Full Length Research Paper

From necessity to business entrepreneurship: The case of the Songhai center, Porto Novo, Benin

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INTRODUCTION

The “push theory” maintains that individuals are pushed into entrepreneurship by negative external forces. The resulting activity is referred to as necessity entrepreneurship. The “pull theory” contends that individuals are attracted to entrepreneurial activities because they seek self-fulfillment resulting in business or opportunity entrepreneurship. In the present study we used the McClelland’s typology of business/opportunity entrepreneurship: "need for achievement," "need for affiliation," and "need for power", in order to analyze the entrepreneurship capabilities of Songhai’s students participating to the 18-month training program. We identify the entrepreneurial intentions and interests required to differentiate between entrepreneurs at the necessity level and those at McClelland’s "need for achievement," "need for affiliation," or "need for power" levels of business entrepreneurship. According to the McClelland’s typology, most Songhai students are potential business entrepreneurs in "need for achievement," and in "need for affiliation" level.

Key words: Necessity entrepreneurship, business entrepreneurship, Africa, motivation, cooperation, leadership.

The majority of small businesses in developing countries have been established by people who cannot find jobs otherwise (Rosa et al., 2002). The businesses are necessity driven and the entrepreneurs generally want to earn enough to make a living (Frese and De Kruif, 2000; Olomi et al., 2002; Rutashobya, 1995; Toroka and Wenga, 1997). The greater the poverty, the larger is the number of necessity business (Reynolds et al., 2001).

This reality is confirmed by Mitchell's research (2001) on entrepreneurship in South Africa. 38.7% of entrepreneurs open a business for purposes of survival and 20.2% because they were unemployed and were not able to find a job. As stressed by Kautonen and Palmroos (2010), necessity entrepreneurship is generally associated with a single motivation: unemployment.

Nearly all the poorest interviewed by Olomi et al. (2002) in their research appeared to be “trapped” by their incapacity to find the time to earn sufficient surplus income to invest in a new business. Evolution from economic necessity appears to be rare. It is still unknown when and how entrepreneurs decide to grow and what triggers the desire to grow (Dunkelberg and Cooper, 1982; Kolvereid, 1992; Kolvereid and Bullvag, 1996; Kurantko et al., 1997).

Gilad and Levine (1986) and Verheul et al. (2010) proposed two closely related explanations of entrepreneurial motivation, the “push theory” and the “pull theory.”

The push theory argues that individuals are pushed into entrepreneurship by negative external forces such as job dissatisfaction, difficulty finding employment, insufficient salary, or inflexible work schedule. This is necessity entrepreneurship.

The pull theory contends that individuals are attracted into entrepreneurial activities in search of independence, self-fulfillment, wealth, and other desirable outcomes. This is business or opportunity entrepreneurship.


Reynolds et al. (2002) showed that opportunity
entrepreneurs are older (35 to 44 years) than necessity entrepreneurs (18 to 24 years). Conversely, based on the 2002 to 2004 GEM data for Canada (Robichaud et al., 2006) associate youth with opportunity entrepreneurship as do also Sandner (2009); Bhola et al. (2006), Block and Wagner (2006), and Wagner (2005). For Bergmann and Sternberg (2007), age does not seem to correlate with necessity entrepreneurship.

Research objectives

The goal of the present research is to identify and analyze the main features conducive to business entrepreneurship (Davidsson, 1989, 1991) in order to determine whether these are present in the students trained at the Songhai Center. Will these students emerge as necessity or business entrepreneurs?

MAIN GENERATORS OF BUSINESS ENTREPRENEURSHIP

The main generators of business entrepreneurship are motivation, will to cooperate, and capability to lead.

Motivation

Without motivation to achieve personal and social goals, there is no interest in earning more than whatever is required for subsistence. Motivation is a fundamental requirement for entrepreneurship, and the absence of it blocks any initiative for development. Atkinson (1964) defines motivation as “the contemporary (immediate) influence on direction, vigor, and persistence of action”.

Campbell and Pritchard (1976) suggest that motivation has to do with "a set of variables that explain the direction, amplitude, and persistence of an individual's behavior, holding constant the effects of aptitude, skill, and understanding of the task", and the constraints operating in the environment. McDougall (1908) speaks about “an inherited or innate psychological predisposition that determines how its possessor perceives or pays attention to objects of a certain class, and experiences an emotional excitement of a particular quality upon perceiving such an object and acts in regard to it in a particular manner”.

Models based on drive or reinforcement suggested by drive theorists such as Thorndike (1911) and Hull et al. (1980), introduced the concept of learning through motivated behavior.

Reinforcement models continue to thrive today as explanatory vehicles for understanding work motivation and job performance both in the workplace and in various performance management programs (Komaki, 2003).

The principal aim of content theories, such as Maslow's (1954) and McClelland's (1961, 1971) is to identify the factors associated with motivation. Maslow (1954) proposes a steady progression upward a hypothetical hierarchy over time as individuals grow and mature from physical needs to safety and security needs, through social and self-esteem needs, and finally to self-actualization.

McClelland (1961, 1977) ignores the concept of the hierarchy and focuses on the motivational potency of distinct levels of self- and social actualization. He calls the first level of motivation beyond necessity, is the "need for achievement." This level requires personal responsibility, calculated risks, performance feedback, and task accomplishment.

The second level of motivation is defined as "need for affiliation", requiring the "approval" of the business and social community and conformity with the "wishes and norms."

The third level of motivation is characterized by the need for "power" In order to exercise control and maintain leader-follower relationships.

Motivation can be sustained by "intrasit" or "extrasil" orientation (Newstrom and Davis, 1993). Intrasit motivation or ambition is focused on direct relations between the individual and the task to perform. "Extrasit" motivation or ambition is related to the external environment around the task to be accomplished.

Herzberg's motivation-hygiene theory (1966) paved a way to strengthening both the intrasit and extrasil. He argues that work motivation is influenced by the extent to which a job is challenging and provides opportunities for recognition and reinforcement. Herzberg sees the context of a job (which he referred to as hygiene factors) as leading to satisfaction and future motivation. He regarded also job enrichment as a key factor in work motivation.

From the point of view of the "objective to achieve "the motivation-hygiene theory is intrasit because the objective to achieve is determined in advance and in turn it determines the task to be performed (Locke, 1968, 1996; Steers and Porter, 1974; Steer et al., 2004; Crown and Rosse, 1995). This theory is frequently used at the individual or group level in industry (Ambrose and Kulik, 1999).

COOPERATION IN THE ENTREPRENEURIAL TEAM

Timmons (1999, 2004) defines two criteria required to determine the main functions required for the entrepreneurial team. The first one refers to creativity, the second to management skills. Each function requires a different mix of those two criteria.

1. Creativity vs. management skills: Creativity requires curiosity, continuously updated knowledge, and the capability to identify and develop new ideas, more specifically the right idea at the right time. The microwave
“coaching” leader transfers experience and knowledge to subordinates to improve their capabilities and initiate two-way communication by listening to ideas and suggestions but the leader still decides and the subordinates execute.  

Style 3: Low directive/high supportive – A democratic “supporting” leader shares the decision-making process with others and provides knowledge to subordinates and delegate power.  

Style 4: Low directive/low supportive – A democratic laissez-faire “delegating” leader transfers the decision-making process and control to others. He acts as a visionary and defines the rules and long-term objectives. The followers implement his philosophy and act as leaders or future leaders.

**Leadership philosophy**

Leadership philosophy proposes an understanding of the essence of effective leadership based on the transactional or the transformational paradigm (Barling et al., 1996; Bycio et al., 1995; Sosik et al., 1997; Bass, 1985).  

The transactional leadership paradigm is based on conservative leader-follower relationships (Hsu et al., 2002) and on a “bargaining” relation between followers and leaders (Howell and Avolio, 1993). Transactional leadership differentiates between two basic attitudes:  

1. Contingent reward leadership: an active and positive exchange between the leader and followers (Bycio et al., 1995). Followers are monitored and controlled, and receive a reward as recognition of success.  
2. Management-by-exception: the leader monitors the followers’ attitude and intervenes when it is necessary.  

Transformational leadership provides vision (Howell and Avolio, 1993) and stimulates followers to improve their capabilities and achieve personal and developmental objectives (Barling et al., 1996). In a two-way communication, both developmental and individual orientation generate transformational leadership (Hsu et al., 2001).  

Leadership behavior may change from transformational to transactional according to business conditions and objectives. Transformational behavior is needed for determining the business’s vision, objectives, rules, and for long-term planning. Transactional behavior is required during the implementation of the mission and for achieving its objectives.  

The role of a transformational leader is to develop positive self-talk with the followers and to keep confidence high. The leader uses positive visual imagery to help people successfully deal with adversity, and speaks in a way that moves others to follow him and perform well. He inspires others to higher levels of performance, establishes trust, and fosters creativity in
those he leads.

BUSINESS ENTREPRENEURSHIP POTENTIAL IN THE SONGHAI CENTER

Benin is one of the poorest countries in the world and its situation has not improved over time. In 2010 its GDP per capita was USD 750 compared with USD 800 in 2008 (World Bank, 2011). 56% of the population is under 19 years old (Nationmaster, 2011). The biggest increase in the number of the poor between 2006 and 2009 occurred in the agriculture, livestock and fisheries sectors (IMF, 2011).

In 1985, Dr. Godfrey N’Zamujo, a Dominican priest from Nigeria took the initiative to improve the weak economic and social environment. He founded the Songhai Center to train young agricultural entrepreneurs. In addition to its training activities, Songhai aims to develop a sustainable agricultural production system based on agro biology.

At any given time more than 200 students attend 18-month training programs at sites in Porto-Novo, Savalou, Parakou, and Kinwédi. The first nine months are dedicated to general core courses (mathematics, economy, biology) and to training in various specializations such as poultry, pork, aquaculture, vegetables, and fruits. Each student selects a specialization in which he/she works during the last nine months and prepares a personal project. In 2010, we had the opportunity to train Songhai trainers and we proposed to interview the students in order to evaluate if they are motivated to become business entrepreneurs.

METHODOLOGY

The sample includes one third of the students (N=53) participating in the 18-month program. The first part of the questionnaire contains a personal profile including age, family status, gender, parents’ employment, level of education, and economic level of their family.

In the second part, the students indicate which subjects are most interesting to them in the program and the reasons for this choice. In the third part, students answer two groups of questions, one exploring their interest in entrepreneurial activities and the second, their intentions regarding work in their future productive life.

1. First group of questions is related to the functions in entrepreneurial team. The students indicate one or more of the following possibilities: no (0) or yes (1).
   2. Are you interested in production?
   3. Are you interested in sales?
   4. Are you interested in management?

Second group of questions is related to the three levels of MacClelland's motivation. The students indicate one of the following possibilities: no (0) or yes (1).

5. Would you like to work on a farm (with a salary)?
6. Would you like to build a farm and establish a family?
7. Would you like to have an impact on your region?

Hypotheses

H₁: The positive correlation between the intention "to work on a farm" and the interest in "production" will indicate a level of "necessity entrepreneurship."
H₂: The positive correlation between the intention "to work on a farm" and the interest in "sales" will indicate a business entrepreneurship level of "need for achievement."
H₃: The positive correlation between the intention "to build a farm and establish a family" and the interest in "management" will indicate a level of entrepreneurship of "need for affiliation."
H₄: The positive correlation between the intention "to have an impact on the region" and the interest in "management" will indicate a level of entrepreneurship of "need for power."

RESULTS AND DISCUSSION

Descriptive statistics

The main results of the sample analysis of 53 questionnaires, representing about one third of the students participating in a yearly training program is shown as follows:

1. 1.11% was under 20 years old, 58% between 21 and 25 years old, and 31% over 25 years old.
2. Parents’ employment is: 49% in agriculture, 22% in bookkeeping, and 29% in trade.
3. Education level: 13% secondary school baccalaureate and 14% primary school.
4. Expectations after the training: 23% intended to work as employees, 47% to continue studying, 24% to work on the family farm, 65% to create their own farm, and 50% to have an impact on economic development. Some of them had more than one expectation.

Hypotheses

The dependent variable "work on a farm" is not positively correlated with production, and so there is no necessity entrepreneurship. H₁ is rejected (Table 1). This variable not correlates positively with production and so H₁ is rejected.

H₂: is supported because "work on a farm" correlates positively with sales.
H₃: The parameter expressing the intention to build a farm and establish a family correlates positively with an interest in production and management (Table 2). This correlation expresses the level of "need for affiliation." H₃ is therefore supported.
H₄: The dependent variable “to have an impact on the development of the region” correlates negatively with management. H₄ is therefore rejected (Table 3). The positive correlation with sales could express the level of need for achievement or "need for affiliation", but not "need for power."
Table 1. Regression with “to work on a farm” as dependent variable and independent variables: production and sales.

<table>
<thead>
<tr>
<th>Model</th>
<th>Variable</th>
<th>Coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>-0.111</td>
<td>0.669</td>
<td>-0.166</td>
<td>0.869</td>
</tr>
<tr>
<td>1</td>
<td>Sales</td>
<td>0.400</td>
<td>0.111</td>
<td>4.612</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>0.115</td>
<td>0.143</td>
<td>0.806</td>
<td>0.424</td>
</tr>
</tbody>
</table>

**ANOVA**

<table>
<thead>
<tr>
<th>Sum of squares</th>
<th>df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>52.916</td>
<td>26.458</td>
<td>7.102</td>
<td>0.002</td>
</tr>
<tr>
<td>Residual</td>
<td>175.084</td>
<td>3.725</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>228.000</td>
<td>49</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Model summary**

<table>
<thead>
<tr>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std. error of the estimate</th>
</tr>
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<tbody>
<tr>
<td>0.482</td>
<td>0.232</td>
<td>0.199</td>
<td>1.930</td>
</tr>
</tbody>
</table>

Table 2. Regression with “to build a farm and establish a family” as dependent variable (independent variable: production and management).

<table>
<thead>
<tr>
<th>Model</th>
<th>Variable</th>
<th>Coefficients</th>
<th>Standardized coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Constant)</td>
<td>-1.056</td>
<td>1.764</td>
<td>-0.598</td>
<td>0.553</td>
</tr>
<tr>
<td>1</td>
<td>Management</td>
<td>0.297</td>
<td>0.143</td>
<td>0.297</td>
<td>0.044</td>
</tr>
<tr>
<td></td>
<td>Production</td>
<td>0.414</td>
<td>0.170</td>
<td>0.338</td>
<td>0.019</td>
</tr>
</tbody>
</table>

**ANOVA**

<table>
<thead>
<tr>
<th>Sum of squares</th>
<th>df</th>
<th>Mean square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>72.484</td>
<td>24.161</td>
<td>5.263</td>
<td>0.003</td>
</tr>
<tr>
<td>Residual</td>
<td>201.995</td>
<td>4.591</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>274.479</td>
<td>47</td>
<td></td>
<td></td>
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</table>

**R**

<table>
<thead>
<tr>
<th>R</th>
<th>R square</th>
<th>Adjusted R square</th>
<th>Std. error of the estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.514</td>
<td>0.264</td>
<td>0.214</td>
<td>2.143</td>
</tr>
</tbody>
</table>

LIMITATION OF OUR RESEARCH AND FUTURE POTENTIAL RESEARCHES

The limitation of this research is the small sample, students of the head center, Songhai Center in Porto Novo, Benin and the impossibility to implement a monitoring process at the different periods of the training program.

We did not find any studies focused on the candidates’ ability for future entrepreneurship. Most of the studies deal with the required content of training programs in entrepreneurship and with the infrastructure and tools that must be provided to candidates interested in being entrepreneurs. Future researches on other training center for entrepreneurs in African countries could be useful for selecting and training potential business entrepreneurs.

Our study opens the door to wider, deeper, and more specialized future studies on the effect of training programs on the capability of trainees to be business entrepreneurs. Should the candidate selection process take in account potential ability for future entrepreneurship? Can we forecast the effect of issues included in the training program on the capability of candidates to be
future entrepreneurs, and select candidates with less ability for entrepreneurship?

Does the area of specialization affect the ability criteria for future entrepreneurship? Monitoring our research on the same or a larger sample of students who finished the training program, and their subsequent activities, could improve our capability to determine the potential ability of a candidate to be an entrepreneur in the future and maybe also help improve the content to the training program.

**Conclusion**

Songhai center succeeds in selecting students who move beyond necessity entrepreneurship. They are mainly potential business entrepreneurs, interested in developing not only their own business but also in having an impact on their close environment ("need for affiliation").

Necessity and business entrepreneurship are driven by different mechanisms (Hechavarria and Reynolds, 2009). According to Gabrielson and Politis (2009), the motivations of individuals affect their decision-making processes and reactions. In the present paper we identify the entrepreneurial intentions and interests required to differentiate between entrepreneurs at the necessity level and those at business entrepreneurship level. Using these distinctions, we prove that Songhai students are potential business entrepreneurs.

**REFERENCES**


