneficiaries. Latest in the programme is the millennium scheme, Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), which serves as a vanguard for rural industrialisation, poverty reduction and job creation to enhance sustainable livelihood. It co-ordinates and monitors the development of Micro, Small and Medium Enterprises Sector (MSMES).

Entrepreneurship is initiative, imagination, flexibility, creativity, conceptual thinking and capacity to explore change as an opportunity (Madueke, 2007). Every Nigerian has the propensity to become an entrepreneur. Schumpter (1984) defines

entrepreneurial process as involving all the functions, activities and actions associated with perception of opportunities and creation of organisation to pursue them. He further states that entrepreneurship is the carrying out of new combinations referred to as "enterprise" and the individual whose function it is to carry them out is called "entrepreneur". In business semantics, entrepreneur is the label given to someone who creates new business activity in the economy. Weilrich and Koontz (2005) in their submission said entrepreneur is a person who focuses on innovation, creativity and transforms a dream into a venture.

Madueke (2007) structures entrepreneurship into two: Technical and Necessity – Technical entrepreneurship is the creation of a new company and the technical entrepreneur perceives an opportunity and creates an organisation to pursue it. Necessity entrepreneurship is the "man must live" entrepreneur, borne out of necessity even though it still brought out innovations and inventions. The latter is the most common in Nigeria.

Entrepreneurial development has vital roles to play in the national economic development. Most of these entrepreneurs possess little or no knowledge of management. Poor leadership style has been a menace to the sustainability of entrepreneurial activities generally in Nigeria. Leadership is made not born. Some may grope through by developing personal attributes due to many years of experience. Experience they say is the best teacher but mind you it sometimes has a reminiscence of bitter pills and losses that the scars take time to clear out. Below is a table showing samples of 80 entrepreneurs that were randomly interviewed in Minna, Niger State on leadership training.

Table 1: Entrepreneur Leadership Training

	No. of Respondents	Percentage
Undergone Leadership Training Short/Long	9	11
Learnt through Apprenticeship/Observation	17	21
None of the above	54	68
Total	**80**	**100**

Source: Field work (2007)

This table shows that many of the entrepreneurs are not knowledgeable on leadership. Only 11% underwent leadership training of any sort while 17% learnt through apprenticeship (informal training) with 68% without any prior training or even opportunity to observe.

Entrepreneurs could seek for capital, technical know-how, market strategies but little or nothing on leadership. Every head of a business in Nigeria is referred to as a manager. Are they truly leaders? In the real context, entrepreneurs are to lead the organisation forward. They play a catalyst role in economic development however; ignorance is a clog in their wheel of progress. Knowledge is power. Ignorance is folly. It is a great disease. This paper therefore considers leadership ingenuity as an imperative for entrepreneurial development.

Clarification on Leadership and Managership

Many people treat managership and leadership as synonymous. No, it is not. Leadership differs from managership. Managership is the function of planning, organising, staffing, leading, controlling and co-ordinating. Leadership is an important aspect of managing. It is one of the managerial functions. The ability to lead effectively is one of the keys to being an effective manager. It is the function of a leader to combine human and material resources to achieve objectives. The essence of leadership is followership. It is the willingness of people to follow that makes a person a leader. People tend to follow those whom they see as providing a means of achieving their own desires, wants and needs.

Leadership and motivation are closely interconnected. Motivation makes a leader to appreciate people's desire more and understands the reason they act as they do. Leaders may not only respond to subordinates' motivations but also arouse or dampen them by means of organisational climate developed. These factors are of equal importance to leadership and managership (Weilrich & Koontz (2005), p: 396).

Concept of Leadership

Leadership is a concept that many authors have written on but scarcely defined. Hellriegel, Jackson & Slocum (2003) define leadership as a process that involves influencing others to act towards the attainment of a goal. It is based on interpersonal relationships and administrative activities and directives. Koontz & Weilrich (2005) also define leadership as the art of influencing people so that they will strive willingly and enthusiastically towards the achievement of organisational goals. The emphasis here is encouraging employees to develop ardour, earnestness and intensity in execution of work and confidence which is a reflection of experience and technical capability. Entrepreneurs are to assist employees to attain objectives through the maximum application of capabilities not to push and prod but to facilitate and inspire them to accomplishment.

Moreover, Cole (2002) attempts to give a working definition of leadership as a dynamic process at work in a group whereby one individual over a particular period of time, and in a particular organisational context, influences the other group members to commit themselves freely to the achievement of group tasks or goals. This definition points out that (i) there is no "one best way of leading". (ii) Leadership is not necessarily confined to one person but may be shared between members. (iii) The principal role is to influence for achievement. (iv) Leadership is exercised in, and influenced by, the set of circumstances which form the organisational context.

Ingredients of Leadership

For an organisation to perform near its total capacity there must be a skilful individual in the art of leadership. These skills are a compound of at least four major ingredients; they are (i) the ability to use power effectively in a responsible manner. There are six types of power in leadership and they are listed below.

Table 2: Types of Leadership Power

Types of Power	Responses from followers
Expert (due to specialised knowledge)	Commitment
Referent (due to personal identification of followers)	
Reward (ability to satisfy their needs)	Compliance
Legitimate (based on formal position)	
Coercive (because of fear of punishment)	Resistance
Negative (by sowing discord/distorted information)	

Source: Cole (2002)

(ii) Ability to comprehend the motivating forces of different people at different times in different situation.(iii) Ability to inspire followers to devote their full capabilities to the enterprise. (iv) The ability to act in a manner that will develop a climate conducive to, responding to and arousing motivations. Summarily, the fundamental principle of leadership is that, since people tend to follow those who, in opinion, offer them a means of satisfying personal goals, the more managers understand what motivates their subordinates, and how these motivators operate, the more they reflect this understanding in carrying out their managerial actions, the more effective they are likely to be as leaders and the more profitable the venture may likely be.

Attributes of a leader

There is always requirement for every office. Most of the early exponents of 'managements' such as Henri Fayol, Fredrick Taylor and Robert Owen were lively personalities and successful entrepreneurs. There are three suggested leadership attributes which can be yardstick for assessing leaders.

Table 3: Leadership qualities

| U. S Marine Corps	Royal Naval College	RAF College
Integrity	Faith	Efficiency
Knowledge	Courage	Energy
Decisiveness	Loyalty	Sympathy
Dependability	Integrity	Courage
Tact	Humanity	

Source: Adair, (1968).

Trait theory should not be set as a standard rather these qualities approach has been recommended as useful application in management training and development.

Leadership Models and Styles.

Several models describe the effectiveness of leader's influence on others. Leadership style refers to the way the leader approaches the task, people's needs and the situation. There is no single or simple answer to which style of leadership works best. Below are some leadership models for your consideration:

1. **Traits Model**s which are based on the assumption that certain physical, social background and personality characteristics are inherent in leaders but not in non-leaders. Simply those traits must be evaluated in relation to other factors like situation and followers' needs. (2) **Behavioural Models**, when it was discovered that leaders do not have a uniform set of personal traits attention was given to isolating behaviours that are characteristics of effective leaders. These models focus on differences in the action of effective and ineffective leaders. An example is the McGregor Style of Leadership that proposes (i) *Theory X – Directive Leadership Style is* where subordinates are motivated mainly by money but lazy, hence, they are instructed on what and how to perform their jobs, meet standards and know who is boss. (ii) *Theory Y–Participative Leadership Style* believes people work hard and co-operate thereby the subordinates' opinions are sought and encouraged to take part in planning and decision making. (3) **Ohio Research Leadership styles** which proposes *The Considerate Leadership Styl*e characterised by concern for employees relationship and feelings and *The Initiating-structure Leadership Style* characterised by active planning, organising and co-ordinating subordinates' activities. This latter is tagged 'micro- managing' that is, watching over employees shoulders. (4) **Likert Team leadership style** observed that high productivity group leaders are employee-centred in leadership, paying attention to relationships and encouraging participation in decision making by employees while the low- producing group leaders are production-centred, more concerned with the demands of the task than the needs of the people. (5) **Empowerment model** reflects a leader's sharing of influence and control with followers. It Involves employees in deciding how to achieve organisations goal with some level of freedom. The short-coming of behavioural models in covering leadership styles led to contingency models.

6. **Contingency model sees** leadership as a relative process that situation determines the best style to use. It suggests that successful leadership depends on matching a leader's style to a situation. (i) This leadership style is determined by recognising the manager's *Least Preferred Co-worker (LPC)*. (ii) One who recognises the importance of developing strong and positive emotional ties with followers is a *relationship-oriented leader*. (Employee-centred style of being considerate). (iii) The one that does not value relationship but focuses on task is *Task-Oriented leader.* Three situational variables are also identified in this model. (i) *Leader – member relations* which is the extent to which followers accept the leader. It is favourable when accepted and respected and if otherwise it is unfavourable situation. (ii) *Task structure* is the degree to which a job is routine. Where there is operating procedure standard, it is favourable but where no clear guidelines it becomes unfavourable. (iii) *Leader-position power* is the degree to which the positional power (see table 2) can obtain good fellowship more easily than one without it. Summarily, he believes a leader cannot change his style to fit a situation but situation should be changed to fit leaders' style. (7) **Managerial Grid model** is a model

that has two dimensions – concern for people and concern for production thus identifying extreme leadership styles.

MANAGERIAL GRID

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High
        9  +                    +

Concern
for
People
        5  +·····+

        1  +                    +

        0
       Low 1          5         9   High
              Concern for Production
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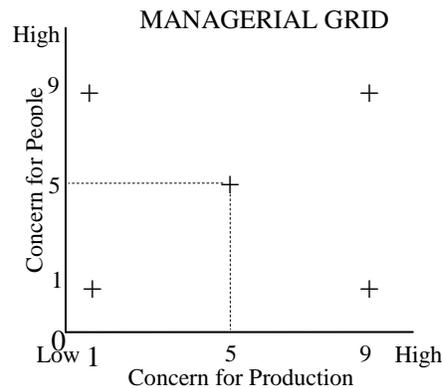
(1.1) *Impoverished Management style* – act as an informant from superiors to subordinates less concerned about people and production. (1.9) *Country Club style* – has a low concern for production and high concern for production.(5.5) *Middle-of-the-Road style* – seeks a balance between workers' needs and the organisation's productivity goals.(9.1) *Produce-or-Perish style (or Autocratic task managers)* – no concern for employee's personal needs as being relevant to achieving the organisation's objectives. (9.9) *Team style* – shows high level of concern for both people and production.

Leader – Member Exchange Model states that a leader forms with each follower a somewhat unique one-to-one relationship which may be high which breeds loyalty and commitment and low can be very formal. (8) **Use of Authority Style** are (i) *Autocratic leader* that commands and expects compliance, dogmatism and positivism, with the ability to give rewards and punishment. (ii) *Democratic or participative leader* who consults with subordinates and encourages their participation. (iii) *Free-Rein/Laissez-faire leadership* that uses power very little, if at all, giving subordinates a high degree of independence/freedom. It is an index of weak leadership.(9) **Leadership Effectiveness or Success style**. is the achievement of organisational goals through high level commitment and high level satisfaction. There is the (i) *Apparent effectiveness* is where the leader appears to be effective by maintaining high input of the job, but with disappointing achievement in reality. (ii) In *Personal effectiveness,* the manager achieves his/her own objective as opposed to the organisation and (iii) *Leader effectiveness* is where the leader influences followers to achieve group objectives.(10) **Houses Path – Goal Approach** theory states that the effective leaders specify the tasks and clears roadblocks thereby increasing subordinates satisfaction and performance. It categorizes leaders' behaviour into four (i) *Supportive leadership* behaviour shows concern for subordinates well being, friendly and approachable climate. It is best for frustrated staff. (ii) *Participative leadership* consults subordinates and asks for suggestions before making decisions. (iii) *Instrumental*

or Directive leadership gives specific guidance and classifies what is expected of them. It involves planning, organising co-ordinating and controlling by the leader. It is the most appropriate for new employees because it provides blue print for action.(iv) *Achievement–oriented leadership* involves setting challenging goals, and improvement of performance with confidence that subordinates will meet the goals. Lastly are the (11) **Transactional,, Transformational and Charismatic Leadership.** *Transactional leaders* identify what subordinates need to do to achieve objectives such as clarifying tasks, setting up organisation structure, rewarding performance and providing for the social needs of followers. Such leaders work hard to run the organisation effectively and efficiently. *Transformational leaders* lead by articulating a vision, inspiring and motivating followers and also creating a climate favourable for organisational change. *The Charismatic leaders* have an unspeakable believe in their mission, supremely confident that they and their followers can succeed, and gives identification to followers but usually autocratic.

Leadership Continuum Concept

Leadership Continuum concept states that leadership involves a variety of styles ranging from one that which is highly subordinate-centred to the one that is highly production centred. However, the appropriate leadership style depends on the leader (personality), the followers (willingness, experience, knowledge) and the situation (organisational values and tradition). The continuum has been utilised as a useful way of getting managers to think about flexibility of style.

The Uniqueness of Women Leadership

Gone were the days that women are left out of issues. A research discovered that women see leadership as changing self-interest of followers into concern for the total enterprise. They use interpersonal skills and personal traits to motivate subordinates. That is the interactive leadership style which involves sharing information and power inspiring participation, allowing a sequence of interactions with their subordinates. Men use control of resources and authority of position to motivate. Successful men and women do not employ respective leadership style. Some men also use interactive while some women use traditional command structure. Women are more comfortable with higher levels of participation whereas men are more with autocratic methods of decision making. However, whatever the gender, exposure, personality traits, background, experience, orientation, the people, the task and situation determines the choice of leadership style.

Katherine Hudson headed KODAK and the earnings tripled under her direction. She later became the Chief Executive Officer of W.H Brady manufacturers of audio-visuals, data storage tapes, variety of coated and adhesive tapes after proven to be an outstanding general manager. She is the idea generator but she lets her management team decide which idea to take or toss aside. All employees have to do is grow the top line, control costs and use your assets wisely. When interviewed, she said that leadership must

be based on (i) Trust being established with employee's empowerment. (ii) Leadership should clarify issues because communication enhances confidence in employee's decision making. (iii) Effective leaders encourage others to accept occasional failure as valuable aspect of risk taking. (iv) Finally, a leader must have a sense of power. The board of directors expressed their pleasantries that they are extremely happy with her accomplishment and her unconventional approach to problem solving that has brought life, participation and thinking outside the box into the company. (www.whbrady.com)

Leadership Performance Improvement Clues

A manager must develop his supervisory ability, technical skills, intelligence, self-actualisation, decisiveness and self-assurance. He can improve his leadership skill by practicing the following: *Clarification of organisational goals to be achieved. Communicate job assignments and expected results. Establish demanding measurable performance standards. Stimulate optimum performance by motivating subordinates so that they can apply their skills, abilities and interest to the fullest. Provide incentives for the growth and development of the workers .Be sensitized and sensitive to human relations problem. Develop the ability to ascertain the causes of personnel problems and endeavour to prevent it before it escalates. Develop the act of changing the subordinate's behaviour by increasing his skill through on-the-job coaching. Identify your leadership style and regularly re-examine it with a view to improving your effectiveness. Know the style and expectation of your supervisor and subordinates. Determine the style requirement of a specific situation. Learn the art of impression management which is a leaders attempt to control the impressions that others form about you by practising behaviours that will make you more attractive, appealing and effective.*

CONCLUSION

Leadership is an important aspect of managing. Leadership requires followership and followership requires leadership. Leadership is a dynamic process at work in a group whereby one individual over a period of time, and in a particular organisational context, influences the other group members to commit themselves freely to the achievement of group tasks or goals. The concepts of leadership is concerned with the results of leadership not inputs; achievement of organisational goals, intimately concerned with the relationships between and the group. Entrepreneurship should get a right perception of leadership giving it a full attention because whatever vision he has, his ability to lead the human assets effectively will obviously affect the effective maintenance of other resources in the organisation. Good leadership is whatever is appropriate for the situation.

RECOMMENDATIONS

In view of the above discussion, the following recommendations are made:

*Enlightenment programmes should be embarked on through the radio and TV to sensitize entrepreneurs on the need for leadership training. Reality shows can be adopted. *The National Economic Empowerment and Development Strategy (NEEDS) should include leadership training into their curriculum for Micro, Small and Medium Enterprises (MSME). *The Millennium Development Goals Programme schedule by the Small and Medium Enterprises Development Agency of Nigeria Sector (SMEDAN) has been organising programmes for entrepreneurship of recent, leadership training should be included. *The Industrial Training Fund should look into ways of including on-the-job training for personnel outside schools. *Subsidized easy to read educative leaflet on leadership acumen should be made available for entrepreneurs even at the indigenous language. *The Ministry of Trade and Commerce and Science and Technology should forge closer relationship with companies and other organisations with respect to training on leadership. *Leadership training should be made a General Studies course offered at the higher level in tertiary institutions.

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