

1 Practices of Nepotism and Individualism in SMEs: A Cross  
2 Cultural Analysis & Implications for Enterprise Success in  
3 Sub-Sahara Africa

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8 **Abstract**

9 This article was conceived by Dr. Ekakitie Sunny (ES) and its initial objectives were x- rayed  
10 and discussed with Egede Matteo (EM). The paper was divided into several sections and each  
11 apportioned between the two authors especially the literature review section. The introductory  
12 comments were written by ES while the relevant theories/models of entrepreneurship that  
13 support the argument were written by EM. Both authors agreed on the final conclusions  
14 drawn thereto and ES wrote the abstract and the recommendations. The paper tend to argue  
15 that though the concepts of nepotism and individualism in the twilight of the 20 th and indeed  
16 early 21 st may have negative taste in modern management theory and related discusses; they  
17 nonetheless have immense relevance in the building of competitive SMEs in Africa.

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19 *Index terms*— Entrepreneurship, nepotism, individualism, family-patterned businesses, global competitive-  
20 ness.

21 **1 I. Introduction**

22 he African continent and particularly sub-Sahara Africa posses a very interesting cases study for researchers  
23 both of western and African orient. Africa has had so much political and socio-economic challenges on account  
24 of its interface with Europe, Arabia, India and indeed China. These interfaces have been mainly for economic  
25 purposes. Trade and commerce were the main attraction long before politics and religion came. These interfaces  
26 make the black continent a hybrid exhibiting complex and multidimensional characteristics (Akerlele, 2000).

27 Perhaps, the most potent of these influences are political and economic. With the balkanization of Africa  
28 by European powers and its exposure to various political and enterprise cultures, it would appear sub-Sahara  
29 Africa became overwhelmed by trends it had no control over. Rodney (1976) in chronicling how Europe  
30 under-development Africa to alluded various factors which served to dislocate the productive fabrics of Africans  
31 economies. One of such strong factors is the destruction of individual and communal efforts in the production  
32 of products like cotton, ginning of cotton, clothe dyeing, blacksmithing and iron smelting, animal husbandry  
33 etc. Writers like Leo Africanus about the 1400AD, and Davidson (1977) among others, have made detailed  
34 documentation of these events.

35 From the unique pyramids of Egypt, the skills and sciences of manufacturing chariots and the gigantic palaces  
36 of the Pharaohs and several public buildings down to economic/technological heights which crystalized the vast  
37 and legendary empires of western Sudan, not forgetting the technologies deployed in the Benin and Oyo Empires in  
38 iron and bronze works, the African has been strongly wired by the twin work philosophy of individual capacity and  
39 nepotism. These made cities like Gao and Timbuktu popular as commercial centers of the western Sudan (1464  
40 -1754). The concept of individualism thus holds much value to the African as it is at the core of his productive  
41 ability, his competencies and driving passion to achieve his socio-economic goals. Individual competencies and  
42 beliefs in personal abilities are what distinguishes him intellectually among his peers, earns him his respect, titles  
43 and a pride of place in his community (Oyebola, 1976; ??ze, 1996). For him, as a member of a thriving and

## 2 II. NEPOTISM AND INDIVIDUALISM-DEFINITIONS AND CONCEPTS CLARIFICATION

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44 fledging domestic economy, individualism and nepotism were the motivational capsules he needed to announce  
45 himself as a person of note.

46 Today, Western education, coupled with European styled modernization, political adventurism and religious  
47 infiltration have all conspired to destroy this well entrenched work culture (Ekong, 1983;Adebayo 1990). More  
48 recently neo-colonialism, western styled globalization and the ICT race have made the African an unwilling  
49 participant in a globalization race for which he has no pace and power to catch up with; the rules of which  
50 he never participated in drawing up, and which have no respect for his culture, his belief systems and his  
51 domestic productive capability. If anything, many of these evolutions and laws have eroded the belief of 'self-  
52 capacity' and 'can do' spirit of the African. What one sees these days is that the Africa and most LDCs  
53 economies are mere on-lookers as the world, driven by the G7 and the Paris Club nations, gravitates deeper into  
54 a sophisticated dispensation where technology, innovations and money power conspire to put the African in a  
55 platform of incapacity (Fanon 1967;Rodney 1976).

56 Based on our experiences, we dare posit that nepotism and individualism, contested as they are, still holds  
57 a lot of prospect for the African. This study argues that nepotism (which means preferring the use of family  
58 and relatives) in work processes can be winning strategies to grow SMEs to great heights in sub-Sahara Africa.  
59 Western literatures have merely coined the concept to assume a negative taste. We contend that individualism  
60 and nepotism have long been winning formulas deployed in creating SMEs in Europe and America and in recent  
61 times Japan, Malaysia and Korea. SMEs in these economies have today grown into multinational (MNCs) and  
62 transnational corporations (TNCs) transforming their economies. We argue that this can also be deployed in  
63 Sub-Sahara Africa to create SMEs that can, on the aggregate, emancipate African economies from the shackles of  
64 Europe and Asia dominated world trade/commerce. This study projects that nepotism and individualism are key  
65 success capsules and strategic initiatives the African entrepreneur need to exploit if Africa ever hope to announce  
66 herself one day as a people that have 'arrived' and arrived strong. If the Chinese, Japanese and Europeans used  
67 them to excel, then the African too can use them to bootstrap for an African renaissance (Akerle, 2000).

## 68 2 II. Nepotism and Individualism-Definitions and Concepts 69 Clarification

70 Nepotism is a controversial term that can be defined in various ways and it is also a term that many people  
71 have negative associations with (Gustafsson and Norgren, 2014). Nepotism is favoritism granted to relatives  
72 or friends regardless of merit. The word nepotism stems from the Latin word-nepos-for nephew, especially the  
73 "nephews" of the prelates in medieval times. Also, it is from this word that modern Romanian nepot and Italian  
74 nipote, "nephew" or "grandchild" descended (Adam, 2003; TC web, 2013). Nepotism describes a variety of  
75 practices related to favoritism; it can mean simply hiring one's own family members, or it can mean hiring and  
76 advancing unqualified or under qualified family members based simply on the familial relationship (Bush-Bacelis,  
77 2014). Oxford dictionary (2010) aptly defined it as the practice among those with power or influence of favouring  
78 relatives or friends, especially by giving them jobs. In actual fact nepotism is an act of appointing one's relatives  
79 to the posts where they are not experienced for and outsiders are sidelined. It is mainly caused by selfishness  
80 since the person on top wishes to channel the resources to his family and for no one else. Scarcity of jobs also  
81 has a role in bringing about nepotism. Nepotism is also tied to discrimination issues and pragmatic concerns.

82 Nepotism is often cited as an explanation for the intergenerational transmission of management within  
83 family firms. When the founder retires, control of the firm is often transmitted to his heir rather than to a  
84 hired professional manager (Burkart, Panunzi and Shleifer, 2003;Bertrand and Schoar, 2006). Although family  
85 transmission of control might have positive effects in terms of agency costs, the heir might have less talent than  
86 a professional manager (Ponzo & Scoppa, 2010).

87 Attitudes toward nepotism vary according to cultural background. Hayajenh, Maghrabi and Al-Dabbagh(1994)  
88 note that in Arab countries nepotism has maintained a strong footing while many Latin American countries accept  
89 it as a norm. In Asia majority of entrepreneurs look to the family, rather than the broader populace for the  
90 succession of the business. Uhara (2014) opined that the practice is rampant in Nigeria and has become part  
91 of the people's culture which has even assumed a general name of "manknow-man". However, in a country like  
92 United States of America, nepotism is a sensitive issue in American business and there is a negative attitude  
93 towards the practice. Many companies and individuals consider the practice to be unethical, largely due to its  
94 conflict with traditional American values of self-reliance and fairness. (Bush-Bacelis, 2014).

95 Nepotism presents ethical dilemmas as few people see it as a problem. Connections, networking, and  
96 familyalmost everyone has drawn on it as a source of support in job hunting in the private sphere. One of  
97 the most basic themes in ethic is fairness, stated this way by Aristotle: "Equals should be treated equally  
98 and unequals unequally". Nepotism interferes with fairness because it gives undue advantage to someone who  
99 does not necessarily merit this treatment (Nadler and Schulman, 2006). Nepotism is not a new phenomenon in  
100 business, but it is of particular interest as the world of business shrinks due to rapid travel and convenience and  
101 fast technological communication. As businesses become increasingly globalized, it is crucial to understand  
102 how cultural attitudes toward nepotism vary between the different countries in which a business operates.  
103 Furthermore, as more families rely on multiple incomes for their standard of living, the ethical and pragmatic  
104 considerations regarding nepotism must be carefully negotiated to ensure the most effective overall business

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105 strategy. While certain guidelines have been known to effect a smooth incorporation of nepotism into a successful  
106 business, there are no definitive strategies. Clearly, however, nepotism can lead to success if applied appropriately,  
107 or to disaster if applied without careful consideration of all variables involved (Bush-Bacelis, 2014). Individualism:  
108 One of the first social scientists to discuss the phenomenon of individualism in public opinion was the French  
109 aristocrat Alexis de Tocqueville. In his second book on Democracy in America (first published in 1840), he  
110 argues that individualism manifests itself in that most Americans citizens "feel no longer bound to their fate by a  
111 common interest; each of them, standing aloof, thinks that he is reduced to care for himself alone" ??Tocqueville,  
112 1998, p. 208). He further notes that individualism is more of "a mature and calm feeling" that originates in the  
113 mind just as much as in the heart (Gustavsson, 2008;Tocqueville, 1998). It is also considered to be linked to  
114 achievement-values, to the entrepreneurial spirit, the American myth of rugged individualism and self-reliance  
115 (Gustavsson, 2008).

116 Morris, Davis, and Allen (1994, p. 66) defined individualism as " a self-orientation, an emphasis on self-  
117 sufficiency and control, the pursuit of individual goals that may or may not be consistent with in-group goals,  
118 a willingness to confront members of the in-group to which a person belongs, and a culture where people derive  
119 pride from their own accomplishments". In the twentieth century, a cross-cultural researcher, Hofstede (1980)  
120 developed a classification of national cultures supported by different dimensions, one of which is individualism  
121 versus collectivism. In this article our focus is on individualism excluding its opposite, collectivism (which is the  
122 degree to which individuals are integrated into groups). In individualistic cultures ties among people are loose;  
123 they place priority on personal goals and to take care of themselves (Hofstede, 1980). According to Triandis  
124 (2001) they also behave primarily on the basis of their attitudes rather than the norms in their group.

125 The Hofstede Centre (2015) stressed that the fundamental issue addressed by individualism is the degree of  
126 interdependence a society maintains among its members. It has to do with whether people's selfimage is defined  
127 in terms of "I" or "We". For example, the British are a highly individualistic and private people as children  
128 are taught from an early age to think for themselves and to find out what their unique purpose in life is and  
129 how they can contribute to society. Similarly, in Germanyconsidered as individualisticpeople stress on personal  
130 achievements and individual rights.

131 Germans expect from each other to fulfill their own needs. Group work is important, but everybody has the  
132 right of his own opinion and is expected to reflect them. The United States can clearly be seen as individualistic  
133 (scoring a 91%). The "American Dream" is clearly a representation of this. This is the American's hope  
134 for a better quality of life and a higher standard of living than their parents'. This belief is that anyone,  
135 regardless of their status can 'pull up their boot straps' and raise themselves from poverty. (Individualism-clearly  
136 cultural, (n.d.); Hofstede Centre, 2015). Stata (1992) asserted that the primary element of individualism is  
137 individual responsibility. Being responsible involves making one's choices consciously and carefully, and accepting  
138 accountability for everything one does or fails to do. An integral part of responsibility is productivity. The  
139 individualist recognizes that nothing nature gives men is entirely suited to their survival; rather, humans must  
140 work to transform their environment to meet their needs. This is the essence of production. The individualist  
141 takes responsibility for his own production; he seeks to "earn his own way" to "pull his own weight".

142 At this juncture, it is pertinent to mention some misconceptions associated with individualism that needs  
143 to be pointed out. Individualism is often equated to hedonism and selfishness as found in Gustavsson's (2008)  
144 work. Another major misconception is that individualism means isolation-being alone, being outside society. But  
145 isolation is not the essence of individualism. In fact the concept of individualism does not make sense in the  
146 absence of other human beings. Thus, it is called individualism not because it exhorts the individual to seek a life  
147 apart from others, but because it asserts that the individual, and not the group, is the primary constituent of the  
148 society. The belief that individualism means being alone leads people to say that individualism is incompatible  
149 with cooperation. Actually, a person who does not listen to others and would rather do things inefficiently as  
150 long as it's "my way" he's being closed minded. A true individualist wants the best for himself, so he seeks out  
151 the best, no matter who is the source (Stata, 1992).

### 152 3 III. Nepotism and Individualism: Review of Empirical Stud- 153 ies

154 Assessing the relevance of culture on entrepreneurial behavior, Thomas and Mueller (2000) tested two of  
155 Hofstede's (1980) ??005) in a comparative study on the entrepreneurial aspect of total entrepreneurial activity  
156 rates and business ownership rates for G7 countries (i.e. U.S., Canada, Italy, U.K., Germany, France and Japan),  
157 findings revealed that entrepreneurial activity is highest in the United States. This reflects the dynamic character  
158 of the US economy as many individuals are in the process of starting a new business or are the owner/manager  
159 of a young business (younger than 3.5 years). However, While there are relatively many new businesses in the  
160 United States (high entry rate), there is also a relatively high exit rate, as many of the new firms do not survive.  
161 In contrast, while Italy has the highest business ownership rate, the low entrepreneurial activity rate indicates  
162 that there is not much development in the composition of the business population.

163 Business regulatory environment play a pivotal role in increasing the level of entrepreneurial activity. A  
164 28% increase in Brazil's entrepreneurship activities between 2006 and 2011 is attributed to its wellmanaged  
165 government policies to stimulate and support the development and growth of businesses, as well as numerous

## 5 THE DISCOVERY AND OPPORTUNITY THEORY OF ENTREPRENEURSHIP (EQUILIBRIUM DESTRUCTION THEORY)

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166 business policy reforms that have focused on making it easier to start businesses (Simrie et al., 2011). In  
167 contrast, Global Entrepreneurship Monitors (GEM) surveys from 2002-2011 revealed consistently low levels of  
168 entrepreneurial activities in South Africa (Simrie et al., 2011). Empirical evidence to support this contention was  
169 provided by Musara and Gwaindepi's (2014) study which indicates that bureaucracy, corruption, policy credibility,  
170 policy compliances and labour restrictions are the chief factors within the business regulatory environment that  
171 affect the process of starting new businesses in South Africa. Furthermore, the study also found a positive  
172 and significance correlation between bureaucracy and corruption. These show the importance of the business  
173 regulatory environment in increasing entrepreneurial activities of a nation.

174 Jin et al's (2010) Comparative analysis of human capital elements, which significantly influence enterprises'  
175 growth performance between high-tech and traditional enterprises in China, shows that human capital elements  
176 of the same entrepreneur have different impacts on the performance of business growth in different industries  
177 and innovation and business growth performances from a high-tech enterprise, have greater reliance on human  
178 capital of entrepreneurs than traditional industries.

### 179 4 IV. Theories of Entrepreneurship and Individualism a) Can- 180 tillon's theory of entrepreneurship (1755)

181 This theory does not view the entrepreneur as a production factor as such, but as an agent that takes on risk  
182 and thereby equilibrates supply and demand in the economy. Cantillon described an entrepreneur as a person  
183 who pays a certain price for a product to resell it at uncertain price, thereby making decisions about obtaining  
184 and using resources while consequently assuming the risk of enterprise (Bula, 2012; Holt, 2005). A critical point  
185 in Cantillon's argument was that entrepreneurs consciously make decisions about resource allocations. In a neo-  
186 classical framework, this function resembles that of the optimizing residual claimant, e.g., the business owner  
187 who rents labor and capital from workers and land owners in a world of uncertain demand or production (Bula,  
188 2012).

### 189 5 The discovery and opportunity theory of entrepreneurship 190 (Equilibrium Destruction Theory)

191 Schumpeter looks at entrepreneurship as innovation and not imitation. The entrepreneur is the prime mover in  
192 economic development whose function is to innovate, or to carry out new combinations. Anyone who performs  
193 this function is an entrepreneur, whether they are independent or dependent employees of a company (Acs,  
194 Audretsch, Braunerhjelm and Carlsson 2005; Bula, 2012). Accordingly, he viewed entrepreneurship as the process  
195 of combining resources in new and different ways to bring ideas to the market. In this sense, Schumpeter's  
196 entrepreneur is an innovator-an individual who disturbs the status quo by replacing existing firms or ideas with  
197 new firms, products, or processes. This process is a dynamic one, as the entrepreneurs who bring innovations  
198 to the market replace businesses (or their products, services, or processes) that are no longer competitive, while  
199 simultaneously placing pressure on existing firms to become competitive. This kind of entrepreneurial action  
200 causes economic change ??Godin, Clemens & Veldhius, 2008). In the Schumpeterian theory, the entrepreneur  
201 moves the economy out of the static equilibrium. Marz (1991), states that "Schumpeter hardly denied that the  
202 process of accumulation is the ladder to social power and social prestige; but he thought the very mainspring  
203 of the exercise of the entrepreneurial function is the powerful will to assert economic leadership. The joy of  
204 carrying through innovations is the primary motive, the acquisition of social power a subsidiary to it. The  
205 entrepreneur is not (necessarily) the one who invents new combinations but the one who identifies how these new  
206 combinations can be applied in production. This line of reasoning implies that a business owner is considered an  
207 entrepreneur only if he is carrying out new combinations." The entrepreneur moves the economic system out of  
208 the static equilibrium by creating new products or production methods thereby rendering others obsolete. This  
209 is the process of "creative destruction "(creating uncertainty) which Schumpeter saw as the driving force behind  
210 economic development (Schumpeter, 1949).

211 Knight specifies three functions of an entrepreneur. The first and primary function is "that of leadership or  
212 economic pioneering; it is to initiate useful changes or innovations" (Knight, 1942).The incentive for this function  
213 is profit. The second function of an entrepreneur is that of "adaptation to changing conditions." The entrepreneur  
214 must be able to "forecast" or anticipate changes in the market in order for his or her business to remain successful.  
215 The third function of an entrepreneur is bearing uncertainty. Knight argues that the entrepreneur, as the owner  
216 of any enterprise, "places himself in the position to take the consequences of such [unforeseen] changes, (wholly  
217 or up to a point) relieving those from whom he hires productive agents of this uncertainty and insecurity"  
218 (Knight, 1942). It can be said that Knight viewed an entrepreneur in terms of Risk, Uncertainty and Profit  
219 while recognizing the distinction between risk and uncertainty. The latter is uninsurable since it relates to unique  
220 events, e.g., a shift in consumer taste. According to Knight, the main function of the entrepreneur is to assume  
221 the uncertainty related to these events, thereby shielding all other stakeholders against it. i.e., the entrepreneur  
222 exercises judgment over (Bula, 2012).

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## 6 The Individual -Opportunity Nexus theory of entrepreneurship

The Shane and Venkataraman (2000) interpretation of the field of entrepreneurship focuses on the discovery of opportunities and subsequent exploitation of such opportunities by individuals. However, just because opportunities exist does not mean that everyone perceives them. Only individuals with appropriate qualities will perceive them. Specifically the theory posit that opportunities are objective, individuals are unique, and third entrepreneurs are risk bearing. In its view, opportunity have objective component and these opportunities exist whether or not an individual recognizes them (Shane and Venkatara, 2,000; Shane, 2003). Opportunities are derived from the attributes of the industries within which an entrepreneur is contemplating action. The second assumption is that entrepreneurship requires differences in people and these differences manifest themselves in the ability to recognize opportunities (Shane, 2003). Individuals in this view are "alert" to existing opportunities (Kirzner, 1973;Shane and Venkataraman, 2000). The third assumption of this theory is that risk-bearing is a necessary part of the entrepreneurial process. Their theory is inspired by the 'Kirznerian' entrepreneurial discovery process but they emphasize that prior information is needed to complement the new information in the discovery of business opportunities.

## 7 e) Mill's Theory of Individualism (1993)

Mill based his theory upon psychological concepts regarding pleasure and pain in a bid to make individualism even more acceptable. This is because earlier conceptions were based on theological and metaphysical grounds (Bishop, 2007). This basis of pleasure and pain placed the theory of individualism within the realm of empirical verification (or falsification). If persons were such that Mill's ethical hedonism motivated their actions, his conception of justice logically followed. Mill likewise rejected the need for a social contract when he stated that; "A favorite contrivance has been the fiction of a contract, whereby at some unknown period all the members of society engaged to obey the laws, and d) c) Knightian Theory of Entrepreneurship (Knight, 1921) In contrast to Schumpeter, Knight's concept of entrepreneurship relies on his view that there are some people who have unique characteristics that make them entrepreneurs. Entrepreneurship, therefore, is defined by the actions taken by these individuals (Knight, 1942). Foresight, managerial ability, confidence in one's judgment, and the disposition to "back it up" with action are characteristics that are unique to entrepreneurs (Knight, 1921; ??964). Those who have superior abilities in these areas will make up a "special social class" of business men who direct economic activity. This view contrasts with that of Schumpeter, who argues that the potential for entrepreneurship exists in everyone (Acs et. al 2005).

consented to be punished for any disobedience to them; thereby giving to their legislators the right, which it is assumed they would not otherwise have had, of punishing them, either for their own good or for that of society ? I need hardly remark, that even if the consent were not a mere fiction, this maxim is not superior in authority to the others which it is brought in to supersede" ??Mill,1993).

Mill felt the "fiction" of a social contract did nothing to solve the problems it had been created for. Mill's belief that we can only interfere in the affairs of another when they do harm to others means that the social contract would be null and void only when least harm were done.

Further, Mill clearly rejects the concept of having some contract be binding which was signed ages ago, if at all. Therefore, rather than base his conception of individualism on theological, metaphysics or contractual foundations, he instead girds it with psychology. The result is his theory of individualism. Mill believed that individuals were the arbiters of their own actions and so he is considered to be one of the strongest proponents for liberalism, checked only by his harm principle.

## 8 f) Grounds for nepotism & individualism: The african perspective

It is trite that sub-Sahara entrepreneurs are handicap across several socio-economic spheres. This study argues that these constraints, challenging as they may be, necessitates innovation for SMEs start-ups and survival providing the ground for the use of nepotism and individualism as competitive strategies.

? Funding: Most African entrepreneurs have a fundamental problem of raising capital for operating SMEs. Engaging employees in the formal strict sense may pose drawback as payments of wages may frustrate start-ups. Nepotism can thus provide a veritable option that is cost effective.

? Ease of Managing Worker Attitude: It can be very convenient managing individuals and persons whose attitude one has already known. Furthermore, the knowledge that workers are of one's own family of origin would elicit cooperation and knitting of minds, creating synergy to aid productivity.

? Use of Local Technology: The use of local craft and techniques can best be deployed to aid productivity. Among the Anionma people of Delta State of Nigeria, clothe making using sticks to gin cotton into yarn, the evolution of techniques of dyeing clothe and making of Kampala dresses are a direct results of putting local technologies to profitable and competitive use. (Ibrahim & Samad, 2010).

When practiced fairly, nepotism can be a true asset, as Nelton (1998) suggested, citing the example of Thomas International Publishing Company, New York. In 1998 there were seven third-and fourthgeneration family

members working for the company. The third-generation president, Tom Knudson, encouraged nepotism among their independent sales contractors because he believed it resulted in high performance, stability, and long-term commitment. Kaydo (1998) also writes that nepotism may be viable in several positive dimensions. For example, a top salesperson's relative may have many of the same qualities that make the representative successful. Recruiting family members can therefore boost both performance as well as retention. For instance, one senior contractor began working for Thomas in 1940. By 1998 his wife and three of his adult children (two daughters and a son) all worked for the company. The son encountered a challenge when calling on a client at odds time with the senior contractor. He easily and politely diffused the situation using the diplomacy techniques he had gleaned from his father, the very senior contractor the client disliked, and gained a larger-than-usual sale.

Nepotism is also dominant in Indian business and even arts. The largest corporations in India are in some sense "family owned". Reliance Industries, being the most interesting example. The company was cofounded by Dhirubhai Ambani and his cousin in the 1960s. After the founder's death the company was inherited by his two sons Mukesh and Anil Ambani. A succession war ensued and the matter was finally settled in court. Today, Reliance is the most profitable company in India (India Times, 2015). The Kapoor Family is the most obvious example of nepotism in Indian film industry as young actors find it impossible to get an opportunity unless they are related to a prominent figure in the film industry, politics or privileged in some other way. A review of how nepotism has impacted on business success will not be complete without mentioning Saudi Arabian, Alkhorayef Group. The group was found in 1957 by the late Abdullah Ibrahim Alkhorayef who passed the banner to his children who developed the company, modernized it and spread its activities worldwide (Alkhorayef, 2010). Today, under the leadership of third-generation Saad Abdullah Alkhorayef, the Riyadh-based firm has achieved excellence on agricultural market, strengthened its international presence with operations in more than 40 countries (Campden FB, 2013).

Individualism as a concept and practice in business also has achieved a string of entrepreneurial successes over time. Individualism as the second dimension of this study has also transcended in establishment of businesses that are well-known for creating incremental wealth for the society at large. Germany, a nation considered as individualistic with a relatively high score (67) on the scale of Hofstede (individualism-clearly cultural, n.d.) and the industrial power house of Europe boast of one these self-made entrepreneurs. Andreas Von Bechtolsheim from Bavaria began to experiment with electrics and electronics at a tender age which led to the design of a controller for industrial operations that allowed him to finance his studies. He later designed the SUN workstation, which in 1988, after only 6 years in the market, was worth over \$1 billion USD. He is also known as one of the first investors in Google. His other investments include Tasmania network systems, Brightmail, Brocade and Mirapoint (Brown, 2012).

Another case in point is Robin Li, the founder and C.E.O of China's largest online search company Baidu. Li made his billions by building a pioneer company in China's brutal Internet market, where most companies fail to monetize their business model. Baidu's revenues have been growing by leaps and bounds; reaching \$4.17 billion in 2013 (Mourdoukoutas, 2013). Before the birth of Baidu, Li has helped develop a software program for online edition of the Wall street journal, the Rankdex site-scoring algorithm for search engine page ranking and also worked on improving algorithms for search engines. (Greenberg, 2009; Li, 1998; ??aipei times, 2006). Sir Richard Branson from Britain-one of the most individualistic societies in the world-epitomizes self-made serial entrepreneur. At the age of sixteen his first business venture was a magazine called Student. Then in 1970, he founded a mail-order record company-within a year he had opened his first shop on London's Oxford street-Virgin Records. Virgin has now become a brand which now covers everything from telecommunication to space tourism (Alleyne, 2009; Boyce, 2014; Mckenzie, 2013).

In Nigeria, the Ibru and Dangote family have become a legend of some sort in individualism as it pertains to entrepreneurship.

## 9 V. Conclusion

This study has critically discussed the concepts of individualism and nepotism as it patterns to growing SMEs in Sub Sahara Africa. It has x-rayed the various grounds that warrant its use and a cross cultural analysis of how its use has become very profitable across certain cultures. The lessons African entrepreneurs can learn have been exposed in this discourse. Ipso facto, individualism is not isolationism as some critics may see it, it is not about an SME operating alone or being in an island of its own. Individualism is developing and relying on core competencies and own capacities to dictate the strategic direction to go and having others follow. It is about being the leader in one's own industry of competition via innovations, evolutions of skills and competencies that cannot be copied-competencies that can become patents. It is about pursuing and showcasing an enterprise' own dream within the context of a competitive market environment and a set vision of being the best.

Because individuals constitute the primary unit of society not the group; the concept of individualism precludes the narrow definitions of an individual entrepreneur not desiring to associate, cooperate or compete with others -it defines SMEs whose drivers want to distinguish themselves as entrepreneurs of note with distinctive pedigree for value delivery. A true individualist is one who seeks out the best and wants to be the best.

As a corollary, nepotism is not absolute in real terms. It does not mean that talents and skill or other initiatives cannot be tapped from elsewhere to grow enterprises. Nepotism is about 'self preservation' on key success factors that give competitive edge in industries of operations. Unique production formulas, patents and

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344 competencies that should remain business secrets for success and longevity are best protected vide nepotism. It  
345 gives credence to moulding and shaping positive attitudes and work behavior that improves workers cohesion,  
346 can do spirit, esprit de corp., etc. Henri Fayol's Businesses that are family owned procure strategic alliances with  
347 other enterprises of like or different nature, but have synergy of sorts. Hence managerial and operational ties can  
348 be strengthened via these strategic alliances ??Thompson and Strikeland, Oghojafor, 2000). Thus, one enterprise  
349 secures certain interest of the other and receiving a service or product of value in return. This could be capacity  
350 for effective distribution chain management or providing insurance services for a different organization and/or  
351 out-sourcing the making of a particular component part to another family enterprise. Thus, the commanding  
352 heights of an economy can be supported by a network of family businesses. The ideology is that of 'standing  
353 together' and 'supporting one another' for economic survival. The Kareitsu businesses in Japan are built around  
354 this philosophy and they constitute the hub of the Japanese economy.

355 ? SMEs patterned along family lines have golden opportunity vide current ICT and internet resources to link  
356 up with SMEs with like family businesses in advanced economies to learn the intricacies involved in establishing,  
357 and running family-based enterprises to success. This can open up a whole lot of opportunities for SMEs in  
358 Sub-Saharan Africa to achieve strategic alliances and become enterprises of note in their domestic business  
359 environments with a global focus. ? There is the urgent need to strengthen existing institutions and government  
360 agencies to embark on aggressive extension services for SMEs that a patterned and formed along family collisions  
361 and individual prowess (Like the Kereitsus businesses of Japan) with the objective of rapidly growing them into  
national and global reckoning. <sup>1 2 3</sup>

? Evolvement of Skills: Skills and competencies reside  
in individuals. Local cottage industries provide  
veritable ground for grooming talents to brilliance.  
Skills competitions in most Sub-Saharan States  
have evolved cottage industries that now support  
local economies.

g) Successes in Nepotism and Individualism: Lessons  
for African Entrepreneurs

Figure 1: ?

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<sup>1</sup>© 2018 Global Journals Practices of Nepotism and Individualism in SMEs: A Cross Cultural Analysis & Implications for Enterprise Success in Sub-Sahara Africa

<sup>2</sup>Practices of Nepotism and Individualism in SMEs: A Cross Cultural Analysis & Implications for Enterprise Success in Sub-Sahara Africa

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363 ??Cateora, 1996)  
364 . Thus, for one to be a unit or divisional manager in most Japanese family enterprises ones' grand-parents  
365 and parents must have worked and risen up the ladder over the decades. It is not just by academic brilliance  
366 ??Cateora, 1996; ??azmi, 2004). This underscores commitment and loyalty to the organization and secures a  
367 life-time service whose dividends are invaluable.

## 368 .1 VI. Recommendations

369 In the light of study discourses the authors make the following recommendations:

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## 9 V. CONCLUSION

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