Towards a search for the meaning of entrepreneurship

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Abstract

Purpose – The primary purpose of this literature review paper is to address the question why it is difficult to define entrepreneurship despite the amount of research that has taken place in the field. In addition, the paper also aims to demonstrate how the struggle to define entrepreneurship has impacted on entrepreneurial careers in Kenya.

Design/methodology/approach – The paper reviewed literature on different approaches used by researchers in the struggle to define entrepreneurship. It focused mainly on the trait, behavioral and opportunity identification approaches. It critically examined the extent to which each approach has attempted to explain what entrepreneurship is, and suggests research questions, methodologies and techniques that will do justice to the complexity of defining entrepreneurship.

Findings – The findings of the literature review showed that none of the approaches used to define entrepreneurship gives a comprehensive picture of entrepreneurship. There is a lack of a common definition of entrepreneurship. Following the absence of this common definition, professionals in Kenya do not see themselves as entrepreneurs. The researchers and educators must define what they mean when attempting to define entrepreneurship. Rather than concentrate on one part – the entrepreneur; behavior or opportunity identification – they must focus on the whole entrepreneurial process. In addition, researchers and educators need to study the entrepreneur before, during and after the entrepreneurial process.

Research limitations/implications – Further research should be conducted to relate entrepreneurship to other occupations. Each approach needs to expand in this direction.

Originality/value – Research on the impact of the meaning of entrepreneurship on careers in Kenya and other contexts so far has not been conducted.

Keywords Entrepreneurialism, Small to medium-sized enterprises

Paper type Literature review

Introduction

Interest in entrepreneurship education has heightened in recent years, especially in business schools. Much of this interest is driven by students’ demand for courses in entrepreneurship, either because of genuine interest in the subject, or because students see entrepreneurship education as a useful edge given uncertain corporate careers. However, is demand for entrepreneurship education the same as being enterprising? This necessitates a distinction between entrepreneurship and enterprise. To some people, these two terms mean one and the same thing, while for others, they are quite different. For those to whom the terms are similar, “entrepreneurship is the process whereby an individual or a group of individuals use organized efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources are currently controlled”
In this regard, entrepreneurship is a dynamic process of vision, change and creation (Kuratko and Hodgetts, 2004); suggesting enterprise is the ability to use organized effort to create value in which case, the creation of value is entrepreneurship. In this regard, enterprise and entrepreneurship are intertwined.

For those to whom these terms mean different things, “enterprise involves measures to encourage individuals to become entrepreneurs and equip them with the necessary skills to make a business successful” (Mason, 2000). In essence, enterprise is about spotting opportunities, creating new ideas and having the confidence and capabilities to turn these ideas into working realities (Nixon, 2004). In other words, for some people, enterprise is about a culture of making things better. Enterprise therefore precedes entrepreneurship (Chitty, 2009). He further argues that enterprising individuals and communities understand their current position and have a good idea of what “better” looks like. They also have the courage, confidence, skills, organization and support to take action to narrow the gap between their current position and where they would want to be. In this regard, when individuals become enterprising, then entrepreneurship occurs. However, this paper sees the two as intertwined, but will occasionally draw a line between these terms, where applicable.

On the other hand, this paper takes cognizance of the nexus between the enterprising individual and opportunity. Opportunity, and particularly, entrepreneurial opportunity in this paper is considered a prerequisite for entrepreneurship. Entrepreneurial opportunities take on different forms and come into existence in different ways. In other words, developing an idea, assessing it for its attractiveness, using the most appropriate strategies in implementing it and in managing and growing it are core for successful entrepreneurship. However, it must also be understood that, that which may be perceived as an entrepreneurial opportunity will differ among individuals and that individuals also respond differently to entrepreneurial opportunities. In this regard, we make a brief distinction between opportunity and necessity driven entrepreneurship.

Opportunity-driven entrepreneurship argues that opportunities exist in the form of business ideas and individuals who are able to see them, go on to exploit them by creating new ventures to pursue these ideas (Bygrave, 1997) or by seizing the initiative through innovative developments within existing organizations (intrapreneurship). This relies heavily on the discovery arising from one’s ability to have a continuous understanding of the business environment, as well as prior experience such as parental business background, education, networks and the existence of role models. In this regard, economic growth can also motivate individuals to go into business. It is a fact that the extent to which a nation’s economy is expanding necessitating a higher demand for goods and services does reflect the likelihood that people do and will exploit existing opportunities to start a new venture or to enhance intrapreneurship.

On the other hand, necessity entrepreneurship is closely linked to the need for self realisation and independence as well displacement circumstances that one finds oneself in such as, the lack of employment (Murray, 2001). The need to survive drives individuals to engage in entrepreneurial activity thereby bringing about entrepreneurship. So what then is entrepreneurship?

There exist issues and challenges in attempts to define entrepreneurship. In the past decade or so, researchers and educators in this field have had and still have to confront the question “what are we talking about when we talk about entrepreneurship?” The answer to this question however, has been and still is unclear, delayed and overlaps with other sub fields. This seriously threatens the legitimacy and our very survival in the
world of business research and education because entrepreneurship has been studied within different disciplines, a variety of opinions regarding its meaning have arisen. Attempts to define it have focused on; using the skills that characterize the entrepreneur; using those processes and events which are part of entrepreneurship; and using those results that entrepreneurship leads to (Davidsson, 2003). Most of the existing definitions are a mix of these three. For instance, “entrepreneurship is an activity which leads to the creation and management of a new organisation designed to pursue a unique, innovative opportunity” (Hindle and Rushworth, 2000). In this respect, enterprise is an outcome of entrepreneurship, i.e. the organization created is an enterprise. However, to other people, entrepreneurship is fundamentally, about using enterprise to create new business, and “can-do” organisations and services (Nixon, 2004). In this regard, enterprise is a means of entrepreneurship. It is important to note here that it is generally accepted that entrepreneurs “serve as agents of change; provide creative, innovative ideas for business enterprises; and help businesses grow and become profitable” (Kuratko and Hodgetts, 2004). The act of being an entrepreneur “is the ability to create and build a vision from practically nothing” (Timmons, 1994, p. 7), thus, being enterprising. Therefore, to allow governments to foster and encourage entrepreneurship through targeted policy initiatives, it is essential that policy makers have a clear understanding about what constitutes an entrepreneur and entrepreneurial activity.

Whereas these definitions assist in the understanding and conceptualizing of entrepreneurship, its operationalization in empirical research and the academic field of entrepreneurship still begs the question. In Murray’s (2001) words, why does entrepreneurship as an academic field receive so much attention yet so little respect. Is it because entrepreneurship researchers are not as smart enough, as the subject they study, or are they so much action oriented to commit to scholarly demands? Does the problem lie with a larger academy that is parochial, conservative, and overly critical, or is it simply that the field is too young? The answer lies in the nature of the diverse definitions attached to entrepreneurship by diverse researchers in the field. In addition, Kirby (2004) suggests that the entrepreneurship phenomena can be predictably investigated from disciplines as varied as economics, sociology, finance, history, psychology and anthropology each of which uses its own concepts and operates with its own terms of reference. So is entrepreneurship a branch of these disciplines or what is it?

Over the past decade, significant research effort has been expended as evidenced by the proliferation of entrepreneurship journals, professional associations, conferences with a modest level of academic legitimacy (Low and Macmillan, 2001). Furthermore, recent reviews of entrepreneurship research have indicated the lack of an agreed on definition of entrepreneurship as a field of study (Gartner, 1989). The lack of a well-accepted definition of entrepreneurship as a field of study, may pose a research problem of identifying what will be studied and why (Venkataraman, 1997). For example, Markku (2002) points out that the lack of a basic agreement as to who is an entrepreneur has led to the selection of samples of “entrepreneurs” that are hardly homogeneous.

While acknowledging that entrepreneurship is a relatively new field of study and its definition still remains a debate, this paper reviews literature on the three different approaches that scholars have pursued in the struggle to define entrepreneurship. Three approaches namely; trait, behavioral and opportunity identification have been used by various researchers in the struggle to understand entrepreneurship.
The traits approach
This approach is within the personality framework and in turn the psychological and behavioral school. Personality can be defined in terms of patterns and regularities in action (Bjerke, 2007). Because the entrepreneur is the catalyst for entrepreneurship, this school posits that individuals are more likely to exploit opportunities, thus behave entrepreneurially, because traits lead them to make different decisions about opportunities than other people with the same information and skills (Frese, 2007; Shane, 2007). In this regard, much research in the entrepreneurship field has focused on the personality traits of the entrepreneur, asking the questions, “why do certain individuals start firms when others under similar conditions, do not? Are individuals born with certain characteristics that predispose them to entrepreneurial endeavors? Is there a set of traits that can be attributed to an entrepreneurial personality” These kinds of questions force researchers to answer the question, who is an entrepreneur (Gartner, 1989)? In the trait approach, the entrepreneur is assumed to be a particular personality type, have particular motives and incentives. As noted by Kamineni (2002), the use of psychological attributes “has found a prominent place in the entrepreneurship literature and hence cannot be ignored”. The focus here has concentrated on the need for achievement; locus of control and risk-taking propensity; (Carland et al., 1984; Long, 1983; Stewart et al., 1999) among other traits. This paper concentrates on the three traits above.

Research has generally supported differences between entrepreneurs and managers on these three psychological constructs (Gasse, 1982), but the results appear mixed. Achievement motivation was the first to be examined and is the most extensively researched of these constructs (Wu, 1989; Happer, 1996; Miner, 2000). Some researchers have shown this by comparing entrepreneurs to the general population (Hornaday and Bunker, 1970; Hornaday and Aboud, 1971; Hines, 1973; Caird, 1991; Cromie and O'Donoghue, 1992). Established in the entrepreneurship literature by McClelland (1961), the achievement motivation construct posits that a high need for achievement predisposes a person to seek out an entrepreneurial position in order to attain more achievement satisfaction than could be derived from other types of positions—those which are more managerial (Stewart et al., 2003). This is further supported by Collins’, (2002) and Stewart et al.’s (1999) Meta-analyses which hold that the need for achievement significantly differentiated entrepreneurs from the rest of the population. The argument here is that people with a high personal achieving orientation are more inclined to become the classical entrepreneurs, those who demand targets for themselves and are proactive in accomplishing them (Begley and Boyd, 1987; Wu, 1989). That is, the need for achievement involves goal-setting, planning and information gathering; and requires sustaining goal-directivity activity over a long period of time (Shane, 2007). This view holds true for both individuals driven by opportunity or necessity and is dependent on their enterprising abilities.

Although subsequent empirical studies have supported the existence of a link between “entrepreneurship” and the need for achievement (Begley and Boyd, 1987; Perry et al., 1988; Stewart et al., 1999; Lau and Busenitz, 2001; Lee and Tsang, 2001), it can be argued that entrepreneurial success is not merely a matter of wanting or needing to achieve. Further, because of the strong need for achievement, such individuals focus mainly on individual credit which more often than not makes it difficult for them to cooperate fully with others, yet entrepreneurship is not an activity, but a process, which makes it necessary for an enterprising individual to cooperate with others in order to create value with them and for them. In addition, there is very little association between the need for achievement and the propensity to start an entrepreneurial organization.
Although individuals with a strong need for achievement might act entrepreneurially, there are problems with elevating the need for achievement to a central position in explaining entrepreneurial motivation, or motivation into other occupations. Besides, it is also important to consider different attitudes to achievement across cultures. Thus, does the need to achieve lead individuals to seek out entrepreneurial opportunities or does the accomplishment of complex enterprising tasks enhance a person's achievement orientation? The question of causality needs to be fully addressed if need achievement has to be sufficient for explaining entrepreneurship.

A similar focus is found in the locus of control trait. According to this theory, individuals believe that the outcomes of events are either within (internal) or beyond (external) their personal control. An individual with a belief in internal locus of control perceives that the outcome of an event is contingent on his own behavior or his own relatively permanent characteristics. This makes such an individual believe that he/she can manipulate the environment by his/her actions and that he/she is responsible for his/her own destiny. On the other hand, an individual with a belief in the external locus of control perceives the outcome of events as following some action of his/her own but that the outcome is not entirely dependent on his/her actions. For such an individual, outcomes of events are attributable to factors beyond their control such as fate, luck, and chance.

Much research on this trait shows an association of the internal locus of control trait with entrepreneurship (Rotter, 1966; Hull et al., 1980; Ward, 1993; Boone et al., 1996; Boone et al., 2000; Low and Macmillan, 2001; Lee and Tsang, 2001; and Amit et al., 1993). This means that entrepreneurs believe in their capability to commence and complete tasks and events through their own action. In other words, people who feel that they can exercise control in accomplishing tasks and events are likely to create successful enterprises. Individuals with this trait demonstrate a reliance on their own will, ability and actions; and devise their own strategies managing tasks throughout their entrepreneurial and professional life. These individuals act autonomously under and take the initiative to bring about change whenever they feel other people's behavior is in conflict with their interests. This type of disposition is closely related with the trait of self-efficacy. Individuals displaying a high propensity towards self-efficacy are confident in their own ability to act as an entrepreneur and are more inclined to entrepreneurial activity than others (Boyd and Vozikis, 1994; Scherer et al. 1989; Chen et al., 1998). High self-efficacy individuals will tend to see more opportunities than risks in certain situations, feeling capable of overcoming hurdles and difficulties; and will anticipate positive outcomes. Individuals with a less developed sense of self-efficacy will tend to be more aware of costs and risks and are therefore unlikely to engage in entrepreneurial activity. From this, it can be seen that the internal locus of control must be accompanied by self-efficacy or some other trait such as the need for achievement for entrepreneurship to occur.

Although the foregone information illustrates a correlation between the locus of control and entrepreneurship, by the fact that high achievers will also exhibit locus of control shows the conflicting evidence about whether the locus of control or the need for achievement is the more fundamental entrepreneurial attribute. In addition, people feel in control when they possess the attributes, knowledge and skill and have had the experience to complete a particular task. It is also true that there are many social, political, organizational and interpersonal forces that assist or constrain the acquisition of skill. For instance, people may feel in control of other people, but feel powerless over economic and social forces. Therefore, locus of control as an attribute, does not sufficiently explain why individuals may choose to behave entrepreneurially and more
so whether this has a significant relationship with either opportunity or necessity driven entrepreneurship.

The high risk-taking propensity characteristic is also attributed to entrepreneurs. This is an aspect of personality that measures people’s willingness to engage in risky activity (Shane, 2007). That is, people higher in risk-taking propensity are more likely to exploit entrepreneurial opportunity because risk bearing is a fundamental part of entrepreneurship (Schere, 1982; Wu, 1989; Amit et al., 1993; Begley, 1995; Van Praag and Cramer, 2001). By investing their own money or by leaving secure jobs as well as the stress and time associated with starting and managing a business, are aspects in support of risk taking among entrepreneurs. That is, enterprising individuals seek to realize productive opportunities and consequently function in uncertain environments. In addition, a meta-analytic review by Stewart and Roth (2001) showed that the risk-taking propensity of entrepreneurs was greater than that of managers, and that owner-operators primarily concerned with venture growth had higher risk-taking propensities than those whose principal focus was on family income.

Whereas it is true that the overall evidence is that entrepreneurs are moderate risk takers and do not significantly differ from managers in the amount of the perceived risk they will bear (Sexton and Bowman, 1985), evidence suggests that individuals have different cognitive styles with respect to taking risks. Further, there is a difference between the act of risk taking and actively seeking risky assignments. This suggests that there is a lack of agreement on the nature of entrepreneurial risk taking. There is evidence that some entrepreneurs have a greater propensity to take risks than do others. For instance, an entrepreneur might thoroughly research an identified opportunity and on the basis of available information and conclude that he/she has every chance of succeeding, while another may give up the opportunity altogether. In view of this, there is also a need to establish whether those who engage in opportunity exploitation on the basis of their propensity to take entrepreneurial risk perform better in entrepreneurial activity. The argument here could go either way given that entrepreneurial success is contingent on a combination of factors – the interaction between the individual, the opportunity and the environment.

From the foregone information there is a relationship between the traits approach and entrepreneurship. It can also be argued that entrepreneurship relies on the enterprising individual who must have certain traits. However, Miller (1988) argues that, if trait theories present characteristics common to most entrepreneurs, those individuals who do not possess these characteristics could be excluded. It is in this regard that Gartner (1989) posits that trait approaches seek to answer the wrong question “who is an entrepreneur?” More recent studies, for instance, the meta-analysis of the personality factors by Rauch and Frese (2007) show that indeed personality factors do play a role in the explanation of business creation. However, when certain psychological traits are carefully evaluated, it is not possible to differentiate entrepreneurs from managers or from the general population based on the entrepreneur’s supposed possession of such traits. In addition it is not known which personality trait is responsible for business creation. Further, researchers still do not know which specific traits differentiate entrepreneurs and small business owners or managers. In addition, it is not clear at what stage the trait becomes visible in one’s life. It has also been argued that traits can be learned within the environment. It is also noted that there are many people who possess the aforementioned traits yet they are not entrepreneurs. Finally, a startling number of traits and characteristics have been attributed to an entrepreneur thus causing a contradiction whether all those traits are
inherent or learned through the environment and whether all must be present in an individual at the same time for entrepreneurship to occur.

The trait approach to entrepreneurship research is understandably persistent. Entrepreneurs often do seem like special people who achieve things that most of us do not achieve. These achievements must be based on some special inner quality. Although the trait approach has failed to give a comprehensive definition of entrepreneurship, this approach gave researchers a systematic point of departure in the struggle to understand entrepreneurship. The critics of the trait approach argue that another approach is needed to help researchers refocus their thoughts on entrepreneurship. In fact, Recent meta-analyses have demonstrated the important influence of dispositions on behavior both in large organizations (Barrick and Mount, 1991; Tett et al., 1991) and in entrepreneurial settings (Stewart and Roth, 2001; Frese, 2007) when the effects of research artefacts are addressed (Hunter and Schmidt, 1990). In summary, the classic notion of the entrepreneur as achievement oriented, a believer in self abilities and a driven innovative risk taker has not been confirmed. Although some personality characteristics have been confirmed, none can claim general application. In addition, this approach to entrepreneurship is essentially a static analysis approach in relation to the dynamic process of entrepreneurship. Further, methodological complexities make the discrepancies in individual study results difficult to reconcile. Accordingly, therefore, psychological dispositions should be incorporated into theories of organizational behavior (House et al., 1996), including entrepreneurial behavior. This calls for further research in this area. The next piece of discussion focuses on the behavioral approach (Vesper, 1982).

The behavioral approach

Resulting from the criticism labelled against the trait approach in defining entrepreneurship, researchers have focused on what the entrepreneur does and not who the entrepreneur is (Carland et al., 1988; Gartner, 1989). According to this theory, “an entrepreneur is an individual who establishes and manages a business for the principal purpose of profit and growth, and is characterized principally by innovative behavior and employs strategic management practices” (Carland et al., 1984). This approach therefore, looks at entrepreneurship from the perspective of creating an organization. However, it must be understood that the creation of an organization is a contextual event, and the outcome of many influences such as social change, economic change, development of new markets and distribution channels and ready availability of established non-proprietary technology (Bjerke, 2007). In this regard, much has been written about the positive and negative consequences for creating organizations (Coulter, 2001; Zimmerer and Scarborough, 2002; Bjerke and Hultman, 2002). For instance, Bjerke and Hultman (2002) posit that it is not easy to provide a general picture of the entrepreneurial process. Therefore, the entrepreneur is part of the complex process by which new organizations come into existence, i.e. entrepreneurs create enterprises. Enterprise is an outcome of entrepreneurship for those to whom these terms are different, but for whom they are similar, the creation of an organization is in itself an act of entrepreneurship.

The behavior approach to the study of entrepreneurship treats the organization as the primary level of analysis and the individual is viewed in terms of activities undertaken to enable the organization come into existence (Gartner, 1985). To pursue the behavioral approach, many researchers have asked as their primary question “How does an organization come into existence?” (Carland et al., 1988; Murray, 2001). This


question places the entrepreneur within the process of a new venture creation, performing a series of actions that result in the creation of an organization. Thus, organization creation separates entrepreneurship from other disciplines (Vesper, 1980).

Reorientation towards a behavioral approach to entrepreneurship begins by asking about the role entrepreneurs play in enabling organizations to come into existence. Individuals, who in this case are the entrepreneurs, create new organizations through a dynamic process that involves such activities as obtaining equipment, establishing production processes, attracting employees and setting up legal entities (Shane, 2007). Further, this process involves planning (Reynolds, 1994; Reynolds and White, 1997) which helps the entrepreneur deal with the uncertainty and information asymmetry present in the exploitation of opportunities and also indicates the human, physical and financial resources the organization will need. Thus, planning allows the entrepreneur to articulate a clear vision which in turn supports growth (Baum et al., 1998).

Another important aspect of the process of creating organizations is the mode of exploitation of opportunity. Decisions in this respect are driven by discovery as an independent individual or as a corporate member. In this regard, several aspects of the opportunity come into play. These include: the decision to spin-off and risk adjusted expected value (Audretsch, 2001; Bhide, 2000; Lowe, 2001); the uncertainty of the opportunity, and, the radicalness of the opportunity (Henderson, 1993; Christiansen and Bower, 1996; Shane, 2001). Other decisions focus on how to integrate the process, choosing the legal form of organization, establishing the size at which the organizing effort occurs, and the number of employees (Shane, 2007). In other words, researchers must observe entrepreneurs in the process of creating new organizations, for to create a new business may uncover or even create further business opportunity. According to Baron and Shane (2005) it is possible to increase one’s opportunity recognition through building a broad and rich knowledge; organizing one’s knowledge; increasing one’s access to information; creating connections between the knowledge one has; building one’s practical intelligence; and mixing one’s eagerness for hits with one’s awareness of false alarm. In this regard, entrepreneurial opportunities come from a number of factors.

The other stream of research in this approach must address the issue of the different types of organizations created by entrepreneurs, hence the different types of entrepreneurs. For instance, according to Wagner and Ziltener (2008), traditionalists, growth, lifestyle and status entrepreneurs differ in their motives as well as their entrepreneurial risk levels. This may explain why Gartner (1989) points out that the behavioral approach challenges researchers to develop research questions, methodologies and techniques that will do justice to the complexity of entrepreneurship. The approach demonstrates that an entrepreneur is not a fixed state of existence; rather entrepreneurship is a role that individuals undertake to create organizations, hence, researchers have no reason for accepting simplistic statements that the entrepreneur is the one who creates organizations. Organizations are created by other individuals such as pastors and politicians, who in themselves may not be entrepreneurial. Further, behavior alone without due regard to the interaction between the individual’s traits and the environment is an incomplete attempt to explain the occurrence of entrepreneurship.

Thus, developing our understanding of the entrepreneurial process is fundamental. Entrepreneurs can be distinguished from other owner managers by their intention – to manage and grow an organization for profit as opposed to maintaining a viable business as a vehicle for achieving personal goals such as income, lifestyle and autonomy. In this regard, there are three distinguishing characteristics of
entrepreneurial activity: the motivation and intention to create wealth and accumulate capital; the ability to recognize opportunities for wealth creation, and judgement – knowing which opportunities to pursue (Shane, 2007). However, some researchers view the behavioral approach differently. For instance, Amit (1993) argues that the approach has failed to differentiate an entrepreneur from a manager and the approach does not make it clear whether entrepreneurship ends with the creation of an organization. The problem with the definitions of entrepreneurship through trait and behavior approaches is that though each captures an aspect of entrepreneurship none captures the whole picture (Venkataraman, 1997). Thus, examining why people create organizations and how they differ from those who do not may help explain how the motivation that entrepreneurs exhibit during start-up is linked to the sustaining behavior exhibited later. In addition, it is important to establish and understand the intentions underlying the creation of entrepreneurial organizations. This will help in understanding why some of the organizations created do not end up as successful ones. Next, is a discussion of the opportunity identification approach.

The opportunity identification approach
Venkataraman (1997) points out that the field of entrepreneurship remains a mystery to many people despite numerous definitions offered by researchers. Venkataraman (1997) takes a different approach (opportunity identification) in defining the field of entrepreneurship. He argues that economists do not define economics by defining the resource allocator, nor do sociologists define their subject matter by defining their society. Likewise, it would be a mistake for the researchers to define the field by defining the entrepreneur. Defining the field in terms of central issues that are concerned with understanding how, in the absence of the current market for future goods and services, and how these goods manage to come into existence is in itself incomplete. Thus, entrepreneurship as a scholarly field seeks to understand how opportunities, which bring into existence “future” goods and services, are discovered, created, and exploited and by whom (Eckhardt and Shane, 2003; Shane and Venkataraman, 2000; Venkataraman, 1997). In this regard, entrepreneurial opportunity is a situation in which a person can create a new means-ends framework for combining resources that the entrepreneur believes will yield a profit (Shane, 2007). This suggests that entrepreneurship involves a nexus of entrepreneurial opportunities and enterprising individuals.

The works of Schumpeter (1976) indicate that there has to be an innovative enterprising individual and the presence of lucrative opportunities brought about by market inefficiencies. Market inefficiencies provide opportunities for enterprising individuals to enhance wealth by exploiting these inefficiencies. On the other hand, prior to Schumpeter’s work, Arrow (1976) found out that those opportunities for discovering or creating goods and services for the future precisely occur because of the dispersion of prior knowledge, information and innovation among market participants, also known as Kirznerian opportunities. It must also be understood here that both the Schumpeterian and Kirznerian views do not agree as to whether the existence of entrepreneurial opportunities is based on differences in the individuals’ ability to have access to existing information, or whether it is the differences in the available new information. Further, there are differences in the ways individuals process the information they possess or have access to, and the new information. Whether it is access to, availability of, or processing of information, Venkataraman (1997) still argues that it is one thing for the opportunities to exist, but entirely a different matter.
for them to be discovered and exploited. The question is why some individuals exploit opportunities while others do not.

Various researchers have attempted to provide answers to the foregone question. Cognitive differences, incentives, opportunity cost among individuals strongly influence the search for and the exploitation of an opportunity and they also influence the success of the exploitation process (Shaver and Scott, 2001; Shane, 2007). This cognitive differential ability to analyze market information may have a significant impact on the success of a start up, as well as the allocation of risk among the entrepreneurs. For instance, according to the expectancy theory (Vroom, 1964) perceived incentives motivate some individuals to exploit opportunities while others will not. In addition, when the opportunity cost is low, there is a tendency to take risk.

Other reasons that have been advanced by researchers why some individuals exploit opportunities while others do not; include family background, early socialization into business, and economic factors (Gibb, 2001; Kolvered, 1996). Individuals who grow under special difficult circumstances such as the case of immigrants/minorities, and those who get an early socialization in business have higher chances of becoming entrepreneurs. Two approaches, opportunity and necessity driven entrepreneurship, explained earlier, come into fore here.

According to the necessity-driven opportunity perspective, the situation one finds him/herself in, compels the individual to seek a livelihood by creating a new venture. In addition other than monetary needs, individuals will choose to become entrepreneurs for personal motivations. For instance, that an individual will choose to become self-employed if the expected life-time utility from self-employment is greater than the life-time utility from dependent employment (Douglas and Shephard, 2002; Parker, 2004). Entrepreneurs can therefore be defined as persons who are creative in finding ways to add their own wealth, power, and prestige. According to Baumol (1990), individuals choose to be entrepreneurs when or because their utility (from wealth, power, and prestige) is maximized by doing so. On the other hand, individuals whose parents have been and/or are entrepreneurs may likely become one because the opportunity presents itself.

It could be argued that the definition using opportunity identification suggested by Venkataraman (1997) and later Shane (2007), offers a promise for finding a meaning of entrepreneurship as it demonstrates that the individual combines both traits and behavior to identify and exploit a business opportunity within the environment. In other words, a general framework within which the characteristics of opportunities; the individuals who discover and exploit them; the processes of resource acquisition and organizing; and the strategies used to exploit and protect the profits from these efforts are examined must be developed by researchers. The above discussion on the trait, behavioral, and opportunity identification approaches in defining entrepreneurship demonstrates the absence of the meaning of entrepreneurship since no one single approach captures the true and whole picture. Thus, entrepreneurship is a very complex idea that touches several disciplines such as economics, psychology, sociology and anthropology. Based on the several studies done in the struggle to define the field, it emerges that entrepreneurship is an exciting field of study with tremendous promise, great relevance and significant and profound intellectual research problems and the search for the definition should continue to claim academic legitimacy. Whereas it would be limiting to have a single definition agreed on by the majority of entrepreneurship researchers, scholars and practitioners, this paper suggests that it is important to say what we mean in our attempts to define
entrepreneurship and also to make sure that we support our theoretical frameworks and to ensure that others know what we are talking about in order to retain our academic legitimacy.

Defining entrepreneurship and its impact in Kenya

Looking at the different conceptualizations of the term entrepreneur and entrepreneurship, it becomes apparent that a clear-cut and controversy-free definition is nowhere within reach. Entrepreneurship cannot be wholly confined to traits, entrepreneurial behavior and opportunity identification. A business manager, for instance, who astutely guides, organizes, directs or co-ordinates the operations of a business venture, by making decisions on the use of productive factors, or the nature, quality, and style of products or services to be produced and on marketing and time factors, is, indeed, an entrepreneur. In so doing, the manager may outrightly innovate or as is more commonly the case, exercise creative imitation, often referred to as adaptation (Njeru, 1996).

The question of what factors lead individuals to become entrepreneurs is an old one. It is also common knowledge that although the propensity to entrepreneurship varies from one society to another, a universal constant is that no matter how many entrepreneurs emerge, most do not succeed in creating lasting organizations. In Kenya, we are looking at self-employment, which herein invokes an image of entrepreneurship. Approximately 500,000 graduates from various tertiary academic institutions enter the job market annually (Government of Kenya, 2006). However, due to low economic growth, among other factors, and demand for experience by potential employees, a majority of youth remains unemployed (Government of Kenya, 2002). We must therefore work hard to understand how and why entrepreneurs succeed, as this is key in ensuring employment.

This suggests that self-employment in Kenya, like other developing countries is one of the most stable positions in the labour force despite high rates of business failure. This may explain why significant numbers of professionals are engaged in self employment by creating new organizations. In other words the situation in Kenya can be explained as necessity entrepreneurship; a situation in which individuals are pushed into entrepreneurship because they have no better alternatives for work. Thus, in these countries, entrepreneurs are major job creators, they innovate, and they spot and exploit new opportunities. Even though many new business start-ups have no explicit growth aspirations, and many fail soon after start-up, it is still the case that a period of running one’s own business provides an opportunity to learn new skills which are valuable to potential employers (Cowling and Bygrave, 2002).

Another observation emerging from the literature is that in Kenya, entrepreneurship is seen as the engine of growth. This is seen in its strategy of promoting the enterprises as a strategy for fighting poverty through enhancing employment creation and income generation. For example, work by Beck et al. (2003) found a direct correlation between SMEs and the economic growth and poverty alleviation. Likewise, Daniel et al. (1999) found that the sector employed one third of working people and contributed 13 per cent of the GDP in Kenya. An earlier study by Mead (1994) found a contribution of 40 per cent of increase in total employment. The Government of Kenya (2008) figures indicate contribution of three-quarters of the total increase in employment outside agriculture, creating 580,000 new jobs in 2007.

The above information suggests that entrepreneurship in Kenya is not necessarily attributable to traits, behavior or even opportunity identification. For instance in a
survey of Kenyan and Nigerian entrepreneurs when asked about their motivations for entrepreneurship, Kenyan like Ghanaian entrepreneurs indicated that increasing their income and creating jobs for themselves were leading factors motivating them to become business owners (Chu et al., 2007). Hard work and good customer service were cited as critical for their success. In addition, Kenyan entrepreneurs were more concerned about government regulations and problems related to business location which they felt were a hindrance to the success of their enterprises.

Another interesting observation arising from the lack of an agreed definition on entrepreneurship is the exclusion of professionals in self employment in Kenya. Most of the professionals like medical doctors, professors, engineers in private practice do not view themselves as entrepreneurs. Neither do researchers believe these categories of individuals are entrepreneurs and in most cases they are left out during sample selection. The question is, do professionals in private business exhibit the characteristics and behavior of entrepreneurs? The answer to this question is in itself unavailable since there are seemingly no studies that have surveyed Kenyan entrepreneurs to establish whether they displayed the traits or behavior characteristics of entrepreneurs in other contexts.

In the Kenyan context, if you asked a question of who is held in higher esteem – the politician or the entrepreneur – a few will mention entrepreneurship as a career aspiration. Porter (2007) observed that entrepreneurs who prefer to be called business-men, occupy a lower position in the social hierarchy as compared to politicians. Perhaps this is why professionals in Kenya prefer to be known by their occupations rather than entrepreneurs. This view is supported by several entrepreneurs who feel that even though entrepreneurs make up a very large portion of the economy in Kenya, the majority of the entrepreneurs are small independent business people trying to make a living to survive. They are the bike shop repair people or the people selling fruit on the street. This makes up the majority of the economy in Kenya and not the small, medium, or large businesses in which most professionals are found. People who create wealth and employment should have confidence and accept they are pursuing an entrepreneurship career that is transforming the economy of the country.

For instance, a survey Kenyan women entrepreneurs indicated that their main reasons for going into business ventures included the need for achievement, autonomy and flexibility, along with providing for and educating their children (Wanjira and Mureithi, 2008). Although entrepreneurship is becoming an increasingly popular career choice for many Kenyans, it can be be seen from the foregone discussion that while some individuals start businesses based on their need to be independent, most individuals chose the entrepreneurial route in response to external situations, including redundancies, frustration with their current workplace and pay, or a need for greater flexibility in their lives. In other words, in order to assist Kenya’s process of increasing entrepreneurship, it is necessary to understand and address that which affects the supply of local entrepreneurs. That is, it is important to conduct studies among existing entrepreneurs to determine their response to opportunity and their willingness to become entrepreneurs. In addition, it would be important to establish the intrinsic entrepreneurial ability among them.

Conclusions and recommendations
This paper has discussed three approaches pursued by researchers in the struggle to define entrepreneurship as a field of study that needs to claim a distinguished position
in the intellectual discourse. The submission of this paper is that an agreed definition of entrepreneurship has yet to emerge. As researchers, we need to give serious considerations to articulating our beliefs about entrepreneurship and recognizing that these beliefs influence the kind of research questions we ask about the topic. For example, researchers who believe entrepreneurship requires individuals with special personality characteristics are probably going to do research that explore these beliefs while those who believe entrepreneurs are owner managers are likely to do research that looks at what the owner-manager does. The paper concludes that the struggle to define entrepreneurs has excluded entrepreneurial careers of the practicing/consulting professionals. In fact even the professionals in Kenya do not view themselves as entrepreneurs. This is precisely because a definition of who is an entrepreneur is still debatable. Further, perhaps it may be too ambitious to expect a complete and robust definition due to the interdisciplinary nature of entrepreneurship and therefore the debate should continue. Entrepreneurship being a relatively young field of study, researchers should continue carrying out researches regarding who is an entrepreneur? What do entrepreneurs do? How does the entrepreneur identify opportunities? And what entrepreneurial environment support venture creation? The answers to these questions may offer promising insights into understanding the nature of entrepreneurship. Finally, future researchers need to examine if there are significant differences between opportunity driven entrepreneurs and necessity driven entrepreneurs in the Kenyan context.

References


### Further reading


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