

International Journal of Recent Advances in Multidisciplinary Research



Vol. 11, Issue 12, pp. 10510-10516, December, 2024



## **RESEARCH ARTICLE**

## REFLECTION OF ENTREPRENEURSHIP THEORY IN TANZANIA: A LITERATURE REVIEW

#### \*Emmanuel Tonya

Department of Business Management, Mbeya University of Science and Technology, Emmanuel M. Tonya Tanzania

ARTICLE INFO	ABSTRACT
<i>Article History</i> Received 20 <sup>th</sup> September, 2024 Received in revised form 16 <sup>th</sup> October, 2024 Accepted 27 <sup>th</sup> November, 2024 Published online 29 <sup>th</sup> December, 2024	This paper examined the four most used theories of entrepreneurship and their reflection on Tanzania's economy. Entrepreneurship theories have remained the most researched issue in development economics. There are several theories of entrepreneurship, including economic, psychological, and sociological theories. The paper used a narrative design to review the empirical literature on entrepreneurship. During the review, the economic theory of entrepreneurship has many empirical works of literature compared to others. Other theories examined included sociological, psychological, and innovation theories of entrepreneurship. The main results from the review are that
Keywords:	entrepreneurship has been defined differently depending on the type of study and the use of the theory. However, other scholars define entrepreneurship depending on the economic set-up. In
Entrepreneurship, Economics, Psychology, Sociological, Innovation.	Tanzania, no policy has been explicitly developed for entrepreneurship. Instead, the small and medium enterprise policy 2003 is used for entrepreneurship, which does not fit precisely with the
*Corresponding author: Emmanuel Tonya	theories. Entering into business is taken as risk-taking and looking for opportunities. In Tanzania, however, the use of all theories compared to practice has been noted. The study recommends another study to define entrepreneurship in Tanzania clearly by assessing all the entrepreneurship theories.

*Copyright*©2024, *Emmanuel Tonya*. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

*Citation: Emmanuel Tonya. 2024.* "Reflection of entrepreneurship theory in Tanzania: A literature review", International Journal of Recent Advances in Multidisciplinary Research, 11, (12), 10510-10516.

# **INTRODUCTION**

А consistent universal theory does not exist in entrepreneurship; it consists of several approaches, including psychology, sociology, anthropology, regional sciences, and economics. No common theoretical framework, even if demanded rigorously, exists to synthesis entrepreneurship's difficult point of view (Virtaren, 1997). The diversity of entrepreneurs and new ventures should be considered in modelling entrepreneurship. There is no average entrepreneur; thus, opportunity exploitation is more connected to doing things differently than following others (Virtaren, 1997; Ahlin, Mateja, & Hisrich, 2014). Entrepreneurship has been defined differently depending on the economy and culture of a system. Entrepreneurship is discovering new ways of combining resources to tap into opportunities (Zhang, 2015). Others see it as designing, launching, and running a new business, which is often initially a small business (Shepherd, 2010). Furthermore, Sorensen and Nanda (2010) define it as the process by which either an individual or a group of individuals sees a business opportunity and decides to acquire and deploy the necessary resources required for its exploitation.

Entrepreneurship is seen as the capacity and willingness of an individual to develop, organise, and manage a business venture along with any of its risks to make a profit (Fernandes, 2019; Virtanen, 1997). The definitions of entrepreneurship typically focus on the launching and running of businesses. Due to the high risks involved in launching a start-up business, many start-ups have been closed due to lack of funds, poor marketing decisions, economic crisis, lack of market demand, or a combination of these. Despite all the challenges, individuals and groups still establish new business ventures, which has been attributed to the support that encourages people to employ themselves (Zhang, 2015). The reasons why people are becoming entrepreneurs differ among individuals, and this depends on the motive of venturing into a new business. Autonomy and the desire to become their bosses, set their own goals, control their progress, and run their businesses how they see fit are among the key reasons people establish new companies. Additionally, people of such calibre are called entrepreneurs (Sorensen & Nanda, 2010). Entrepreneurs tap opportunities when the market value generated by the resource is more significant than what can be

generated elsewhere individually or in some other combination. From the combination of the mobilised resources, the entrepreneur makes a profit. The road to entrepreneurship is often treacherous, filled with unexpected results, roadblocks, and dead ends (Fernandes, 2019, p. 5). Many sleepless nights, plans don't work out, funding that doesn't come through, and customers that never materialize. An entrepreneur organises, manages, and assumes the risks of a business or enterprise for a benefit. They recognise that their business's success or failure rests with them, yet they don't view this responsibility as a burden but as a marker of their freedom (Fernandes, 2019; Shepherd, 2010). Most entrepreneurs have a clear vision of what they want to accomplish and feel compelled to work tirelessly to make that happen (Zhang, 2015). They genuinely believe they have a product service that fills a void and are obligated by a singleminded commitment to that goal to keep pushing ahead. They hate stagnation and would rather fail while progressing than get weaker inactivity. Entrepreneurs are often looking to free themselves from these corporate constraints, find a better work-life balance, or work at times and in ways that may be unconventional.

One of the most interesting behaviours of these people is that they work hard to establish a financial safety net for themselves and their families, and at times, to pass on some income and security to their heirs and make a massive profit by creating the next big thing. Entrepreneurs, by nature, are often guided by the desire to create something that outlasts them (Sorensen & Nanda, 2010, p. 11). A segment of this group is led by ego and a passion for having a great life while developing a desire to create a brand that has longevity and becomes an institution. Entrepreneurs have hopes to make a lasting impression on the world and leave behind an innovation that improves people's lives in some tangible way.

Although the literature has identified an entrepreneur's characteristics, there is still no conclusive remark regarding what constitutes entrepreneurship. Should a small-town homemaker who opens her grocery business be counted the same as someone like Backrest? If not, how are these different activities classified, and where do we draw the line? (Fernandes, 2019). This uncertainty has made people come up with different terminology regarding this concept; some have defined it as a lifestyle entrepreneur and a gazelle (or "high growth") entrepreneur. Lifestyle entrepreneurs open their businesses primarily for the nonmonetary benefits of being their bosses and setting their schedules (Constable, 2015). Gazelle entrepreneurs often move from one start-up business to another with a well-defined growth plan and exit strategy (Constable, 2015). While this distinction seems conceptually apparent, it is hard to separate them empirically unless their motives are known. Entrepreneurship is the dynamic process of creating incremental wealth. Wealth is created by individuals who assume the significant risk of equity, time, and career commitment to provide value for some product or service. The product or service may be unique, but the entrepreneur must infuse the value by receiving and allocating necessary skills and resources (Virtaren, 1997, p. 8). This paper aims to describe four theories of entrepreneurship commonly used in developed economies and address their applicability in the context of Tanzania. The theories include the economic theory of entrepreneurship, the sociological

theory of entrepreneurship, the entrepreneurship innovation theory, and the psychological theory of entrepreneurship. The common entrepreneurship theories used in the developed economies have been selected and discussed critically, showing their applicability in the context of Tanzania's environment.

### **MATERIALS AND METHODS**

The study methodology is a literature review. The literature review is based on constructivism philosophy as a social constructivist, often associated with a claim of contradictory but equally valid accounts of the same phenomenon known as multiple realities (Greene, 2006, p. 6). Moreover, literature reviews highly value obtaining local, contextual, and meaningmaking regarding human experience (Greene, 2006, p. 7). The main questions revolved around the context guiding the literature review constructs and interpretation of underlying context into meaning for the understanding phenomenon. The constructivism method of the literature review is based on well-established principles such as an inductive and detailed description of data and reflexivity. This paper is built on reviewing published papers concerning entrepreneurship theories. The methodology used is search engines like Google Scholar, which uses keywords such as entrepreneurship theory, the theory of small business, economic theory, psychological theory, sociological theory, and innovation theory of entrepreneurship. Using search engines, 850,000 were available; however, only 67 published journal papers were reviewed using entrepreneurs and entrepreneurship theories as keywords.

This paper used the narrative analysis method. Narrative analysis is a cluster of analytic methods for interpreting texts or visual data with a storied form (Riessman, 1993, p. 4). A common assumption of narrative methods is that people tell stories or readings to help organise and make sense of data from reading to explain a phenomenon (Snowde, 2010). Different approaches to narrative analysis are categorised based on whether they focus on the narrative content or structure, with the thematic version interrogating what a story is about, while the structural version asks how a story is composed to achieve particular communicative aims (Riessman, 1993; Greene, 2006; Snowde, 2010). Narrative analysis is a sort of analytical frame whereby the study interprets published papers within the context of entrepreneurship (Caulfield, 2020). Scholars who conduct this type of analysis make diverse yet equally substantial and meaningful interpretations and conclusions by focusing on different elements (Caulfield, 2020). These elements of narrative analysis included but were not limited to how the scholarly paper was structured, what functions the paper aimed to serve, and how the data were analysed. The focus of narrative analysis was to interpret different theories of entrepreneurship and their reflections in the Tanzanian context. The study's central questionis: What is the interpretation of entrepreneurship in the Tanzania context? The study's objective was to examine the different theories in entrepreneurship and how they can be reflected in the context of Tanzania. The theories were analysed textually, including innovation and sociological, economic, and psychological theories of entrepreneurship.

## LITERATURE REVIEW

The Economic Theory of Entrepreneurship: The economic theory is among the main economic theories of entrepreneurship. This theory asserts that the economy and entrepreneurship are closely linked (Ahlin, Mateja, & Hisrich, 2014). Entrepreneurship and economic growth can only work when favourable economic conditionsexist (Baumol, 1968). As such, it is usually hard for entrepreneurs to realise growth when the economy is doing poorly. This theory further states that entrepreneurs find motivation through economic incentives. Economic incentives include industrial policy, taxation policies, financial and resource sources, infrastructure availability, investment opportunities, marketing opportunities, and information regarding market conditions and technology (Baumol, 1968; Anderetsch, 2007). An entrepreneur is, therefore, a risk-taker because one can never fully predict the favorability of the economic conditions in the future (Wim, 2009; Linden, 2015). An economic theory of the entrepreneur is needed to explain firm success or failure, firm creation and growth, economic growth and development, and income distribution (Wandeson & Casson, 2007). The essence of a theory of the entrepreneur should be both the rationalisation of success and the explanation of failure. A theory of the entrepreneur's function will have an essential role in a theory of economic dynamics, the competitive process, and trade cycles (Wandeson & Casson, 2007; Wim, 2009; Anderetsch, 2007; Linden, 2015). Casson (2009) contains the reconstructions of economic theory that individuals differ in taste and access to information; the entrepreneur proceeds based on the unique information available. Also, there are inherent difficulties (transaction costs) in organising markets; entrepreneurs often must create market institutions. The essential concept of expansion in Casson's theory explains coordination as a problem and a process, private or social. It is the dynamic counterpart of resource allocation (Casson, 2009).

Sociological Theory of Entrepreneurship: Sociological theory is also among the contemporary theories of entrepreneurship (Goss, 2005). It argues that an entrepreneur's success is affected by their social culture (Ripsas, 1998; Amorosj, Borraz, & Veiga, 2016). Social entrepreneurs are more likely to achieve growth in particular social settings and build a legacy. Social aspects that affect an entrepreneur include social values, customs, taboos, religious beliefs, and other cultural activities (Reynolds, 1991; Nanda & Jesper, 2010). Social entrepreneurship starts with companies and entrepreneurs who develop, fund and implement solutions to social, cultural, or environmental issues (Harper & Hamilton, 1994; Porfirio, Carrilho, & Monico, 2016). Social entrepreneurship may be applied to various organisations, which vary in size, aims, and beliefs (Li, Ahlstrom, & Bruton, 2010). Examples of social entrepreneurship include community Projects; a community project is a relatively smallscale effort to address an issue within a specific community, Non-profit Organizations, cooperatives (Co-op), Social enterprises, and Social Purpose businesses. Perhaps the most rewarding advantage of being a social entrepreneur is the impact you can have on society. Social entrepreneurs create businesses in various industries that can positively impact society, including alternative energy, health awareness, and education (Thornton, 2007; Porfirio, Carrilho, & Monico,

2016). Perhaps the most rewarding advantage of being a social entrepreneur is the impact you can have on society. Social entrepreneurs create businesses in various industries that can positively impact society, including alternative energy, health awareness, the environment, and education. An excellent social entrepreneur's characteristics include creativity, self-confidence, perseverance, team spirit, and adaptability (Thornton, 2007; Porfirio *et al.*, 2016). Creativity involves thinking differently and finding innovative solutions where others do not see any change possible, which is a massive quality to lead a social enterprise. To be a social entrepreneur, innovation is needed outside the box! (Shumba, 2015; Porfirio, Carrilho, & Monico, 2016) The second characteristic is self-confidence, which allows you to follow your intuition and create solutions many others didn't dare try (Shumba, 2015). Socioeconomics is a crucial success factor for social entrepreneurs. To them, this means to impulse change (Li, Ahlstrom, & Bruton, 2010). Being self-confident is a must in difficult situations or when other stakeholders have doubts about the feasibility of a project (Thornton, 2007; Goss, 2005). Fourth, a social entrepreneur's perseverance is a tremendous quality (Fernandes, 2019). Never giving up is a crucial success factor for any entrepreneur, even more so when wanting to change the world. To be a social entrepreneur is to try harder than others and make a lead for others to follow (Casson, 2009; Anderetsch, 2007). This goes hand in hand with convincing others to join the movements and inspire others to pursue their dreams. Being a social entrepreneur means leading the implementation of an innovative solution and engaging with a large community to change society sustainably (Wim, 2009). Team spirit/solidarity is another characteristic involving collaboration among social entrepreneurs and stakeholders to make a social project successful. The social entrepreneur believes in cooperation and integrating different ideas to create solutions suitable for the needs of stakeholders. Lastly, adaptability refers to the ability of an entrepreneur to adapt to world changes and find solutions where others fail to utilise the opportunities (Pignet, 2015).

Entrepreneurship Innovation Theory: An entrepreneur does not merely conduct business to better their lives alone. Instead, their activities can cause economic and societal development (Mintron, 1997, p. 12). The inventor of this theory, Joseph Schumpeter, argued that an entrepreneur grows by being creative and having foresight (Goss, 2005; Lusch & Nambisan, 2015; Hagedoorn, 1993; Swezy, 1943). One of the innovative things that an entrepreneur does is introduce a new product (Troy, Kroff, & Szymanski, 2007). A new product often solves a particular societal problem or makes it more convenient. Another innovative aspect is that in a bid to achieve growth and have more profits, an entrepreneur introduces a new production method (Liu, Jiangyoung, Travor, & Mike, 2010). Notably, enhanced production methods lead to a reduction in the cost of production and an increase in the goods manufactured. Innovation also occurs when an entrepreneur opens a new market (Troy, Kroff, & Szymanski, 2007). Innovation is often done after identifying a growth opportunity or a market void. The discovery of new sources of raw materials and established organisations are also aspects of entrepreneurial innovation (Lusch, Zacharia, & Nix, 2011; Marvel & Lumpkin, 2007).

Innovative entrepreneurship doesn't always mean creating something new: innovators often take something that already exists, improve it, change it, make it better and make it the best for their customers (Lusch, Zacharia, & Nix, 2011; Ahlin, Mateja, & Hisrich, 2014). Innovative ideas will make a startup competitive (Troy, Kroff, & Szymanski, 2007; Nausmann, 1996). Innovations create more significant opportunities and are critical for a company's survival, economic growth, and success. Innovation increases the chances to react to changes and discover new opportunities. It can also help foster a competitive advantage as it allows for the building of better products and services for the customers (Lusch, Zacharia, & Nix, 2011). It is important to note that entrepreneurs are risktakers who seek to push the boundaries of conventional practice wisdom. Entrepreneurs' ideas from initial strategic temperate for new ventures, products, and processes to satisfy human wants. The known activities of entrepreneurs guide the creation of jobs and accessibility of commodities, therefore improving economic development.

Psychological Theory of Entrepreneurship: The Psychological theories of entrepreneurship focus on the individual and the mental or emotional elements that drive the entrepreneurial of individuals (Hajirnis, 2013). A theory put forward by psychologist McClelland, a Harvard emeritus professor, suggests that entrepreneurs possess a need for achievement that drove their activity in 1967 (Baum, Frese, & Baron, 2014). This psychological motivational theory states that the needs for achievement, power, and affiliation significantly influence an individual's behaviour, which is helpful to understand from a managerial context. The psychological theory concerns entrepreneurs' growth experiences when society has several individuals with the necessary psychological characteristics (Carsrud & Johnson, 1989; Hajirnis, 2013). These characteristics include having a vision, facing opposition, and needing to achieve highly (Gielnik & Frese, 2014). A person can only possess these traits during their upbringing when they excel, are self-reliant, and have low father dominance. Psychological theories of entrepreneurship emphasise the emotional and mental aspects of the individuals that drive their entrepreneurial activities (Simpeh, 2014). McClelland's theory explains the need for achievement, which often regulates the actions of an entrepreneur. McClelland's Human Motivation Theory states that every person has one of three primary driving motivators: the need for achievement, affiliation, or power (Khurana & Joshi, 2017). These motivators are not inherent; they are developing culture and life experiences-achievers like to solve problems and achieve goals. Entrepreneurs are classified based on their need for achievement, which drives their economic growth (Khurana & Joshi, 2017; Carsrud & Johnson, 1989). According to McClelland, an entrepreneur works in a structured and creative way, eventually leading to better decision-making in predicaments. Individuals possess three dominant motivators regardless of age, gender, or culture. These three motivators are directly proportional to life experiences and culture experienced by individuals (Khurana & Joshi, 2017). The level of analysis in psychological theories is the individual (Carsrud & Johnson, 1989, p. 9). These theories emphasise the personal characteristics that define entrepreneurship. Personality traits needed for achievement and locus of control are reviewed, and empirical evidence is presented for three other new factors associated with

entrepreneurial inclination. These are risk-taking, innovativeness, and tolerance for ambiguity (Ahlin, Mateja, & Hisrich, 2014). Understanding entrepreneurship from the psychological perspective helps to determine whether society has a healthy supply of individuals possessing entrepreneurial characteristics. It also helps develop the overall concept of entrepreneurship, which is dynamic and changes according to the market conditions.

#### **RESULTS AND DISCUSSION**

The literature review findings do not present an original argument (GSU, 2021). Instead, literature review studies offer an overview of what is known about the topic and evaluate the strength of the evidence on the reflection of entrepreneurship in Tanzania. This finding is a synthesis of the key arguments in the theories of entrepreneurship. This study helps distinguish what theories say and what has been interpreted and identifies what needs further research. This study found 71 empirical papers related to the theory of entrepreneurship. The theories are major in business, production, and service industries. The finding further noted that the most used theory is the Economic theory of entrepreneurship, followed by the sociological theory. The study also found entrepreneurship has several theories. The entrepreneurship theories include.

**Economic Theory of Entrepreneurship:** The economic theory of entrepreneurship is widely researched. Experts in entrepreneurship have propounded the theory. Schumpeter propounded the theory of innovation; Leibenstein propounded the X-efficient theory; Kirzner propounded the theory of adjustment; McClelland propounded the achievement motivation theory; Knight propounded the theory of profit, and Hayek propounded the theory of market equilibrium.

**Sociological Theory of Entrepreneurship:** The sociological theory of entrepreneurship has ranked second in research about the development and management of entrepreneurship. The foremost more profound scholars of the sociological theory of entrepreneurship theory included Max Weber's more profound religious belief theory; Thomas Cochran propounded the theory of Entrepreneurial supply; Hagen propounded the theory of social change; and Young propounded the theory of group-level patterns.

Psychological Theory of **Entrepreneurship:** Entrepreneurship development is believed to develop from the psychological perspective of individuals (Baum, Frese, & Baron, 2014; Turkina & Thai, 2013; Frese, 2009). The psychological theories centre on the psychological characteristics of the individual. It has been found that psychology influences supply and demand; hence. entrepreneurial behaviour develops. The founder of the psychological theory includes Schumpeter, who propounded innovation, while Carland propounded the organisation building for innovative entrepreneurs. Bygrave and Hoffer propounded the theory of the human aspect of psychology and entrepreneurship management. John Hunkel propounded the theory of entrepreneurship supply. It was found that entrepreneurship supply theory determinants include demand structure, labour structure, and opportunity structure.

The study found that the psychological theory considers noneconomic factors that provide inputs to guarantee the success of entrepreneurship.

Specialists in Entrepreneurship: The study found the prominent scholars of the entrepreneurship theories from production to the service sector include Walker, who defined entrepreneurship as individuals being agents of production, which is the first factor for entrepreneurship development; Harbison propounded the development of entrepreneurship in the relationship of entrepreneurship as the factor of economic growth. It was found that Hardison also categorised the functions of modern entrepreneurship and the steps for entrepreneurship development. The study found that Peter Drucker specialises in innovation and opportunity exploitation. Drucker propounded the function of entrepreneurs as to search for change and respond by exploitation of opportunity. Two factors for change included innovation and resource management, which led to entrepreneurship. The study also found that Peter Kilby, another scholar in entrepreneurship. Kilby is a famous author on economic development and entrepreneurship. Kilby propounded the critical activities for entrepreneurship success, including exchange relationships, political administration and technological use for the production and exchange process.

**Entrepreneurship Models:** This study also found that two models closely contribute to the theories of entrepreneurship. The models are a conceptual model of entrepreneurship by John Kao and an integrated model of entrepreneurship developed by Abdul Mahmud (Mohanty, 2012). The discussion of the study is based on four theories: economic theory, sociological theory, psychological theory, and innovative theories.

#### DISCUSSION

The study has reviewed four theories that have been researched in entrepreneurship management. Each theory used in entrepreneurship has its strengths and weaknesses. The discussion looks at the strengths and weaknesses of each theory concerning the application of entrepreneurship theory in Tanzania.

**Economic theory:** The strength of the economic theory, among others, is the concentration on individual incentives for serving society. Economic theory emphasises the capitalisation of the business environment as a resource for business development and opportunity exploitation. The main base of economic theory is the use of available resources as an opportunity. The resources include human capital, financial resources, and physical resources. The main challenge with the economic resource theory is that it is based on economic information that has been generated by others, maybe for other purposes. The use of the information can mislead the authentic available opportunities. Basing on unique information can distort the meaning of entrepreneurship. When the information is not sufficiently analysed, the opportunity is not seen.

**Sociological theory:** The sociological theory of entrepreneurship emphasises the effect of social culture setting on the advancement of entrepreneurship.

The social culture likely to affect entrepreneurship includes shared values, customs, and religious beliefs. A social culture setting is where one can enjoy several opportunities worldwide. The theory's strengths are that it considers social culture influential in establishing and developing entrepreneurship. The sociological part of business undertaking also notices the importance of social networks as the necessity for entrepreneurship. Only entrepreneurs have to be creative thinkers to solve problems. The theory's weakness is that it emphasises creative thinking to improve offerings and collaboration; therefore, it does not think the economic set-up is essential for development. The theory also does not consider the environment as a source of opportunity exploitation. The consideration of the social environment allows for changes in the business environment.

Innovation Entrepreneurship Theory: Innovation entrepreneurship theory is widely researched as the world's technological development demands different products for consumption. The theory assumes creativity and innovation are the foresight of business development. Societies have several challenges that need to be solved by entrepreneurs. Innovation theory emphasises research and development as the basis for the increasing demand for products and services as the research is done on societal challenges. The theory assumes that by researching the costs of the products, they can be reduced and hence have an advantage for users. The challenge/weakness of the theory is its emphasis on creativity as the only way to solve society's problems using research and development. Creative thinking and creativity must go hand in hand with other variables like environment, culture, and customer tests with their references.

**Psychological Theory of Entrepreneurship:** Psychologists on the entrepreneur's development have researched the theory. The psychological theory assumptions are based on individual achievement. The main focus of psychological theory is the interest and experience of the individual as an emotional element that drives entrepreneurship development and growth. The theory also assumes that an individual with focus or visionary strategy prospers, requiring achievement at a higher level. The theory is based on three elements for entrepreneurs' growth: personal traits, locus of control, and need for achievement. The elements are essential when considering entrepreneurship development and growth.

The psychological theory of entrepreneurship elements dictates that individuals take risk-taking as an individual's has resources motivated to establish entrepreneurship. The theory looks at tolerance as one of the factors for entrepreneurship to prosper. The theory also recognises the wealth of individuals who can risk venturing into the development of goods and services for community consumption. The main weakness of the theory is its consideration of the individual's motive of risk-taking to establish business ventures as the primary source of entrepreneurship. The combination of an individual having human, financial, and capital abilities has to be linked with the environment and incorporate economic, sociological, and innovation towards entrepreneurship development. The discussion above concludes that entrepreneurship in Tanzania can fit into all four reviewed theories. The definition of entrepreneurship is a risk-taker, innovator, individual initiator, and using personal resources to develop ventures for supply

and fill gaps of demand. Several definitions have been made using psychological and social theories in Tanzania, but they have not been tested. A good example is the definition of someone doing business as an entrepreneur; however, doing business itself is not entrepreneurship, as per theories. Also, entrepreneurship in Tanzania has no policy to guide its operation, unlike the Small and Medium Enterprises policy.

#### **Conclusion and Recommendation**

## CONCLUSION

The study was about the reflection of entrepreneurship theories in Tanzania. This study's main objective was to examine entrepreneurship theories' applicability in the context of Tanzania. Many studies have been done globally concerning entrepreneurship theories. Each theory has a different definition and variables with empirical tests on its applicability. The study has revealed that the four entrepreneurship theories reviewed are poorly articulated in Tanzania for defining entrepreneurship. The reviewed theories can be well used in the Tanzanian context to dictate the development of entrepreneurship, as the importance of entrepreneurship in the economic development of a nation is known. The basis of any development depends on a solid base of entrepreneurship.

### RECOMMENDATION

The study suggests that a statistical study be done to establish which theory fits developing countries and define entrepreneurship theory as fit for application. The study should include several countries to establish a true definition of entrepreneurship in developing countries. The study is limited to four theories: economic theory, sociological theory, innovation theory, and psychological theory. The field of entrepreneurship has so many theories being researched; this paper suggested another paper to explore more and combine these theories to come up with only a theory relevant to Tanzania.

### ACKNOWLEDGEMENT

The authors wish to extend special thanks to the Principal College of Humanities and Business Studies (COHBS) and the Head of the Department of Business Management of the Mbeya University of Science and Technology for giving authors time to work on developing this manuscript to this end of the submission.

**Declaration of Conflict of Interest:** The authors declare that they had no potential conflict of interest concerning the study, authorship, and publication of this article.

**Funding sources:** The authors funded the study. No research fund was accessed from sponsors from the government or private sector.

### REFERENCES

Ahlin, B., Mateja, D., & Hisrich, R. D. (2014). Entrepreneurs' creativity and firm innovation: the modelling role of entrepreneurship self-efficacy. *Small business economics*, 43(1), 102-117.

- Amorosj, J. E., Borraz, F., & Veiga, L. (2016). Entrepreneurship and socioeconomic indicators in Latin America. Latin American Research Review. 51(4), 186-201.
- Anderetsch, D. B. (2007). Entrepreneurship, capital and economic growth. Oxford review of economic policy, 23(1), 63-78.
- Baum, J., Frese, M., & Baron, R. E. (2014). *The Psychology of Entrepreneurship*. NY: Psychology Press.
- Baumol, W. J. (1968). Entrepreneurship in economic theory. *The American Economic Review*, 58(2), 64-71.
- Carsrud, A. L., & Johnson, R. W. (1989). Entrepreneurship: A social psychology perspective. *Entrepreneurship and Regional Development.* 1(1), 21-31.
- Casson, M. C. (2009). *The Entrepreneurship: An Economic Theory*. Reading: University of Illinois Urbana.
- Caulfield, J. (2020). A guide to textual analysis. Leicester: Scribbr.
- Constable, K. (2015, October 19). www.Entrepreneurs.com. Retrieved January 22, 2020, from Lifestyle Entrepreneurs/Articles: http://www.entreperneur.com
- Fernandes, P. (2019). Entrepreneurship Defined: What does it Mean to be an entrepreneur? Shutterstock: George Rudy.
- Frese, M. (2009). *Towards Psychology of Entrepreneurship: An Action Theory Perspective*. Boston: Now the Essence of Knowledge.
- Gielnik, M. M., & Frese, M. (2014). The Psychology of Entrepreneurship. *The Annual Review of organisational psychology and organisation behaviour.1*, 413-438.
- Goss, D. (2005). Schumpeter's legacy. Interaction and emotions in the sociology of entrepreneurship. Baylor: ET&P.
- Greene, M. (2006). Towards a methodology of mixed methods social science inquiry. *Research in Social Science 13(1)*, 93-98.
- GSU. (2021, May 11). *Georgia State University*. Retrieved July 14, 2021, from Georgia State University Library: http:/research.librarygsu.edu/literature
- Hagedoorn, J. (1993). Innovation and entrepreneurship: Schumpeter revised. *Industrial and cooperate change*, 5(3), 883-896.
- Hajirnis, R. (2013). Evolution of Entrepreneurship development theories. *Journal of commerce and management thought.* 4(2), 245-250.
- Harper, D. A., & Hamilton, R. T. (1994). Entrepreneurship in theory and practise. *Journal of economic studies*. 21(6), 3-18.
- Khurana, H., & Joshi, V. (2017). Motivation and its impact on individual performance: A comparative study based on McClelland's three need model. *International journal of* research in commerce and management. 8(7), 110-116.
- Li, H. L., Alhlstrom, D., & Bruton, G. D. (2010). *Institutional Theory and Entrepreneurship: Where are we now and Where do we need to Move in Future?* Baylor: ET&P.
- Linden, P. (2015). Entrepreneurship: Theory and application in a University arts and management setting. *Journal of music and arts entertainment industry educators association*. 15(1), 81-98.
- Liu, X., Jiangyoung, L., Travor, B., & Mike, W. (2010). Returnee entrepreneurs, knowledge and innovation in higher technology firms in emerging economies. *Journal* of International Business Studies. 41(7), 1183-1197.

- Lusch, F. R., & Nambisan, S. (2015). Service innovation: A service-dominant logic perspective. *MIS Quarterly review*. 39(1), 155-175.
- Lusch, R., Zacharia, Z. N., & Nix, N. (2011). Capabilities that enhance outcomes of an episodic supply chain collaboration. *Journal of Operation Management.* 29, 591-603.
- Marvel, M. R., & Lumpkin, G. T. (2007). Technology Entrepreneurs, human capital and its effects on innovation radicalness. Baylor: ET&P.
- Mintron, M. (1997). Policy entrepreneurs and Diffusion of innovation. *American journal of political science.* 41(3), 738-770.
- Mohanty, S. K. (2012). *Fundamentals of Entrepreneurship*. New Delhi: PHI Learning Private Limited.
- Nanda, R., & Jesper, B. S. (2010). Workplace peers and entrepreneurship. *Journal of Management Science*. 56(7), 1116-1126.
- Nausmann, U. (1996). Neither Industrial district nor innovation milieu: Entrepreneurs and the new context. *European Regional Science Association, 36 congresses.*
- Pignet, S. (2015, February 26). www.creatorforgood.com. Retrieved January 22, 2020, from 6 Personality Characteristics of a Good Social Entrepreneur: http://creatorforgood.com
- Porfirio, J. A., Carrilho, T., & Monico, L. S. (2016). Entrepreneurship in different contexts in cultural and creative industries. *Journal of Business Research.* 30(60), 1-7.
- Reynolds, P. D. (1991). Sociology and Entrepreneurship Concepts and Contribution. Baylor: ET&P.
- Riessman, C. K. (1993). *Narrative analysis*. Newbury Park: Sage.
- Ripsas, S. (1998). Towards an interdisciplinary theory of entrepreneurship. Small business economics. 10(2), 103-115.
- Shepherd, D. A. (2010). Multilevel entrepreneurship research: opportunities for studying entrepreneurial decisionmaking. *Journal of Management.* 37(2), 412-420.
- Shumba, V. (2015). The role of Christian churches in entrepreneurial stimulation. *International Journal of* Business Management, Vol. 3/7, 152-157.

\*\*\*\*\*\*

- Simpeh, K. N. (2014). Entrepreneurship theories and Empirical research: A summary review of the literature. European Journal of Business Management. 3(6), 1-9.
- Snowden, D. (2010). Naturalising sense-making in Mosier and Fischer is informed by knowledge. *Expert performance*, 223-234.
- Sorensen, J., & Nanda, R. (2010). Workplace peers and entrepreneurship. *Journal of Management Science*, 56(7), 1116-1126.
- Swezy, P. M. (1943). Professor Schumpeter's theory of innovation. *The review of economics and statistics*. 25(1), 93-96.
- Thornton, P. H. (2007). Sociology of entrepreneurship. *Rebuilding Schumpeter's Theory of Entrepreneurship* (pp. 19-46). Manchester: Techniset.
- Troy, L. C., Kroff, M. W., & Szymaniski, D. M. (2007). Innovativeness and new product success: Insight from the cumulative evidence. *Journal of the academy of marketing science.* 39(1), 35-52.
- Turkina, E., & Thai, M. T. (2013). Socio-psychology determinants of opportunity exploitation. *International Entrepreneurship Management Journal*, 1-23.
- Virtaren, M. (1997). The role of different theories in explaining entrepreneurship. *International Council for Small Business* (pp. 1-18). San Francisco: Research Gate Publishers.
- Wandeson, N., & Casson, M. (2007). The discovery of opportunities: Extending the economic theory of entrepreneurship. *Small Business Economics*. 28(4), 285-300.
- Wim, N. (2009). Entrepreneurship, developing countries and development economics: New approach and insight. *Small Business Economics*. 43(1), 1-12.
- Zhang, S. J. (2015). The study of bias in entrepreneurship. Journal of Entrepreneurship Theory and Practice. 41(3), 419-454.