

**LEVERAGING SOCIAL CONTEXT OF  
ENTREPRENEURSHIP FOR SURVIVAL  
IN AKURE, NIGERIA**

BENUE JOURNAL OF SOCIOLOGY  
Volume 9 Issue 2  
ISSN: ISSN: 0386  
Department of Sociology  
Benue State University, Makurdi  
Pg: 156 - 186

**Damilola John Micah**

Department of Sociology,  
AdekunleAjasin University Akungba-Akoko

**Abstract**

The gamut of state and non-state policies covering entrepreneurship centred round exogenous economic factors. Yet an entrepreneur operates in social context which significantly contributes to survival. This study explored social context of entrepreneurship and interplay for survival adaptation. Social context was measured in terms of non-economic construct which shaped traders' survival in entrepreneurship. Sample of 600 traders was selected through multistage sampling techniques from central market in Akure, Nigeria. Survey design and quantitative method was applied. Data were quantitatively collected and statistically analysed using parametric inferential statistics. Interpersonal relationship ( $\chi^2 39.25$ ;  $p < 0.05$ ;  $r 0.7$ ); dress code ( $\chi^2 36.3$ ;  $p < 0.001$ ;  $r 0.8$ ); apprenticeship ( $\chi^2 31.8$ ;  $p < 0.001$ ;  $r 0.9$ ); and religious beliefs ( $\chi^2 24.1$ ;  $p < 0.05$ ;  $r 0.8$ ) significantly influenced entrepreneurship adaptation. Also, social media ( $\chi^2 37.5$ ;  $p < 0.001$ ;  $r 0.09$ ) was significant to network customer patronage and retention. Traders' disposition to customers and adoption of media mix offered leverage for customer retention, patronage and adaptability. Traders in Akure leveraged entrepreneurial social capital to sustain adaptation. On recommendation, social capital of entrepreneurship should be mainstreamed as precursor of adaptation and sustainability.

**Key Words:** Entrepreneurship; social capital; customer retention; adaptation

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**Corresponding Author:**  
**Damilola John Micah**  
**Email:** damilolamicah@yahoo.com

## **Introduction**

The role of small scale enterprise is vital in the economic life of people. It is an informal sector which operates as one of the major employers of individuals across culture (Central Bank of Nigeria, CBN, 2017; Thurik, Carree, van Stel & Audretsch, 2008). Small scale enterprise exists as sole proprietor business which requires little capital to takeoff. Precisely, small enterprises offer convenient access to engage as takeoff. Nigeria like other countries in the world offers opportunities to thrive small enterprises. This occurs in the form of business loans, grants, technical assistance and aids (Federal Ministry of Finance, 2017; Parker, 2012a). Government's interest in promoting small enterprises is born out of the need to expand the scope of the sector to create financial inclusiveness for masses and reduce unemployment (CBN, 2017; Lalkaka, 2017). This explains reason for established agencies like Small and Medium Enterprise Agency (SMEDAN) and National Directorate of Employment (NDE). The philosophy is to ensure that large mass of Nigerians is moved out of poverty dragnet (CBN, 2017). However, the laudable goal of small enterprise is sufficiently realisable not only by financial contribution and grants or aids offered to business owners. There is dimension of social context of sole proprietor which contributes to entrepreneurship adaptation.

Specifically, entrepreneurship does not unilaterally thrive on exogenous component like economic capital. There is dimension of social capital in entrepreneurship (Audretsch, Grilo & Thurik; Henrekson & Sanadaji, 2014; Parker, 2012b). Every enterprise is set up for the primary goal of continuity. Yet the source of capital is exogenous variable which operates in the short term (Parker, Congregado & Golpe, 2012; Rampini, 2004). Commonly, the first concern of business starter is the worry of working capital. This exists in the form of funds required to set up a venture. It is the question of every potential entrepreneur. Conversely, social or cultural component of business owner is an important interplay in the literature of business enterprise (Ansoff, 2007; Anderson, Curley & Formica, 2010). This deals with endogenous factor of enterprise. Factors such as interpersonal relationship of traders, courtesy of approach to others, dressing habit and outlook, age of traders, network of old friends, presentation of self to others and appreciation of customers are components

of endogenous variables (Audretsch, Grilo & Thurik, 2014). These are not financial components, yet they are sustaining background of any enterprise. Endogenous factors are internally generated and cannot be extrapolated as offshoot of finance (Beer, 2009). It is exhibited by individual and self-generated. According to Beer, “endogenous variables are acquired, hereditary and can be learnt. It is potential source of keeping patronage which is central to perpetual life of venture” (Beer, 2009). Culture is central interest of sociology and anthropology. It is the idea that, culture indicates all facet of life cutting across material and non-material value. The departure in this study is extrapolation of socio-culture as non material components of business owner. It is conceptualisation of trader as whole culture being. This is because business is an entity and it must be treated as perpetual life. Again, every business operates in the social context which consists of cycle of social relationship and unbroken interaction. Business owners do not exist in isolated world. The wares are collected for trading which must be patronised by enthusiastic buyers. There is cycle of communication, approach, display of wares and expression which attract patronage. Also, the cycle is a product of social action. This means every business owner is conscious of consequence of interaction to win patronage. It is always the wish of venture to gain rapid sales turnover in a bid to recoup investment and reinvest the same (Micah& Alabi, 2017).

There is dimension of information network. This presents itself in the form of knowledge base of traders. Entrepreneurship thrives where business owner is innovative and open to new discovery. Innovation and discovery can be sourced externally and copied. Discovery is gain through adventure, scientific exploration and contact (Rajesh, Suresh& Deshmukh, 2013). The application of discovery can facilitate innovation or such innovation can also be copied. There is question of how business owners can derive innovation and discovery. According to Beer (2015), “information is reliable source of discovery. An individual may not own patent science, but can be copied through authorisation which allows legitimate application of the patent by third party” (p.76). This means business owners require channels of information to support growth of business. The dimension is that business ideas need update to be relevant in the world of ever changing configuration. Again, where does business enterprise access relevant

information to grow, what type of information is available to business owners and how does information contribute to enterprise. The common aphorism that knowledge is power is useful to understanding. Traders that avail to updated information keep abreast of current discovery in the world of business. Information provides new direction and guide to traders (Besanko, Dranove, Shanley & Schaefer, 2007). There is interplay of access to information and business adaptation. The world of business is fluid, it requires that business owners must network to access right information. However, there is abundance of literature which covers dimension of entrepreneurship, capital formation, economies of small trading and wended enterprise (Audretsch et al., 2007; Birkinshaw, 2010; Henrekson & Sanadaji, 2014; Parker, 2012a,b). This study is a departure from existing literature due to emphasis on social context of business enterprise especially the study location.

Against the backdrop of the above, this study was designed to:

1. Examine socio-cultural context on entrepreneurship adaptation

In the meantime, literature of entrepreneurship abounds in the academia. Scholars have worked enormously to explain essence of entrepreneurship and methodologies required to sustain it. According to Thurik, Audretsch and Stam(2013) in the work titled, the rise of the entrepreneurial economy, the authors identified economic base of entrepreneurship. This placed importance on working capital, the source of the capital and multiplier effect of investment that sustain entrepreneurship. The work of Grilo and Thurik (2008) signifies the role of public finance necessary to provide financial inclusiveness for sole proprietors. Henrekson and Sanadaji (2014) defined sole proprietor as creator of utility in public space. Utility is availability of service which offers consumers space of consumption. Indicatively, working capital is central to business of sole enterprise to create utility. It is also important that the utility is sustained in unbroken chain of consumption. The work of Rampini (2014) is useful for reference. He conceptualized small enterprise in terms of exogenous factors measured in capital reinvestment. Econometric modeling was adopted in the survey study of small proprietors and outcome of the study showed that capital reinvestment and business loan granted without

interest were significant to grow entrepreneurship (Parker, 2011). The location of operation and types of wares traded were identified as prerequisites to growth (Micah & Alabi, 2017). In a sample of 1000 respondents selected among artisans, Parker (2012a) showed that network of capital logs and availability of service provision were major factors that kept continuity of business. Capital log was conceptualized as sources of capital and fund available to sole proprietor and this consisted of bank source, cooperative thrift, personal savings and lending from family and friends. Parker's study showed that sole proprietors that had accumulated access to capital log were stable in the business. Similarly, Lalkaka (2017) showed that small enterprise is economic dimension vital to offer financial inclusiveness and such is expected that capital to takeoff is available, technical advice is offered to aid entrepreneurs.

Accordingly, literature of business enterprise is rich in the analysis of economic dimension of proprietorship. This is because previous authors were fascinated about the exogenous variables which exist outside the control of business owners. Authors like Lakak (2017), Parker (2012 a,b), Rampini (2004) and Besanko et al (2007) yielded studies in the exogenous variables. Nevertheless, economic dimension of proprietorship is vital due to fundamental importance. A trader or an entrepreneur requires economic capital to set up a venture. The working capital is channel to size of the venture, profit profile and continuity. However, the size of any venture owned by proprietor does not predict turnover capacity. This lies in the propensity of patronage which predicts turnover for traders. As much turnover is offered by the venture inevitably determines expansion. Patronage is endogenous factor which is less attractive to previous authors. This is dimension of social aggregate in literature of entrepreneurship. It deals with factors that contribute to growth of enterprise beyond economic investment. Theoretically, social capital exists at the level of structural functionalism. Social capital is network of goodwill in the form of friendship, collective association, group interaction, family network, old school friends, group assimilation and any interaction that connects individuals and groups together in close knit web. Social capital has both manifest and latent function (Ritzer, 2016). The manifest function is short term benefits which people derive from web of interaction. A trader who creates web of

interaction gains the immediate benefits when he enjoys patronage of customers which keeps the venture turnover rapid. The latent function is unintended consequence of interaction which builds confidence in the mind of customers and chain of referrals. There is sustainable patronage and goodwill gained nonetheless change of business location or types of wares traded. There is goodwill capital acquired through social responsibility of traders to customers and immediate business environment.

### **Methodology**

The study adopted survey descriptive design. This method adopted sample survey of traders in Akure Central Market. The market is the largest in Akure town and offers feeder service to suburb markets. Traders were grouped into cluster of registered and unregistered traders. The survey was conducted among registered traders that had traceable records with local government. The survey applied quantitative technique and was conducted among cluster of stationary traders in rented lock-up shops. Sample size was 600. The size was statistically determined using Taro Yamane formula given as  $N/1+N(e^2)$  (Yamane, 2000). Thenotation  $N$ , indicates total study population, and indicates error margin given as 0.05 constant. Yamane applied this formula as valid sample estimate for population above 500. Registered traders, ' $N$ ' in Central Market was 1980 as at the time of this study. The application of the above statistical formula derived 332.8. However, the size was increased by 0.6 and approximate estimate of 600 applied. One of the criteria of this formula is that sample estimate derives minimum size, and this size can be increased for possible reliability outcome and accuracy (Yamane, 2000). Sampling techniques consisted of purposive, cluster, random ballot and accidental.

The market location was selected purposive as feeder market and largest market in Akure town which consisted of clusters of traders in lock-up shops and mulls. Clusters of traders in clothing wares, bookshops, furniture, electronics, telecom accessories, automobiles, saw mills and agro-allied foods operated in the market. The clusters were listed out which differentiated traders according to wares. Ballot random was applied to select three clusters for ease of data collection and time constraint. From the clusters identified for data collection, accidental sampling was applied due

to lack of sampling frame which provides sample rosters. Data were collected and analysed quantitatively. At the level of quantitative, structured questionnaire was applied. Unstructured interview session was conducted at the level of qualitative. Descriptive and inferential parametric statistics were applied and this consisted of mean, frequency, percentage, chi square and correlation.

## Results and discussion

### Social context of entrepreneurship

Social context in this study measures factors that relate to non-economic variables which interlock in the lifecycle of entrepreneurship. These factors are social capital and the study was inclined to crosscheck the interplay with entrepreneurship adaptation.

**Table 1: Interpersonal relationship on adaptation**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.090(a)	10	.004
Likelihood Ratio	34.842	10	.000
Linear-by-Linear Association	1.785	1	.182
N of Valid Cases	600		

**Table 1.1: Correlation symmetric measures**

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Interval	Pearson's R	.085	.046	1.338	.182(c)
Ordinal by Ordinal	Spearman Correlation	.090	.053	1.429	.154(c)
N of Valid Cases		600			

Table 1 tested interpersonal relationship of traders on adaptation. The concept of adaptation identifies propensity of business lifecycle to survive perpetually. Survival of trading venture in Pearson chi square estimate indicates that there was extent of fit with interpersonal relationship ( $\chi^2$  26.09,  $p < .004$ ). At the level of correlation symmetric measures in Table 1.2, estimate was  $r = .1$ ,  $p < .182$ . Although linear association in correlation was weak and not significant, yet there was similarity between interpersonal relationship of traders and adaptation of venture. Both correlation and chi square estimates showed that the variables related.

**Table 2: Dressing Code on customer patronage**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.996(a)	18	.048
Likelihood Ratio	28.658	18	.053
Linear-by-Linear Association	.464	1	.496
N of Valid Cases	600		

**Table 2.1: Correlation symmetric measures**

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Interval	Pearson's R	.043	.060	.681	.497(c)
Ordinal by Ordinal	Spearman Correlation	.046	.059	.718	.473(c)
N of Valid Cases		600			

Table 2 shows causal relationship between dress code and customer patronage. Dress code in this study defined propensity of trader's outlook, neatness and sanitary of personal hygiene to attract customers. Patronage is customer retention and turnover. At the level of chi square estimate ( $\chi^2$  28.10,  $p < .048$ ), it was significant. This means traders' propensity of dress code is relatively reflective or determinant of customer patronage. The correlation value  $r = .043$  indicated positive linear association, but not significant  $p > .497$ . Notwithstanding the  $p$  value in correlation, it was established in the linear association that dress code offered attraction to customers.

**Table 3: Apprenticeship on success**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.519(a)	18	.008
Likelihood Ratio	38.165	18	.004
Linear-by-Linear Association	1.831	1	.176
N of Valid Cases	600		

**Table 3.1: Correlation Symmetric Measures**

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Interval	Pearson's R	.086	.059	1.355	.177(c)
Ordinal by Ordinal	Spearman Correlation	.110	.059	1.750	.081(c)
N of Valid Cases		600			



The above Table 3 showed chi square estimates between apprenticeship and success outcome. Apprenticeship of traders ( $\chi^2$  35.52,  $p < .008$ ) was relative to success outcome. The study operationalized apprenticeship in terms of learning reservoirs associated with unique trading activities and acquired by traders. It was found that three quarter of the traders had learning for trading. It was possible to leverage the skill for success and perpetual lifecycle. Correlation estimate,  $r = .086$  was positive linear association but not significant at  $p > .177$ . There was evidence of relativity at the level of chi square and correlation which showed that apprenticeship contributes to success in trading.

**Table 4: Social-media on adaptation**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	48.32(a)	7	.056
Likelihood Ratio	2.649	6	.044
Linear-by-Linear Association	1.122	1	.289
N of Valid Cases	600		

**Table 4.1: Symmetric Measures of Correlation**

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Interval	Pearson's R	.067	.065	1.060	.290(c)
Ordinal by Ordinal	Spearman Correlation	.075	.064	1.179	.240(c)
N of Valid Cases		600			

Traders' adoption of new media in the form of social networking on mobile telecommunication services and providers of internet was analysed to check effect on adaptation. Three quarter of the traders were active on social media through the use of mobile networks to connect friends, make new friends, advertise wares and make order. Chi square estimate ( $\chi^2$  48.32,  $p < .056$ ) showed that trader's adoption of social media was relative to adaptation. Also, correlation  $r = .067$ ,  $p > .290$  was positive linear association.

**Table 5: Religion on adaptation**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	39.08(a)	18	.028
Likelihood Ratio	14.886	18	.037
Linear-by-Linear Association	2.955	1	.086
N of Valid Cases	250		

**Table 5.1: Symmetric Measures of Correlation**

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Interval	Pearson's R	.109	.046	1.726	.086(c)
Ordinal by Ordinal	Spearman Correlation	.151	.055	2.408	.017(c)
N of Valid Cases		250			

Traders in the study were aggregated according to religious beliefs or practices. Predominantly, every trader was associated with one type of religion or other either as Christian, Islam or African traditional religion. Using the aggregate of religion on adaptation, chi square estimate was derived ( $\chi^2$  39.08,  $p < .028$ ). Trader's religion was relative to adaptation in chi square estimates. Traders in Akure Central Market patronized resident Christian chapel and Islamic Mosque erected in the market. Religion was important to Akure traders as means of worship, living ascetic, frugal, hardworking and networking fellow worshippers as customers. Using correlation estimate,  $r = .109$ ,  $p > .086$ , there was positive linear association between religion and traders' adaptation.

### Discussion of finding

This study offers insight that factors such as religion, new media, apprenticeship, social relationship and dress code interplayed in the lifecycle of entrepreneurship. Traders in Akure Central Market identified dress code, adoption of social media, religion, unbroken customer relations and trading skills as a way of life. This pattern of behaviour was relative to entrepreneurship lifecycle. It forms dimension of social capital aggregated in entrepreneurship. In the literature of business enterprise, there is dimension of economic aggregate and social aggregate (Beer, 2015; Besanko

et al, 2007;Rajesh et al, 2013). Interestingly, economic aggregates overshadow in the practice of entrepreneurship due to attraction of capital overlay, econometric analysis of investment, capital flight, grants, loans and other financial variables (Parker, Congregado & Golpe, 2012; Thurik et al, 2013). Curiously, some business enterprises closed up despite availability of start-up capital and financial incentive. Critically speaking, economic aggregate is first point of call for entrepreneurship. But it is not end itself. Dimension of social aggregate offers extension of entrepreneurship lifecycle because this aggregate provides network of customer patronage and retention. Theoretically, social aggregate operates at the level of latent function which offers some unintended consequence. The whole gamut of trading is a manifest of profit gains and expansion of business size. But low patronage, low return on capital investment, low competitive rating of entrepreneurship offers insight and rally point for social aggregate. Traders in Akure leveraged on endogenous self-generated social capital to sustain perpetual lifecycle.

### **Conclusion and recommendation**

The social context of entrepreneurship offered lee way for perpetual adaptation. Traders in Akure market gained customer patronage because they deployed endogenous self-generated characteristics to attract customers. Adaptation of business enterprise for these traders was not derived from financial capacity but a subject of consistent patronage influenced by dress code, unbroken customer relation, religion, social media and apprenticeship. Against this backdrop, the study recommends the following.

1. Traders in Akure leveraged self-generated capacity to perpetuate lifecycle of entrepreneurship. This extends vista of knowledge as shift in rethinking entrepreneurship. This study recommends a model of entrepreneurship which incorporates self-driven social capital for perpetual life.

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