

# Exploration of an entrepreneur's mindset in transforming an idea into a viable enterprise. Empirical study of Private Secondary Schools' establishments in Kabale Municipality.

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**Abstract:** The purpose of the study was to explore the entrepreneur's mindset in transforming an idea into a viable venture, a case of selected Private Secondary Schools in Kabale Municipality, South Western Uganda". The study objectives were; to establish reasons for venture establishment, identify factors affecting performance of Private secondary schools in Kabale municipality, and explore possible reasons responsible for growth/failure of Private Secondary schools in Kabale Municipality. The methodology employed was a descriptive correlation and cross sectional survey design. A combination of qualitative and quantitative approaches was used in data collection and analysis during the study. The study population comprised of 180 respondents. The sampling techniques were both purposive (Directors, Head teachers) and simple random sampling (Administrative staff and students' leadership) from the selected Private Schools from Kabale Municipality, South western Uganda. The data collection instruments used were questionnaires and Interviews. The findings revealed a significant relationship between an entrepreneur's mindset and organizational performance in the selected Private secondary schools in Kabale municipality, South western Uganda. The study concluded that the mind and emotions of a person are extremely responsive to their actions. Success of a private secondary school is as a result of relevant skills and the mindset of an entrepreneur, and that, in running a business, everyone has their perspective in achieving success. The study recommends that for successful establishment of private secondary schools within Kabale Municipality, proprietors of these schools should be cognizant of their mindset in the three strands; Cognition in decision making, Behavior as the most salient feature of the entrepreneurial mindset, and Emotional aspects of the entrepreneurial mindset.

**Keywords; entrepreneur, entrepreneurial mindset, enterprise, performance**

## INTRODUCTION

### 1.1 Background

Naumann, (2017) highlighted how entrepreneurs develop uniqueness through the way they reason, think, decide, plan, and establish goals. Through the use of their internal frameworks, entrepreneurs are fashioned by experience, knowledge, heuristics, and networks, and they are able to connect seemingly unrelated patterns. Their surroundings necessitate a distinct style of thinking, Baron (2012). When entrepreneurs turn their ideas into reality, they do not follow the conventional logic of causes and effects, but rather weave information together in novel ways.

According to McGrath & MacMillan (2000), A mindset that embraces the advantages of uncertainty in business and its potential, is known as being entrepreneurial. It encourages acts aimed at seizing possibilities and represents the creative and active pursuit of opportunities.

To maintain the competitiveness of economic organizations and the socioeconomic lifestyle of the population through the creation of value and jobs, it is crucial to cultivate an entrepreneurial mindset. This significance is demonstrated by the fact that it makes it possible for advocates of new ideas to found organizations with innovative, worthwhile ideas, that are supported and nurtured in an encouraging and supportive culture, Guinan et al. (2019). There is therefore need for future generation to be more entrepreneurial; that is, creative or innovative, with the ability to act on opportunities. The attitude of a successful entrepreneur will be one that can quickly recognize, act, and mobilize even in ambiguous situations. The capacity to act, feel, and organize may be at the heart of entrepreneurship, the ability to sense and adjust to uncertainty distinguishes a vital entrepreneurial resource, Haynie et al., (2010).

According to Kuratko et al. (2021) the recognition, interaction, and reinforcement of the three components of the entrepreneurial mindset include the cognitive, behavioral, and emotional aspects. The mind and emotions of a person are extremely responsive to their actions. Entrepreneurs can start to change their perceptions and mental models by acting and affecting how they feel about the environment around them, Kuratko et al., (2021). Emotions can also significantly and directly influence the other facets of the

entrepreneurial mindset. An entrepreneur's mood might influence their perspective on situations and their behavior, Kato & Wiklund (2011).

There are about 13 private secondary schools in Kabale municipality, and it is important to note that most (if not all) of these schools are established with entrepreneurial intentions. Some of these secondary schools have succeeded, while others have partially or totally failed to perform. Could the success and/or failure of these schools a result of the proprietors' mindset?. This is underpinned by Buddha (a philosopher) who states that: "The mind is everything. What you think, you become" Prok (2016) hence the necessity to conduct this research.

## **2.0 REVIEW OF RELATED LITERATURE**

### **2.1 An entrepreneur's mindset**

According to Fisher et al., (2020) an entrepreneur's mindset enables and empowers them to solve issues, come up with innovative solutions, and act to seize opportunities. Entrepreneurs are able to innovate because of the mental perspective that comes before their acts and satisfies their emotions. Haynie et al. (2010) proposes three distinct aspects of the entrepreneurial mindset;

1. The cognitive aspect—how entrepreneurs use mental models to think.
2. The behavioral aspect—how entrepreneurs engage or act for opportunities.
3. The emotional aspects—what entrepreneurs feel in entrepreneurship.

According to Kuratko et al., (2021) cognition refers to mental processes. Attention, recollection, language production and comprehension, problem-solving, and decision-making are some of these activities. The term "cognitive flexibility" refers to ability to digest information, applying knowledge, and altering preferences. It is derived from the Latin word *cognoscere*, which means "to know," "to conceptualize," or "to recognize." The mental processes (thoughts), mental states, and mental activities of intelligent humans are collectively referred to as cognition. Bailey (2007). Entrepreneurial cognition is also the mental models or knowledge bases that people employ when evaluating opportunities, starting new businesses, and growing existing ones.

With the behavioral aspect, Bird & Schjoedt (2017) underline that the motivation for taking action, which results in the creation of an enterprise, drives entrepreneurs. Without action, thoughts, intentions, motives, learning, and intelligence do not produce economic value. Individuals' activities, such as those made when they buy, sell, gather and use resources, work, etc., are the basic foundation of organization. This viewpoint is what motivated this significant study to investigate how an entrepreneur's actions and thinking may turn an idea into a successful company.

Naumann (2017) suggests that an entrepreneur should quickly detect, act, and mobilize in reaction to a judgmental decision. Entrepreneurs are constantly looking for new opportunities, but they only act on those that fit with their overall plan, Kuratko et al., (2021) The entrepreneurial mindset is further understood as a dynamic process of vision, transformation, and creation that calls for the application of enthusiasm and energy to the development and implementation of fresh concepts and innovative solutions. The ability to sense opportunity where others see disorder, contradiction, and uncertainty is what allows one to seize it.

According to Li, (2011) entrepreneurs experience or feel emotions in their minds. Running the company and managing relationships are examples of how the entrepreneur lessens these emotions. Uncertainty is one of the primary motivators of entrepreneurial emotion. Cardon et al., (2009) says that research has demonstrated that there is a dark side coming from an entrepreneur's energy drive that operates as a harmful cause inside the realm of emotion. According to Goldsby et al., (2005) there are some unfavorable elements that could surround and control entrepreneurs' behavior. While some of these variables could be advantageous, it's crucial for business owners to be aware of any potential negative effects as well. There are three in particular: risk, stress, and ego. Goldsby et al. (2005) further noted that entrepreneurs are confronted with certain risks. These can be grouped into four basic areas: (1) financial risk, (2) career risk, (3) family and social risk, and (4) psychic risk.

To achieve entrepreneurial goals (independence, wealth, work satisfaction) most entrepreneurs are willing to tolerate effects of stress, Alstete, (2008). In general, it is possible to see that stress is a result of mismatches between a person's expectations and characteristics as well as mismatches between their expectations and capacity to meet demands. Entrepreneurs are prone to stress when their workload demands and expectations surpass their capacity to function as venture initiators.

Entrepreneurs may succeed or fail depending on how extreme their entrepreneurial inflated ego is when combined with risks and stress. In their businesses, entrepreneurs are motivated by a strong demand for control and, occasionally, a thirst for power. This obsession with controlling everything stems from an internal locus of control. Entrepreneurs that are obsessed with autonomy and control might prefer to work in structured environments. Kets de Vries, (1985)

## 2.2 Factors for measuring enterprise performance

### 2.2.1 Entrepreneurial aspect

According to Anggadwita & Mustafid (2014), an important and critical element of the significance and success of the entrepreneurial part is the human behavior that will operate a number of other management features in that business. The traits of the individual determine whether a firm will succeed. Over time, personal traits may either alter or remain constant. Baron et al., (2016) suggests that personal traits like drive, optimism, self-efficacy, and self-management can affect a company's success.

### 2.2.2 Competence of human resource

Performance—individual and organizational—and competence are tightly related. To meet new difficulties and the more ferocious market rivalry, human resources must be competent. Doz, (2020) Competence is defined as the ability to perform tasks that include work place skills that are supported by knowledge, and abilities in line with organisational goals. According to the survey conducted by Vodã & Florea, (2019) skilled labour is an important contributor to the growth of any business.

### 2.2.3 Innovativeness

Basadur (2004) defines innovation as a generation, acceptance and implementation of new ideas, processes products or services. Innovation is a key element in maintaining and improving organizational performance.

This study of private secondary schools covers the aspects of creativity to bring about competitiveness, productivity and efficiency for private schools in obtaining distinctive competences that allow them to attract more students than their competitors, but also operate profitable with quality products.

### 2.2.4 Sustainability

According to Ciemleja & Lace (2011) Sustainability is a crucial component in evaluating an enterprise's performance because it shows how viable a company is continuing to grow. Profitability and expansion are sustainability factors. Growth is heterogeneous, meaning that businesses can increase along various axes and exhibit a wide range of growth patterns throughout time, Sterk et al. (2021). Also, Alabdullah (2019) observes that profitability represents the ultimate goal for any organization and has the capacity to make profit. In addition to financial measures, Bates (2021) has also used subjective parameters for profitability measurement.

Since sustainability demonstrates a company's potential for future growth, it is a key factor in assessing an enterprise's performance. Sustainability factors include growth and profitability. Growth is heterogeneous, which means that companies can grow along many axes and display a variety of growth patterns across time.

## 3.0 METHODOLOGY

### 3.1 Research design

The research used a cross sectional descriptive survey. This was because collection of data was done once. The sampling technique adopted was purposive sampling and simple random sampling because ; respondents with the right and required information were chosen to participate in the research exercise, but also there were cases where in some categories, respondents ought to be given an equal opportunity to obtain balanced views.

### 3.2 Study area

The research was carried out in Kabale Municipality, in Kabale District, in south western Uganda.

### 3.3 Study population

The study focused on Directors, Head teachers, Teachers, Administrative Staff and Students. 180 respondents were targeted from all these categories of respondents.

### 3.4 Sample size and selection

The sample size was composed of 180 respondents, that comprised of 11 Directors, 11 Head teachers, 33 teachers, 33 Administrative (non-teaching) staff, and 92 student leaders. Details of the target population, sample size and sampling techniques of the study are shown in the table below.

Category of respondents	Total population	Sample size	Sampling procedure
Directors	11	11	Purposive
Head teachers	11	11	Purposive
Teachers	110	33	Simple random

Administrative staff	66	33	Simple random
Student leaders	220	92	Simple random
<b>Total</b>	<b>418</b>	<b>180</b>	

Simple random and purposive sampling methods were used to choose respondents. Purposive sampling gave the researchers an opportunity to acquire reliable information from the respondents.

### 3.5 Data sources

Data was collected from both primary and secondary sources

### 3.6 Validity and reliability

A research instrument's capacity to gauge its overall objective is known as validity. For the study goals to be met, the research tool must be pertinent. To reduce mistakes, the researchers held a consultative discussion. To make sure that the questions for the respondents were pertinent to the research study, a lot of attention was paid to the questionnaire.

### 3.7. Data processing

Data was collected, edited and coded using SPSS V 20 and was later presented using percentages, figures and tables.

## 4.0. PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

### 4.1.1 Gender of respondents

The study investigated the gender of respondents because gender may influence performance. The findings are presented in the table below;

**Table 4.1: Showing Gender of respondents**

Gender	Frequency	Percentage
Male	99	55
Female	81	45
Total	180	100

From the table above, it was ascertained that the highest number of respondents were males represented by 55% and females were represented by 45%

### 4.1.2 Age of respondents

The age of respondents were captured in the study, because due experience and exposure, age may influence the mindset of an individual.

**Table 4.2 Showing Age of respondents**

Age range	Frequency	Percentage
12- 20	57	31.7
20-30	10	5.6
30-40	70	38.9
40 – 50	22	12.2
50 and above	21	11.7
Total	180	100

The above table indicates that the age range 12-20 were represented by 31.7%, 20 – 30 range represented by 5.5%, 30-40 age range represented by 38.9%, age range 40-50 represented by 12.2% and 50 and above age range was represented by 11.7%.

From the above analysis, the age range 30 – 40 was represented by the highest number of respondents, represented by 70 (38.9) respondents, and the lowest being 50 and above age range, represented by 21(11.7%) respondents.

### 4.1.3 Reasons for venture establishment

**Table 4.3: Showing reasons for establishment of private secondary schools.**

Reason	Frequency	Percentage
Following passion and dream	6	3.3
Social support and community contribution	8	4.4
Financial gain	120	66.7

Retirement plan and posterity	8	4.4
Practice an acquired skill	17	9.4
Tapping an opportunity	21	11.7
<b>Total</b>	<b>180</b>	<b>100</b>

Source: Data from the field (2022)

From table 4.3 above financial gain, represented by 120 (66.7%) respondents is the main reason why proprietors of private secondary schools undertake these ventures.

This is in agreement with Alabdullah (2019) who concluded that profitability represents the ultimate goal for any organization, and Bates (2021) who noted that sustainability of any business hinges on the level of profitability.

Further, table 4.3 indicates that 21 (11.7%) of the respondents noted that tapping an opportunity is the reason why some of these private secondary schools were established. This is in agreement with Kuratko et al., (2021) who suggests entrepreneurial mindset is a dynamic process of vision, transformation, and creation that calls for the application of enthusiasm and energy to the development and implementation of fresh concepts and innovative solutions, with ability to sense opportunity where others see disorder, contradiction, and uncertainty and be able to seize it.

#### 4.1.4 Factors affecting performance of Private schools ventures

**Table 4.4: Showing factors affecting performance of private schools**

Factor	Frequency	Percentage
Technological	15	8.3
Economic	20	11.1
Political/legal	11	6.1
Social	13	7.2
Competitive	30	16.7
Ethical	18	10
Personal	20	11.1
Internal organizational factors	37	20.6
Natural	16	8.9
<b>Total</b>	<b>180</b>	<b>100</b>

Source: (Field data 2022)

Findings from table 4.4 above indicate that 37 respondents representing 20.6% noted that internal institutional factors (both individual and organizational) affect performance of private schools. This is in agreement with Doz, (2020) who observed that performance—individual and organizational—and competence are tightly related. Therefore, meeting new difficulties and the more ferocious market rivalry, human resources must be competent.

#### 4.1.5 Reasons for success or failure of a private secondary school

**Table 4.5: Showing reasons for success or failure of a private secondary school**

Factor	Frequency	Percentage
Logical thinking, curiosity and learning ability	40	22.2
Ability to analyse and match competition	31	17.2
How complex tasks are managed	20	11.1
Responsiveness to technology	10	5.6
Ability to engage stakeholders	36	20
Networking	22	12.2
Institutional values	21	11.7
<b>Total</b>	<b>180</b>	<b>100</b>

Source: (Data from the field 2022)

From the table above, 40 (22.2%) respondents indicated that logical thinking, curiosity and learning ability of individual determine whether a firm will succeed or fail. This is in agreement with Baron et al., (2016) who suggests that personal traits like drive, optimism, self-efficacy, and self-management can affect a company's success.

## 5.0 CONCLUSION AND RECOMMENDATIONS

## 5.1 Conclusion

The study concluded that the mind and emotions of a person are extremely responsive to their actions. Success of a private secondary school is as a result of relevant skills and the mindset of an entrepreneur, and that in running a business, everyone has their perspective in achieving success. This paper was able to integrate all three views and proposed/recommended a unified view of what constitutes the entrepreneurial mindset—thoughts, action, and feelings.

## 5.2 Recommendation

The study recommends that, for successful establishment of private secondary schools within Kabale Municipality, proprietors of these schools should be cognizant of their mindset in the three strands; Cognition in decision making, Behavior as the most salient feature of the entrepreneurial mindset, and Emotional aspects of the entrepreneurial mindset.

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