The Conceptual Framework of Entrepreneur and Self Management

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Abstract

Until now, many entrepreneurs remain ineffective as a result of their inability to manage themselves, which is critical for the entrepreneurs' personal success and firm performance. Self management has not been explored in both academic and practical field of small business and entrepreneurship discipline. Research in this area has only been focusing on entrepreneurship and time management. This paper is motivated to discuss self management in relation to entrepreneur and small business performance. The paper argues on the crucial role of self management for entrepreneurs' success and firm performance. It highlights that self management deserves urgent and serious attention in entrepreneurial discourse and should not be neglected. It also provides the way forward to examine self management in relation to entrepreneurs and their business performance.

Keywords: Self Management, Management, Entrepreneurship, Performance

1. INTRODUCTION

There is no doubt that management remains one of the crucial factors that assists entrepreneurs to achieve great success in their business and entrepreneurial activities. Management has helped managers as well as the entrepreneurs or owner-managers to effectively plan, organise, coordinate, and control their business and entrepreneurial activities (Othman, 2010). This reflects that the importance of self management cannot be undermined. For instance, Bennett (2007) noted that self management techniques would assist an entrepreneur to become a more successful and effective entrepreneur. Similarly, self management assists entrepreneurs to minimise business and personal stress and stay motivated in their business and entrepreneurial endeavours. Thus, it is theorised that an entrepreneur that thinks and emphasises on self management has high potential to achieve business success. This also indicates the reason why many have argued on the high interest among academia and practitioners on small business and entrepreneurial management disciplines over the past years (Greening, Barringer and Macy, 1996). Several aspects of management have been introduced lately. Notably among these management aspects are the human resource management, operations management or production management, strategic management, marketing management, financial management, information technology management, etc.Within the context of entrepreneurship management, it can be observed that the studies on entrepreneurship management are abundant, however, the important issue of how entrepreneur manages himself has been greatly neglected. In fact, it can be claimed that it lacks attention by both the entrepreneurs and the academics.

This is a gap that this paper intends to bridge. For instance, in knowing how the entrepreneurs give attention to the 'right' way of managing their businesses. It is important to recognize that the entrepreneurs carry out many functions such as planning, organising, coordination and controlling. Managing all these functions by a single person is not an easy task. Those who can manage all these functions effectively pave way to business glory and those who fail face business failure. Akintola (2011) has highlighted that those entrepreneurs remain ineffective as a result of their inability to manage themselves as part of the overall management. This provides possible explanation on the reasons of high failure rate of small firms in the first few years of establishment (Adelakun, 2010). For Othman (2010), the entrepreneurs are very much concerned about how to manage their businesses and firms, forgetting that an affective self management would lead to entrepreneurs' effectiveness and in turn translate into effective business performance. It is argued here that an effective entrepreneurs' self management contributes to his personal effectiveness and consequently leads to a better firm performance. Within the context of this discussion, self management is defined as the application of the four key functions of management into managing oneself.

It is any methods, skills, and strategies that assist the entrepreneurs with the opportunity to effectively plan, organize, coordinate and control themselves towards attaining both his personal and business goals. The applicability of these management functions into him refers to self management. Thus, self management requires entrepreneurs not only to manage his/her business or firm but also to manage his/her self as a person in order to be more effective in person as well as to his firm or business. Whilst the paper intends to provide a foundation for future research that would solely look into entrepreneurs' self management, it aims to engage in the discussion on the conceptual discourse on how entrepreneurs' self management could lead to personal effectiveness leading toward desired firm performance. Thus, this paper would be beneficial to entrepreneurs/business owners and would contribute to the entrepreneurship development literature as well.

2.0 LITERATURE REVIEW

2.1 Self Management

The concept of management could be seen virtually in all aspect of human activities including that in animals and plants. However, it is more often related to management of business and organization activities and by this, it involves the process of getting things done through people in order to attain a stated goal and objective. Therefore, management could be said to be the effective and efficient way to accomplish a stated objective through people. It involves the use of management tools such as planning, organizing, staffing, directing and controlling of both the organizational activities and the people in the organization. Meanwhile, others have view management as any human act or activity which consists of design that would assist the creation of fruitful results from the system. Management is equally defined as the process and act of planning, organising, coordinating and controlling of people in order to achieve or attain the organisational goals (Othman, 2010).

Management has become imperative and crucial whenever there are two or more people working together to achieve a common goal. Therefore, management is an event that brings two or more people together and then creates a relationship between a leader and a follower or a manager and subordinate where the leader or the manager can apply the four essential functions of management (planning, organising, coordinating and controlling) in a bid directed to the organisational goal. Several aspect of management exists most especially in 21st century literature on management. Notable among these management aspects include; human resource management, operations management or production management, strategic management, marketing management, financial management, information technology management etc. However, one important aspect of management that is not given much attention by both academic and practical field of entrepreneurial management is that of self management. This implies that the concept of management can also be related one-self. For instance, past studies have noted that managing people provides the opportunity for one to also manage himself, which indeed is a precondition in attempting to manage others. In fact, the concept of self management is an emerging aspect of entrepreneurship management that has not received much attention as indicated above. Moreover, literature that is needed to build a solid theoretical background is very scarce and limited.

There is little theoretical and empirical literatures in self management, however, is related to other disciplines such as health science, fashion, economic and psychology. For instance, Schelling (1978); Cockerham, Lueschen, Kunz, Spaeth (1986); Abrahamson and Fairchild (1999); Norris, Lau, Smith, Schmid and Engelgau (2002) and Kirkman and Rosen (1999) examined self management with respect to Egonomics, Self-Management of Health, Management Fashion and Lifestyle and Self-Management in Diabetes. It is argued here that these studies have no connection with the entrepreneurs or small business disciplines. One important aspect that can be learned from these studies is that self management is an off shoot of management which also involves the application of the four key functions of management into managing oneself.

The importance of self management cannot be undermined, for instance, Bennett (2007) noted that self management techniques would assist entrepreneurs to become more successful and effective entrepreneurs. Similarly, it assists entrepreneurs to minimise stress and stay motivated in their businesses and entrepreneurial endeavours. This indicates that an effective entrepreneurs' self management contributes to his personal effectiveness and consequently lead to a better firm performance. Within the context of our research work, four main elements of self management are being examined which are know yourself, invest time, activities/day planning, and keep off from unnecessary. Self management requires entrepreneurs to first and foremost know one's true self. This is to maximize his/her potential as a person and the information gained is used to strive in business.

Some questions that might be useful to know a person's potential are, (i) are you an early bird or a late night person? (ii) When are you most alert? (iii) When are you always effective and functioning? Having this information and using it to the entrepreneurs' strength shall help them to become more effective and this consequently assists them to achieve their goals. This in turn would also affect the entrepreneurs' effectiveness and consequently lead to better business performance. Entrepreneurs must equally think of how they invest their time. An entrepreneur must invest his/her time towards the objectives especially when he/she is most effective, alert, and functioning. An entrepreneur who lacks self effectiveness will reflect this in his/her business performance. For personal effectiveness and positive business performance, it is advisable that an entrepreneur should avoid from activities that do not significantly contribute to his personal effectiveness and business performance. Although it is not yet tested, initial finding shows that plan the day on the night before is crucial. It is one of the most effective means by which an entrepreneur can effectively manage his time in order to become self effective. It is expected that it is going to be less effective for an entrepreneur to plan his day in the morning as to have the planning in the morning would disrupt some of his activities while considerable time would also be wasted.

Finally, an entrepreneur should not engage himself in any unnecessary personal activities that are not connected to his personal effectiveness. If the personal activities are linked to the entrepreneurs' goals and objectives, then the entrepreneurs should use it to the fullest as he has a greater opportunity to achieve a greater level of personal effectiveness and then translate into business success and firm performance. For instance, entrepreneur should often avoid activities such as, spending greater part of their time in early morning email checking, facebook, tweeter and watching of TV, except if they are linked and connected to the entrepreneurs' business and entrepreneurial activities. If it is beneficial, then these activities should still be planned as when the most appropriate time and the number of hours it should consume. Only self management can guarantee this through elements like discipline, focus and purpose (Akintola, 2011). Thus, self management in a way is to ensure that an entrepreneur does not waste most of his time doing unnecessary things or engaging in frivolous activities. This is one of the important roles of self management in both entrepreneur's personal effectiveness and firm performance.

2.2 Personal/Entrepreneurs' Effectiveness

Generally, the concept of effectiveness is concerned with how organisations, groups, or individual achieve their desired or predetermined goals and objectives. Based on this, effectiveness could connote success or performance. In line with this, several previous studies have examined effectiveness in terms of performance. For instance, Thompson and Dowing (2006), Mustafa, Yahya and Muslim (2008), and Richard et al. (2009) linked effectiveness to performance. While Richard, Devinney, Yip and Johnson (2009) argued that organizational effectiveness demonstrates a clearer picture of organizational performance. Thus, organizational effectiveness captures and indicates organizational performance. The entrepreneur's personal effectiveness in likewise manner captures and indicates entrepreneurs' personal performance with regard to his personal objectives and goals which in the long run reflects in his business, firm, and entrepreneurial activities. In this case, an entrepreneur's effectiveness would mean the entrepreneur's performance relating to his personal goals. It is the extent to which an entrepreneur achieves his personal objectives and resolves his personal and targeted problems and challenges. Similarly, it implies producing a personal desired or intended result or outcome with regard to his personal goals which in turn reflect in his business or firm performance.

Furthermore, many entrepreneurs have remained ineffective and this was reflected in their businesses or low firm performance. For instance, Kwantes and Boglarsky (2007) examined perceptions of organizational culture, leadership effectiveness and personal effectiveness across six countries and found that there is a strong relationship between personal effectiveness and organizational performance. This suggests that individual's effectiveness would lead to organizational or firm performance. Viewing this, Akintola (2011) was forced to ask the big question, how come many people including entrepreneurs remain ineffective in their lives and personal activities? In answering this, the entrepreneurs must relate to the way they manage themselves to achieve their personal goals. Otherwise, entrepreneurs would continue to be ineffective both in their personal activities as well as in their business and entrepreneurial activities. The entrepreneur's personal effectiveness is more of self management rather than any other entrepreneurial management concepts such as business management, time management and others. Therefore, there is need for entrepreneur to know himself, invest his time, plan his daily activities, and avoid all unnecessary activities that do not link to his personal goals and objectives.

We all have the same 24 hours like Bill Gates, Soichiro Honda, Steven Jobs, Michael Dell and so many of them that have achieved excellent business results. It is argued here that this is the result of their personal effectiveness through self management. They know and manage well themselves, they plan their personal activities, invest their time towards their personal effectiveness which they link to their personal goals and then endaevour to avoid all unnecessary activities that would not connect them to their personal effectiveness at all cost. By doing so, they have achieved high level of personal effectiveness which also in turn translates into high level of business or firm performance.

2.3 Firm Performance

Trkman (2009) noted that performance measure is indispensable for entrepreneurial and small firms because it helps them to ascertain the success or failure of the firm. It also acts as the indicator to achieve sustainable improvement in entrepreneurial and business activities. Accordingly, Murphy, Trailer and Hill (1996) argued that "accurate performance measurement is critical to understanding new venture and small business success and failure". However, the concept of performance is very hard to be operationalized in the field of research particularly in the field of entrepreneurship and small business. Nevertheless, one cannot rule out the issue of performance because when come to the discussion regarding small firms, these small firms are being measured by their performance.

Researchers in the field of small firms and entrepreneurship development have measured performance from various perspectives (see Panigyrakis and Theodoridis, 2007; Murphy et al., 1996). Most measure performance within the context of financial and non-financial. Within this paper, the authors argued that financial measurement on the small firm performance is the better indicator. This is due to the fact that financial measurement such as profitability seems to cover the overall objective of many firms, to provide financial income to the entrepreneurs. Indeed, Murphy et al (1996) suggest that financial measure is the primary measure of a firm success and performance. They argued that financial measure of small firms seems to be common and widely used mentioned that financial indicators seem to gain upper hand when discussing performance. This may be due to the ease of understanding where it can be used in ranking and judging how a firm is performing. Murphy et al (1996) and Panigyrakis et al (2007) define the financial measure of performance to include profit and growth.

Onthe non-financial measure of performance, also known as operational measure, it is also important in measuring small firm's performance (Ittner and Larcker 2003). They argued that non-financial performance measure helps managers and owners to ascertain the progress of the business despite of the difficulty in its measurement like the financial measure. For Campbell, (2007), the non-financial measure seems to compliment the financial measure in determining firm's overall performance and success.

The arguments above indicate that one set of firm performance measurement may not be sufficient enough to measure firm performance; therefore, there is a need to adopt both financial and non-financial performance measure as suggested by Venkatraman et al., 1986 and Panigyrakis et al. (2007). They asserted that it is very important to adopt both financial and non-financial indicators in measuring entrepreneurial performance since it may offer a broader perspective in measuring performance and clarify the relationship between financial and non-financial aspects of entrepreneurial performance under investigation. Accordingly, Murphy et al., (1996) suggested that researchers in both small firm and entrepreneurship field should always consider multiple dimensions of both financial and non-financial methods of measuring small firms' performance in order to arrive at a better result. Dimitratos et al. (2004) argued that due to the arguments about the small firm performance measurement, on which the researchers have taken different stands, the researchers should use and justify at least two different dimensions of firm performance which they argued to be both financial and non-financial measures.

In line with the above arguments and considering the uniqueness of the small firms, coupled with the uniqueness of individual entrepreneur/owners in organizing and managing their firms, using a single dimension of small firm performance might not give better result. Hence, this study adopts both financial and non-financial objective measurement of profitability and growth of small firm performance. Muhammad (2009) concurred that these two indicators of financial and non-financial measures seem to be important to entrepreneurial and small firms.

The Conceptual Framework:

The framework indicates three main variables: self management, personal/entrepreneurs' effectiveness and performance.

It posits that self management affects both personal effectiveness and performance while personal effectiveness in turn affects performance. Hence, the framework proposes direct relationship between self management and personal effectiveness and between self management and performance. However, the relationship between self management and personal effectiveness will also affect performance. The research framework is presented in the following section. The proposed research framework is presented below.

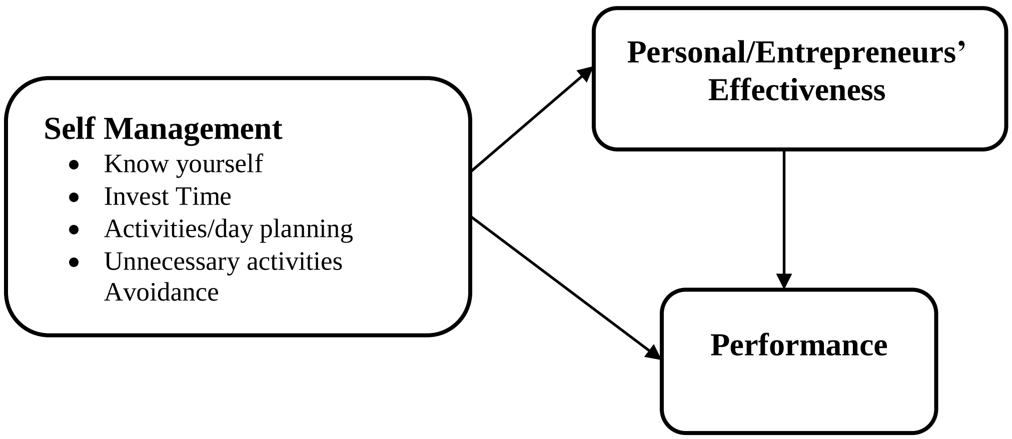

Figure 1- Research Framework

Based on the above discussions and also in line with the conceptual framework of this study, the following propositions are formulated;

1. Self management will effect on entrepreneur's effectiveness and will in turn effect on performance.
2. Self management will effect on performance.

3.0 METHODOLOGY

3.1 Sampling

First, the study will take a cross-sectional quantitative approach. The population will cover all the small firms in Lagos, Nigeria. The entrepreneurs and owner managers will form the respondents of this study. A systematic random sampling technique will be applied to select the potential respondents by picking K^{th} element from the main population of the study. A total of 500 entrepreneurs and owner managers will be utilized.

3.2 Measurement of Variables

The questionnaire for this study will consist of two sections: the profile of the respondents and their business while the main questionnaire will contain questions on self management (know yourself, invest time, activities/day planning, unnecessary activities avoidance), entrepreneur's effectiveness and performance. All variables in this study will be measured using a five-point Likert scale ranging from 1=strongly disagree to 5=strongly agree and this will assist in measuring the extent to which respondents agree or disagree to each of the statement or questionnaire. Items will be adapted from the previous studies and if necessary will be modified to suit the purpose of this study.

3.3 Data Analysis Techniques

The data collected from the survey will be subjected to data cleansing and data cleaning in order to identify missing value, sample characteristics and meet the assumptions of normality. After this, the descriptive analysis will be used to summarise the respondents' characteristics and their business. Factor analysis will also be employed in this regard to help in reducing the number of factors that do not measure the constructs in this study as perceived by the respondents. In this case, the component factor analysis with varimax rotation will therefore be conducted on all the variables to extract factors from the scales of each construct. The researchers will ensure that all items meet the acceptable limit level. Therefore, in this study, all items below 0.50 will not be retained and those having a loading factor limit of above 0.50 will all be retained. Finally, both correlation and multiple regression analyses will be employed to determine the strength and nature of the relationship respectively.

3.0 CONCLUSION

Entrepreneur is an important character in economic change and transformation who applies various management techniques such as self management to achieve his entrepreneurial objectives of wealth creation, job generation, encouraging indigenous entrepreneurship etc.

The aim of this paper is to examine self management in relation to entrepreneurs and how it significantly impacts of the entrepreneurs' success and firm performance. Self management is therefore regarded as any methods, skills, and strategies that give an entrepreneur an opportunity to effectively plan, organize, coordinate and control himself towards attaining his both personal and business goals or objectives. It includes elements such as include, Know yourself, Invest Time, Activities/day planning and Keep off from Unnecessary. The paper further argues that self management would go along way to impact on the entrepreneurs' success and firm performance through Know yourself, Invest Time, Activities/day planning and Keep off from Unnecessary. It is a vital strategy that would guarantee an individual to become a successful entrepreneur; assists entrepreneurs to minimize if not avoid stress and remain much motivated towards his/her goals or objectives. Therefore, being the first study to examine self management in relations to entrepreneur, its contribution is not far fetched. First, it contributes to the body of literature in the academic field of entrepreneurial management and at the same time to provide a springboard that will provide an impetus for empirical research in this area. Finally, the study provides vital information and techniques that would assist the entrepreneurs to properly and effectively manage their self which in turn would reflect in their business and entrepreneurial activities.

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