

# Leadership Competence: The Mislplaced Emphasis in the Sustenance of Indigenous Entrepreneurship in Nigeria

Dr. Orok B. Arrey

Department of Business Administration, Federal University Wukari  
Taraba State Nigeria. P.O.Box 371 Wukari Taraba State, Nigeria  
Email: [orokbonifacearrey@yahoo.com](mailto:orokbonifacearrey@yahoo.com)

## Abstract

By nature the entrepreneur of his/her percentage on the venture, a leader who must seek opportunity, initiate projects, combine financial and human resources needed for implementing business activities, set goals for him/her self and others as well as directing and guiding people to accomplish organizational objectives. Thus, entrepreneurship is presumed to revolve around leadership competence. This is a dynamic process because individual influences others to contribute voluntarily to attain firm's high performance in a given situation, where it is possible to demonstrate quality of a good leader. In addition, business ideas generated in a complex economic environment require leadership effectiveness and competence, the cornerstone for continuous entrepreneurial existence. It is therefore, pertinent to review and examine the attributes of human competence in fastening leadership styles for entrepreneurship advancement.

## Introduction

The most essential aspect is that an entrepreneur be guided by a good leadership trait as an important aspect of strategizing. Leadership connotes efficiency, which is originally a dependent management process, because the entrepreneurial prowess shall always be determined by the subordinate. The inability to have confidence in the controlling and co-coordinating activity by the business owner makes several businesses to be defined too narrowly, restricting organization horizons and preventing the business from reaching its full potential. The entrepreneur should see him/herself as being in the business to accomplish a mission, and that failure to give appropriate leadership thought to firms objectives could lead to frustration and failure.

The processes of identifying, clearing and communicating entrepreneurial mission is an essential part of strategic planning procedure and this must be enhanced through goods and effective leadership. The role of leadership in an organization has grown rapidly and this has assisted management to continually assess its position within and outside the firm. Effective leadership motivates a business owner, to feel that he needs to reaffirm his direction; he could sense a need to pool his resources together and to refocused his efforts in actualizing the organizational dream with reference to the market place.

The entrepreneurial business is often driven by a sense of vision in terms of lofty goals and that is possible when all subordinates are drawn together by a strong and effective leader. Development of any entrepreneurial process originates from better coordination of business environment. Like any other form of leadership attributes, through co-coordinator, future investment performance of an organization can be established. The objective of maximizing income of the business may not be possible when the entrepreneur is a weak leader. This paper therefore argues that entrepreneurial organization requires competent leadership and the entrepreneur should invest in developing a goal consistent with good leadership. In consequence, the theory of leadership is reviewed in relation to element of competence.

## CONCEPT OF LEADERSHIP

Generally, leadership is pertinent to every classified role be it corporate or entrepreneurial. Hence, all exponents of leadership have one common generalization; getting things done through the use of human beings, (Morden, 1996). Coles (1996) perceives leadership as a dynamic process, where one person influences others to contribute to the accomplishment of the group task. However, the influence must be fully legitimate to those individuals who are expected to be responsible for the leadership process. Murphy (1996) sees leaders as people to whom others turn to when organizational goals or missions are required to be enforced for purposive breakthrough and performance achieved in a specified time and within the budget. Murphy also asserts that leaders, "transcend the problems of the moment to expose the possibilities of human nature through intelligence and perseverance".

In addition, Hickman (1992) notes that, competitive advantages arises from the manner in which the organization is guided and led by individuals. According to Armstrong (1996) leadership takes place, when there is an objective to be achieved or a task to be executed. Above all, there should be more than one individual required to accomplish the task. Thus entrepreneurs and managers of organizations are referred to as leaders because they can only be successful in accomplishing a task with the support of a group of people or a team, who must be informed or persuaded to follow them. In other words, leadership is about encouraging and inspiring

people and groups or teams to give their best to achieve a viable result. The entrepreneur is a leader in that he defines and identifies ways and ensures that every member of the team gets there. As a leader, he aims at getting individuals to do what he wants by procuring willing co-operation, not grudging or unacceptable submission.

Bennis (1995) views leaders as people who do the right things and managers are people who do things right. This assertion upholds the leadership of the entrepreneur as an individual who is interested in direction, vision, goals, objectives, intention, purpose and effectiveness. These are right thing. 'ii managers are interested in efficiency, the how-to, the day-to-day and the short run of doing things right.

The foregoing has not established conceptually, the best or right style of leadership. Leadership style depends on the assumption of the leader about what he feels relevant for carrying out a defined task. Leadership shall be effective where the needs of the leader, the task and the staff fit together adequately and congruently within the prevailing environment (Handy, 1985). Entrepreneurs do note therefore that failure or decline in organisational performance could be as a result of either over, under or mismanagement.

### **ESSENTIAL CONTINGENCIES IN LEADERSHIP ROLE**

Among the contingencies essential for analyzing or discussing leadership role are:

Leader's characteristics, mission and objectives designed for achievement, the people and subordinates that are objects of the leadership process, the group or team that is the object of the leadership process, the environment within which the leadership process is to occur, role expectations, the relative favourableness of the situation and national culture.

#### **(i) Leadership characteristics**

Leadership characteristics are expressed in form of personal competence and values and culture, preferred styles and innate characteristics of the leader as a person. Previous studies of leadership hammered on the personal traits and qualities of leaders (e.g. intelligence, socio-economic class, background and self-assurance). The recent research work places emphasis on personal persistence and ability to challenge and motivate subordinates (Bennis and Nanus, 1985). This study exhibits the attribute of the entrepreneur as a team leader.

#### **(ii) Mission and Objective Designed for Desired Achievement**

To achieve a mission or a set of objectives, the entrepreneur must consider the level of priority and complexity, structure, ambiguity and novelty of the task involved.

#### **(iii) The People and Subordinates that are Object of the Leadership Process**

In this regard the entrepreneur's personal competence and values, degree of socialization and culture, attitudes to the style imbibed within the context of leadership process are imperative.

#### **(iv) The Team that is Objective of the Leadership process**

The entrepreneurial challenges should evolve collective solidarity and attitudes towards the leader and leadership goal. Importantly the collective must relate to the authority of the leader.

#### **(v) The Environment within Which the Leadership Process is to Occur**

It is necessary to conceive the idea that in a leadership context, either in macro or micro-environment, the leader is expected to display some kind of dynamism, so as to integrate society culture with mission or task. This is necessary, for the prevailing situation of the environment dictates organization's success.

#### **(vi) Role Expectation**

In the past studies, leadership is explained by tradition and position held in the area of exercising authority. The choice in leadership process was found to have connection with those who held traditional or office related positions of power which could influence authority in determining organizational policy and practice. Response of subordinate or employer is conditioned by leader's choice of style (Tannenbaum and Schmidt, 1985). Accordingly, role expectations and response of the entrepreneur may vary to the choice adopted, it could be authoritarian, instructional style, a pervasive style, a consultative style or a participative and empowering style. The expectation of young and well- educated entrepreneurs may be flexible, consultative or facilitator style of leadership, in conformity with modern conditions. Apparently such leadership style is applied in a structured, controlled and prescriptive manner by experienced entrepreneur.

#### **(vii) The Relative Favourable of Situation**

As suggested by Fiedler (1967), individual and group performance will hinge on the leader adopting a particular leadership style. This style is appropriately explained by Fiedler as "the relative favourableness" of the situations.

Styles of leadership differ, because they depend on the quality and strength of leader-group relationships, and the extent to which the tasks or situation is structured, either novel, ambiguous or hostile.

### **(iii) National Culture**

Leadership behaviour and expectations vary with some nation's culture, attributes, such as power distance, uncertainty avoidance, relative individualism on communitarianism/collectivism, masculinity or femininity, inner-directedness or outerdirectedness, the relative preference provided for hierarchy or quality and so forth. For example, leadership could be seen as an essential issue to high power distance and uncertainty avoidance societies. This is connoted often by a preference for hierarchy and the universalistic application of rules. Contrariwise, leadership could be considered as less-essential concept in two power distance societies described in a preference for quality, placing emphasis on the management of expectations and to some extent deemphasizing attitude to risk and uncertainty.

### **(ix) Trust is Classified into Two Low Trust and High Trust Society**

Societies or organizations perceived with low degree of social trust are referred to as having levels of power distance and hierarchy, thus there is possibility of such leaders to be authoritarian, complaint-based and centralizing styles of leadership. High-level social trust seems to regard communal solidarity and purpose, such leadership role is considered facilitatory (Fukuyan, 1995). Entrepreneur involved in this leadership style should focus on responsibility and authority. lie must decentralize and delegate. Openness of communication will then be maintained between the employer and worker. The internal control of firm's activities reveals the leadership role about the safeguard by maintaining the quality of the struggle through processes of choice, socialization, culture management, training. motivation and development. In all cases the leadership style of entrepreneur should be that which will make him act as the godfather by championing the course of the employees. Tichy and Sherman (1994) note that leaders must work with the people they have got.

## **LEADERSHIP COMPETENCE AND ENTREPRENEURIAL PROCESS**

Entrepreneur is referred to as an employer of labour, creator of an economically viable venture, a risk taker, innovator, and so forth. Hence, he should posses leadership competence in meeting all these challenges, Competence is perceived by Hamel and Prahalad (1994) as "a bundle of skills and technologies rather than a single discrete skill and that the bundle of skills stands for the sum of learning across individual skill sets and individual organizational units". However, leadership competence should involve the following attributes. Personal traits and qualities, time span of discretion, maintaining best fit, identifying and developing potential, paying attention to detail, managing key competences.

### **Personal Trait and Qualities**

Leadership competence is partly a function of individual personal traits and qualities. In view of this, entrepreneur should possess self-confidence, integrity and initiative in the course of maintaining good leadership. He is also expected to demonstrate social skills. Jaques (1976) sees this leadership situation as a developed but natural impersonal style, which requires personal wisdom and experience acquired with people. The entrepreneurs should have what is referred to as "helicopter factor" explaining the ability to rise above the detail of a situation and assess it within its broader perspective. The core leadership qualities as espoused by Bennis and Nanus are self-awareness, self- knowledge and awareness of limitations in self and others, personal persistence and commitment; a desire and a willingness to go on learning. A leader must have the ability to recognize, learn and profit from failures, mistakes and finance, he must have the capacity to accept challenges and take risks. More importantly, an effective and trusted entrepreneur may not be affected by serious individual defect in personality or temperament.

### **Time Span of Discretion**

The concept of competence has been developed by Jacques in the area of personal cognitive capacity. As established by Jacques, the capacity and willingness to look far ahead is a crucial aspect of leadership potential. The entrepreneur should observe that long-term time orientation at work seems to be an indicator for high-level leadership status. Jacques notes that organizations should contain a range of hierarchy of increasingly complex levels, each carrying out divergent-levels of works. The level of work was conceptualized by Jacques as time span over which individuals are required to exercise discretion. The whole level can be distinguished in terms of days, weeks, months or years. Thus these strata of work are regarded as the requirement for tackling complex task in vogue. The entrepreneur may presume the complexity of the task lies in the number, diversity, novelty, rate of change and degree of interdependency of the variable that constitute such task.

Leadership capability and aptitude is thus perceived by Jacques to connote, personal cognitive capacity as reflected in the degree of mastery complexity; the willingness and ability to make effective use of the expertise

and experience that stem from this cognitive capacity; set of appropriate value and culture and priorities that are parallel to, and consistent with those that apply to the level of work or the strata of the organization.

The entrepreneur needs to hold that the level of personal cognitive capacity and aptitude is determined by the number of variables that he can cope with, such shows the greater competence of managing complex task. Leadership potential recognized through cognitive capacity and experience enhances the person's time horizon which could be entrenched in the entrepreneur's time span of discretion.

### **Maintaining Best Fit**

One important leadership competence that an entrepreneur should note is his ability to maintain best fit. Since there is not established 'right' style of leadership, the effective needs of a leader could be based on the task, the group and individual which are fitted together properly (i.e. they are congruent) within the prevailing environment. A mismatch between these variables that constitute leadership situation may render entrepreneurial output ineffective (or positively counter productive). Handy (1985) provides the hierarchical variations in the approach to the dynamics of conditions of external change, either in markets, technologies, key competence, competition, policy, or in global context, The situation may mean calling for Leadership that hinged on persistently flexible management policies, in which the workers are empowered so as to facilitate processes of environmental adaptation. The entrepreneur's focus on leadership with tight re-centralization, will often result in rigid structuring of priorities and tasks, prescription of such approach may hinder the objective of best-fit maintenance.

### **Identification and Development of People's Potential**

Entrepreneurs are expected to rely on performance evaluation when assessing workers' abilities and accomplishment. The value of each employee is best determined by either subjectively or objectively evaluating his past and current performance. The entrepreneur can to some extent de-emphasize potential, because an individual usually appeals subjective and uncertain than the evaluated performance characterized by quantification. It is however pertinent to mention that at all times the entrepreneur should examine his leadership competence through his potential and actual position in the organization. This potential is often defended on individual vision, and the ability to delegate authority. Murphy (1996) states that the leadership evolves as an art and as a science, as different from the traditional view that leaders are born and not made, anyone can learn to be a leader. Murphy's submission pays more attention to leadership situation characterized by the contingent attributes which require leaders to understand and develop individual employee potential and to identify and develop group or team potential. Considering these attributes, the entrepreneur needs to choose the right people to apply the essential methods for appropriately training the staff and to link these staff with the rightful participation in organizational growth. As a leader, the Nigerian entrepreneur is required to develop his potential, based on his cognitive capacity which evolves with time. This means that, the individual matures and becomes more experienced; he progresses through developmental stages, moving from one phase of capacity to next more complex one until he is constrained by his cognitive (preference). Cognitive is an evolutionary pattern which matches the degree of complexity with the discretionary level, reflecting in the competence of managing organizations affairs and tasks.

### **Motivation and Provision of Inspiration**

Leadership process requires inspiration or motivation. Thus as a leader, entrepreneur should motivate people, by imbuing the qualities of initiative and enthusiasm, self-assurance and self-confidence, integrity and trustworthiness, the capacity to encourage and motivate others, the capacity to accept challenges and to facilitate risk-taking behaviour, personal persistence and commitment, and a demonstrated desire to go on learning. Entrepreneur should function as a synergizing force, releasing and combining energies and capabilities among those he leads. Consequently, the competence of a leader is revealed through the manner he negotiates resolutions to conflicts and heals the wounds inflicted by organizational change.

### **Paying Attention to Detail**

Paying attention to detail as an appropriate leadership competence has been suggested by Peters and Waterman (1982) and Peters and Austin (1986). These authors contend that leaders must be comfortable with detail as well as with broad issues. The entrepreneur may demonstrate this competence in his ability to perform the detailed task he requires his subordinates or employees to execute, and to a manageable level exhibit an in-depth understanding of this task. Entrepreneur who underrates the relevance of detail or who appears contemptuous of daily routine is possible to be classified by subordinates or employees as arrogant and out of touch with reality. In the leadership concept, such individual has created him/herself some of the conditions referred to as 'unfavourableness'.

### **Management of Key Competencies**

Basically, leadership role focuses its attention on management of key competencies in which the efforts of the organization squarely depend. The underlying factor is such that goes beyond the operational issues of long-range strategic directions and survival of the-enterprise. The management of key competencies considers the following process:

(i) Managing the knowledge base that strengthens the goals, objectives and practices of the organization. This explains the interest shown in updating the knowledge base, the approach used in keeping up to date and the level of input introduced for maintaining and motivating the updating and who should be responsible for it.

(ii) Managing Essential Competencies.

The entrepreneurial important competencies should focus on identifying, developing and exploiting long-term essential competencies of the enterprise. Key competencies are often represented by the collective and accumulated learning and experience of the business owner and his employee. Indeed, key competencies consist of co-ordination, integration and management of technologies. In addition, knowledge and experience, managerial, entrepreneurial and operational skill, enabling or facilitating mechanisms, cultures and values sets, and understanding of customers, markets and their potential all combined to foster the competence and effectiveness of the employer. However, management of key competent leadership involves management of technology dynamics, managing innovation dynamics and managing change processes that stand for the outcome of the evolution of the firms, core competencies and from the discontinuities that could unavoidably emerge over time.

Linking all these Issues indicates that; entrepreneur's success anchors on the ability to assemble and motivate teams of individuals who can aid in accomplishing enterprise's goal or task. In exhibiting leadership competence, the entrepreneur can act as ambassador by attempting to filter out negative influence, external to the group, in order to facilitate task performance. Another contention about leadership is that of intelligence. Leadership intelligence explains the level to which a business owner is able to explore all desirable reasoning for achieving a goal. Characteristics of leader's intelligence, including the ability to learn from experience, to acquire and retain knowledge and to respond successfully to new situations, providing guides to an effective and appropriate course of action.

As a leader, the entrepreneur displays the basic requirements of leadership by developing expertise in the promotion of values, and protecting culture of the immediate community in the period of crisis or change. Moreover, formulating vision, creating cultures, instilling values through communication and using competent and effective employees, customers, etc result in physical process of managing by wandering around. Fig 1 in the appendix presents a structure showing leadership as competence.

### **Misplacement of Leadership Aptitude Attributes in Entrepreneurial Process**

Theories of Leadership place major emphasis on large and mature organizations, because of their magnitude (In terms of size and capital base) with less consideration for new enterprises originating from entrepreneurship (Robbins, 2000; Arowomole, 2000; Wold, 1997). In their attempt to pursue some specified business objectives entrepreneurs do underrate the attributes of leadership by not judging the level of competence required prior to establishing firms. They also do not often adequately address mission statement that can strengthen the potentiality of competitive market. However organizational effectiveness depends not only on individuals ability to formulate a goal, rather it requires a team work where every member has a role to play for a viable accomplishment of the mission. In most cases, Nigerian entrepreneurs always want to go it alone without making proper consultation with experienced associates and individuals, thus the intuition that business in vogue would succeed might later lead to failure. Given every organizational situation, the viability of entrepreneurial business is possible when some attributes of leadership competence are integrated into business performance. The entrepreneur should note that there is no articulate way for success except the leadership role is favourably injected into business policy, bearing in mind the environment in which the venture is being pursued

Generally indigenous entrepreneurial company is owned in consideration of individual perception of the business resulting in inadequate knowledge of leadership competence. The entrepreneur does put his priority in a wrong position due to inability to assess and explore these attributes in the course of formulating and implementing objectives. This eventually leads to business failure.

### **CONCLUSION**

Entrepreneur process is characterized by the effectiveness and efficiency of the business owner which is often exhibited through leadership competence. A leader is assumed competent if he has the confidence of co-ordinating and controlling organizational activity. However, leader's ability, objectives designed, the people and subordinate should be regarded as important features in the leadership process.

A model showing the phases in leadership as competence is also prepared to incorporate all attributes of a leader, such as identifying and developing potential, maintaining best fit, motivating and providing inspiration,

displaying personal traits and qualities, managing key competences and so forth. Nonetheless these attributes are often misplaced by the entrepreneur in the course of formulating and implementing organization's mission as well entrepreneur vision.

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