

Entrepreneurship Theoretical Amplification and Its Implications on New Venture Creation in Nigeria

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Abstract

Entrepreneurship is a driving force behind economic growth and development. To drive entrepreneurship, different theories echo the need and basis for encouraging new venture creation in stimulating national prosperity. This paper adopted the empirical review approach to delved into the latitude of entrepreneurial theories and re-echoing its pivotal role as a catalyst to new venture creation. It underscores the profound influence of economic incentives on start-ups or new business development. The analysis indicated that different theories such as innovation, economic, psychological, sociological, and achievement motivation theories stimulate entrepreneurs to start new venture. The researcher noted that these parameters illuminate the diverse dimensions of entrepreneurship, shedding light on its intricate dynamics. The paper further indicated that within the entrepreneurial theoretical landscape, economic incentives play a pivot role in stimulating new venture development. The attraction of financial rewards, autonomy, and market dynamics motivates individuals to venture into entrepreneurial endeavors. Government policies, supportive ecosystems, and economic conditions also contribute significantly and influence the decisions of people to become entrepreneurs. The researcher concludes that entrepreneurship is a dynamic and an opportunity-seeking process that serves as a catalyst for wealth creation in any nation.

Keywords: *Entrepreneurship, New Venture creation, Entrepreneurship theories, Economic incentives, Entrepreneurial development*

1. Introduction

Entrepreneurship is a dynamic and transformative factor that plays a pivot role in stimulating economic growth and development. It is an opportunity-seeking behaviour that enhances development through creativity and innovation, particularly in emerging markets like Nigeria (Gries & Naudé, 2010; Acs & Szerb, 2007). The emergence and growth of new ventures within the entrepreneurial ecosystem of a country represent a vital component that stimulates job creation, economic development, and societal transformation (Oyelaran-Oyeyinka & Adeya, 2005). We delve into its theoretical foundations, practical applications, and profound implications for the performance of new ventures in this dynamic and evolving environment. To understand entrepreneurship in a country, one must grasp the unique dynamics of the Nigerian entrepreneurial

landscape. Nigeria, as one of Africa's most populous and economically deficient nation, serves as a prime example of an emerging market for developed economics which characterized by both few opportunities and challenges for new business entrants (Fafchamps & Minten, 2002). New venture performance refers to the assessment and evaluation of how effectively a startup or newly established business is achieving its objectives and goals (Kuratko, 2016). It involves measuring various aspects of the venture's activities, outcomes, and impact to determine its overall success and sustainability. New venture performance is a multidimensional concept, encompassing both quantitative and qualitative measures, and it plays a critical role in understanding the venture's competitiveness and potential for growth. One of the primary dimensions of new venture performance is financial performance. This aspect focuses on key financial indicators such as revenue, profitability, return on investment (ROI), and cash flow (Wiklund & Shepherd, 2003). Financial performance measures the venture's ability to generate profits, control expenses, and maintain financial stability. It provides a fundamental assessment of the venture's economic viability and long-term prospects.

Another critical dimension of new venture performance is growth and expansion. Growth is often considered a hallmark of a successful startup and involves measures such as the rate of customer acquisition, market share expansion, product or service line extensions, and geographic market reach (Davidsson & Wiklund, 2001). Sustainable growth indicates the venture's ability to capitalize on market opportunities and scale its operations effectively. Customer satisfaction and loyalty also contribute significantly to new venture performance. Satisfied and loyal customers are more likely to make repeat purchases and recommend the venture to others (Fornell, 1992). Monitoring customer satisfaction through surveys and feedback mechanisms helps gauge how well the venture is meeting customer expectations and building a loyal customer base. Operational efficiency is crucial for cost management and resource utilization. Measuring operational performance involves evaluating factors such as production efficiency, inventory management, and process optimization (Makridakis, 1997). Efficient operations enable the venture to deliver products or services cost-effectively and maintain a competitive edge. Innovation and adaptation are essential aspects of new venture performance, particularly in dynamic markets. Innovation measures the development and implementation of new ideas, products, or services (Tidd & Bessant, 2018). Successful adaptation to changing market conditions is critical for performance in rapidly evolving industries. Employee satisfaction and productivity are integral to the performance of a new venture. Satisfied employees are more engaged and motivated, which can lead to higher productivity levels (Wright & Nishii, 2006). Employee satisfaction metrics reflect the quality of the work environment and the venture's ability to attract and retain top talent. Strategic goals achievement is central to new venture performance assessment. It involves measuring progress toward achieving the venture's strategic objectives, which could include market expansion, product development, or profitability targets (Hitt et al., 2018). Evaluating performance against strategic goals helps determine whether the venture is on track to fulfill its long-term vision.

Nigeria's entrepreneurial landscape benefits from a vibrant start-up culture, driven by a youthful population and a growing middle class with increasing purchasing power (Ehikioya, 2018). Additionally, a country's strategic location in West Africa, rich natural resources, and a rapidly urbanizing populace contribute to its economic potential (Ogundele, 2018). A country's

government, recognizing the significance of entrepreneurship, has initiated various policies and initiatives aimed at promoting entrepreneurship and innovation as key drivers of economic growth (Ogujiuba, 2009). Nevertheless, Nigeria faces numerous challenges that impact entrepreneurship and new venture performance (Ezeani & Onugu, 2018). Infrastructure deficits, inadequate access to financing, complex regulatory environments, and issues related to corruption and security pose significant hurdles that entrepreneurs must navigate (Anyim, 2016). Understanding this contextual backdrop is essential for comprehending the complexities and nuances of entrepreneurship in a country. At the heart of our exploration lies a fundamental question: What drives entrepreneurship, and how can these drivers be harnessed to enhance the performance of new ventures in a country? To answer this question, we turn to the rich theoretical landscape of entrepreneurship, where various models and frameworks provide insights into the factors that influence entrepreneurial behavior and success.

Joseph Schumpeter's Theory of Creative Destruction (1934) offers a foundational perspective, emphasizing the role of entrepreneurs as agents of innovation (Schumpeter, 1934). According to Schumpeter, entrepreneurs disrupt existing industries by introducing novel products, processes, or business models (Alvarez & Barney, 2007). In a country, this theory finds resonance as entrepreneurs strive to create innovative solutions to address local challenges and seize emerging opportunities. Another influential framework, the Resource-Based View (RBV), posits that a firm's competitive advantage and performance are contingent on its unique bundle of resources and capabilities (Barney, 1991). For new ventures in a country, access to critical resources such as human capital, financial capital, and networks is paramount, and understanding how to leverage these resources effectively is a key determinant of success (Abdulkadir & Olokundun, 2020).

Again, the Psychological Theory of Entrepreneurship delves into the individual and psychological factors that drive entrepreneurial behavior and success. While not a single, universally accepted theory, it draws upon various psychological principles to understand why some individuals choose entrepreneurship as a career path and how their psychological traits influence their performance as entrepreneurs (Shane & Venkataraman, 2000). Economic Theory of Entrepreneurship, as championed by Israel M. Kirzner, is a foundational framework that highlights the critical economic role of entrepreneurs in identifying and exploiting market opportunities (Kirzner, 1973). At its core, this theory emphasizes that entrepreneurs are individuals with a unique ability to perceive and act upon opportunities for profit that others may have overlooked (Kirzner, 1979). Kirzner contends that markets are not always in a state of equilibrium, and entrepreneurs play a crucial role in bringing markets closer to equilibrium by recognizing and addressing discrepancies between supply and demand. In essence, entrepreneurs act as arbitrageurs, bridging information gaps in the market and facilitating resource allocation (Baumol, 1993).

The sociological theory of entrepreneurship focuses on the societal and cultural factors that influence individuals' decisions to become entrepreneurs and shape their entrepreneurial behaviors (Aldrich & Zimmer, 1986). This theory emphasizes the importance of social networks, norms, and institutions in fostering or constraining entrepreneurship (Shane & Venkataraman, 2000). According to Aldrich and Zimmer (1986), social networks play a crucial role in entrepreneurship, as individuals often draw on their social ties for resources, information, and support when starting

and running businesses. These networks can provide entrepreneurs with access to capital, knowledge, and potential customers.

The achievement motivation theory of entrepreneurship centers on the idea that individuals with a high need for achievement are more likely to become entrepreneurs (McClelland, 1961). This theory posits that people driven by a strong desire to accomplish challenging goals and outperform others are inclined to seek entrepreneurial opportunities and take risks to achieve success (McClelland, 1961). McClelland's research suggested that individuals with a high need for achievement are characterized by a preference for tasks with clear goals, a strong desire for feedback on their performance, and a willingness to take personal responsibility for their outcomes (McClelland, 1961). A study conducted by Adekunle et al. (2020) explored the relationship between entrepreneurial orientation and the performance of new ventures in a country (Adekunle et al., 2020). Their research found that ventures with a strong entrepreneurial orientation, characterized by innovation, proactiveness, and risk-taking, were more likely to achieve high growth and profitability in the Nigerian market. This empirical evidence underscores the practical relevance of entrepreneurial theory in the Nigerian context. Similarly, research by Eze and Ugwu (2018) examined the impact of entrepreneurship education on the entrepreneurial intentions of Nigerian university students. The study found that exposure to entrepreneurship education positively influenced students' intentions to pursue entrepreneurial careers, highlighting the role of education in nurturing entrepreneurial talent (Eze & Ugwu, 2018). This paper examines entrepreneurship theoretical amplifications and its implications on new ventures performance.

2. Literature Review

2.1 Entrepreneurship and value creation

In the Nigerian context, entrepreneurship is a dynamic and multifaceted concept that plays a crucial role in driving economic growth, fostering innovation, and addressing societal challenges. Nigerian entrepreneurs are known for their ability to identify and pursue opportunities, often in the face of unique challenges and market conditions. Entrepreneurship in Nigeria is characterized by a keen sense of identifying unmet needs and untapped opportunities within the market. Nigerian entrepreneurs are adept at recognizing gaps in products, services, or processes and proactively seeking innovative solutions to address these needs (Oyelaran-Oyeyinka & Lal, 2006). This process often involves creativity and risk-taking, as entrepreneurs venture into uncharted territories to establish and grow new businesses or initiatives (Oyelaran-Oyeyinka & Lal, 2006). Value creation, within the Nigerian entrepreneurial landscape, is of paramount importance. Nigerian entrepreneurs are driven by the desire to generate benefits and advantages that enhance the well-being of individuals, organizations, and society as a whole (Adegbite & Mathew, 2019). This value creation takes on various forms, including economic, social, and cultural value. Economic value creation involves the development of products, services, or business models that generate revenue, profit, and economic growth, contributing significantly to the nation's GDP (Ajala, 2018). In Nigeria, entrepreneurship often focuses on addressing pressing social challenges through innovative solutions. Entrepreneurs are at the forefront of initiatives related to healthcare advancements, environmental sustainability, and social enterprises that address issues such as poverty and inequality (Oyelaran-Oyeyinka & Lal, 2006). This emphasis on societal value creation aligns with Nigeria's broader development goals and contributes to the well-being of its citizens.

Efficient resource allocation and innovation are key drivers of value creation in Nigerian entrepreneurship (Adegbite & Mathew, 2019). Entrepreneurs often face resource constraints, and their ability to allocate these resources effectively and introduce innovations that improve processes or products is vital for generating superior outcomes and benefits (Oyelaran-Oyeyinka & Lal, 2006).

Entrepreneurship, often described as the engine of economic development, plays a pivotal role in value creation on multiple fronts, permeating the very fabric of societies. This partnership between entrepreneurship and value creation is integral to the vitality of economies and the betterment of human lives. To appreciate its significance, let us delve deeper into each dimension:

1. Economic value creation: At the forefront of the entrepreneurial landscape is economic value creation. Entrepreneurial ventures give birth to new enterprises, products, and services that extend far beyond the mere act of profit-making. These ventures are instrumental in generating substantial revenue and profit, and they invigorate overall economic growth. Entrepreneurs, driven by their unyielding spirit, have an innate ability to identify unexplored market segments or offer superior alternatives to existing solutions (Audretsch & Link, 2012). By doing so, they not only kindle the fires of economic prosperity but also foster competitiveness and innovation within markets.

2. Innovation as the catalyst: Entrepreneurship and innovation are inseparable companions. Entrepreneurial endeavors continually introduce novel technologies, processes, and business models that stand as the vanguards of efficiency, elevated product quality, and amplified customer satisfaction. This dynamic process of innovation extends far beyond mere refinement; it sparks the creation of entirely new markets, ushering in a transformative wave of progress and change (Schumpeter, 1942). Entrepreneurs, armed with their vision and creativity, are the torchbearers of this transformative innovation, leading societies into uncharted territories of possibilities.

3. Nurturing job creation: Entrepreneurship's impact extends well beyond the balance sheets and spreadsheets—it significantly influences employment landscapes. Startups, often born out of the entrepreneurial spirit, evolve into vital sources of employment. These nascent ventures provide livelihoods for countless individuals, fueling employment opportunities and income generation (Van Praag & Versloot, 2007). As they grow and thrive, they not only support individuals and their families but also bestow invaluable social value upon local and national economies, aiding in poverty reduction and social stability.

4. Societal advancements: Beyond economic prosperity, entrepreneurship frequently assumes the role of a societal change agent. Entrepreneurs, armed with their innovative acumen, embark on journeys to tackle pressing societal challenges. They channel their energy and resources toward addressing healthcare disparities, environmental sustainability, and social inequalities (Mair & Marti, 2006). These endeavors transcend monetary gains, leaving indelible imprints of positive societal impact. They signify a deeper sense of responsibility and a commitment to addressing the most pressing issues facing our world.

5. Stakeholder Satisfaction: Entrepreneurial value creation casts a wide net, encompassing stakeholders across the spectrum. Entrepreneurs who craft exceptional products or services prioritize the needs and desires of their customers. This approach paves the way for heightened satisfaction and customer loyalty, driving market success. Simultaneously, entrepreneurs attract investment, fostering a fertile ground for capital infusion. Their enterprises offer fulfilling work environments for employees, emphasizing the importance of a harmonious work-life balance

(Freeman, 1984). Moreover, they contribute to community development by actively engaging with local societies, sharing resources, and nurturing a sense of shared responsibility.

2.2 Entrepreneurship Theoretical Amplification

Theory of Economic Incentives

Richard Cantillon's pioneering work, "Essai sur la Nature du Commerce en Général" (Essay on the Nature of Trade in General), published in 1755, laid the foundation for understanding the role of entrepreneurship and economic incentives in shaping economic systems. Cantillon's insights have significantly influenced economic thought and continue to be relevant in contemporary discussions about economic incentives (Cantillon, 1755). Cantillon's theory centers on the idea that entrepreneurs play a critical role in economic systems. He posits that entrepreneurs are risk-takers who engage in uncertain activities, aiming to profit from price differentials in various markets (Cantillon, 1755). In this context, Cantillon's work highlights the dynamic nature of entrepreneurship and its link to economic incentives. One of the key contributions of Cantillon's theory is his concept of the entrepreneur as a resource allocator. Entrepreneurs identify opportunities in the market and allocate resources to exploit these opportunities efficiently (Cantillon, 1755). This resource allocation is driven by the potential for profit, making economic incentives a central theme in Cantillon's work. Cantillon's theory suggests that economic incentives, in the form of potential profits, motivate entrepreneurs to engage in risky activities. By seeking opportunities to buy at lower prices and sell at higher prices, entrepreneurs drive market equilibrium and allocate resources more efficiently (Cantillon, 1755). This aligns with the broader understanding of economic incentives as drivers of entrepreneurial action and resource allocation. In summary, Richard Cantillon's theory, as outlined in his "Essay on the Nature of Trade in General," underscores the fundamental role of entrepreneurs in resource allocation and the pursuit of profit. Economic incentives, in the form of potential profits, are central to his theory, motivating entrepreneurs to engage in activities that contribute to market equilibrium and resource efficiency.

Economic Theory

The Economic Theory of Entrepreneurship, championed by Israel M. Kirzner, provides a foundational framework that sheds light on the indispensable economic contributions of entrepreneurs in identifying and seizing market opportunities (Kirzner, 1973). This theory revolves around the core premise that entrepreneurs possess a distinctive ability to perceive and capitalize on opportunities for profit that may have eluded others (Kirzner, 1979). In the heart of this theory lies a profound understanding of the dynamics of markets, resource allocation, and the role of entrepreneurial alertness. Kirzner's theory challenges the classical notion of markets as always being in a state of equilibrium. Instead, it underscores the reality that markets are often marked by imperfections, information gaps, and disequilibrium. Entrepreneurs, according to Kirzner, serve as vital agents in the continuous process of bringing markets closer to equilibrium by recognizing and addressing discrepancies between supply and demand (Kirzner, 1973). One of the central ideas within Kirzner's framework is the concept of entrepreneurial alertness. Entrepreneurs are seen as individuals who possess a heightened level of alertness to market signals and opportunities. They have a remarkable capacity to spot inefficiencies, unmet needs, or undervalued resources that others may have overlooked. This heightened awareness allows them to act swiftly, seizing upon these opportunities to create value and profit (Kirzner, 1979). In essence, entrepreneurs can be likened to arbitrageurs within the market. They play a critical role in bridging information gaps by

acquiring and processing data that others may not possess. This information serves as the basis for their decisions, enabling them to allocate resources more efficiently and exploit profit opportunities (Baumol, 1993). The process of entrepreneurial alertness and action helps markets evolve toward a state of greater equilibrium by aligning supply and demand more accurately. Kirzner's theory challenges the conventional view that markets always tend toward equilibrium through the invisible hand of competition. Instead, it highlights the proactive role of entrepreneurs in pushing markets toward equilibrium. Through their keen insight, resource allocation decisions, and pursuit of profit opportunities, entrepreneurs are not merely passive participants in the market but are dynamic forces for change and adaptation.

Sociological Theory

The sociological theory of entrepreneurship delves into the intricate web of societal and cultural forces that significantly influence individuals' decisions to embark on entrepreneurial journeys and, subsequently, shape their entrepreneurial behaviors (Aldrich & Zimmer, 1986). This theoretical perspective provides valuable insights into the interconnectedness between entrepreneurship and the broader social context, highlighting the pivotal role of social networks, norms, and institutions in either fostering or constraining entrepreneurial activities (Shane & Venkataraman, 2000). One of the central tenets of the sociological theory of entrepreneurship is the recognition of the profound impact of social networks on entrepreneurial endeavors. As noted by Aldrich and Zimmer (1986), social networks serve as a vital conduit through which individuals access critical resources, information, and support when initiating and managing businesses. These networks encompass a web of personal and professional relationships that entrepreneurs draw upon for various purposes. Within these social networks, entrepreneurs can tap into a treasure trove of resources that are often essential for business success. Access to capital, in the form of loans, investments, or even informal financial support from friends and family, is facilitated through these networks. Moreover, entrepreneurs can acquire valuable industry-specific knowledge, business contacts, and potential customers, all of which are instrumental in the growth and sustainability of their ventures. Social networks, thus, serve as conduits for knowledge diffusion and resource mobilization, providing entrepreneurs with a competitive edge in the marketplace. Furthermore, the sociological theory of entrepreneurship underscores the significance of societal norms and cultural values in shaping entrepreneurial behaviors. In different societies and cultures, the perception of entrepreneurship can vary widely. Some societies may celebrate and encourage risk-taking and innovation, while others may favor stability and conformity. These cultural norms influence individuals' attitudes toward entrepreneurship, impacting their willingness to embark on entrepreneurial journeys. Institutional factors also play a crucial role in the sociological theory of entrepreneurship. Government policies, regulatory frameworks, and support structures can either facilitate or hinder entrepreneurship. Entrepreneurial ecosystems that foster innovation and provide access to resources are more likely to give rise to thriving entrepreneurial communities.

Innovation Theory

Innovation Theory of Entrepreneurship, as elucidated by Joseph Schumpeter, is a prominent framework that underscores the pivotal role of innovation in driving entrepreneurial activities and economic progress (Schumpeter, 1934). This theory posits that entrepreneurs are central figures in the economic landscape who identify and exploit opportunities by introducing novel and

innovative products, services, processes, or business models into the market. Schumpeter introduced the concept of "creative destruction," emphasizing that entrepreneurs disrupt existing markets and industries through their innovative endeavors, leading to the replacement of old and outdated practices with new and more efficient ones (Schumpeter, 1942). In this theory, entrepreneurs are not mere business operators but are regarded as catalysts of change and renewal, fostering economic growth through the introduction of disruptive innovations that reshape industries and markets. Innovation, in this context, is a dynamic process that continually evolves, making entrepreneurship a driving force behind economic development, technological progress, and increased competitiveness.

Schumpeter's innovation theory of entrepreneurship recognizes that innovations can take various forms, including product innovation (the development of new or improved products), process innovation (enhancing production methods or supply chain efficiency), marketing innovation (finding novel ways to reach and engage customers), and organizational innovation (restructuring a firm's internal operations for greater efficiency and adaptability) (Dosi, 1988). This comprehensive view of innovation underscores its multifaceted nature and the numerous ways in which entrepreneurs can contribute to value creation and market differentiation. Moreover, it highlights that successful entrepreneurship is not limited to the creation of startups but extends to established firms that continue to innovate and adapt to changing market conditions. Ultimately, the innovation theory of entrepreneurship underscores the critical role that entrepreneurial innovators play in shaping economies and societies, making it a fundamental framework for understanding the dynamics of business and economic development.

Psychological theory

The Psychological Theory of Entrepreneurship represents a fascinating exploration of the intricate interplay between individual psychology and the entrepreneurial journey. Although it is not a single, universally accepted theory, this perspective draws upon various psychological principles to elucidate why certain individuals opt for entrepreneurship as a career path and how their psychological traits exert profound influence over their performance and success as entrepreneurs (Shane & Venkataraman, 2000). At its core, this theory acknowledges that entrepreneurship is fundamentally a human endeavor, and thus, understanding the minds and motivations of entrepreneurs is essential. One prominent aspect that the Psychological Theory of Entrepreneurship examines is the entrepreneurial mindset. Entrepreneurs often exhibit a unique set of psychological traits and characteristics, such as a high need for achievement, risk tolerance, resilience, and a propensity for innovation (McClelland, 1961). These traits can drive individuals to seek opportunities and persevere in the face of challenges, making them well-suited for entrepreneurship. Moreover, this theory delves into the concept of entrepreneurial intention, which focuses on an individual's psychological inclination or willingness to pursue entrepreneurial activities (Krueger et al., 2000). Psychological factors, such as self-efficacy (the belief in one's ability to succeed as an entrepreneur) and locus of control (the perception of control over one's life and outcomes), are integral components influencing an individual's decision to become an entrepreneur (Chen et al., 1998). Individuals with a strong sense of self-efficacy and an internal locus of control are more likely to perceive entrepreneurship as a viable and attractive career choice. The Psychological Theory of Entrepreneurship also delves into the role of cognition and

decision-making processes. Entrepreneurs are often required to make complex decisions in uncertain and dynamic environments. Research in this domain explores how cognitive biases, such as over-optimism or risk perception, can impact entrepreneurial decision-making (Busenitz & Barney, 1997). Understanding these cognitive processes can provide valuable insights into the factors that influence entrepreneurs' choices and strategies. Additionally, this theory recognizes the significance of psychological resources, including motivation, resilience, and coping mechanisms. Entrepreneurship can be a demanding and stressful endeavor, and psychological resources play a critical role in an entrepreneur's ability to navigate challenges, bounce back from setbacks, and sustain long-term performance (Baron, 2008). The ability to maintain high levels of motivation and resilience in the face of adversity is often a distinguishing trait of successful entrepreneurs.

Achievement motivation theory

The achievement motivation theory of entrepreneurship, originally formulated by McClelland in 1961, provides valuable insights into the psychological drivers that lead individuals to pursue entrepreneurial paths. At its core, this theory posits that individuals with a pronounced need for achievement are more predisposed to becoming entrepreneurs (McClelland, 1961). Such individuals exhibit a strong desire to accomplish challenging goals and are willing to take calculated risks to attain success in their endeavors (McClelland, 1961). One of the key characteristics associated with individuals driven by a high need for achievement is their preference for tasks and projects with clear and well-defined goals. They thrive in situations where the objectives are challenging but attainable, and they are motivated by the prospect of surpassing these objectives (McClelland, 1961). This trait aligns with the entrepreneurial journey, where setting and achieving ambitious goals are essential components of success. Entrepreneurs often face uncertainties and complexities, and those with a high need for achievement are more inclined to tackle these challenges head-on.

Additionally, individuals with a strong need for achievement have a notable appetite for feedback on their performance. They actively seek information and evaluations that help them gauge their progress and identify areas for improvement (McClelland, 1961). In the entrepreneurial context, feedback is invaluable. Entrepreneurs continuously assess market responses, customer feedback, and performance metrics to refine their strategies and adapt to changing circumstances. The inclination to actively seek and use feedback aligns with the entrepreneurial mindset of continuous learning and adaptation. Moreover, a critical aspect of the achievement motivation theory is the willingness of individuals to take personal responsibility for their outcomes (McClelland, 1961). Entrepreneurs often operate in environments characterized by uncertainty, where outcomes are shaped by their decisions and actions. Those with a high need for achievement are more likely to embrace this responsibility and take ownership of their ventures' successes and failures. This sense of personal responsibility drives them to proactively make strategic choices, seize opportunities, and persevere in the face of setbacks.

2.3. Core incentives for entrepreneurship development

The core incentives for entrepreneurship development constitute a multifaceted web of motivations that inspire individuals to embark on entrepreneurial journeys and actively contribute to the

flourishing of entrepreneurial ecosystems. These incentives serve as the driving forces behind the inception and sustenance of entrepreneurial ventures, playing a pivotal role in fostering entrepreneurship and catalyzing economic development.

1. **Financial Gain:** The pursuit of financial gain stands as one of the foundational incentives propelling individuals toward entrepreneurship (Shane & Venkataraman, 2000). Entrepreneurs are enticed by the tantalizing prospect of reaping profits, accumulating wealth, and attaining financial autonomy and independence. The allure of monetary rewards serves as a compelling motivation, motivating individuals to invest resources, assume risks, and venture into entrepreneurial endeavors with the hope of securing financial prosperity.

2. **Autonomy and Independence:** Entrepreneurship offers a unique proposition – the opportunity for individuals to break free from the confines of traditional employment and become masters of their own destinies (Baumol, 1993). The allure of autonomy and independence, wherein entrepreneurs wield complete authority over decision-making and business operations, exerts a magnetic pull on those who value self-determination and the liberty to chart their entrepreneurial course.

3. **Innovation and Creativity:** Entrepreneurship serves as a fertile ground for nurturing innovation and creativity (Aldrich & Zimmer, 1986). The intrinsic desire to transform inventive ideas into tangible realities and usher in novel solutions to existing challenges fuels the entrepreneurial spirit. Entrepreneurs are driven by the prospect of manifesting their creative visions, introducing disruptive innovations to the market, and leaving an indelible mark on industries.

4. **Job Satisfaction:** Entrepreneurship often translates into heightened levels of job satisfaction (Shane & Venkataraman, 2000). By aligning their work with their passions, values, and interests, entrepreneurs experience a profound sense of fulfillment and purpose. This alignment between personal and professional aspirations serves as a powerful incentive, driving individuals to pursue entrepreneurial paths that resonate with their inner calling.

5. **Flexibility and Work-Life Balance:** Entrepreneurship offers a coveted perk – flexibility in terms of work hours and location (Aldrich & Zimmer, 1986). This flexibility enables entrepreneurs to curate work schedules that accommodate personal commitments, thereby facilitating a superior work-life balance. This attribute is particularly enticing to individuals seeking to harmonize family life and career ambitions.

6. **Social Impact:** A growing cohort of entrepreneurs is galvanized by a profound desire to make a positive impact on society (Mair & Marti, 2006). This inclination toward social entrepreneurship is characterized by a commitment to addressing pressing social and environmental challenges through innovative and sustainable solutions. The prospect of effecting meaningful change serves as a compelling incentive, attracting those driven by a sense of societal responsibility.

7. **Recognition and Reputation:** Entrepreneurship offers the prospect of personal recognition and the cultivation of a robust reputation within industries or communities (Baumol, 1993). Successful entrepreneurs often become synonymous with their ventures, leaving behind lasting legacies and being celebrated for their contributions. The aspiration to carve out a distinguished legacy and attain recognition serves as a potent motivator.

8. **Opportunities for Growth:** Entrepreneurship is a crucible for personal and professional growth (Shane & Venkataraman, 2000). The entrepreneurial journey is fraught with challenges, learning experiences, and opportunities for self-improvement. Entrepreneurs are propelled by the promise of honing their skills, gaining valuable insights, and continually evolving as individuals.

2.4. Economic incentives and new venture creation

Economic incentives play a pivotal role in influencing the creation of new ventures in Nigeria, where entrepreneurship is viewed as a key driver of economic growth and job creation. These incentives encompass a broad spectrum of financial and economic factors that motivate entrepreneurs to initiate and effectively manage their ventures (Ajala, 2018). Understanding the intricate relationship between economic incentives and new venture creation and performance is of paramount importance in the Nigerian context, where a vibrant entrepreneurial ecosystem is emerging. One of the most critical economic incentives for new ventures that is a gap in Nigeria is access to capital. Adequate funding is essential for startups to develop their products or services, embark on marketing campaigns, and scale their operations (Adegbite & Mathew, 2019). Recognizing the importance of capital infusion, Nigeria's entrepreneurial ecosystem has witnessed a surge in venture capital investments and government grants specifically designed to provide financial resources to fuel the growth and enhance the performance of startups (Eresia-Eke, 2019). Capital not only provides the necessary financial runway for ventures but also instills confidence, fosters innovation, and ultimately drives performance. Tax incentives also play a pivotal role in incentivizing entrepreneurship in Nigeria. Government policies often include tax credits, deductions, or exemptions for startup expenses, research and development (R&D) activities, or investments in specific industries (Omolehinwa & Omolehinwa, 2015). These incentives serve to alleviate the financial burden on entrepreneurs, making it more appealing for them to invest in their ventures. By reducing taxation on certain aspects of their operations, startups can free up resources to channel into growth, innovation, and improving their overall performance. Market-based incentives are influenced by Nigeria's economic conditions and market dynamics. Entrepreneurs are more inclined to enter markets with high growth potential or favorable economic conditions, as these factors can lead to increased demand for products and services, higher profit margins, and overall better performance (Ajala, 2018). The economic environment and market conditions play a crucial role in shaping the trajectory of new ventures, influencing their strategic decisions and performance outcomes. The profit motive serves as a fundamental economic incentive for entrepreneurs in Nigeria. The potential for financial rewards, wealth creation, and financial independence motivates individuals to take the risks associated with starting and operating a new venture (Eresia-Eke, 2019). The allure of achieving financial success drives entrepreneurs to make strategic decisions that optimize performance, from pricing strategies to cost management, to ensure the sustainability and profitability of their ventures.

Furthermore, economic incentives in Nigeria can drive new ventures to seek cost-effective solutions and operational efficiency (Adegbite & Mathew, 2019). By minimizing costs and maximizing resource utilization, new ventures can improve their profitability and competitive advantage, which are essential for sustainable performance. This emphasis on efficiency becomes a critical aspect of the entrepreneurial mindset in Nigeria, where resources are often constrained, and startups must navigate a challenging business environment. Competition in the Nigerian market is also a significant economic incentive for new ventures to perform at their best. The presence of competitors can spur innovation, quality improvement, and customer-centric strategies (Ajala, 2018). Healthy market competition can drive new ventures to continuously enhance their performance to gain a competitive edge, which ultimately benefits consumers and the overall business landscape. Additionally, economic development incentives are offered by some regions

or governments in Nigeria to attract new ventures. These incentives may include grants, tax breaks, or subsidies provided to startups that choose to operate within specific geographic areas (Omolehinwa & Omolehinwa, 2015). Such incentives aim to stimulate local economic growth and job creation, further enhancing the performance of new ventures. Entrepreneurs may be enticed by these opportunities to contribute to regional development while benefiting from the incentives provided.

2.5. Implications on Economic growth and Development

The positive correlation between economic incentives and new venture performance in Nigeria contributes significantly to overall economic growth. As new ventures flourish and expand, they generate employment opportunities, stimulate economic activities in related industries, and increase the country's gross domestic product (GDP) (Ajala, 2018). This growth not only enhances the standard of living but also strengthens Nigeria's position in the global economy. The performance of new ventures spurred by economic incentives leads to job creation on a substantial scale. Startups that thrive often require a workforce to meet growing demand and expand operations (Eresia-Eke, 2019). This not only reduces unemployment rates but also provides opportunities for skills development and income generation, particularly among Nigeria's youth population. The growth of new ventures fueled by economic incentives contributes to increased tax revenue for the Nigerian government. As businesses expand and become profitable, they pay taxes on their earnings, which can be channeled into public infrastructure development, education, healthcare, and other essential services (Omolehinwa & Omolehinwa, 2015). This, in turn, enhances the government's capacity to invest in the nation's socioeconomic development. Economic incentives stimulate innovation within new ventures. Entrepreneurs are motivated to invest in research and development (R&D) activities, leading to the creation of new products, services, and technologies (Adegbite & Mathew, 2019). This innovation not only enhances the competitiveness of Nigerian businesses but also positions the country as a hub for technological advancement in Africa. Economic incentives that attract new ventures can lead to more balanced regional development in Nigeria. By encouraging startups to operate in specific geographic areas, these incentives can help reduce regional disparities in economic growth (Omolehinwa & Omolehinwa, 2015). This promotes a more equitable distribution of economic opportunities and resources. The success of new ventures supported by economic incentives contributes to the development of a robust entrepreneurial ecosystem in Nigeria. This ecosystem includes business support services, mentoring networks, and access to capital (Eresia-Eke, 2019). A vibrant entrepreneurial ecosystem fosters the growth of more startups, creating a virtuous cycle of innovation and economic development. As Nigerian new ventures thrive and excel, they contribute to the country's global competitiveness. Innovative startups can enter international markets, export products and services, and attract foreign investment (Ajala, 2018). This not only enhances Nigeria's presence on the global stage but also bolsters its trade balance and foreign exchange reserves.

2.6 Conclusion

This paper explored entrepreneurship theoretical amplification and its implications on new ventures creation. It delved into the theoretical foundations, practical applications, and implications for the creation of new ventures in Nigeria. Theoretical frameworks such as Joseph

Schumpeter's theory of creative destruction emphasizes the role of entrepreneurs as agents of innovative change, disrupting existing industries and introducing novel products or business models. The resource-based view (RBV) highlights the importance of critical resources like human and financial capital in entrepreneurial success. The psychological theory of entrepreneurship examines individual psychological traits and motivations that influence entrepreneurial behavior, while the achievement motivation theory suggests that those with a high need for achievement are more likely to become entrepreneurs. The sociological theory of entrepreneurship underscores the impact of societal and cultural factors on entrepreneurial decisions and behaviors. Economic incentives, such as access to capital, tax breaks, and favorable market conditions, availability of social infrastructure play a crucial role in influencing new venture creation in Nigeria. These incentives motivate entrepreneurs to start and manage their businesses effectively. New venture performance is multidimensional, encompassing financial performance, growth, customer satisfaction, operational efficiency, innovation, employee satisfaction, and strategic goal achievement. The researcher concludes that among all the theories of entrepreneurial development the economic theory takes the centre stage. This is because the impact of economic incentives new venture creation is substantial which further stimulates economic growth and development. It leads to job creation, increased tax revenue, innovation, balanced regional development, and a vibrant entrepreneurial ecosystem. Successful new ventures also have the potential to enhance Nigeria's global business competitiveness and balance of trade.

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