

The Essence of Business Management and Entrepreneurship in the Nigerian Marketing System

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Abstract

This paper scrutinizes the essence of business management and entrepreneurship in the Nigerian marketing system. Entrepreneurship is interchangeable with business practice. Business management is the decisions and directives applied by the individual or the owner of the business. It occurs when an enterprising person or groups pursue profitable opportunities or lucrative business opportunities. The problems that associate with entrepreneurs are unable to receive quality advices and to have a mentor, who had an experience. Finance is also needed. Entrepreneurship is mainly a one man business. Competition is also a problem in the market place. Lack of infrastructure affects the efforts of entrepreneurs. The study sought to identify ways in which business managers or entrepreneurs can raise and obtain initial capital or finance, determine who succeeds or takes over the business because of the uncertainty of life, investigate on how to embark on effective strategies that will check competition, in order to remain in business, identify ways to assist the management to overcome challenges of limited infrastructure and highlight on the recent development that can enlighten the business managers on the latest technology to enhance their competitive advantage. The content of this paper is of great importance to state government, entrepreneurs in Awka and students. Survey research design was applied, sampling plan, analysis of Likert questions and percentage of each analysis was stated. One hundred and twenty respondents duly filled their copies of the questionnaire, and majority strongly agreed to the Likert questions asked.

Key Words: Initial Capital, Competition, Infrastructure, Technological Backwardness

Introduction

This paper examines the essence of business management and entrepreneurship in the Nigerian marketing system. According to Hicks and Gullett (1988), Management is getting things done by and through others. Hersey and Blanchard (1977), simply describes management as working with and through individuals and groups to accomplish organizational goals. Koontz as cited in Gupta (2006) argues that management is the art of getting things done through and with people in formally organized groups. Drucker (1999) defines it as the people at the top that is the officers who are held accountable for success or failure of the organization. These definitions of management highlight the fact that if there is no business and no entrepreneurship there will be no management. Rosenthal, Osborne and Turner (2000) opine entrepreneurship as the process of looking at things in such a way that possible solution to problems, needs, ethics, standards and dealing evolve based on morals and values. Gupta and khanka (2006) posit an entrepreneur as the one who bears risks, unites various factors of production and carries out innovations. According to Drucker (1998) entrepreneur is the owner or manager of a business enterprise who, by risks and initiative, attempts to make profit. Olagunju (2004) defines entrepreneurship as an undertaking in which one is involved in the task of creating and managing an enterprise for a purpose. (the purpose may be personal, social or developmental). Kao and Stevenson (1984) see entrepreneurship as the attempt to create value-recognition of business opportunity and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition.

Background of the Study

Business involves an occupation of buying and selling. Business management comprises the decisions and directives applied by an individual or the owner of a business. The manager of the business should know when to plan, staff, control, direct, organize and co-ordinate among others. The term entrepreneurship is interchangeable with business. The essence of establishing a business is to make profit and probably to be an employer of labour.

The establishment of a business or being an entrepreneur creates an enabling environment for practical entrepreneurship employment as well develops the

economic situation of the nation into booming. Entrepreneurs must acquire resources (employees, Materials, money, machines and technology) and combine them in suitable proportions. Entrepreneurs bear the cost and risks of launching a new venture, developing a new product, adapting a new technology and developing a new market.

Literature suggests that entrepreneurship is not only about starting up an enterprise and maintaining the status quo but equally important to continue. There are certain challenges that affect the business management and entrepreneurship in the Nigerian marketing system. The problems are Initial Capital, Competition, Infrastructure, and Technological Backwardness

Problem Statement

There are challenges encountered in business management by entrepreneurs in the Nigerian marketing system. The manager of a business or an entrepreneur should obtain sufficient funds to start a business. The manager of a business or entrepreneur is often a one man business. This instigates that if the owner of the business dies, his business will also die. Entrepreneurs have to compete effectively in order to remain in business.

The size and composition of a market both influence entrepreneurship in their own ways. Practically, monopoly in a particular product in the market becomes more influential for entrepreneurship than a competitive market. Quite often the problem of starting and maintaining a business come down to simple, yet often insurmountable factors, such as lack of roads, facilities, electricity or telephones. As it is in Nigeria, there is an incessant power supply, which is directed to Power Holding Company of Nigeria (PHCN). Hence our entrepreneurs spend fortunes in fuel in order to run and maintain their businesses.

Entrepreneurship is further hindered by technological backwardness. This reduces output per man and the products are of sub-standard quality. There is the absence of the necessary technical know-how and capital to evolve indigenous techniques which may be out put increasing and labour absorbing. There is therefore an over dependence upon imported techniques which are capital intensive and do not fit our factor endowments. It is believed that a number of social, economic and administrative challenges force people in local areas to give preference to out moded techniques or out increasing techniques.

The study was guided by the following objectives.

1. Determine how business managers or entrepreneurs raise or obtain initial capital or finance
2. Determine who succeeds or takes over the business because of uncertain life
3. Investigate on how to embark on effective strategies that will check competition
4. Identify a device that will assist the management of limited infrastructure
5. Highlight on the recent activities that will enlighten the business managers on the latest technology

Management Theory

Current management thinking can be best understood in the light of its historical development. Likewise, the future of management theory and practice can best be foreseen by knowledge of the past and an understanding to the present.

Management is as old as human history. Throughout time, people have joined with others to accomplish their goals, first in families, later in tribes and other more sophisticated political units. Ancient people (pre-biblical and biblical persons) constructed pyramids, temples and ships. They created systems of government, farming commerce and warfare-for example, the building of the tower of Babel a tower reaching to the heavens in ancient Babylon. In the same vein, the Chinese philosopher Sun Tzu was among the early (management) strategies. Tzu writing more than 2, 000 years ago in *The Art of War*, a classic work that offers insights to modern managers enunciated dictums on war strategy which have been used by modern managers when planning a strategy to engage business competitors (Stoner, Freeman & Gilbert, 1995).

The administration of the vast Roman Empire required the application of organization and management concept. In fact, it has been said that the real secret of greatness of the Romans was their genius for organization and management. Even the well known kingdoms of Ghana, Mali, Songhai and Kanem Bornu in Africa are known to have had a wonderful administrative and management system. However, a systematic body of knowledge concerning organization and management is a product of the late nineteenth and of the twentieth centuries.

The beginnings of a systematic body of knowledge are closely associated with the industrial revolution and the rise of large scale economic enterprises which required

the development of new organizational forms and management practices. This was around the year 1870, that is, in the 19th century. Consequently, people began to pay increasing attention to the problems of management in these large scale enterprises or organizations and, among the earlier thinkers, was Robert Owen who approached the problem of management by reforms directed to improve the worker's lot and there by improve productivity. Owen's interest would seem to be focused on what is now, known as personnel management (Koontz & O'Donnell, 1976).

Another was Charles Babbage (1792-1871), a British professor of mathematics who proposed the application of scientific principles to improve factory operations. He was among the early advocates of the division of labour principles and it is claimed that the modern assembly line, in which each worker is, responsible for a different repetitive task is based on many of Babbage's ideas (Stoner, 1978).

The American industrialist and engineer, Henry R. Towne (1844-1924) were among a number of predecessors that stimulated Taylor (1856-1915) in his early thinking. Towne was systematically concerned with the relationship between the tasks of management and the work of management (Drucker, 1974). Thus, come the birth of early or rather modern management theory.

Materials and Methods

Survey research design was used to be able to generate data on the opinions of respondents.

The sample unit consisted of students, entrepreneurs, lecturers and politicians in Awka. The sample size of one hundred and forty five (145) was used. The method utilized was the distribution of questionnaire. The procedure applied was the non-probability sampling and the type applied was the convenience or accidental sampling procedure.

Results and Discussion

On collection of the copies of the questionnaire, it was discovered that out of the 145 copies, only 120 copies were found to be in a useable condition.

Table 1. Gender of Respondents

Sex	Frequency	Percentage
Female	15	13
Male	105	87
Total	120	100

Source: Field survey, 2013

From the study findings, fifteen (13%) females and one hundred and five (87%) males responded to the questionnaire, giving a total of one hundred and twenty (120) respondents.

Table 2. Age Distribution of Respondents

Age	Frequency	Percentage
18-24	55	46
25-34	47	40
35-44	10	8
45-54	8	6
Total	120	100

Source: Field survey, 2013

Fifty-five(46%) respondents were aged between Eighteen (18) to twenty-four (24) years. Forty-seven (40%) respondents were aged between Twenty-five (25) to thirty-four (34) years. 10 (8%) respondents were aged between Thirty-five (35) to forty-four (44), while 8 (6%) respondents were aged between forty-five to fifty- four.

Table 3. Occupational Level

Occupation	Frequency	Percentage
Students	15	13
Entrepreneurs	52	43
Lecturers	43	36
Politicians	10	8
Total	120	100

Source: Field survey, 2013

Table 3 reveals the number of respondents based on their occupation. From the table, fifteen students (13%), Fifty-two (43%) entrepreneurs, Forty- three (36%) lecturers, and ten (8%) politicians filled the questionnaire.

Table 4. Analysis of Attitude Questions

S/N	Questions	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
1	The establishment of a business requires adequate initial capital.	67 (56%)	41 (34%)	2 (2%)	7 (6%)	3 (3%)
2	Due to uncertain life already established, a business successor is required for continuity.	63 (53%)	52 (43%)	-	3 (3%)	2 (2%)
3	The existence of competition in the Nigeria marketing system, demands that every entrepreneur should endeavour to remain in business.	58 (48%)	41 (34%)	5 (4%)	10 (8%)	6 (5%)
4	The provision of infrastructure, will contribute to the survival of entrepreneurs	65 (54%)	50 (41%)	3 (3%)	1 (1%)	1 (1%)
5	Lack of modern technologies affect the performance of entrepreneurs	71 (59%)	43 (36%)	4 (3%)	1 (1%)	1 (1%)

The author sought to know the respondents' opinion on, the establishment of a business; if it requires adequate initial capital. Out of one hundred and twenty respondents, 67 (56%) strongly agreed, 41 (34%) respondents agreed, 2 (2%) respondents were undecided, 7 (6%) respondents disagreed whereas 3 (3%) respondents strongly disagreed.

When asked whether a successor was required for continuity in case of death, 63 (53%) respondents strongly agreed, 52 (43%) respondents agreed, 3 (3%) respondents disagreed, 2 (2%) respondents strongly disagreed whereas no respondent was recorded to be undecided.

The researcher sought to know whether the existence of competition in the Nigerian marketing system, demands that every entrepreneur should endeavour to remain in business. 58 (48%) respondents strongly agreed, 41 (34%) respondents agreed, 5 (4%) respondent were undecided, 10 (8%) respondents disagreed and 6 (5%) respondents strongly disagreed.

The researcher sought to know the opinion of respondents if the provision of infrastructure will contribute to the survival of entrepreneurs. 65 (54%) respondents strongly agreed, 50(41%) respondents agreed, while 3 (3%) respondents were undecided. Only 1 (1%) respondent disagreed and also 1 (1%) respondent strongly disagreed.

The author reckoned the opinion of respondents on lack of modern technologies affect the performance of entrepreneurs. Seventy-one (59%) respondents strongly agreed, 43 (36%) respondents agreed, 4 (3%) respondents were undecided, while 1 (1%) respondent disagreed and 1 (1%) respondent as well strongly disagreed.

Business management and entrepreneurship boom a nation's economy, because taxes are paid regularly.

The findings further disclosed factors like the establishment of a business requires adequate initial capital, due to uncertain life already established, a business successor is required for continuity, the existence of competition in the Nigerian marketing system, demands that every entrepreneur should endeavour, to remain in business. The provision of infrastructure will contribute to the survival of entrepreneurs and lack of modern technologies affect the performance of entrepreneurs.

Moreover, it will be beneficial if the citizens of Nigeria should comprehend the essence of business management and entrepreneurship in the Nigerian marketing system.

Recommendations

This paper examined the essence of business management and entrepreneurship in the Nigerian marketing system. These recommendations were suggested:

1. Seminars should be organized by qualified entrepreneurs to impart knowledge to Nigerian citizens on the essence of business management and entrepreneurship.
2. Federal government should endeavour to provide modern technologies for entrepreneurs.
3. Adequate infrastructure should be provided by the federal and state governments to ensure that entrepreneurs remain in business.
4. Banks should consider issuing loans to business managers and entrepreneurs.
5. Business managers or entrepreneurs should have a successor at all times for continuity.

Conclusion

This paper titled the essence of business management and entrepreneurship in the Nigerian marketing system, directs the citizens of Nigeria to always engage in one entrepreneurial out fit or another. By so doing the unemployment rate will be reduced to the barest minimum, because many citizens of Nigerian will be self employed.

Crime rate will also be at a minimal. The federal government and state government of Nigeria should as well be in support and strive to provide adequate infrastructure to aid the entrepreneurs and also provide an enabling environment for businesses to flourish.

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