

Social And Cultural Aspects Of Entrepreneurship

Posted on September 11, 2019

Social and Cultural Foundations of Entrepreneurship

Entrepreneurship is influenced by four significant aspects: culture, economic development, education, and level of education. These factors have both positive and negative outcomes for entrepreneurial efforts and business ventures. The positive influences are comprised of facilitating and offering a conducive environment for entrepreneurship. There are studies as to why some businesses thrive while others fail. Further research is conducted on the basis of why some individuals from some regions and cultures exhibit better business and entrepreneurial skills and spirits in comparison to people from different cultures and parts. This essay will majorly focus on the social and cultural factors that influence entrepreneurship and business ventures in Kenya.

Social factors play an undisputedly significant role in the success or failure of any business. In business studies, social aspects are considered invaluable as the most helpful community ensured the remarkable victory of the industrial and commercial revolution, not only in Kenya but also across the globe. Through its substantial impacts on entrepreneurial characteristics, social factors have contributed to entrepreneurial growth and development. It sets a platform in which individuals grow and shape their primary cultural beliefs, values, and norms, all of which contribute to the social aspect of entrepreneurship (Bayart et al., 2013). There are various components of the social environment associated with business ventures and investments.

Social Class and Entrepreneurial Mobility

One of the significant factors is the caste system. Every society in Kenya has its particular cultural values, practices and beliefs, which influence the actions and decisions of a person in any community. In Kenya, these values and practices have evolved and changed over time. These changes have led to the division of the population regarding caste mainly into social classes. In truism, there are individuals considered to be the nobilities and the elites, while others fall into the categories of second class and lower class (Ebewo, Stevens & Sirayi, 2013). Such classes influence the entrepreneurship field as they define the limits and extent of social mobility of people in each category.

Social mobility refers to the freedom and liberty to move from one class to the other. It also dictates

the level of entrepreneurship among individuals in each category. While it may be hard for a person to move from the lower class to the higher castes, it is also difficult to access and conduct business ventures and investments, as is the case with the people in the second class and elite classes. Consequently, a business monopoly in Kenya is highly associated with the elite ranks as they have the power and opportunities to set up business corporations. As is the case at international levels, Kenya also experiences the dominance of various ethnic groups in the business field. This phenomenon dates back to the era of barter trade and other traditional business practices (Wankel, 2008).

Family Background and Business Development

Another social aspect that influences and impacts entrepreneurial and investment efforts is the family background. This aspect encompasses the size, type and economic status of the family. In Kenya, some families are known for possessing tremendous influence in the political arena while still exhibiting prowess and high levels of entrepreneurship skills. Consequently, some businesses and companies are known to be an entity of certain families. While Equity Bank investment is associated with Mwangi, its proprietor, Chandaria companies are run and operated by the Chandaria family.

Industrial entrepreneurship can be provided by the background and history of a family in the manufacturing field. Families of the elite are also known for influencing business ventures. This is due to the social and occupational status of these families. However, while some well-established families may affect entrepreneurial efforts, other individuals in the lower classes are venturesome. This gives them an opportunity to venture and thrive in businesses. For instance, in certain societies, joint family systems exist. Such families acquire wealth through their hard work and determination but fail to enjoy the fruits and profits realized because they are required to divide and share these proceedings amongst themselves (Freytag & Thurik, 2010).

Education and Entrepreneurial Opportunity

Education is also a social aspect attributed to the success or failure of any entrepreneurship investments. Through education, people can comprehend and come to terms with the outside world. It also equips a person with the necessary skills and knowledge which enable them to face and deal with the daily challenges they encounter regarding investments. As is the case with any community setting, education plays a crucial role in teaching finance and business values.

The education aspect also has a lot to do with the caste and class settings in a community. While it could be impossible for people in lower classes to acquire a quality education, individuals in the elite levels can access and attain high-quality schools, which plays a vital role in business investments. With advancements in the contemporary world, there have been changes in the education sector, with business classes being integrated into the syllabus. This initiative is aimed at preparing scholars

to venture into businesses rather than depending on regular jobs and other forms of employment (Freytag & Thurik, 2010).

Cultural Attitudes and Entrepreneurial Motivation

Social factors affecting businesses stretch to the attitude of society about investing and conducting entrepreneurial initiatives. While some communities encourage novelties and innovations, which play a significant role in approving the actions and rewards such as profits of an entrepreneur, other communities discourage such entities and investments at large. Communities against entrepreneurship are intolerant of changes, thus making it difficult for entrepreneurial efforts to take root. Consequently, some societies have an inherent hatred for money-making activities, deeming them as a source and origin of evil. Some believe in the cultivation of land and the rearing of livestock as their wealth. Whatever income and produce they obtain from agricultural activities is regarded as their rightful share and God's blessing (Ebewo, Stevens & Sirayi, 2013). In truism, this aspect of societal attitude is more of a cultural perspective.

Cultural values have a part in entrepreneurial success or failure. Motives tend to compel people to take action. Proper purposes such as acquiring prestige, making profits and attaining social status enhance entrepreneurial growth. With strong intentions, talented and ambitious men are likely to take risks and innovate. The profoundness of the reasons and objectives is dependent on the culture of any community. In cultures that are monetarily or economically oriented, entrepreneurship is likely to be applauded and embraced as it will be perceived and viewed as a way of life and wealth accumulation. In the less developed societies in Kenya, people are poorly motivated regarding the economy. There is less attraction when it comes to monetary incentives. People have access to numerous opportunities to obtain social distinction through non-economic pursuits (Bayart et al., 2013). Consequently, people equipped with organizational abilities tend not to be dragged into entrepreneurship and investment. Instead, they apply their talents to exploit the non-economic ends.

Need for Achievement in Entrepreneurship

The need for and necessity for achievements are also social factors that influence the business field. However, this factor is also termed psychological, as it has to do with the individual's spirit and mindset. Most successful entrepreneurs are characterized by the need for achievement as a social motive. This is mostly observed and reinforced by the cultural aspects of the community. Most people in Kenya who have successfully ventured into entrepreneurship tend to possess this quality. Additionally, some cities tend to reproduce a significant percentage of individuals who have a higher affinity for need achievement than other societies. This aspect is attributed to the sociological aspects. The variance notable among people as well as cultures accounts for the observation that needs achievement is significantly large in some communities while others display less need achievement in Kenya (Ebewo, Stevens & Sirayi, 2013).

Regarding this theory, individuals displaying higher need achievement exhibit distinction in various ways. One of these qualities is that they tend to take risks, which end up stimulating them to greater chances and efforts. This theory goes further in identifying the factors that lead to such characters. The roles and responsibilities of parents, particularly the mother, in nurturing and upbringing their children play a crucial role in ensuring the kids are masterful and self-reliant. However, despite the significance of the parent-child relationship, more emphasis is placed on the social and cultural aspects of this theory (Wankel, 2008). In truism, the need for achievement is conditioned and influenced more by both cultural and social reinforcement than parental role and influence and other related factors.

Conclusion

In conclusion, social and cultural factors play a crucial role in the success or failure of business investments. Some of the social and cultural factors discussed include education, family background, caste system, culture and beliefs, as well as the need for achievement. From the precedent, it is clear that some of these factors have to do with psychology and the mindset of involved people and the communities in general.

References

- Bayart, J., Fafchamps, M., Iribarne, P., La Ferrara, E., Peccoud, R., & Peccoud, R. et al. (2013). *Culture, institutions, and development*. London: Routledge.
- Ebewo, P., Stevens, I., & Sirayi, M. (2013). *Africa and beyond*. Newcastle upon Tyne, United Kingdom: Cambridge Scholars Publishing.
- Freytag, A., & Thurik, R. (2010). *Entrepreneurship and Culture*. Berlin, Heidelberg: Springer Berlin Heidelberg.
- Wankel, C. (2008). *21st century management*. Los Angeles: Sage.