

The Nelson Mandela African Institution of Science and Technology



School Of Business Studies and Humanities (BuSH)

BuSH 6005/6008: ENTREPRENEURSHIP MANAGEMENT

- Evolution of Management, Leadership and Entrepreneurship theories
- Entrepreneurs characteristics for venture skills development
- Cognitive innovative and entrepreneurial ability for competitive Business
- Financial Management
- Marketing, Taxation and legal aspect

Module 1: Evaluate Management, Leadership and Entrepreneurship Theories

| Outline | Content |
|--------------------------|---|
| Classical Theory | <ul style="list-style-type: none">•Scientific Management Theory•Bureaucratic Management Theory•Administrative Management Theory |
| Behavioral Theory | <ul style="list-style-type: none">▪Human Relation Theories▪Leadership Theories▪Entrepreneurship theories▪Motivational theories |
| Modern Management Theory | <ul style="list-style-type: none">•System Management Theory•Contingency Theory |

Learning Outcomes/Goal

- Examine Management, Leadership and Entrepreneurship theories
- Evaluate Entrepreneurs characteristics for venture skills development
- Develop Cognitive innovative and entrepreneurial ability to create competitive Business
- Apply financial Management skills
- Examine Marketing, Taxation and Legal aspects

Lesson Plan and Hours Allocation

| S/N | Course | Credits | L | P | A | IS | S |
|-----|--|---------|----------|----|----|----|----|
| | | | In hours | | | | |
| 1 | BuSH 6005: Entrepreneurship and Management | 5 | 10 | 10 | 10 | 10 | 10 |

| MONDAY 1/08/2022 | Evolution of Management, Leadership and Entrepreneurship theories | Dr. Marwa |
|------------------------|--|------------|
| TUESDAY 2/08/2022 | Evaluate Management function, Entrepreneurs' characteristics for venture skills Development | Dr. Marwa |
| WEDNESDAY 3/08/2022 | Develop Cognitive Innovative and entrepreneurial ability for competitive Venture Development | Dr. Marwa |
| THURSDAY 4/08/2022 | Financial Management | Dr. Pasape |
| FRIDAY 5/08/2022 | Marketing Taxation and Legal Aspects | Dr. Mkunda |

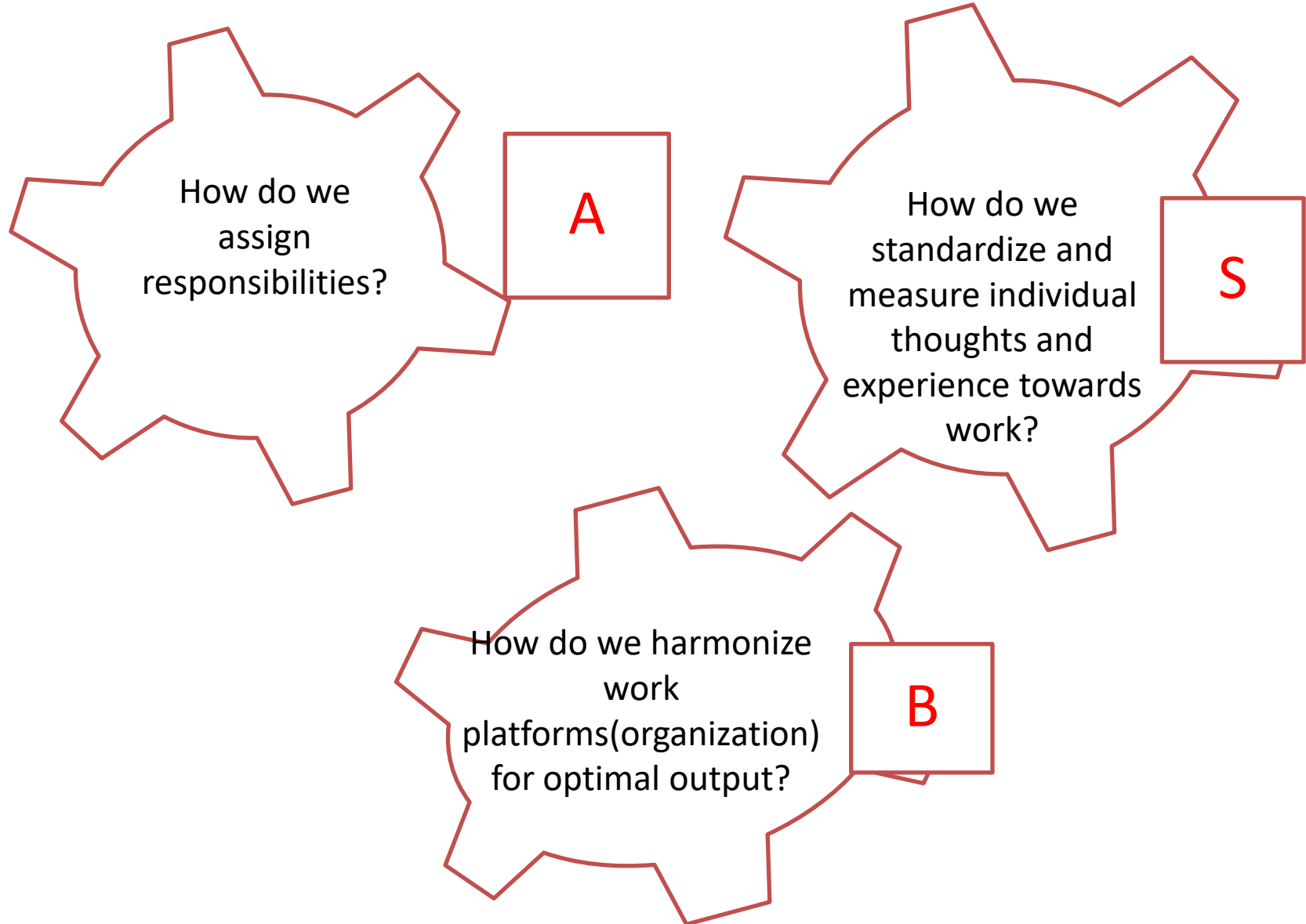
Course Work and Class Activities

- Discussion-Ungraded
- Quiz-Ungraded
- Individual Assignment 10%
- Group Assignment-30%

Classical Theories

- Scientific Management theory
- Administrative Management theory
- Bureaucratic Management theory

Classical Theories



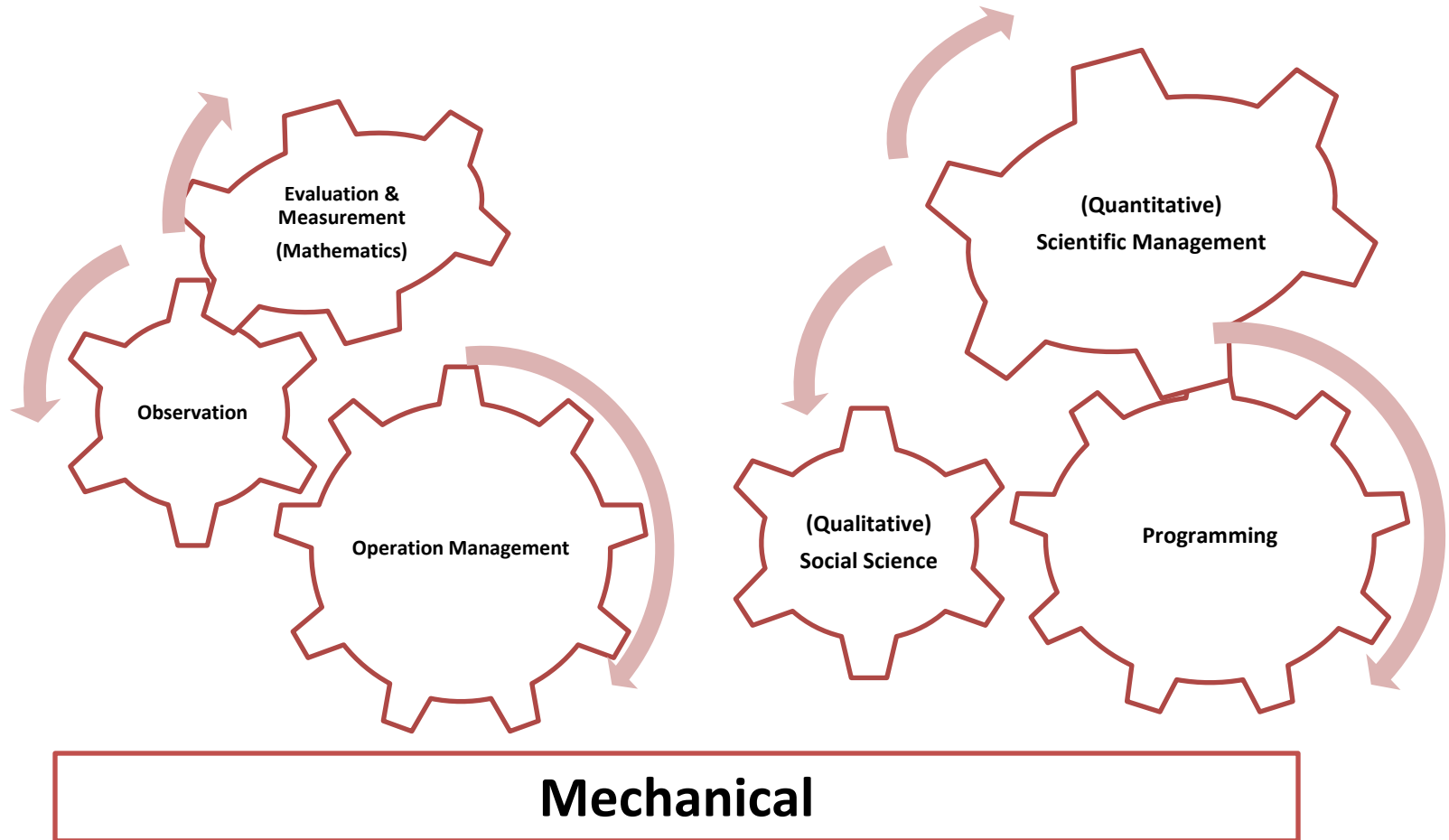
Evolution of Management and Theory

Classical Theories

| | |
|--|----------------------|
| 1. Taylor's Scientific Management Theory | Work Standardization |
| 2. Fayol's Administrative theory | Administration |
| 3. Weber's bureaucracy theory | Operation mgt |
| Focus (efficiency +Effectiveness) | Wealth Maximization |

Adam Smith: **wealth is created through productive labor, and that self-interest motivates people to put their resources to the best use.** He argued that profits flowed from capital investments, and that capital gets directed to where the most profit can be made.

Classical Theories



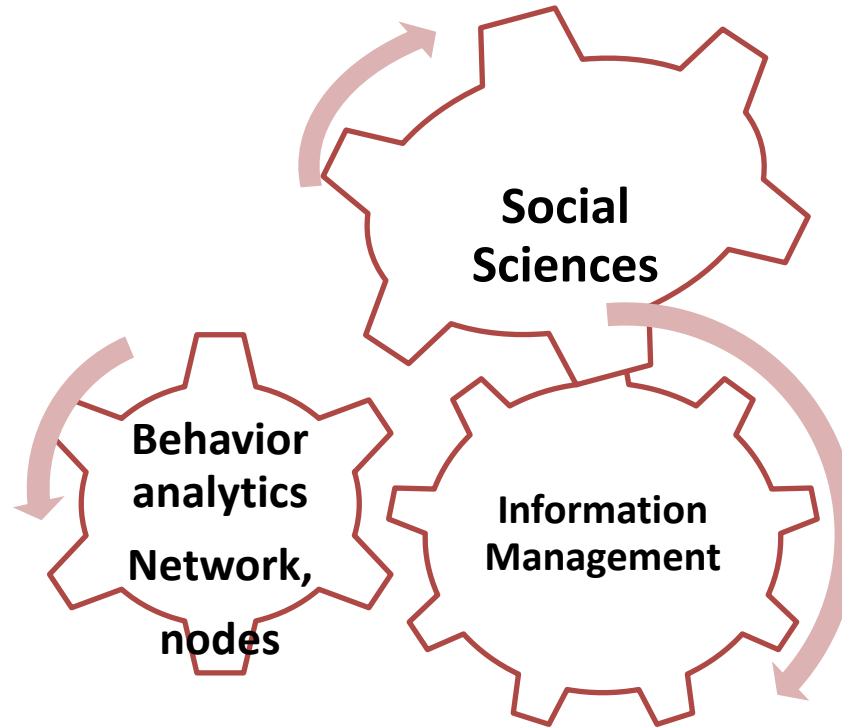
Evolution of Management Cont...

Behavioral Theories

| | | |
|-----------------------|----------------------------------|------------------------|
| 1. Elton Mayo | Human Relation | |
| 2. McGregor and Ouchi | Personalities and group dynamics | |
| 3. Abraham Maslow | Motivational theories | |
| Focus | Dynamism and change | Growth and Development |

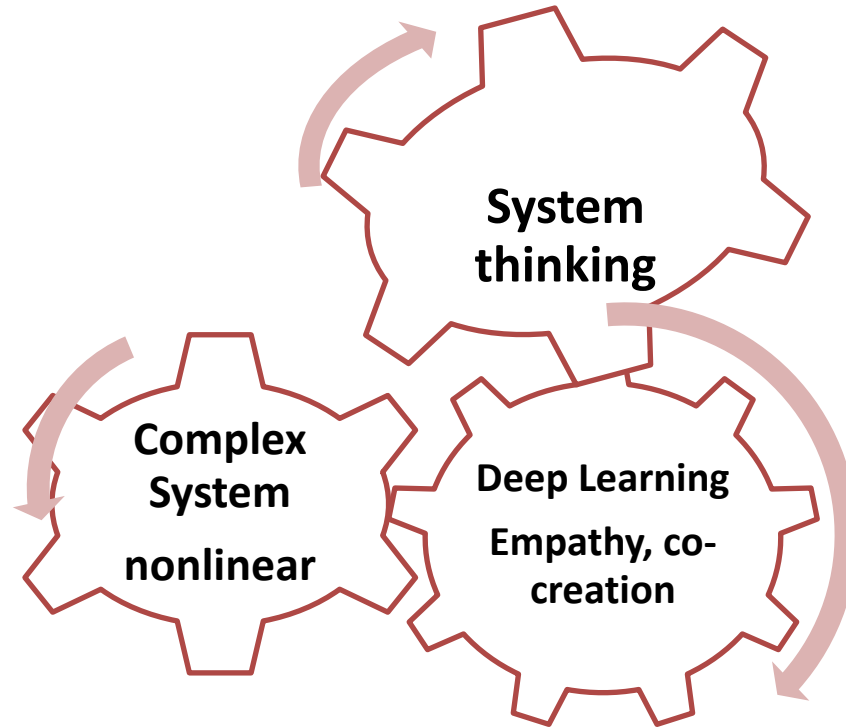
Chris Argyris: (Organization Development), Is the process through social interactions at the groups and organization levels. “whole organizations or their components adapt to changing environments by generating and selectively adopting organizational routines”.

Behavioral Theories



Organic-living system

Behavioral Theories



Evolution of Management Cont...

Modern Management Theory

| | |
|---------------------------|---------------------------|
| 1. Ludwig von Bertalanffy | System theory |
| 2. Danah Zohar | Self consciousness |
| Focus: | Sustainable future |

<https://www.hindawi.com/journals/jarchae/2013/540912/>

What is Management?

Management?

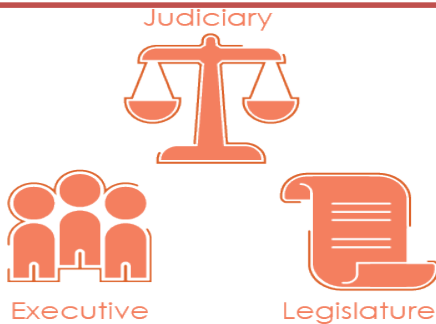
- Management is a **science** and **art** of managing resources of an entity or business.
- Management is the **administration** of an organization (business, a non-profit organization, or a government body or start up).
- Is a discipline of aligning people, mind, and action using policy.
- Management is diversity and inclusion.

How do we Make Sense?

Understanding Management

Classical

Mechanistic



Transaction

Behavioral

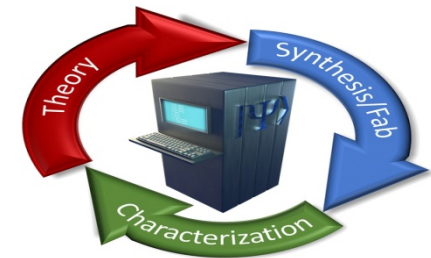
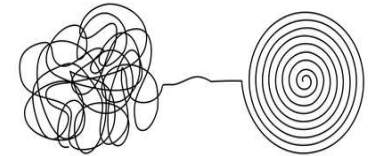
Organic



Transformative

Modern

Chaotic



Quantum

How do we Make Sense?

Understanding Management

Classical

Mechanistic

The precise definition of rights and obligations and technical methods attached to each functional role. Thus the translation of rights, and obligations, and methods into the responsibilities of a functional position. hierarchic structure of control, authority and communication\

Behavioral

Organic

- Different components evolving as a whole
- Is a philosophical State considered as a living organism that where each function has to fulfill making the life of the whole possible.

Modern

Chaotic

- Piecemeal improvement based on refined data leading to
- Authenticity
- Co-creation
- Deep learning by improved initial data
- Compassion
- Creation

Management

- Economics
- Operation
- Marketing
- Finance
- Environment
- Knowledge
- Psychology
- Behavioral

Behavioral Science

Behavioral Science is the subject of human actions, usually including the fields of sociology, social and cultural anthropology, psychology, and behavioral aspects of biology, economics, geography, law, psychiatry, and political science.

Examples of behavioral sciences include **cognitive science**. Generally, showing human relating to society and its impact on society as a whole.

cognitive science, **the interdisciplinary scientific investigation of the mind and intelligence**.

Social and behavioral sciences can have a dramatic effect on the efficiency and effectiveness of society at large.

The behavioral approach emphasizes **leadership** as a determining factor in management success (considering Motivational theories.)

Motivational Theories

| Selected Theories | | |
|---------------------------------|--------------------------------|---------------------------------------|
| McGregor Theory | X,Y | Lower Needs Low Awareness |
| Ouchi Theory | Z | |
| Maslow Theory | Hierarchy of Needs | |
| McallandsTheory | Needs of Achievement and power | Intermediate Needs Self Control |
| Two Factors Theory | Intrinsic & Extrinsic Values | |
| Barret Theory | Awareness and consciousness | Higher Needs Internal satisfaction |
| Hawkins theory of consciousness | Optimism | |



Theory X and Theory Y (Douglas McGregor)

Theory X

The assumption that employees dislike work, are lazy, dislike responsibility, and must be coerced to perform.



Theory Y

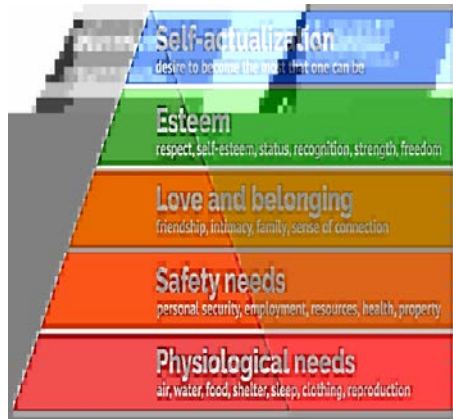
The assumption that employees like work, are creative, seek responsibility, and can exercise self-direction.



Theory Z

- Partnership
- Trust
- High involvement

Maslow Hierarchy of Needs



Two factor theory

INTRINSIC motivation



Interest and enjoyment in the task itself

EXTRINSIC motivation

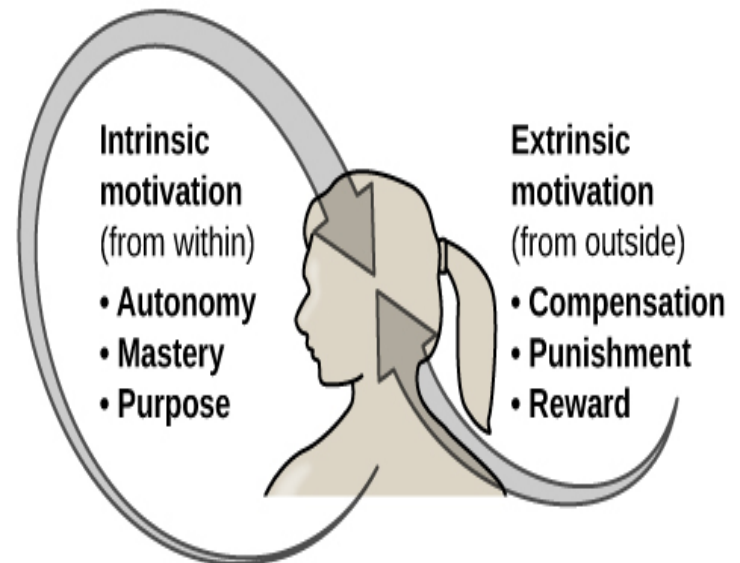


Outcome that will result by doing the task

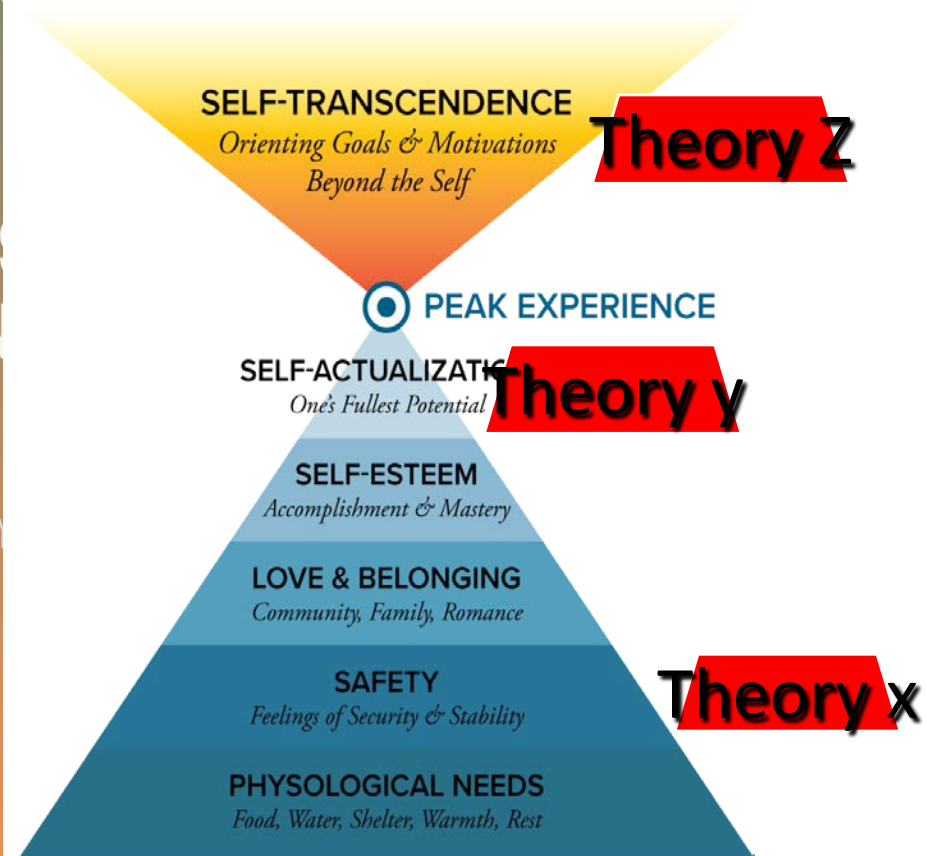
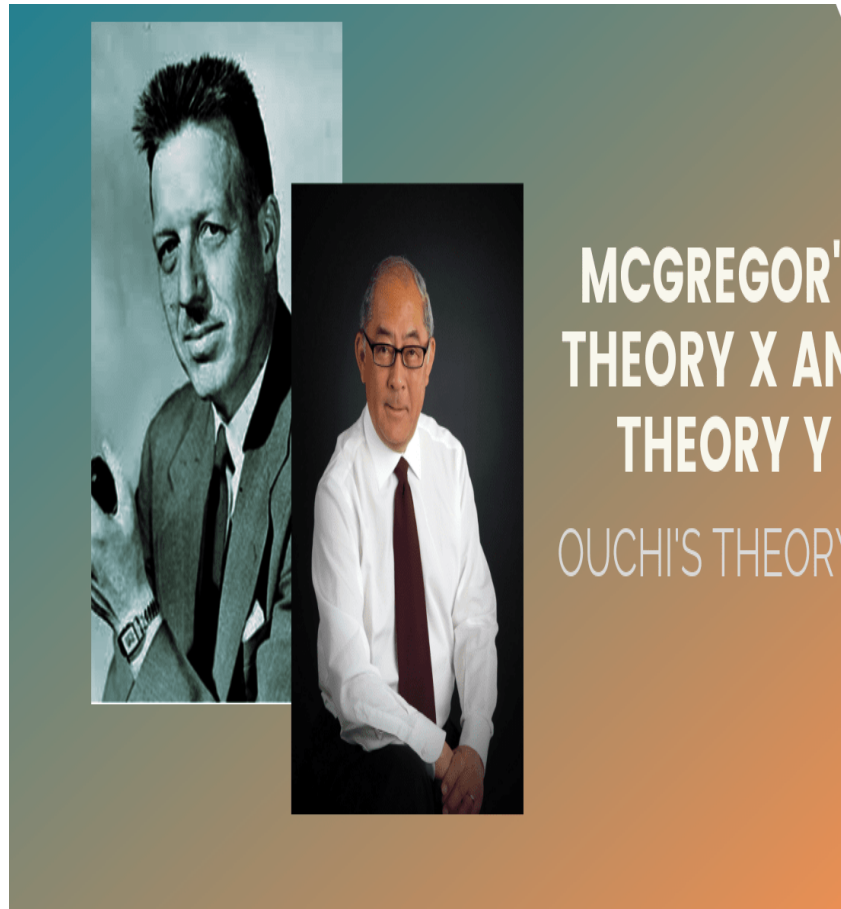
McClelland's Motivational Needs



Achievement Theory



Theory X, Y and Z



Needs to Consciousness



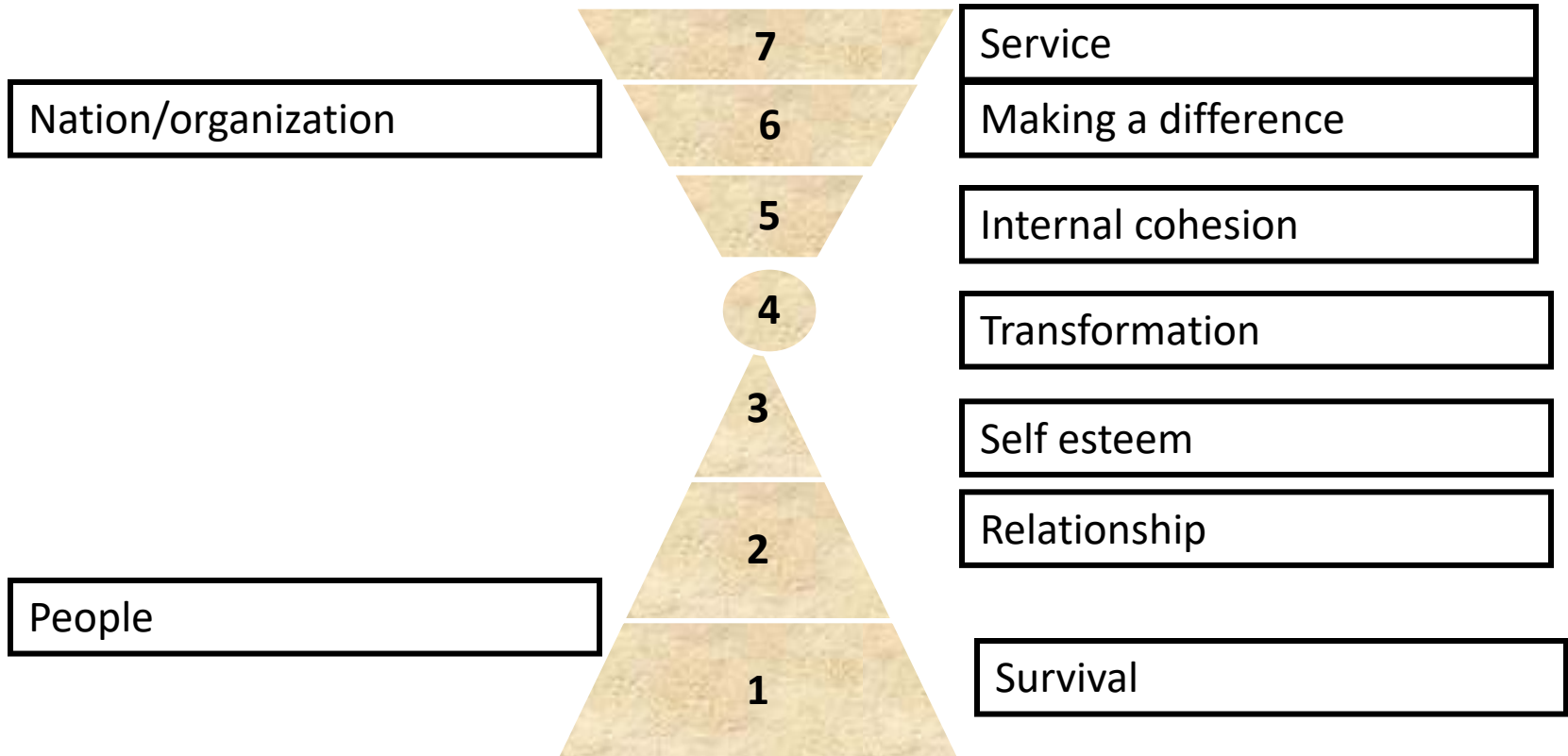
Abraham Maslow



Richard Barrett

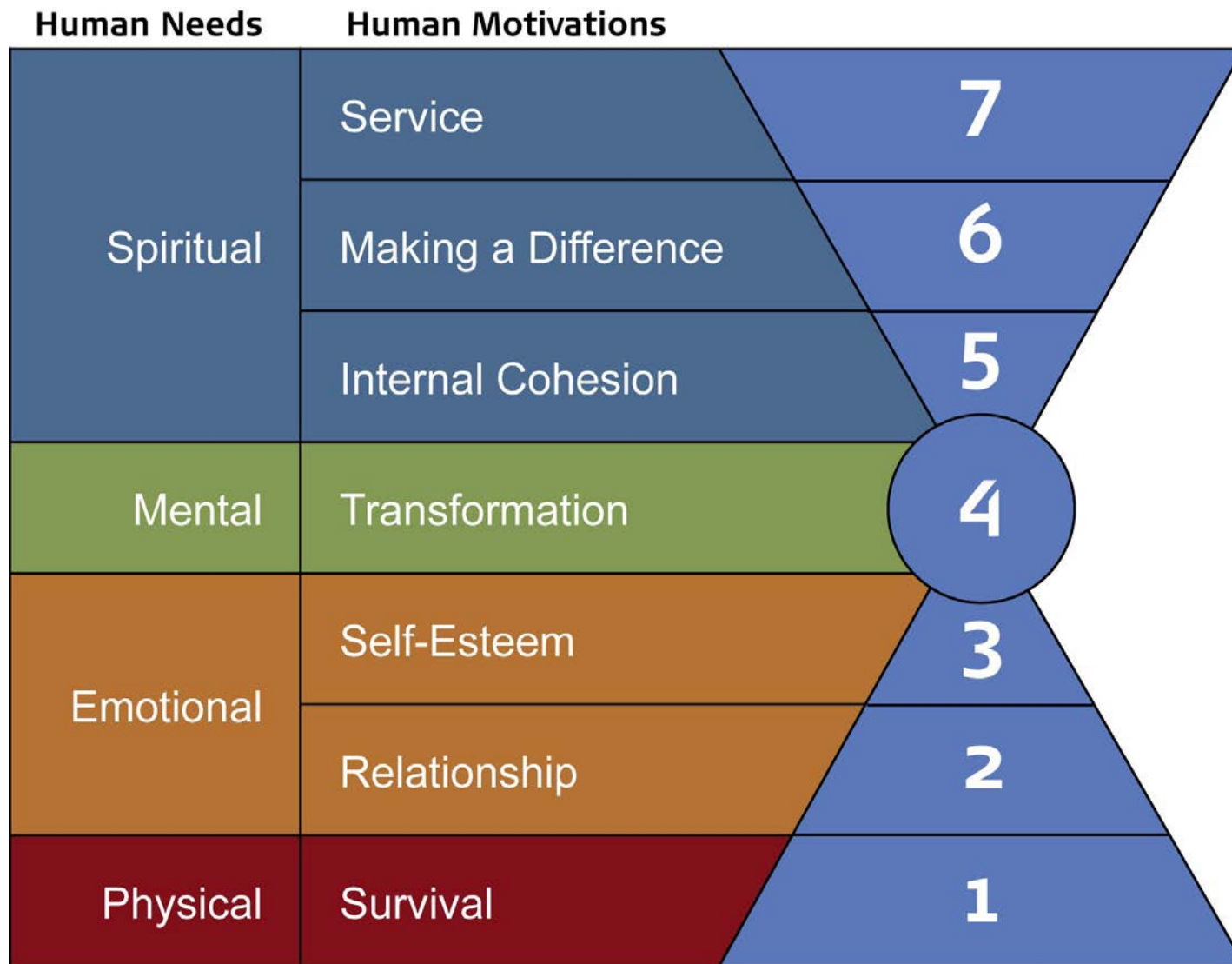


Level of Consciousness

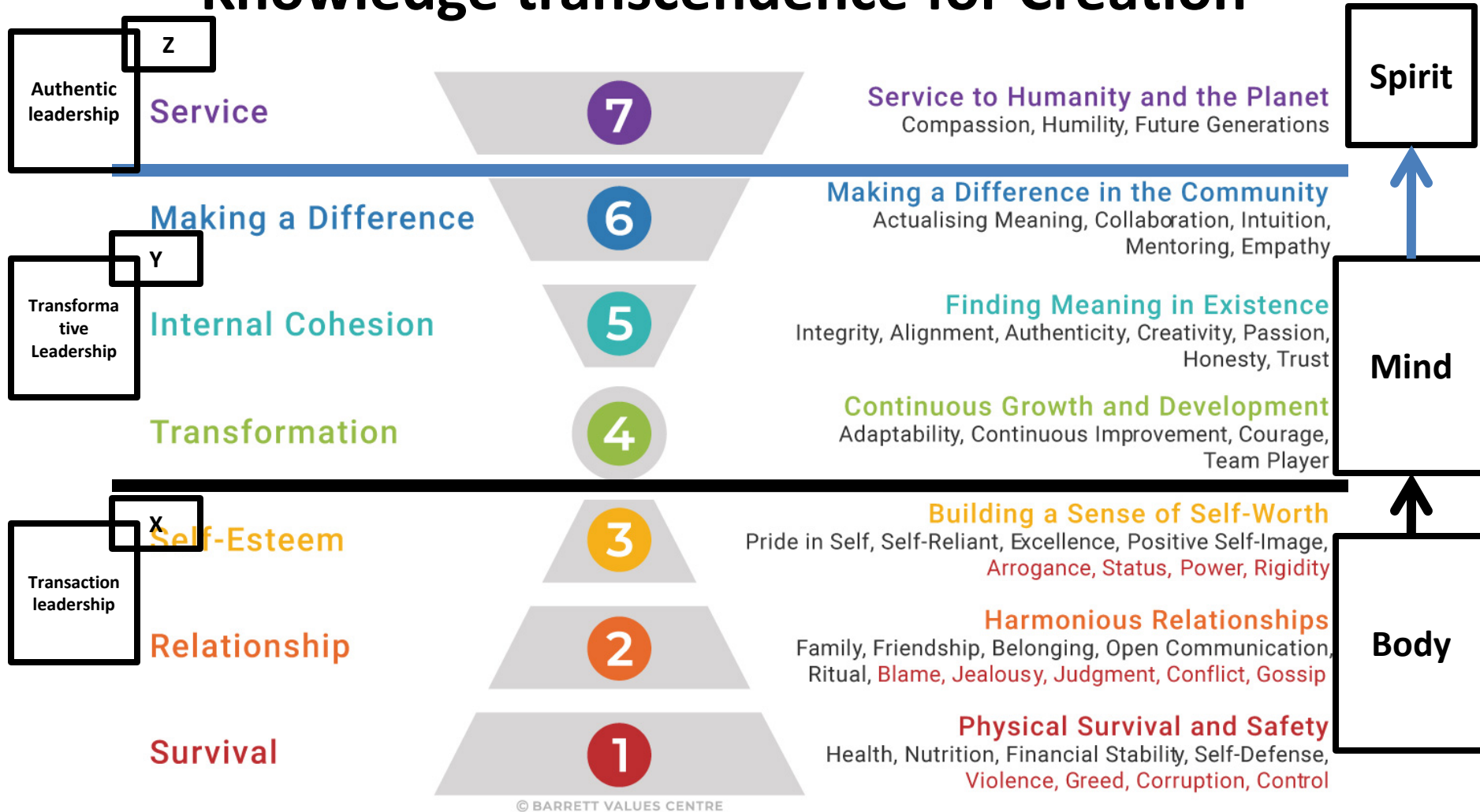


Barret Hierarchy of Needs





Knowledge transcendence for Creation



What is Leadership?

Understanding Leadership

Attempts to analyze leadership tend to fail because the would-be analyst that misconceives his task and translates leadership as **popularity, power, showmanship, or wisdom** in long-range planning. Some leaders have these aspirations, but they are not of the essence of leadership.

Leadership is the accomplishment of a **goal** through the direction of **human assistants**. The man who successfully marshals his human collaborators to achieve particular ends is a leader. A great leader is one who can do so day after day, and year after year, in a wide variety of circumstances.

(Harvard Business Review)

TYPES OF LEADERSHIP STYLE

- Transaction Leadership style
- Transformative Leadership style
- Authentic Leadership style
- Quantum Leadership style

Leadership Theory



Leadership style

Transaction Leadership style

Transactional leadership focuses on results, conforms to the existing structure of an organization and measures success according to that organization's system of rewards and penalties. Transactional leaders have formal authority and positions of responsibility in an organization.

Transformative leadership style

Leadership by inspiration, inspiration, or empathy to engage followers. They are known to possess courage, confidence, and the willingness to make sacrifices for the greater good.

Authentic Leadership style

A pattern of leader behavior embedded in a style that draws upon and promotes both positive psychological capacities and a positive ethical climate, to foster greater self-awareness, and fostering positive self-development."

Quantum Leadership style

A quantum leader is a **person with awareness of being a 'co-creator' of every moment of reality and, as such, is able to co-create and influence it continuously**. This is done through their ideas, mental states, beliefs and goals. **Mentor and Coach.**

Traditional Leadership style

Contemporary leadership Style

What is Entrepreneurship?

Entrepreneur?

- Is the person who takes **action** to make a **change** in the world. Whether **star-up** entrepreneur **solve a problem** that many struggle with each day, bringing people together in a way no one has before, or build something revolutionary that advances society, they all have one thing in common action.

Entrepreneurship Theories

Entrepreneurship Concepts and theory

Entrepreneurship theory(s)

- ✓ Economic theories
- ✓ Entrepreneurship Innovation theory
- ✓ Psychological theory
- ✓ High Achievement theory
- ✓ Resource Based theory
- ✓ Opportunity based theory
- ✓ Status withdrawal theory

Nikoli Kondratiev-Innovation Theory

- Asked key question from his observation; How was capitalism in England periodically renewed and overall expanding? Kondratiev's answer was **technology**. He plotted a correlation between times of basic innovation to times of economic expansion. He termed long economic cycles or a Kondratiev wave. Economic expansion are stimulated by the invention of a new basic technology(Airplane, radio, computer, or biotechnology)

Joseph Schumpeter-Entrepreneurial

- Supported Kondratiev Idea that innovation was important to economic growth “...the work of Schumpeter...put emphasis on innovation and on the subsequent burst of **entrepreneurial investment**. (Ray 1980 pp.79-80)

Joseph Schumpeter

- In his book *Business Cycles*, Schumpeter said economic innovation could be of five kinds:
 - The introduction of a new good (product or service) to a consumer(or new quality in a good)
 - The introduction of a new method of production of a good
 - The obtaining of a new source of supply(inventing or finding or developing new material or energy sources)
 - The implementation of a new form of organization in a business that provides a competitive advantage to the business(Schumpeter 1939)

He Define Entrepreneurship...

- **“A creative activity”** An Innovator who brings new products or services into Economy is given a status of an entrepreneur.
- He regards innovation as tool of **entrepreneur**, The entrepreneur is viewed as the engine of growth to provide **Creative Disruption(1949)**

Diffusion Innovation Theory

- **Diffusion of Innovation (DOI) Theory**, developed by E.M. Rogers. Explain how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product.

Diffusion Innovation Theory

- (i.e., purchase or use a new product, acquire and perform a new behavior, etc.).
- The key to adoption is that the person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible.
- Entrepreneur is a change agent using mental perception.

Mental perception and Opportunity screening

- Every event in life can be seen from two different perspectives. **Good** or **bad**. **Opportunity** or **obstacle**. Positive or negative. And problem or possibility.
- And you are either optimistic or pessimistic about what happens to you. Winston Churchill was right, “The pessimist sees difficulty in every opportunity. The optimist sees opportunity in every difficulty.”
- The thinking pattern or mindset you adopt changes your response to every event. So in effect, the perspective you adopt determines your version of reality. You are what you believe to be true — your beliefs, assumptions, attitude, habits, are all down to your mindset.

Mental perception and Opportunity screening

- The perception has evolved based on your experiences — the people who raised you, the people closest to you, the relationships you've built deliberately and unconsciously.
- As John Lobbock said: **“What we see depends on what we look for.”**
- What's your lens? How do you perceive the events in your life? Most people look for justifications to convince themselves that their filters are the only thing that matters.
- Your perspective, lens or filter determines what you see, how you see and what you shape yourself to experience in life. “The eye sees only what the mind is prepared to comprehend,” argues Robertson Davies.

“What we see depends on what we look for.”

The Reticular Activating System (RAS)

Controls sleeping, waking, and attention

A sophisticated filter

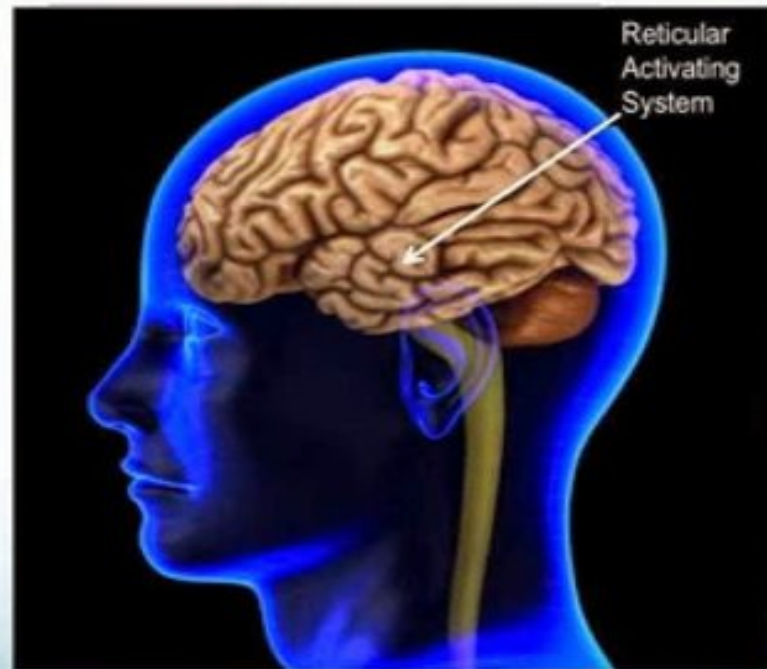
Creates blind spots to the junk

Acts like an Executive Assistant

Allows you to focus on what you
VALUE

Allows you to perceive a
THREAT

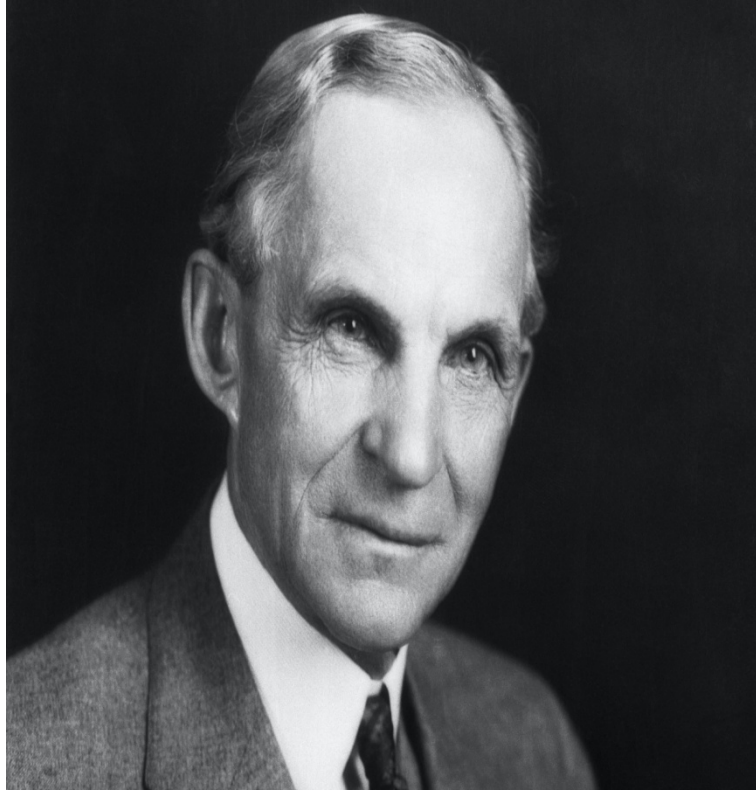
Supports you when you set
GOALS



Perception and opportunity Making



Perception and opportunity Making



Conclusion

- You become solution-oriented when you think of possibilities.

Summary and Activity

- Management theories

- Classical theory
- Behavioral theory
- System Theories
- Modern theory

Activity

Examine the macro business environment considering mechanistic view point to identify limiting factors for business development and growth. What are your opinion promoting organic approach.

- Take Myers Briggs Test/Personality test for assessment and discussion.

- Leadership theories
- Entrepreneurship theories
- Mechanistic approach
- Organic approach
- Chaotic approach
- Perception and choice.
- The meaning of Management