

Keeping it in the family: Exploring Tribal Entrepreneurial Behaviour in Nigeria. The Institute for Small Business and Entrepreneurship (ISBE) Conference Paper, 8 – 9 Nov. 2017, Belfast, UK.

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Extended Abstract

An emergent theme in the field of entrepreneurship research focuses on exploring and understanding how social process, ethnicity and culture link to entrepreneurial behavior. Ethnic entrepreneurship refers to a set of “entrepreneurial connections and regular patterns of interaction among people sharing common national background or migratory experiences” (Waldinger, Aldrich & Ward, 1990:3). Ethnic entrepreneurship emphasises an economic behaviour which are affected by different social structures, social relations and networks. The socio-cultural system make-up an intangible element that may affect behaviour, relationships, perceptions and ways of life, survival and the presence of a person in the society (Anggadwita et al. 2017). Several authors have attempted to examine ethnic, immigrant and migrant entrepreneurship (Werbner, 1990; Jones, et al. 1992; Smallbone, et al. 1999; Deakins et al. 2004 & 2015; Ram, et al., 2012; Jones and Ram, 2014). However, despite the scholarly achievements in this field of knowledge, the link between tribal and entrepreneurial behaviour remains limited in the complex and heterogeneous African context (Jones 2017).

The Igbo tribe are one of the four predominant ethnic tribes in Nigeria (Hausa, Fulani, Yorubas and Igbos), with a population of approximately 32 million people within South East Nigeria (CIA, 2016). Igbo ethnic groups have been historically regarded as controlling business sectors such as transportation, automotive spare parts, the movie industry (Nollywood), pharmaceuticals and the import trade. They have been described as ‘naturally enterprising and ingenious’ and can be found throughout Nigeria (Olakunle, et al. 2016). Trading networks and social networking are the most important success factors to Igbo business. The embedded entrepreneurial practices of Igbo groups have been lauded in previous studies (Brautigam, 1997; Meagher, 2010), with networking highlighted as key to their economic success and businesses bear strong family and ethnic accents (Brautigam, 2003; Oyelaran-Oyeyinka, 2004; Meagher, 2010). Family ties had been an important source of credit, and a novice starts out as an apprentice trader, learns the ropes, and is started out with some capital (Oyelaran-Oyeyinka, 2004).

This paper examined the attributes of the Igbo tribe in Nigeria in relation to their entrepreneurial behaviour. By examining entrepreneurial behavior in the African context, this paper contributes to the call for research to address a bias in the entrepreneurship literature towards the developed world (Jones, 2017; Naudé, 2013; Newbery et al., 2017). Building on a growing literature that explores the intersection of entrepreneurship, ethnic and cultural research, the paper asks the following critical questions: Does opportunity identification and venture creation capabilities develop from specific and unique cultural characteristics? Which behavioural characteristics distinguish the Igbo ethnic entrepreneurs from other tribes? Are Igbo tribal members more entrepreneurial than others in Nigeria? What motivates the Igbo’s towards business entry and self-employment? By adopting institutional approach and family-based view, this study focuses on investigating the ways in which formal and informal institutions, patterns of behaviour, culture and networks affect entrepreneurial success.

Within the overarching social science research paradigm, a qualitative method was adopted based on the researcher’s underpinning philosophical views. This led to choosing an appropriate paradigmatic framework for studying entrepreneurial success factors (Smeyers, 2001; Rolfe, 2006; Lowder, 2009). Therefore, the research was positioned within the philosophical viewpoint of a pragmatist. According to Saunders et al. (2009: 109), pragmatism is based on the argument that “the most important determinant of the epistemology, ontology, and axiology you adopt is the research question”. Whilst the research was positioned and approached with a pragmatic viewpoint, the nature of the research questions meant that the research was narrowed towards interpretivism (Wedawatta, et al. 2010). The underlying principles for adopting interpretivist ontological paradigm is that people’s behaviour and actions can be the result of economic, social and psychological factors (Hsieh and Shannon, 2005; Bryman, 2008; Alvarez et al. 2011; Creswell, 2012). Above, the qualitative approach allows for greater flexibility in attaining rich data and provides substantial research information based on real world entrepreneurial experiences (Berg, 2009; Lowder, 2009).

This research aimed at clarifying the motivating factors for entrepreneurship, cultural influences, the role of family and networks, access to social capital and institutional barriers. The research adopted interviews and focus group with 50 entrepreneur and community leaders from five Igbo Eastern states of Nigeria. The findings indicate that individual motivations to become entrepreneurs are driven by competition between families and cultural values that recognise status and power through wealth. The Igbos tightly control family connections to ensure that members of the extended family oversee key networks of production, distribution and marketing. These family networks enhance access to start-up capital, marketing information and reduce principal-agent problems. Finally, evidence shows that Igbo enterprising culture results from high levels of opportunity identification, risk taking and survival motives.

Keywords: Ethnic and Tribal Entrepreneurship, Entrepreneurial Behaviour & Family firms

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