


Chapter 8

Institutional Support and Entrepreneurial Self-Efficacy: Recipe for Successful Entrepreneurship in Sub-Saharan Africa

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ABSTRACT

Factors that facilitate successful entrepreneurship range from cultural, educational, financial, environmental, technological factors to other macro and micro-economic factors. Scholars, for instance, report that continuance of entrepreneurship for lengthy periods may be an indicator of a culture of entrepreneurship amongst the residents of a given population, which could be significant in the development of the regional economy. The question is, do these factors each singularly or combinatorically result in entrepreneurial success? Since institutional support could foster the successes and failures of enterprises, entrepreneurial self-efficacy, which defines an individual's belief in their ability to achieve success in entrepreneurship, is joined in the investigation presented in this chapter. The chapter explores both factors as possible recipes for entrepreneurial success in Sub-Saharan Africa. The implications of the chapter for successful entrepreneurship literature are defined.

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INTRODUCTION

People living in developing countries have faced countless changes in the processes of transiting from socialism to capitalism (Yeager, 2018). In the process, private enterprise, and ownership, as well as small and medium enterprises emerged. In this context, most developing nations took steps in developing entrepreneurial environment by formulating policies and devices for creating institutional infrastructure for assistance and development of entrepreneurship (Aggarwal, 2018; Kamel, 2017; Etzkowitz, & Zhou, 2017).

Entrepreneurship does not mean small businesses or micro trading. Most multinational businesses started as small entrepreneurship activities that grew into large business concerns. Although there is no universally accepted definition of concept (McClelland, 1961), entrepreneurship has been defined from economic theory, personal attributes and cultural values of individuals engaging in entrepreneurial role performance. The scenario surrounding entrepreneurship in Africa is set in poverty among subsistence level families who have experienced social splinter, economic loss, and lack of or incoherent institutional structures (where found). This setting underpins the reason why people engage in entrepreneurial activities in most African nations. George, Corbishley, Khayesi, Haas, and Tihanyi, (2016) report that people depend on their social connections for assistance in engaging with entrepreneurial actions with the hope of achieving meaningful revenue. This implies that requisite ingredients and preparations may not be put in place by African entrepreneurs before embarkation on entrepreneurship. The ill preparation could lead to poor performance in the field and loss of the expected outcomes pertinent to entrepreneurial activities.

The general perception is that entrepreneurship in Africa will likely be successful in relatively small business activities (Elkan, 1988) than in the systemic scale in which it is practiced elsewhere globally. In fact, most people have mistakenly defined the concept of entrepreneurship with the attribute of policies of import-substituting industrialization, however, this chapter suggests that entrepreneurship can be both practiced at local and systemic levels when the institutional enablers (frameworks, structures and policies) are in place and self-efficacy of entrepreneurs enhanced.

ENTREPRENEURSHIP: BACKGROUND

The viewpoints about entrepreneurship arose from classical and neoclassical economics (Glancey, McQuaid, & Campling, 2000; Schumpeter, 1934; Smith, 1776), risk theory (Cantillon, 1931; Hawley, 1907), dynamic theory (Matley, 2005; Hayek, 1937), the Austrian school, personalities school (Schumpeter, 1934) and performance school (McClelland, 1961). Scholars who viewed entrepreneurship

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