

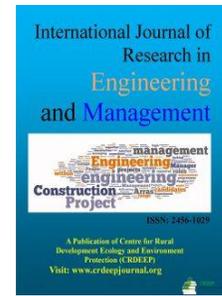
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Full Length Research Paper

Assessing Entrepreneurial Behaviour in Local Government: The case of Mushindamo Town Council, Lusaka, Zambia

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ARTICLE INFORMATION

ABSTRACT

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Entrepreneurship exists in all organisations irrespective of size or type including in the local government. The way the local government system in Zambia functions indicates crucial changes in management of its entities as well as new forms of managing staff behavior. The aim of this research was to assess the level of entrepreneurial behaviour among members of staff at Mushindamo Town Council. The study targeted members of staff at Mushindamo Town Council including those from the devolved departments. The study population for the research was 112 officers from both Mushindamo Town Council and Devolved Ministries with a sample size of 59 officers who participated by way of purposive sampling technique. 40 questionnaires were filled in successfully and submitted for analysis making a return rate of 66%. The research adopted the Entrepreneurial Behavior Inventory (EBI) as an Instrument for measuring the entrepreneurial behaviours of local government administrators. Descriptive statistics was used to analyse the research findings of entrepreneurial behavior attributes among members of staff while Friedman's ANOVA Analysis was further used to determine if the variance in the respondents' rankings were large enough to be considered statistically significant. Research findings from incidents showed that members of staff were willing to take on opportunities that came across their daily work and possessed high level of innovativeness in the execution of their duties but had low level of risk taking propensity and change orientation. The study revealed that having a workforce that exhibited a number entrepreneurial behaviour was a preference for achieving growth and improved financial position of the Council. The study further revealed that members of staff possessed a number of entrepreneurial traits while other traits were missing. Thus the level of entrepreneurial behavior was assumed to be around 55% – 64% overall.

Introduction

Background to the problem

Since the enacting of the new Constitution of Zambia, Act No. 2 Of 2016, the Government of the republic of Zambia has insisted on having a Local Government System that is innovative and entrepreneurial in the manner business is conducted so as to sustain its budgetary allocation for service provision to the communities; pay salaries of council workers and oversee growth of the respective local authorities and not necessarily depend on central government.

There has however been over dependency by local authorities on central government to fund most activities including paying salaries. Government came out clearly in 2019 through the then Minister of Local Government, Mr. Vincent Mwale, that it was not responsible for meeting budgetary allocations of councils, adding that the long-term solution lied in councils finding means and ways of raising their revenue to be able to meet their own budgets (News Diggers, 2019). This was also echoed by the current Minister of Local Government, Mr. Charles Banda, who further added that councils needed to learn to raise

revenue for their operations, service delivery and salaries among others and that some of the major problems were councils' lack of initiative to engage in income generating activities and their failure to collect revenue in form of levies (Smart Eagles, 2019).

Statement of the problem

Mushindamo Town Council, being only three years old since its establishment, has started facing similar challenges like the old municipalities of failing to meet budgetary allocations to provide services to the community and pay salaries which has seen workers go to four months' salary arrears despite having a small and manageable workforce of only 85 members of staff and vast resources including land and so many sources of revenue generating opportunities. The challenges at the Council are usually manifested during District Performance Assessment Meetings for the Eleven Local Authorities in Northwestern Province where Mushindamo Town Council has always been ranked outside the top-half with Solwezi and Kalumbila Councils always scoring highest grades. The recent performance assessment held in June 2019 in Kalumbila District for the Calendar year 2018 performance assessment saw Mushindamo Town Council come out on position Six (PLGO, 2019). Performance assessments and staff appraisal usually conducted by the council every six months does not include ascertaining the level of entrepreneurial behavior in members of staff.

Aim of the study

The aim of the study was to assess the level of entrepreneurial behaviour among members of staff at Mushindamo Town Council.

Objective of the research

- To establish key entrepreneur behaviours members of staff need to exhibit in executing their duties
- To assess the level of entrepreneurial behaviour in members of staff.
- To establish how entrepreneurial behaviour impact Local Government performance.

Research questions

- What key entrepreneurial behaviours should members of staff exhibit in executing their duties
- What are the levels of entrepreneurial behaviour among members of staff?
- How does entrepreneurial behaviour impact performance in local government?

Significance of the study

The outcomes of this study presented valuable insights on clarifying the factors that constrain or enhance entrepreneurial activity within the local government system in Zambia. Furthermore, the findings of the study had implications for policy makers and local government structures which may consider assessing entrepreneurial behavior in certain municipalities as part of improving services and fulfilling the constitutional obligations of local government in Zambia.

Scope of the study

The study covered Mushindamo District with questionnaires being distributed to members of staff at Mushindamo Town Council including those from the devolved departments - Ministry of Agriculture, Forest Department, Ministry of Health, Department of Social Welfare, Department of Community Development, Ministry of Education and Ministry of Livestock & Fisheries.

Review of Literature

Entrepreneurship

Bosma *et al.*, (2013) acknowledges that entrepreneurship is a multi-dimensional concept and can take different forms such as corporate, technological, public and others and therefore can occur in economic markets, organisations and governments and may result in economic profits (Schumpeter, 1934) or product innovation (Nayyar & Mahmood, 2014).

Behaviour

Behaviour is considered as socially observable human action influenced by individual processes of cognition, decision and intention. Action cannot take place unless it is carried out by someone (Bird and Schjoedt, 2009). Behaviour is therefore seen as a function of individual and environment (Sansone *et al.*, 2004). As a part of Social Learning Theory, Bandura (1977) explains that human behaviour is developed in relation to one's environment in combination with personal variables through observational learning and reciprocal determinism.

Entrepreneurial behavior

Entrepreneurial behaviour is seen as the combination of actions carried out by the entrepreneur which continue to adjust and define the opportunity and position it as acceptable to the market such that a new venture is the primary outcome. This is

behaviour which transforms ideas into something to which others can build a tangible association to the point that they not only perceive value, but are willing to illustrate this through transactions (Middleton, 2010).

Entrepreneurial Behaviour Development

According to Bird and Schjoedt (2009), entrepreneurial behaviour research requires specification in order to understand how actions can be predicted and controlled towards achieving desired entrepreneurial outcomes. In their description of entrepreneurial behaviour, Gartner and Carter (2003) explain that it is a process that occurs over time. The individual exhibiting the entrepreneurial behaviour by the end of the process did not necessarily have such behaviour to start. Instead, going through the process develops the behaviour considered entrepreneurial. The developed behaviour then creates the perception of a differentiation between those deemed entrepreneurs and those deemed not to be such that the differences are the result, or the effect, and not the cause of the entrepreneurship (Sarasvathy, 2001).

Dimensions of entrepreneurial behavior

Studies of successful public entrepreneurs have revealed a large number of common traits which include creativity and innovation; opportunism; persuasiveness; risk-taking; facilitating and synthesising (Zerbinati and Souitaris, 2005). Lau et al (2011) further adds networking, integration, non-system bound orientation, change orientation, informality and results orientation to the list.

Link between local governance and entrepreneurship

According to Mair (2002), entrepreneurial behaviour within existing organisations is a set of activities and practices by which individuals at multiple levels autonomously generate and use innovative resource combinations to identify and pursue opportunities. Public entrepreneurship correlates with innovation and aims towards the availability and delivery of public services that augment social capital (Zhao, 2005). The way the local government system in Zambia functions with the coming of decentralisation indicates crucial changes in management of its entities as well as new forms of managing staff behavior.

Entrepreneurial behaviour and organisational performance

Entrepreneurial activities in the public sector can bring effects such as environment generation, improvement of inter-organizational processes and creating new solutions that may serve a society (Ochojski, 2006). Institutional performance is determined by the response of the environment to the actions of the entrepreneurs (Entrepreneurial performance). An entrepreneur can be performing highly, but still the institution performs poorly because of unforeseen events or events not controllable by the entrepreneur. For example, an entrepreneur may wish to expand his or her business, but the competition is too intensive, or expansion is hindered by a political decision.

Knowledge gaps in previous studies

Previous studies in entrepreneurship have either focused on the public sector entrepreneurship as a whole with those concentrating on local government mainly concentrating on local economic development (social entrepreneurship) where local authorities create an enabling environment for creating business as opposed to corporate entrepreneurship (Intrapreneurship) where local authorities should see opportunities and utilise them by use of internal workforce to achieve needed results. The study of Ciqi (2016) on local government entrepreneurship in China tried to explore the normative dimensions of local government entrepreneurship in China, with an emphasis on necessary policy changes to shape local government entrepreneurship in contributing to economic growth as well as other key policy objectives. The study of Mbecke (2015) on municipal entrepreneurship: an alternative strategy to promote, improve and sustain service delivery in local governments in South Africa supported municipal entrepreneurship as an ideal strategy to facilitate service delivery in local governments through three main considerations – that Firstly, laws and strategies developed to facilitate service delivery ought to be implemented by competent municipal entrepreneurs. Innovation, creativity and competitiveness ought to be emphasised as the golden rule in managing local governments. And finally that Citizen Charters ought to complement municipal entrepreneurship to facilitate standardised service delivery systems that meet people's expectations. Mbecke (2015) found that no matter the multitude of laws and strategies on service delivery, local governments remained incapable of delivering effective and efficient goods and services to the population. Amongst the reasons for this failure, her research considered that the initiation of such policies did not consider the participation of local public servants as well as the population. The second observation was that innovation, creativity and competitiveness did not exist in the running of service delivery mechanism of South Africa.

Achievement theory of McClelland

This theory was propounded by McClelland (1961) in his book 'The Achieving Society'. McClelland (1961) states that people who pursued entrepreneur-like careers were high in need achievement. The n-achievement is called a desire to do well, not so much for the sake of social recognition or prestige but for the sake of an inner feeling of personal accomplishment. It is this motive of n-achievement that guides the action of entrepreneur. People with high n-achievement

behave in an entrepreneurial way. They do things in a new and better way. They make decisions under uncertainty. Entrepreneurs with a high-need to achieve feel that their success or failure is due to their own actions.

Theory of innovation and entrepreneurship by schumpeter

The innovative theory was advanced by one famous scholar, Schumpeter (1934) in his book, the theory of economic development. Schumpeter believed that creativity or innovation was the key factor in any entrepreneur’s field of specialization. He argued that knowledge could only go a long way in helping an entrepreneur to become successful.

Research methodology

Study design

In this study, quantitative research method was used and justification to why it was vital to use quantitative approach is provided.

Population and sample size and technique

The Local Authority had a workforce of eighty-five (85) officers during the period for research with the devolved sectors having a workforce of twenty seven (27) officers bringing the total population to One Hundred Twelve (112). The Council Structure has got four (4) Divisions. That is, Division I, II, III and IV. All the 59 officers from Division I, II and III were used to assess their entrepreneurial behavior. The total number of officers available at the time of survey from all the departments were 59 (Sample Size) and 40 questionnaires were filled and submitted for analysis representing 66% response rate. Purposive sampling (judgement sampling) technique was used to select research participants.

Research instruments

This research adapted the Entrepreneurial Behavior Inventory (EBI) developed by Lau et al., (2011) as an Instrument for measuring the entrepreneurial behaviours of corporate managers at Mushindamo Town Council. A major strength of the EBI as a research instrument is that it employs a simulated incident method. The instrument uses behaviourally anchored rating scales (BARS) for response options.

Method of data analysis and coding

Descriptive statistics was used to assess the level of entrepreneurial behavior attributes among members of staff while Friedman’s ANOVA Analysis was further used to determine if the variance in the respondents’ rankings were large enough to be considered statistically significant. Separate Wilcoxon signed-rank tests were then conducted on the different combinations of related priority choices to determine which particular rankings had differences. Using the Bonferroni adjustments, the significance level initially used (0.05) was divided by the number of tests to run, that is, $0.05/4 = 0.0125$. Coding was done using the ranking method as prescribed by the entrepreneurial behavior inventory with the first priority option having a code of R5 and the least priority having a code of R1.

Results

The tables below show the descriptive statistics and the test results from F Test.

Innovativeness

Table 1: Descriptive Statistics - Innovativeness

	N	Mean	Std. Deviation	Minimum	Maximum
R1	40	3.2991	1.52473	1.00	5.00
R2	40	2.7850	1.35999	1.00	5.00
R3	40	2.6542	1.38797	1.00	5.00
R4	40	2.9252	1.47751	1.00	5.00
R5	40	3.3178	1.21778	1.00	5.00

Test Statistics^a

N	40
Chi-Square	15.368
df	4
Asymp. Sig.	.004

a. Friedman Test

Risk Taking

Table 2: Descriptive Statistics – Risk taking

	N	Mean	Std. Deviation	Minimum	Maximum
R1	40	2.9038	1.41777	1.00	5.00
R2	40	3.2019	1.42365	1.00	5.00
R3	40	3.3750	1.39477	1.00	5.00
R4	40	2.8173	1.25229	1.00	5.00
R5	40	2.7212	1.49729	1.00	5.00

Test Statistics^a

N	40
Chi-Square	12.296
df	4
Asymp. Sig.	.015

Change Orientation

Table 3: Descriptive Statistics – Change Orientation

	N	Mean	Std. Deviation	Minimum	Maximum
R1	40	3.0476	1.63131	1.00	5.00
R2	40	3.2857	1.23813	1.00	5.00
R3	40	2.7714	1.34634	1.00	5.00
R4	40	3.1714	1.34777	1.00	5.00
R5	40	2.6857	1.41635	1.00	5.00

Test Statistics^a

N	40
Chi-Square	11.162
df	4
Asymp. Sig.	.025

a. Friedman Test

Opportunism

Table 4: Descriptive Statistics - Opportunism

	N	Mean	Std. Deviation	Minimum	Maximum
R1	40	2.7885	1.57451	1.00	5.00
R2	40	2.8654	1.57688	1.00	5.00
R3	40	2.7404	1.26947	1.00	5.00
R4	40	3.1923	1.33712	1.00	5.00
R5	40	3.4135	1.17919	1.00	5.00

Test Statistics^a

N	40
Chi-Square	14.069
df	4
Asymp. Sig.	.007

a. Friedman Test

The descriptive tables showed that the mean scores for overall priority options one (3.3178) under Innovativeness were the highest which was a good indication that the behavior (innovativeness) was strongly present in members of staff. The same applied to opportunism which showed increased presence of the behavior with the highest mean (3.4135) agreeing with the first Ranks of the entrepreneurial behavior inventory.

The other two behaviours (Change Orientation and Risk Taking) did not seem to come out so strong as members of staff were less willing to change with new trends of executing their duties and were less willing to take risks as the top ranked priority options by the entrepreneurial behavior Inventory happened to be the least priority choices (2.6857 for change orientation and 2.7271 for Risk taking) by members of staff.

The Chi Square Tables then provided the test statistics (χ^2) values ("Chi-square"), degrees of freedoms ("df") and the significance levels ("Asymp. Sig."). The analysis showed significant differences between the mean ranks of the priority choices made for all the entrepreneurial behaviours, i.e. **p-values** 0.004, 0.015, 0.05 and 0.007 in the test statistics were all less than the significant value of 0.05. Further tests were carried out to determine which particular rankings had differences with the following were the results:

Table 5: Wilcoxon signed ranking tests

FACTOR	R2 – R1	R3 – R2	R4 – R3	R5 – R4
Innovation	0.015 > 0.013	0.482 > 0.013	0.206 > 0.013	0.041 > 0.013
Risk taking	0.239 > 0.013	0.443 > 0.013	0.005 < 0.013	0.684 > 0.013
Change orientation	0.295 > 0.013	0.011 < 0.013	0.036 > 0.013	0.041 > 0.013
Opportunism	0.924 > 0.013	0.643 > 0.013	0.025 > 0.013	0.359 > 0.013

This table shows the output of the Wilcoxon signed-rank test on each of the combinations. At the $p < 0.013$ significance level, only priority choices R4-R3 for Risk Taking ($p = 0.005$) and R2 – R1 for Change Orientation ($p = 0.011$) were statistically significantly different meaning it was easy for officers to choose their likely choices with conviction they were not ready to act on situations in an entrepreneurial manner. There were no significant differences between the Innovativeness and Opportunism running trials.

Conclusions

The study revealed that having a workforce that exhibited a number entrepreneurial behaviour was a preference for achieving growth and improved financial position of the Council. The study further revealed that members of staff possessed a number of entrepreneurial traits while other traits were missing. Thus the level of entrepreneurial behavior was assumed to be around 55% – 64% overall.

What key entrepreneurial behaviours should members of staff exhibit in executing their duties?

The findings show that most of respondents believe creativity, risk taking, networking, leadership, result orientation, innovation, wealth creation and organizing are key ingredients in defining entrepreneurial behavior. Respondents rather do not have much conviction about change orientation and opportunism as being among the relevant entrepreneurial traits in corporate entrepreneurs.

What are the levels of entrepreneurial behaviour among members of staff?

The survey revealed strong presence of Innovativeness and Opportunism with less presence of Change-Oriented and Risk-Taking Propensity. Balancing the behaviours was the major challenge in most of the officers as very few seemed to possess most of the entrepreneurial behaviour except for a few top managers

How does entrepreneurial behaviour impact performance in local government?

Survey results showed that 19 respondents (48%) believed exhibiting entrepreneurial behavior among members of staff in their execution of duties would greatly improve service delivery and revenue growth for the local authority with the minority (8%) believing that it would lead to wealth creation for Mushindamo Town Council as well as enabling corporate managers start taking risks when faced with challenging decisions to make.

Theoretical grounding

This was a pragmatic research in that it tried to bring to the attention of members of staff the present and missing entrepreneurial behaviours while the outcome of the study indicated the critical entrepreneurial behavior that were needed in order to improve performance at Mushindamo town council.

Recommendations

The following recommendations were drawn from the research findings:

- Entrepreneurship courses should be packaged in most programs of study at tertiary level and if possible extended to secondary school curriculum. Topics on entrepreneurship can even be included in selected workshops and/ or trainings for members of staff. Reasons for most of the members of staff not willing to take risks in the execution of duties can be subjected to the fact that the current curriculum does not have provisions for equipping the officers with knowledge on entrepreneurship but are trained to be employees instead.
- Performance assessment / appraisal for promotion and confirmation should include components on assessing entrepreneurial behavior using the EBI as an Instrument for measurement so as to establish the expectations from the officers under assessment and also measure progress
- Management at Mushindamo Town Council should endeavour to come up with programs that will show that the local authority is moving in the right direction. This will make the officers they are managing start appreciating the efforts being made to run the institution.

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