
Opportunity recognition attitudes of nascent indigenous entrepreneurs

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Abstract: This exploratory research aims to fill a gap in the literature. The current theory of entrepreneurial attitude toward opportunity recognition (EOR) is primarily based upon a non-indigenous entrepreneurship theory. Yet, there are significant differences between non-indigenous and indigenous forms of entrepreneurship. Non-indigenous entrepreneurship tends to emphasise economic objectives whereas indigenous entrepreneurship tends to embrace both economic and non-economic objectives. As such, the current EOR theory needs to be expanded to include both non-indigenous and indigenous similarities and differences. This research uses indigenous culture as a context for examining the relationships between personal values, EOR and expected personal success of nascent indigenous entrepreneurs.

Keywords: indigenous; entrepreneurship; values; attitude; opportunity recognition; success.

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1 Introduction

The recognition and exploitation of business opportunities in the market are core functions of entrepreneurship (Schumpeter, 1971; Kirzner, 1979; Shane and Venkataraman, 2000). Opportunities stem from the perceptions of decision makers as they attempt to make sense of situations (Gartner and Shaver, 2002). Why, when and how individuals exploit opportunities appear to be a function of the joint characteristics of the opportunity and the nature of the individual (Shane and Venkataraman, 2000). Individual knowledge, cognitive and behavioural differences help to explain why some individuals recognise opportunities while others do not (Venkataraman, 1997).

To date, opportunity recognition (OR) researchers have not identified a need to differentiate between non-indigenous and indigenous entrepreneurs. Yet, indigenous communities differ from non-indigenous communities. In indigenous communities, culture is pervasive and indigenous businesses are more complex than non-indigenous businesses (Lindsay, 2005). Although the individual is important, the immediate family, the extended family and the community can influence attitudes and individual decision making in indigenous communities (Lindsay, 2005). As such, what may be perceived to be an opportunity for an individual may not be seen to be an opportunity for the family and/or the community. In other words, culture may modify the development of entrepreneurial attitudes toward OR in nascent (intending) indigenous entrepreneurs to take account of perceptually important indigenous issues. Thus, in addition to individual knowledge, cognitive and behavioural differences, indigenous cultural differences may also be a key factor in distinguishing non-indigenous from indigenous nascent entrepreneurs in terms of their attitudes toward OR.

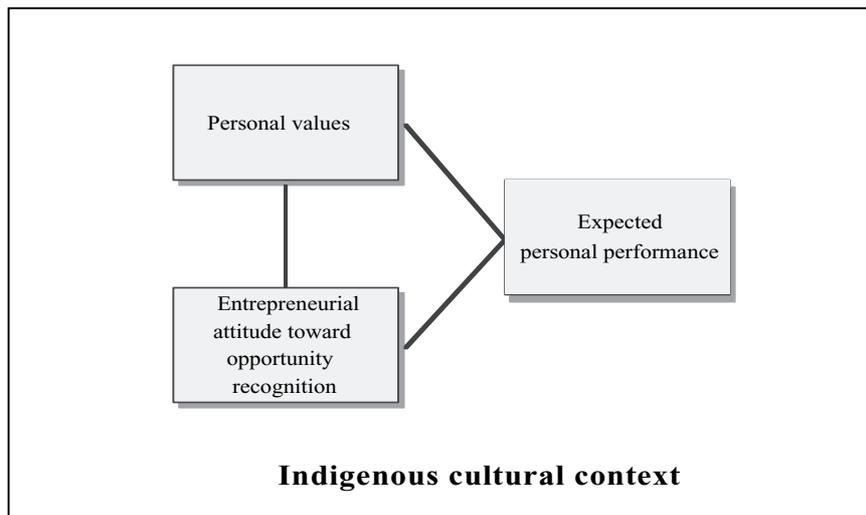
Motivation for this research, therefore, is driven by a perceived gap in the literature. Globally, there is an increase in indigenous entrepreneurial activity as resource rights are recognised by non-indigenous peoples wanting to access resources owned by the original indigenous inhabitants. Yet, there remains a need to have a better understanding of how nascent indigenous entrepreneurs recognise opportunities specifically and to what extent

their attitudes differ, if at all, from nascent non-indigenous entrepreneurs. The purpose of this research, therefore, is to gain insights into the attitudes of nascent indigenous entrepreneurs toward OR.

2 Proposed model

Figure 1 provides an overview of the proposed (*ex ante*) model. The nascent indigenous entrepreneur's expected personal performance is the dependent variable; values and entrepreneurial attitude toward opportunity recognition are the independent variables.

Figure 1 Proposed (*ex ante*) model



2.1 Indigenous versus non-indigenous entrepreneurship

In this research, an indigenous person is regarded as an individual who is an original owner of a country's resources or a descendent of such a person and which, in either case, the individual regards himself or herself as indigenous and the indigenous community in which they live accepts them as indigenous (*e.g.*, Foley, 2003). Economic development from an indigenous entrepreneurship perspective is predicated upon a predominant collectivism centred on the community, economic self sufficiency to reduce dependency, the control of activities occurring on traditional lands, improvements in indigenous socioeconomic circumstances and a strengthening of traditional culture (Anderson, 1999). Many indigenous people believe they can attain these socioeconomic objectives through an indigenous approach to entrepreneurship (Anderson *et al.*, 2004,p.3).

Whereas non-indigenous entrepreneurship focuses upon the commercialisation of innovation (an economic perspective), indigenous entrepreneurship embraces non-economic conditions (*e.g.*, environmental dynamics and social conditions), as well as economic conditions (Foley, 2003). Indigenous people prefer developing entrepreneurial strategies originating in, and controlled by, the community (Anderson *et al.*, 2004,p.4) and with the sanction of indigenous culture (Robinson and Ghostkeeper, 1987). Thus,

business opportunities from an indigenous perspective may embrace both economic and non-economic objectives and may be 'different' than what non-indigenous entrepreneurs regard as an opportunity from purely an economic perspective.

2.2 Culture

Culture is 'the collective programming of the mind which distinguishes the members of one category of people from another' (Hofstede, 1989,p.391). Category or group of people is defined widely and includes an ethnic group such as an indigenous group. Culture is manifested in terms of values and practices (Hofstede, 1989). Values are often unconscious broad feelings about objects whereas practices are collective habits expressed in 'visible things' such as rituals, language, communication styles, dress, *etc.* (Hofstede, 1989). Nation culture is programmed into us from the day we are born. It can be measured in terms of (Hofstede, 1980) power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance and time orientation.

Cultural values vary across nations and across cultures within nations. In contrast, entrepreneurship has been associated with a common cultural set (*e.g.*, Herbig, 1994; McGrath *et al.*, 1992; Shane, 1992). This common entrepreneurial set reflects low power distance, high individualism, high masculinity and weak uncertainty avoidance. Development of the entrepreneurial profile, however, has occurred via studies that have tended to focus on non-indigenous entrepreneurs where economic objectives tend to dominate. Indigenous entrepreneurship, however, embraces both economic and non-economic objectives. As such, common cultural values for indigenous entrepreneurs are influenced by both economic and non-economic objectives. It is likely, therefore, that the combination of both economic and non-economic objectives will manifest themselves in an indigenous entrepreneur profile that may vary from a non-indigenous entrepreneur profile.

In indigenous communities, an indigenous cultural profile will likely represent high collectivism; low power distance; low uncertainty avoidance; and low masculinity (Redpath and Nielsen, 1997). Any common indigenous *entrepreneur* profile exists within the context of indigenous culture and will be influenced by this context to the extent that it will represent the indigenous entrepreneur profile (Lindsay, 2005). Since culture influences attitudes, behaviour and values (Hofstede, 1980), indigenous culture provides a context for entrepreneurial attitudes toward opportunity recognition (EOR), personal values and expected personal performance.

2.3 Values

A value is an 'enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence' (Rokeach, 1973,p.5). Values are assumed to be the most abstract form of social cognition. They help us adapt to our environment (Kahle, 1983; 1996). Values are viewed as situationally invariant (Schwartz, 1992). Various studies support the hierarchical primacy of values over attitudes and behaviours (*e.g.*, Homer and Kahle, 1988). As such, they provide a stable and inner-oriented understanding of individuals – more so than attitudes. Whereas attitudes are open to change – across time and situations, values are stable and occupy a central position within a person's cognitive system. Once a value is learned, it becomes part of a value system in which each value is

ordered in priority to other values (Rokeach, 1973). Value systems provide a complete understanding of the motivational forces driving an individual's beliefs, attitudes and behaviour.

The relative importance of different values to an individual has frequently been measured using the method developed by Rokeach (1973). A simplified alternative to this method (the List of Values or 'LOV') also has been used successfully (Kahle, 1996; Kahle *et al.*, 1986). LOV is used in this research. LOV consists of nine values. These are a sense of belonging, excitement, fun and enjoyment in life, warm relationships with others, self-fulfilment, being well-respected, sense of accomplishment, security and self-respect.

Various studies have demonstrated that, through factor analysis, these nine values (usually) can be reduced to three dimensions (*e.g.*, Homer and Kahle, 1988; Kamakura and Novak, 1992). Various names have been attributed to these three dimensions including (Kamakura and Novak, 1992) empathy (warm relationships with others and a sense of belonging), achievement (self-fulfilment, sense of accomplishment, and self-respect) and hedonism (fun and enjoyment and excitement). In this research, hypotheses are generated using Kamakura and Novak's (1992) labels since they tend to be more descriptive than those of Homer and Kahle (1988).

2.3.1 *Empathy*

From an empathic perspective, indigenous people demonstrate a strong association with their heritage, the land, their family, their community and their culture. Many find it a challenge to deal with isolation from their community (*e.g.*, if incarcerated in jail), identify strongly with other indigenous people from their community (including their family and extended family) where there are established relationships and norms and often find it difficult to integrate into non-indigenous society. Nascent indigenous entrepreneurs, however, will appreciate that, to be successful, they must extend themselves and relate to the 'greater world' since their customer base may reach beyond their community. They will be comfortable in developing relationships with others – customers, suppliers, and staff – and will feel 'at home' and 'a belonging' in their business environment.

Hypothesis 1 *Nascent indigenous entrepreneurs will exhibit high levels of empathy.*

2.2.3 *Achievement*

Nascent indigenous entrepreneurs will demonstrate high levels of achievement since they will feel a sense of accomplishment in having made the decision to start their own businesses. This will be accompanied by a heightened sense of self-respect and self-fulfilment in moving toward their vision of self-employment.

Hypothesis 2 *Nascent indigenous entrepreneurs will exhibit high levels of achievement.*

2.3.3 Hedonism

Nascent indigenous entrepreneurs will be challenged by the prospect of starting up a business but will be excited by the prospects of converting their intentions into actions. They will embrace and enjoy the challenges posed as well as the 'fun' of being their own boss and being responsible for their future.

Hypothesis 3 Nascent indigenous entrepreneurs will demonstrate high levels of Hedonism.

Nascent indigenous entrepreneurs' sense of fun and excitement will underpin their reasons for wanting to start a business (they will perceive this as a way of creating excitement in their lives and having fun while developing a sense of belonging and accomplishment). This will manifest itself in a sense of optimism about their expected success in starting a business (otherwise they would not intend to start a business in the first place). Underpinning this sense of optimism will be an attitude that they will be able to recognise appropriate business opportunities that will result in successful businesses. As such, it can be expected that Hedonism will be associated with expected personal performance and entrepreneurial attitude toward opportunity recognition.

Hypothesis 4 Nascent indigenous entrepreneurs will demonstrate a relationship between Hedonism and expected personal performance.

Hypothesis 5 Nascent indigenous entrepreneurs will demonstrate a relationship between Hedonism and their entrepreneurial attitude toward opportunity recognition.

2.4 Entrepreneurial Attitude toward Opportunity Recognition

Attitude is the predisposition to respond in a generally favourable or unfavourable manner with respect to the object of the attitude (Ajzen, 1982; Rosenberg and Hovland, 1960; Shaver, 1987). An important attribute of attitude is that it is open to change – across time and across situations (Abelson, 1982; Chaiken and Stangor, 1987; Rosenberg and Hovland, 1960). As such, measurements can be undertaken of the effectiveness of interventions, such as entrepreneurship training programmes, that are designed to influence attitude (Robinson *et al.*, 1991).

Entrepreneurial attitude toward opportunity recognition (EOR) can be measured using a validated measurement scale based on attitude theory (McCline *et al.*, 2000). McCline, Bhat and Baj's research was an extension of Robinson *et al.* (1991) validated scale that measures Entrepreneurial Attitude Orientation (EAO). The EOR scale differs from the EAO scale by including measures that are now 'prominent in the literature but were not part of the original EAO scale' (McCline *et al.*, 2000,p.83).

Both scales are based on a tripartite attitude model that derives from social psychology. This model holds that 'there are three types of reaction to everything: affect; cognition; and conation (behaviour)' (Robinson *et al.*, 1991,p.17). *Affect* consists of positive or negative feelings toward an object; *cognition* consists of the beliefs and thoughts an individual has about an attitude object; and *behaviour* consists of behavioural intentions and predispositions to behave in a given way toward an object. Robinson

et al. (1991) entrepreneur attitude model 'suggests ways of initiating change by influencing thoughts, feelings and behavioural intentions' (Rosenberg and Hovland, 1960) with regard to entrepreneurship and related attitudes. These include attitudes toward recognising opportunities.

Nascent indigenous entrepreneurs have business start-up intentions. As such they will be opportunity aware – looking for business opportunities (or they may already have identified a business opportunity). They will, therefore, demonstrate an underlying confidence that will manifest itself in a positive entrepreneurial attitude toward recognising opportunities – they will believe that they are capable of recognising a business opportunity. This will be reflected in their perceptions, that they will achieve business success.

Hypothesis 6 *Nascent indigenous entrepreneurs will demonstrate high levels of entrepreneurial attitude toward opportunity recognition.*

Hypothesis 7 *Nascent indigenous entrepreneurs will demonstrate a relationship between their entrepreneurial attitude toward opportunity recognition and expected personal performance.*

2.5 *Expected personal performance*

Measures for determining individual entrepreneur performance are still in their formative stages. Understanding entrepreneur motivations and objectives is critical to understanding the complete entrepreneurial process (Kuratko *et al.*, 2001). Entrepreneurs examine the probabilities of accomplishing their objectives and are motivated to sustain their entrepreneurial activity to the extent that they believe their behaviours will underpin the accomplishment of their personally relevant goals (Naffziger *et al.*, 1994). Thus, having a clear understanding of what you want to achieve contributes toward success in achieving those objectives.

In this research, we use a perceptual scale that measures *expected* entrepreneurial success. This is a measure of nascent indigenous entrepreneur expectations based upon their reasons for wanting to start a business and how successful they expect to be in achieving those reasons. Entrepreneurs offer a variety of reasons for wanting to start a business. Carter *et al.* (2003) synthesise start-up reasons. They identify innovation, independence, recognition, roles, financial success and self-realisation as key reasons why entrepreneurs get into business. Carter *et al.* (2003), however, did not specifically consider unemployment as a driver for wanting to go into business (out of necessity because it is impossible to get a job) nor did they consider characteristics associated with indigenous entrepreneurship (which includes both non-economic and economic objectives). When the sample of interest is unemployed and/or is indigenous, there is a need to address these issues in the questions asked since they may influence business start-up reasons and, in turn, how individuals evaluate their personal performance.

3 Research methodology

3.1 Participants

There were 147 participants who responded to the survey instrument. They were indigenous and were unemployed. Some had started businesses previously. Participants had been through an intensive screening process as part of the requirements to join a year-long training and business incubator programme in Johannesburg, South Africa. As such, there was an expectation that businesses would be developed as a result of the programme.

The participant selection and screening process involved the following (the purpose of the screening process was to ensure that participants who joined the programme would complete the programme and had real intentions to establish businesses):

- Placing advertisements in the newspaper calling for expressions of interest to participate in a training and entrepreneur programme and using several indigenous community centres to raise interest about the Programme and to obtain community involvement (approximately 3000 people applied to participate in the programme)
- Respondents attending short seminars that provided them with an overview of the programme
- Face-to-face interviews, as well as the completion of a questionnaire that collected certain information about them (over a three month period, face-to-face interviews were conducted with approximately 1600 people).

As a result of the face-to-face interviews, 400 people were accepted onto the programme. Participants involved in this study were randomly selected from the 400 people accepted onto the programme. Participant demographics appear in Table 1.

Table 1 Participant demographics

<i>Details</i>		<i>Frequency</i>	<i>Percentage (%)</i>
Gender	Male	57	39
	Female	90	61
Age	20 years or less	5	3
	21 years to 25 years	71	48
	26 years to 30 years	54	37
	31 years to 40 years	17	12
Highest education achieved?	Primary school	3	2
	Secondary school	13	9
	Technical qualification	9	6
	Certificate after high school	29	20
	Diploma after high school	55	37
	Undergraduate degree	17	12
	Postgraduate degree	10	7
	Other qualification	11	7

Table 1 Participant demographics (continued)

<i>Details</i>		<i>Frequency</i>	<i>Percentage (%)</i>
In what area(s) do you have most work or business experience?	Food	31	21
	Hospitality	6	4
	Tourism	3	2
	Automotive	7	5
	Other	100	68
How long have you been unemployed?	1–11 months	31	21
	1–5 years	98	67
	6–10 years	17	11
	More than ten years	1	1
Have you ever started your own business previously?	Yes	39	26
	No	108	74

3.2 *Measures*

The survey instrument used a variety of scales to measure values, entrepreneurial attitude toward opportunity recognition and expected personal performance. The instrument was administered to participants just prior to their commencing the training and incubator programme.

3.2.1 *Values*

The research used the List of Values (LOV) comprising nine questions (Kahle, 1996; Kahle *et al.*, 1986). LOV uses a 9-point Likert scale that ranges from ‘Important to me’ to ‘Extremely important to me’. The instrument provides a list of ‘things’ that ‘some people look for or want out of life’. Participants are asked to rate each thing on how important it is in their daily life where ‘1 = important to me’ to ‘9 = extremely important to me’.

3.2.2 *Entrepreneurial attitude toward opportunity recognition*

An instrument developed by McCline *et al.* (2000) was used to measure Entrepreneurial OR attitudes (EOR). The EOR scale uses a 10-point Likert type scale that ranges from ‘1 = strongly disagree’ to ‘10 = strongly agree’. The instrument uses a tripartite approach to measure attitude and there were two questions each for cognitive, affective and behaviour EOR.

3.2.3 *Expected personal performance*

The research uses an existing scale to measure nascent indigenous entrepreneurs’ expected personal performance (based upon Lindsay *et al.*, 2004). The scale uses a series of questions concerning nascent indigenous entrepreneurs’ reasons for wanting to start a business and how successful they think they would be in achieving those reasons. The scale reduces to a five factor solution (with the factors labelled self-realisation,

innovation, financial security, independence and family obligations and community recognition). The scale uses a 7-point Likert scale (where ‘1 = unsuccessful’ and ‘7 = successful’). Table 2 provides the factor loadings for expected personal performance.

Table 2 Factor loadings for expected personal performance

<i>Factor</i>	<i>Self-realisation</i>	<i>Innovation</i>	<i>Financial security</i>	<i>Independence and family obligations</i>	<i>Community recognition</i>
Rotation sums of squared loadings	4.63	3.19	2.90	2.51	2.23
Percentage variance accounted for	18.51	12.74	11.61	10.05	9.02
5 To achieve a vision I have	0.85				
4 To be in control of my own destiny	0.84				
9 Because I always wanted to have my own business	0.78				
6 To be the boss	0.71				
7 To enable me to take moderate risks while achieving above normal returns	0.64	0.38			
11 To achieve freedom of the mind	0.59				
14 For self-development reasons	0.58		0.38		
2 For personal satisfaction reasons	0.43			0.41	
23 To be able to commercialise an innovative product or technology		0.80			
3 To allow me to be more creative		0.77			
22 To be able to generate exports for my country		0.74			
10 To allow me to be more innovative		0.63			
12 To achieve financial security			0.71		
1 For financial reasons			0.70		
15 To get ahead financially	0.35		0.61		
24 So that I can have personal or family security			0.58		
8 To plan for my future	0.36		0.47		0.36

Table 2 Factor loadings for expected personal performance (continued)

<i>Factor</i>	<i>Self-realisation</i>	<i>Innovation</i>	<i>Financial security</i>	<i>Independence and family obligations</i>	<i>Community recognition</i>
18 So that I can employ or involve members of my family				0.72	
17 Because I have to as I cannot get a job				0.68	
19 To become wealthy				0.64	
25 Because I like to take risks		0.38		0.60	
20 To be able to help and/or develop my local community					0.71
21 To create work for others		0.38			0.69
16 Because I see an opportunity to develop successful business					0.64
13 To be able to prove that I can do it					0.35

4 Results

Table 3 provides the Values and EOR descriptive statistics and Table 4 provides the reliabilities and correlations. These results are discussed below.

Table 3 Descriptive statistics

<i>Measure</i>	<i>Dimensions</i>	<i>Mean (standard deviation)</i>
Values	Achievement	7.79 (1.56)
	Empathy	6.21 (2.08)
	Hedonism	5.68 (2.23)
EOR	Cognitive EOR	8.28 (1.62)
	Behaviour EOR	7.67 (1.80)
	Affective EOR	8.61 (1.60)

Table 4 Reliabilities and correlations

<i>Measure</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
1. Values – achievement	<i>0.725</i>										
2. Values – empathy	0.368**	<i>0.704</i>									
3. Values – hedonism	0.475**	0.545**	<i>0.753</i>								
4. EOR – cognitive	0.116	-0.099	-0.016	<i>0.705</i>							
5. EOR – behaviour	0.139	0.065	0.048	0.309**	<i>0.719</i>						
6. EOR – affective	0.018	-0.004	-0.081	0.351**	0.398**	<i>0.703</i>					
7. Expected personal performance – self-realisation	0.106	0.142	0.257**	0.146	0.168*	0.189*	<i>0.838</i>				
8. Expected personal performance – innovation	-0.050	0.090	0.116	0.171*	0.249**	0.228**	0.493**	<i>0.829</i>			
9. Expected personal performance – financial security	-0.019	0.008	0.207*	0.184*	0.189*	0.279*	0.610**	0.515**	<i>0.779</i>		
10. Expected personal performance – independence and family obligations	-0.051	0.170*	0.167*	0.039	0.135	0.144	0.483**	0.354**	0.513**	<i>0.714</i>	
11. Expected personal performance – community recognition	-0.071	0.013	0.020	0.113	0.205*	0.287**	0.429**	0.562**	0.541**	0.443**	<i>0.712</i>

Notes: Reliability coefficients (Cronbach alphas) are on the diagonal in italics

* $p < 0.05$

** $p < 0.01$

There were seven hypotheses. H1 hypothesises that Nascent indigenous entrepreneurs will demonstrate high levels of Empathy. This hypothesis was confirmed. The mean of the Empathy value dimension tended toward the upper level of the measure (mean = 6.21, s.d. = 2.08).

H2 hypothesises that Nascent indigenous entrepreneurs will demonstrate high levels of Achievement. This hypothesis was confirmed. The mean of the Achievement dimension tended toward the upper level of the measure (mean = 7.79, s.d. = 1.56).

H3 hypothesises that Nascent indigenous entrepreneurs will demonstrate high levels of Hedonism. This hypothesis was confirmed. The mean of the Hedonism dimension tended toward the upper level of the measure (mean = 5.68, s.d. = 2.23).

H4 hypothesises that Nascent indigenous entrepreneurs will demonstrate a relationship between Hedonism and nascent indigenous entrepreneurs' expected personal performance. This hypothesis was partially confirmed. In addition, and unexpectedly, there was a significant relationship between empathy and the expected personal success dimension – independence and family obligations.

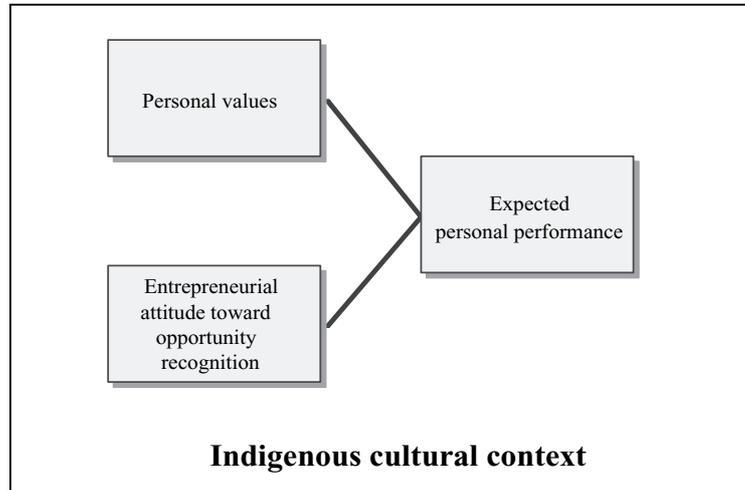
H5 hypothesises that Nascent indigenous entrepreneurs will demonstrate a relationship between Hedonism and entrepreneurial attitude toward opportunity recognition. This hypothesis was disconfirmed.

H6 hypothesises that nascent indigenous entrepreneurs will demonstrate high levels of entrepreneurial attitude toward opportunity recognition. This hypothesis was confirmed (Cognitive EOR: mean = 8.28, s.d. = 1.62); Behaviour EOR: mean = 7.67, s.d. = 1.80); and (Affective EOR: mean = 8.61, s.d. = 1.60).

H7 hypothesises that nascent indigenous entrepreneurs will demonstrate a relationship between their entrepreneurial attitude toward opportunity recognition and expected personal performance. This hypothesis was partially confirmed with there being a significant relationship between some of the EOR dimensions and expected personal success Cognitive EOR and innovation and financial security; Behaviour EOR and self-realisation, innovation, financial security and community recognition; Affective EOR and self-realisation, innovation, financial security and community recognition.

5 Discussion and implications

The findings presented indicate partial support for the proposed model. Either complete or partial relationships were established between all model variables with the exception of the values-EOR relationship. Based on the results, the revised ex post model appears in Figure 2. The results are discussed below.

Figure 2 Revised (ex post) model*Values (Hypotheses 1–3)*

There was support for the notion that nascent indigenous entrepreneurs exhibit high levels of the value dimensions achievement, empathy and hedonism. For many indigenous people, hopelessness and frustration at the system may be manifested in alcohol, drug and/or physical abuse, high-unemployment levels and higher than normal jail incarcerations compared to the rest of the population. Nascent indigenous entrepreneurs provide hope for indigenous communities in that they appear to have value systems that are conducive to developing a positive indigenous future.

Values are instilled in us from birth and tend to be stable over time. It is difficult, if not impossible, to change an individual's values particularly as they reach adulthood. Thus, rather than attempt to change the value systems of those individuals in the community that may not be suited to entrepreneurship, there may be benefits in 'drawing out' those individuals who have value systems conducive to entrepreneurship. This can be achieved by:

- increasing the availability of entrepreneurship training programmes aimed specifically at nascent indigenous entrepreneurs so that cultural issues can be addressed in those programmes with the support of appropriately qualified indigenous mentors
- providing seed capital grants/low or no interest loans depending on the apparent viability of businesses presented in participant business plans (and associated oral presentations) to appropriately structured assessment panels
- placing participants in 'mentored' incubation environments with other like-valued individuals to provide participants with support structures (*e.g.*, other programme participants, specialised consultants, trainers, successful indigenous entrepreneurs, *etc.*) and network of contacts (providing access to distribution channels for programme venture products/services, ongoing finance, additional expertise, *etc.*)

- recognising and rewarding entrepreneurial achievers to reinforce the learning process through an indigenous entrepreneur excellence award events.

Nascent indigenous entrepreneurs represent a partial solution to the problems that many indigenous communities face. By achieving self-determination through their own efforts, they reduce their need to rely on resource royalties and/or government social welfare, thereby, increasing their self-esteem and self-realisation and becoming role models for others in their families and their communities.

Hedonism and expected personal success (Hypothesis 4)

There was partial support for a relationship between the value dimension, Hedonism and expected personal success sub-scales. Fun and excitement was associated with self-realisation; financial security; and independence and family obligations but not innovation and community recognition.

Expected personal success questions were based on how successful participants thought they would be in achieving their reasons for starting a business. At a general level, it appears that nascent indigenous entrepreneurs do consider it to be fun and exciting in anticipating their success in achieving their reasons for getting into business – at least in certain areas.

Specifically, it appears that fun and excitement underpins nascent indigenous entrepreneurs' realising their intangible inner true worth and potential and, related to this, the tangible security and independence of themselves and their families. For nascent indigenous entrepreneurs, fun and excitement in developing a business is associated with self and family – but not recognition from the community or the workings of the business in commercialising innovative products. These latter two items are perhaps seen as 'nice to have' but may not be perceived to be necessary in achieving what is considered to be important and are, therefore, lower down the order of priorities. Thus, in promoting entrepreneurship to indigenous people, possible implications of these results suggest that nascent indigenous entrepreneurs may be likely to respond positively to the fun and excitement of developing themselves personally and their own and their family's financial security. These points should be highlighted in indigenous entrepreneur promotional materials and marketing campaigns.

Although a sense of community is important to indigenous people, it appears that recognition by the community of nascent indigenous entrepreneur business exploits is not important to them. In addition, it appears that product or technology innovation is not something that is valued by nascent indigenous entrepreneurs and that they may be indifferent to developing businesses around innovative products. Since non-innovation in firms can have an adverse effect on their future viability, nascent indigenous entrepreneur training programmes need to stress the importance of innovation and developing firm innovation capability to improve the probability of success of indigenous business ventures.

In addition to the partial hypothesised Hedonism relationships, there was, unexpectedly, a significant relationship between the value dimension, empathy, and the expected personal success sub-scale, independence and family obligations. One possible explanation for this is that indigenous people tend to identify closely with their family and the extended family. As such there will be empathy toward the family and extended family in trying to support or help them. Nascent indigenous entrepreneurs will build

upon this family/extended family empathy to want to be successful so that they can involve family members in their businesses and will therefore judge themselves upon their being able to achieve this.

Hedonism and entrepreneurial attitude toward opportunity recognition (Hypothesis 5)

Surprisingly, there was no relationship between the value subscale, Hedonism, and any of the EOR subscales. In other words, fun, enjoyment and excitement were values not associated with nascent indigenous entrepreneurs' attitudes toward recognising opportunities. If these values are lacking, then nascent indigenous entrepreneurs may not look for and identify business opportunities themselves since there will be other activities where fun and excitement are associated which make the alternative activity options all the more attractive. Nascent indigenous entrepreneurs, therefore, will probably prefer that others identify business opportunities for them. Thus, in nascent indigenous entrepreneur training programmes, programme directors need to be aware that they may be called upon to identify business opportunities for indigenous programme participants since participants may not demonstrate interest in undertaking this activity. This may be another differentiating factor between indigenous and non-indigenous entrepreneurship.

Entrepreneurial attitude toward opportunity recognition (Hypothesis 6)

The results indicated support for the hypothesis that nascent indigenous entrepreneurs demonstrate high levels of entrepreneurial attitude toward opportunity recognition on all three subscales – cognitive, behaviour and feelings (however, they do not find this fun and exciting).

Opportunities from an indigenous perspective, though, may be different than opportunities from a non-indigenous perspective. Whereas non-indigenous entrepreneurship focuses on economic objectives, indigenous entrepreneurship embraces both economic and non-economic objectives. Business opportunities from an indigenous perspective, therefore, will take a different form than those identified from a non-indigenous perspective (*e.g.*, an opportunity regarded as viable from a non-indigenous view may not be regarded as an option from an indigenous perspective if the opportunity threatens cultural values and practices). Although there are similarities with non-indigenous and indigenous entrepreneurship, there are significant differences as well. Thus, trying to 'transplant' entrepreneurship training programmes developed in non-indigenous contexts to indigenous settings will most probably result in significant failure. Not only do the nature of the programme content and processes need to embrace indigenous cultural values and customs, but the programme instructors and mentors also need to understand these cultural values and practices as well as non-indigenous and indigenous entrepreneurship differences.

Another implication of this research is that it may be possible to improve the 'capture' of indigenous entrepreneurial attitudes toward opportunity recognition by modifying the McCline *et al.* (2000) instrument to be more inclusive of indigenous entrepreneurship since their instrument was developed using traditional entrepreneurship theory and administered to non-indigenous (health worker) participants. A revised indigenous-oriented instrument would provide a richer understanding of indigenous entrepreneurs' attitudes toward opportunity recognition.

Entrepreneurial attitude toward opportunity recognition and expected personal performance (Hypothesis 7)

The results indicated partial support for a relationship between nascent indigenous entrepreneurs' attitude toward opportunity recognition and expected personal performance. Significant relationships were identified between cognitive EOR and innovation and financial security, behaviour EOR and self-realisation, innovation, financial security and community recognition, and affective EOR and self-realisation, innovation, financial security and community recognition. Cognitive, behaviour and affective EOR was not associated with expected personal success measures independence and family obligations and nor was cognitive EOR related to self-realisation or community recognition.

At a general level, the results suggest that entrepreneurial attitudes toward opportunity recognition can influence at least some expected personal performance measures. Nascent indigenous entrepreneurs appear to appreciate that indigenous entrepreneurial success is broadly related to opportunity recognition: if opportunities are not recognised then success will not occur. However, since fun and enjoyment was not associated with EOR, it would appear that nascent indigenous entrepreneurs see the recognition of opportunities almost as a 'necessary evil' conduit to achieving success. It is not fun, exciting or enjoyable, but it is a necessary chore.

At a specific level, however, how nascent indigenous entrepreneurs *think* about opportunity recognition appears to have no bearing on their expectations of achieving self-realisation, independence and fulfilling family obligations, and being recognised by the community. Similarly, how nascent indigenous entrepreneurs *behave* and *feel* toward opportunities do not appear to be associated with achieving independence and fulfilling family obligations. Yet, identifying the 'right' opportunity is central to success – however it is measured. Thus, this type of thinking, behaviour and feeling needs to be changed through appropriate training and mentoring processes.

6 Research contributions

This research is very much exploratory. Currently, much of our understanding of OR focuses on non-indigenous entrepreneurs. From a theoretical perspective, this research extends the current body of knowledge to include indigenous entrepreneurs with the aim of creating a more holistic and inclusive theory of OR. Non-indigenous, western theories need to be modified to explain attitudes and behaviours of indigenous entrepreneurs (Dana, 2000). From an applied perspective, the research provides insights into the development of indigenous entrepreneur training programmes. Entrepreneur training programmes developed for non-indigenous entrepreneurs probably will not necessarily be transferable – 'as is' – to indigenous training situations. To be effective, specialised entrepreneurship training programmes founded upon an appreciation of indigenous entrepreneurship (that reflects indigenous cultural values and practices) will be most effective in training nascent indigenous entrepreneurs (Dana, 2000; 2001).

6.1 Research limitations and future research directions

The research is exploratory and has a number of limitations. First, the sample was not selected randomly. Participants were pre-qualified as being potential nascent entrepreneurs. As such, extrapolation of the results to nascent entrepreneurs generally should be done with caution. Second, the research did not examine nascent indigenous entrepreneurs not enrolled on an indigenous training and incubator programme, nor did it examine nascent non-indigenous entrepreneurs. Undertaking a comparison between these groups would be useful and needs to be undertaken in future studies. Third, the data was collected in South Africa. Extrapolation of the results to indigenous communities in other countries should be undertaken with care due to cultural values and custom differences of different indigenous peoples. Similar studies with indigenous communities in different countries need to be undertaken. Fourth, culture is recognised as an important contextual variable in this study but it was not measured. Future research needs to include such a measure.

7 Summary

The purpose of this exploratory research was to contribute toward the development of a holistic theory of entrepreneurial attitude toward opportunity recognition (EOR) that incorporates both indigenous and non-indigenous perspectives. The research identified the existence of an EOR in nascent indigenous entrepreneurs but values had no effect on EOR. A partial relationship between EOR and success was established and a partial relationship between values and expected personal performance was established. The research makes contributions at both the theoretical and practical levels; however, there is a need to undertake further research into nascent indigenous entrepreneurs as this is an important and emerging area.

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