

EXAMINING THE IMPACT OF ENTREPRENEURIAL LEADERSHIP ON STARTUP SUCCESS IN ILE-IFE, OSUN STATE, NIGERIA

Temitope F. Jiboye

Institute for Entrepreneurship and Development Studies, OAU

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Abstract: This study examines the role of entrepreneurial leadership in driving the success of startups, with a focus on startups in Ile-Ife, Nigeria. This study aims to identify key leadership traits, such as innovation, risk-taking, adaptability, and visionary thinking, and analyze their influence on startup performance. Additionally, the research explores how external factors, including cultural and economic conditions, affect entrepreneurial leadership and business outcomes. Drawing on established leadership theories, this study develops a conceptual framework linking entrepreneurial leadership to startup success. Data were gathered through a structured questionnaire from 100 Ile-Ife startup founders. The findings highlight that entrepreneurial leadership traits, particularly adaptability and risk-taking, are crucial for navigating the challenges of startup environments. Cultural support and access to finance were identified as significant factors that enhance or limit entrepreneurial effectiveness. This study concludes that entrepreneurial leadership plays a critical role in determining startup success, with external factors either amplifying or moderating this impact. The research recommends targeted leadership training, improved access to finance, and supportive policies to promote a thriving startup ecosystem in Ile-Ife. These insights offer practical implications for entrepreneurs, policymakers, and other stakeholders aiming to foster entrepreneurship and drive sustainable business growth in similar contexts.

Key words: Entrepreneurship, Leadership, Startup, Success, Sustainable Business

Introduction

Entrepreneurship has emerged as a key driver of economic growth and innovation in both developed and developing economies. It is widely recognized that startups play a crucial role in job creation, fostering competition, and contributing to technological advancement. However, the success of startups and, however, is often contingent on various factors, among which leadership stands out as particularly significant. Leadership within entrepreneurial ventures involves not only managing resources but also navigating uncertainties, inspiring teams, and driving innovation. The entrepreneurial leader's role extends beyond traditional management functions to include setting a vision, motivating others, and creating an environment conducive to creativity and growth. This dynamic role is especially critical in the early stages of a startup, where decisions made can have long-lasting impacts on the venture's trajectory (Wiklund et al., 2019).

Leadership within startups differs significantly from leadership in more established organizations. In startups, leaders often work in high-pressure environments characterized by limited resources, high uncertainty, and a need for rapid decision-making. The ability to lead effectively in such environments is closely tied to entrepreneurial leadership, a style that combines the proactive, innovative, and risk-taking behaviors typical of entrepreneurs with the strategic vision and people-oriented skills of effective leaders (Renko et al., 2015). Entrepreneurial leadership is thus seen as a crucial determinant of startup success, influencing everything from team dynamics to market positioning and long-term sustainability.

Entrepreneurial leadership is a core characteristic of startups that involves visionary thinking, risk-taking, and adaptability to navigate challenges and seize new opportunities, driving innovation and growth in dynamic markets. It empowers startup teams to remain agile, proactive, and focused on achieving strategic goals while fostering a culture of creativity and resilience. This leadership style is crucial for sustaining competitive advantage in rapidly changing environments.

Startups play a crucial role as engines of innovation and economic growth, particularly in Ile-Ife's dynamic environments. Startups are characterized by their pursuit of new market opportunities, high degree of risk-taking, and innovative approach to solving problems.

In Nigeria, a startup is identified by its years of operation, generally within the range of 0–5 years. This timeframe represents the initial stage of the business, during which it focuses on developing its product or service, exploring the market, and striving for scalability and sustainable growth.

Unlike established businesses, startups are defined by their rapid growth potential, scalability, and ability to quickly adapt to changing market conditions. They thrive on flexibility, efficiently leveraging limited resources while creating novel solutions to meet consumer needs. Understanding the unique characteristics of startups, such as their focus on innovation, lean operations, and strategic agility, is essential for exploring the impact of entrepreneurial leadership on their success, particularly in culturally and economically diverse contexts.

In the context of Ile-Ife, a city rich in cultural heritage and history, the entrepreneurial landscape presents unique opportunities and challenges. Ile-Ife, often regarded as the cradle of Yoruba civilization, is known for its traditional arts, crafts, and festivals, which contribute to its distinct economic and cultural identity. The local economy of Ile-Ife is driven by small- and medium-sized enterprises (SMEs) engaged in agriculture, arts and crafts, and tourism. These sectors not only reflect the cultural richness of the region but also hold significant potential for economic development (Adebayo, 2020).

However, the entrepreneurial ecosystem in Ile-Ife is shaped by a complex interplay of cultural and economic factors. Culturally, the region's deep-rooted traditions and values can influence entrepreneurial behavior and decision-making. Entrepreneurs in Ile-Ife often integrate cultural elements into their business models, leveraging local knowledge and practices to create unique products and services. Economically, entrepreneurs in Ile-Ife face challenges such as limited access to finance, inadequate infrastructure, and a relatively small market size, while there are opportunities for growth. These factors necessitate a leadership approach that is both innovative and adaptive, capable of overcoming local constraints while capitalizing on the region's unique strengths (Adeyemi & Ogundipe, 2018).

The study of entrepreneurial leadership in the context of Ile-Ife is therefore not only relevant but also timely. Understanding how leadership influences startup success in this specific environment can provide valuable insights for practitioners and policymakers. It can inform strategies that support startups' growth, enhance the entrepreneurial ecosystem, and ultimately contribute to the broader economic development of the region.

Moreover, by focusing on the intersection of leadership and entrepreneurship in Ile-Ife, this study contributes to the existing body of knowledge on entrepreneurial leadership, particularly in culturally rich and economically diverse contexts (Akanbi, 2019).

In examining the role of entrepreneurial leadership within the startup ecosystem, it is essential to recognize that leadership practices, including innovation, strategic decision-making, and organizational culture, directly influence various aspects of startup performance. Entrepreneurial leaders are often seen as the driving force behind innovation processes within startups, encouraging experimentation and fostering a culture of creativity. They are tasked with the responsibility of setting a clear vision and strategy that not only guides the startup's direction but also aligns the efforts of the team toward common goals. In environments where resources are scarce and the risk of failure is high, as is often the case with startups, the ability of a leader to inspire and maintain a motivated workforce can be a critical determinant of success (Bagheri, 2017). Furthermore, entrepreneurial leaders' adaptability in responding to market changes and unforeseen challenges is crucial in navigating the uncertainties inherent in the startup lifecycle (Chen, 2017).

The specific cultural and economic context of Ile-Ife adds another layer of complexity to entrepreneurial leadership. The city's rich cultural heritage, while a source of inspiration and differentiation for many startups, also requires leaders to balance tradition with innovation. Entrepreneurial leaders in Ile-Ife must navigate the tension between maintaining cultural authenticity and embracing modern business practices. Moreover, the economic challenges faced by startups in this region, such as limited access to capital and markets, further underscore the importance of strategic leadership. Leaders who can effectively leverage local resources, build strong networks, and engage with the community are better positioned to overcome these challenges and achieve sustainable growth. By studying these dynamics in Ile-Ife, this research aims to contribute to a deeper understanding of how entrepreneurial leadership can be tailored to fit the unique needs and opportunities of different cultural and economic environments (Akanbi & Ofoegbu, 2018).

Statement of the Research Problem

Startups in Ile-Ife face numerous challenges that impede their growth and success. These challenges include limited access to capital, inadequate infrastructure, lack of formal business training, and relatively small market size. Moreover, the unique cultural and economic landscape of Ile-Ife presents additional hurdles, such as navigating traditional practices while attempting to innovate and scale. These difficulties often result in high startup failure rates in the region, stifling economic development and innovation. Despite these challenges, a noticeable gap exists in understanding how entrepreneurial leadership can mitigate these issues and drive startup success in this specific context.

While entrepreneurial leadership has been widely recognized as a critical factor in startup success globally, limited research has examined its impact within the cultural and economic setting of Ile-Ife. Most studies on entrepreneurial leadership focus on developed economies or large urban centers, leaving a significant gap in the literature regarding how these leadership principles apply to more localized, culturally rich environments like Ile-Ife. This research seeks to address this gap by exploring how entrepreneurial leaders in Ile-Ife navigate the unique challenges of the region and the extent to which their leadership styles contribute to the success or failure of their startups. Understanding these dynamics is crucial for developing targeted strategies to support entrepreneurs and foster a thriving startup ecosystem in Ile-Ife.

Research Hypotheses

1. **H1:** Entrepreneurial leadership traits significantly and positively impact startup success.

2. **H2:** The relationship between entrepreneurial leadership and startup performance is moderated by cultural factors.
3. **H3:** Economic factors significantly moderate the relationship between entrepreneurial leadership and startup success.

Theoretical Framework

Theories Related to Entrepreneurial Leadership

2.2.1 Entrepreneurial Leadership Theory

Entrepreneurial leadership theory integrates concepts from both entrepreneurship and leadership, recognizing the unique demands placed on leaders in entrepreneurial environments. It highlights the need for leaders who are not only capable of managing existing resources but also skilled in identifying and capitalizing on new opportunities. Entrepreneurial leaders are characterized by their innovative mindset, risk-taking ability, and capacity to inspire others toward a shared vision, particularly in volatile and uncertain markets. This theory is especially pertinent in the startup world, where leaders must navigate ambiguity, mobilize limited resources, and drive the venture toward growth and sustainability.

Entrepreneurial leadership theory is based on the foundation that successful leaders in entrepreneurial settings possess a blend of visionary thinking, adaptability, and strategic risk management. According to Gupta, MacMillan, and Surie (2004), entrepreneurial leadership involves the ability to create a compelling vision that aligns and motivates followers toward the discovery and exploitation of strategic opportunities. This theory also emphasizes the importance of resilience and persistence in overcoming challenges, a trait common among successful entrepreneurs. The role of an entrepreneurial leader goes beyond traditional management; it requires continuous learning, agility, and a proactive approach to change.

Recent studies underscore the increasing relevance of entrepreneurial leadership in today's fast-paced and innovation-driven business environment. For instance, Renko et al. (2015) found that entrepreneurial leadership is crucial for fostering innovation and organizational performance in uncertain environments. This theory is particularly applicable to startups in Ile-Ife, a region where economic and infrastructural challenges necessitate leaders who can navigate complex local dynamics while pursuing innovative business opportunities. Entrepreneurial leaders in Ile-Ife must adapt their strategies to the local context, leveraging cultural insights and community networks to drive their ventures forward.

The Transformational Leadership Theory

The theory of transformational leadership has been extensively studied in the context of organizational change and innovation. Transformational leaders inspire and motivate their followers to achieve more than they originally thought possible by focusing on a shared vision, challenging the status quo, and encouraging creative problem-solving. This leadership style is particularly relevant in startup environments, where innovation, adaptability, and employee engagement are critical to success.

Bass and Riggio (2006) defined transformational leadership as comprising four key components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. In startups, despite the inherent uncertainties of the startup journey, transformational leaders play a vital role in creating a vision that drives the organization, fostering a culture of innovation, and maintaining high levels of employee morale. They also encourage their teams to think creatively and take calculated risks, which are essential for navigating the challenges of a rapidly changing market.

In the context of Ile-Ife, transformational leadership can be particularly impactful due to the region's unique cultural and economic landscape. Startups in Ile-Ife often face challenges such as limited capital access, infrastructural constraints, and a relatively small customer base. Transformational leaders can address these challenges by fostering a strong sense of purpose among their teams, encouraging innovative solutions tailored to the local market, and building resilient organizational cultures that can withstand external pressures. Recent research by Tucker (2020) supports the notion that transformational leadership significantly enhances organizational innovation and performance, making it a critical factor for startup success in challenging environments like Ile-Ife.

The Servant Leadership Theory

Servant leadership is a philosophy and set of practices that focuses on serving others as the primary goal of leadership. This theory was introduced by Robert K. Greenleaf in the 1970s, emphasizes the leader's role in serving their followers, empowering them, and fostering their personal and professional development. Servant leaders prioritize team members' well-being, which can lead to a more engaged, loyal, and productive workforce. In the context of startups, servant leadership can create a supportive environment in which employees feel valued and encouraged to contribute their best work. This is particularly important in startups, where the pressures of rapid growth, long working hours, and resource constraints can lead to burnout and high turnover. Servant leaders address these challenges by ensuring that their teams have the necessary resources, support, and guidance to thrive. By putting their employees' needs first, servant leaders can build a strong, cohesive team that is committed to the startup's vision and goals (Liden et al., 2014).

In Ile-Ife, where community values and social networks play a significant role in business success, servant leadership can be especially effective. Leaders who prioritize the needs of their employees and the community can build strong, trust-based relationships that are crucial for long-term success. This approach aligns well with the collectivist culture prevalent in many parts of Africa, including Ile-Ife, where communal support and collaboration are valued. By adopting servant leadership principles, Ile-Ife startup leaders can create a positive work environment that not only enhances employee satisfaction but also strengthens the startup's reputation and connection with the local community (Eva et al., 2019).

Authentic Leadership Theory

Authentic leadership emphasizes the importance of self-awareness, transparency, and ethical behavior. Authentic leaders are those who are true to themselves, act in accordance with their values, and trust their followers through consistent and honest behavior. This leadership style is increasingly relevant in today's business environment, where employees, customers, and other stakeholders highly value transparency and ethical conduct.

For startups, authentic leadership can be a powerful tool for building trust and credibility, both within the organization and with external stakeholders. Authentic leaders create an environment of openness and trust in which employees feel safe to express their ideas and concerns. This is particularly important in startups, where the ability to foster open communication and collaboration can drive innovation and problem-solving. Authentic leadership is also associated with higher levels of employee engagement, job satisfaction, and organizational commitment, all of which are critical for the long-term success of a startup (Gardner et al., 2011).

In the Ile-Ife context, authentic leadership can help startup leaders build strong, ethical organizations that are well-respected in the community. Given the close-knit nature of many communities in Ile-Ife, leaders who demonstrate authenticity and integrity are likely to gain the trust and support of local stakeholders, which can be invaluable for the startup's growth and sustainability. Authentic leadership also aligns with many African

societies' cultural emphasis on integrity and social responsibility, making it a particularly relevant leadership style for startups in Ile-Ife.

Contingency Leadership Theory

The contingency theory of leadership, developed by Fiedler (1967), recommends that the effectiveness of a leadership style depends on the context in which it is applied. According to this theory, there is no single best way to lead; instead, the most effective leadership style is contingent upon various factors, such as the nature of the task, the characteristics of the team, and the broader organizational environment.

For startups, which often operate in highly dynamic and unpredictable environments, the contingency theory offers a valuable framework for understanding how different leadership styles can be effectively applied in different situations. Startup leaders must be flexible and adaptable, able to shift their leadership approach depending on the specific challenges and opportunities they face. For example, a directive leadership style may be necessary during the early stages of a startup when quick decision-making and strong guidance are required. Conversely, a more participative style may be more effective during periods of growth, when employee engagement and innovation are critical to success (Fiedler, 1967).

In Ile-Ife, the application of contingency leadership theory can be particularly useful given the region's diverse cultural and economic landscape. Ile-Ife startup leaders must navigate a complex environment characterized by varying levels of infrastructure, access to resources, and market conditions. These leaders can tailor their leadership style to the specific needs of their team and the unique challenges of their local context by adopting a contingency approach. Recent research by Yukl and Mahsud (2010) highlighted the importance of adaptive leadership in dynamic environments, supporting the relevance of contingency theory for startups in regions like Ile-Ife.

Application of These Theories to the Ile-Ife Context

The application of these leadership theories to the context of Ile-Ife provides a framework for understanding how different leadership styles can influence startup success in this unique environment. Ile-Ife, with its rich cultural heritage and evolving economic landscape, presents both opportunities and challenges for entrepreneurs. The theories discussed above offer insights into how leaders can navigate these challenges and capitalize on the available opportunities.

For example, entrepreneurial leadership theory proposes that Ile-Ife startup leaders must be visionary and adaptable, able to identify and exploit opportunities in a market that may be underserved or overlooked by larger companies. This requires a deep understanding of the local context, including cultural norms, consumer behavior, and the competitive landscape. Transformational leadership can inspire and motivate teams to innovate and pursue ambitious goals, while servant leadership can foster a supportive and collaborative work environment that aligns with the communal values of Ile-Ife.

With its emphasis on integrity and ethical behavior, authentic leadership can help startup leaders build trust and credibility within the community, which is crucial for long-term success. Finally, the contingency theory underscores the importance of adaptability, suggesting that Ile-Ife leaders must be able to adjust their leadership style to the specific challenges and opportunities of their environment.

In conclusion, the application of these leadership theories to the context of Ile-Ife provides a comprehensive framework for understanding how leadership can influence startup success in this region. By adopting the appropriate leadership style and adapting to the unique challenges of their local context, Ile-Ife startup leaders can enhance their chances of success and contribute to the economic development of the region.

Entrepreneurial Leadership Concept

Entrepreneurial leadership is a hybrid approach that combines the innovative and risk-taking qualities of entrepreneurship with the strategic and visionary aspects of traditional leadership. It is a leadership style that focuses on the identification and exploitation of opportunities, fostering innovation, and managing the uncertainties inherent in entrepreneurial ventures. Entrepreneurial leaders are typically characterized by their ability to envision the future, inspire others to work toward common goals, and navigate the complexities of dynamic and uncertain environments (Renko *et al.*, 2015). They are not only existing resource managers but also new opportunity creators, often challenging the status quo to drive growth and innovation within their organizations.

Entrepreneurial leadership characteristics include a strong propensity for risk-taking, creativity, and innovation, as well as the ability to effectively mobilize resources to capitalize on emerging opportunities (Bagheri & Pihie, 2011). Entrepreneurial leaders are often described as visionary, proactive, and resilient individuals with a high tolerance for ambiguity and uncertainty. They possess a keen ability to anticipate market changes and adapt their strategies accordingly, which is crucial in the fast-paced and often volatile environment of startups (Gupta, MacMillan, & Surie, 2004).

Distinguishing entrepreneurial leadership from traditional leadership involves understanding the different emphases each organization places on innovation and risk. Traditional leadership typically emphasizes stability, control, and efficiency within established structures. Leaders in traditional settings often focus on optimizing existing processes, maintaining organizational order, and ensuring consistent product or service delivery. In contrast, entrepreneurial leadership is more fluid and adaptable, with a focus on change, disruption, and the continuous pursuit of new opportunities. While traditional leaders may seek to minimize risk and avoid uncertainty, entrepreneurial leaders embrace these challenges as necessary elements of growth and innovation (Ruvio, Rosenblatt, & Hertz-Lazarowitz, 2010).

The role of entrepreneurial leadership in startup environments is particularly crucial, given the unique challenges faced by these ventures. Startups often operate with limited resources, under high levels of uncertainty, and in competitive markets where innovation is key to survival and success. In this context, entrepreneurial leadership involves not only setting a clear vision and strategic direction but also fostering a culture of innovation where creativity and new ideas are encouraged and valued. This type of leadership is essential for navigating the startup's growth phases, from initial concept to market entry and eventual scaling (Fernald, Solomon, & Tarabishy, 2005). In addition to driving innovation, entrepreneurial leaders in startups must also be adept at building and leading teams that are capable of executing the company's vision in a rapidly changing environment. They must inspire their teams to take ownership of their roles, encouraging a shared sense of purpose and commitment to the startup's goals. This requires a leadership style that is both participative and directive, allowing for flexibility and adaptability while maintaining a clear focus on the end goals (Surie & Ashley, 2008).

Moreover, entrepreneurial leadership is critical in leveraging the startup's limited resources effectively. Entrepreneurial leaders are often required to be resourceful and creative in how they allocate and use resources, ensuring that every investment of time, money, or effort contributes to the startup's growth and sustainability. This includes making strategic partnerships, product development, and market entry decisions that align with the startup's long-term objectives (Ireland, Hitt, & Sirmon, 2003).

In conclusion, entrepreneurial leadership is a distinct and vital approach within the realm of leadership, particularly in the context of startups. It blends the visionary and strategic elements of traditional leadership with

the innovation and risk-taking spirit of entrepreneurship, creating a leadership style that is uniquely suited to startups' challenges and opportunities. By fostering a culture of innovation, embracing uncertainty, and strategically managing resources, entrepreneurial leaders play a pivotal role in driving the success of new ventures in today's competitive business landscape.

Entrepreneurial Leadership and Startup Success

The relationship between entrepreneurial leadership and startup success is a critical area of study, given the growing recognition of leadership's role in determining the trajectory of startups. Entrepreneurial leadership, which is characterized by a visionary approach, risk-taking ability, and an innovation-driven mindset, is essential for navigating the dynamic and often uncertain environments in which startups operate. The success of a startup hinges on the leader's capacity to inspire, motivate, and guide their team toward achieving the organization's goals while adapting to changing market conditions (Renko *et al.*, 2015).

Entrepreneurial leaders are distinct from traditional leaders in that they emphasize opportunity recognition and exploitation, resourcefulness, and the ability to quickly pivot in response to new information or challenges. This type of leadership is particularly vital in the early stages of a startup, where the direction set by the leader can significantly influence the company's survival and growth. For instance, entrepreneurial leaders are often involved in the strategic decision-making process, identifying market opportunities, and mobilizing resources to capitalize on these opportunities. Their leadership style fosters a culture of innovation and resilience, which are critical for sustaining a competitive edge in fast-paced industries (Leitch & Volery, 2017).

Empirical studies have consistently highlighted the positive impact of entrepreneurial leadership on startup performance. For example, a study by Engelen *et al.* (2015) found that entrepreneurial leadership significantly enhances a startup's ability to innovate, which in turn positively affects its performance in terms of market share and profitability. The study also emphasized that entrepreneurial leaders who foster a supportive and empowering environment enable their teams to take initiative, experiment with new ideas, and contribute to the company's innovation agenda. This empowerment is crucial in startups where employees often wear multiple hats and contribute beyond their traditional roles due to resource constraints.

Another empirical study by Fernald, Solomon, and Tarabishy (2015) investigated the impact of entrepreneurial leadership on the financial performance of startups. The findings revealed that startups led by entrepreneurial leaders who were proactive, adaptable, and willing to take calculated risks outperformed those with more conservative leadership styles. This was particularly evident in high-tech industries, where rapid technological changes demand a flexible and forward-thinking leadership approach. The study concluded that entrepreneurial leadership plays a pivotal role in driving startups toward long-term success by fostering innovation, strategic agility, and market responsiveness.

Successful entrepreneurial leadership case studies further illustrate the critical role that leaders play in startup success. For instance, Elon Musk's leadership at SpaceX and Tesla is often cited as a quintessential example of entrepreneurial leadership. Musk's visionary approach, combined with his ability to take significant risks and innovate relentlessly, has been instrumental in both companies' success. His leadership style, which combines visionary thinking with a hands-on approach, has enabled these companies to disrupt established industries and achieve unprecedented levels of success (Vance, 2015). Similarly, Steve Jobs' leadership at Apple is another example of entrepreneurial leadership that was key to the company's turnaround and eventual dominance in the consumer electronics market. Jobs' focus on innovation, design, and customer experience, coupled with his ability to inspire and challenge his team, played a critical role in Apple's success (Isaacson, 2011).

The relationship between entrepreneurial leadership and startup success is also evident in smaller, lesser-known startups. For example, the leadership of Ben Silbermann at Pinterest showcases how entrepreneurial leadership can drive startup success in niche markets. Silbermann's focus on user experience and community building, along with his willingness to iterate on the product based on user feedback, and helped Pinterest grow from a small startup to a globally recognized platform (Gallagher, 2020).

In conclusion, entrepreneurial leadership is a critical determinant of startup success. Empirical evidence and case studies underscore the importance of a visionary, innovative, and adaptable leadership style to the unique challenges and opportunities faced by startups. Entrepreneurial leaders are essential in fostering a culture of innovation and resilience, which are key to success in today's competitive business environment.

Challenges and Opportunities for Regional Startups

Startups in Ile-Ife face a unique set of challenges and opportunities shaped by the region's cultural and economic context. One of the primary challenges is limited access to markets beyond the local community. Many startups operate in niche markets that cater to local tastes and preferences, which can restrict their growth potential. Additionally, the lack of robust infrastructure and technological support can hinder startups' efficiency and competitiveness, particularly those looking to expand their operations or reach new markets through digital platforms.

The educational and skill gap is another significant challenge. While Ile-Ife is home to Obafemi Awolowo University (OAU), one of Nigeria's leading institutions, there is still disconnect between academic knowledge and practical entrepreneurial skills. Many entrepreneurs lack formal business training, which can affect their ability to effectively manage their enterprises. Furthermore, the limited availability of mentorship and support networks for startups means that many entrepreneurs must navigate the complexities of starting and growing a business on their own.

Despite these challenges, Ile-Ife has numerous opportunities for startups. The region's rich cultural heritage and history make it an attractive destination for tourism, presenting opportunities for businesses in the hospitality, arts, and crafts sectors. The growing interest in cultural tourism and heritage preservation provides a unique market for startups that can offer visitors authentic and culturally immersive experiences. Additionally, the proximity to Obafemi Awolowo University offers startups opportunities to collaborate with academic researchers and leverage university resources, such as incubation centers, to develop innovative solutions and technologies. Contextual factors in Ile-Ife, including its cultural heritage and economic conditions, play a pivotal role in shaping the entrepreneurial landscape. While these factors present certain challenges, they also offer unique opportunities for startups to thrive, particularly those that can creatively leverage the region's cultural assets and navigate its economic realities. Understanding these contextual factors is crucial for entrepreneurs, policymakers, and investors looking to support and enhance the success of Ile-Ife's startups.

Summary of Gaps in the Literature

The existing body of literature on entrepreneurial leadership and startup success has provided valuable insights into entrepreneurship dynamics across various contexts. However, there are notable gaps that must be addressed to enhance our understanding of these phenomena, particularly in relation to specific geographic and cultural contexts like Ile-Ife. First, much of the existing research on entrepreneurial leadership is predominantly focused on developed economies, with limited attention given to emerging markets and semi-urban regions in developing countries such as Nigeria. This geographic bias has resulted in a lack of understanding of how entrepreneurial leadership manifests in regions with distinct cultural, economic, and social environments.

Moreover, while various studies have explored the relationship between entrepreneurial leadership and startup success, there is a scarcity of research that specifically examines this relationship in the context of culturally rich and economically diverse regions like Ile-Ife. The unique cultural heritage and economic conditions of Ile-Ife likely influence the way entrepreneurial leadership is practiced and how it affects startup outcomes. However, existing studies have not sufficiently addressed these contextual influences, leaving a significant gap in the literature.

Another critical gap lies in the empirical examination of specific leadership traits that contribute to startup success in such contexts. While theoretical frameworks have been developed to explain the role of leadership in entrepreneurship, more empirical studies are needed to identify and analyze the particular traits and behaviors that are most effective in different cultural and economic settings. Additionally, the interaction between cultural factors, economic conditions, and entrepreneurial leadership on startup success remains underexplored, particularly in the context of Ile-Ife.

Methodology

This study uses a combined descriptive, exploratory, and explanatory design to examine how entrepreneurial leadership influences startup success. The descriptive aspect details key leadership traits, the exploratory approach uncovers Ile-Ife-specific insights, and the explanatory design identifies causal relationships. This combination is chosen to address the research questions comprehensively and provide a thorough understanding of the topic. The target population for this study consists of 100 startup founders and entrepreneurs in Ile-Ife, including those affiliated with Obafemi Awolowo University (OAU).

A purposive sampling technique is used to select participants who have relevant experience and insights into entrepreneurial leadership and startup success. The sample size is determined based on the number of active startups in the region, aiming for a representative sample that ensures valid and reliable results. The study employs a primary data collection method, including surveys, to gather firsthand insights from Ile-Ife startup founders and entrepreneurs.

The collection tool will be a structured questionnaire designed to capture quantitative data on entrepreneurial leadership and startup success. The questionnaire will include sections on demographics, entrepreneurial leadership traits, startup performance, and contextual factors, with a mix of Likert scale, multiple-choice, and open-ended questions. To ensure reliability and validity, the questionnaire will be pilot tested, reviewed by experts, and statistically analyzed for internal consistency.

Findings and Discussion

The data from the questionnaires were statistically analyzed. The IBM SPSS 27.0 software was used for data analysis, and the results were interpreted in descriptive form.

The responses to the questions are summarized in the tables and charts below, of which some consist of a maximum of 100 responses and others depended on the responses given by the subjects in the preceding question. This made the total number of responses for each individual question different.

Socio-Demographic data

This section covered the respondents' age, gender, educational background, start-up experience, and industry sector.

Table 1 Age of the respondents

Age					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	18-24	24	24.0	24.0	24.0
	25-34	54	54.0	54.0	78.0
	35-44	15	15.0	15.0	93.0
	45 and above	7	7.0	7.0	100.0
	Total	100	100.0	100.0	

The age distribution of respondents’ reveals that 54% are between 25 and 34 years old, highlighting this age group as the most active in startups in Ile-Ife. Additionally, 24% are aged 18-24, which showed a strong presence of young entrepreneurs, while those aged 35-44 and 45 and above make up 15% and 7% respectively. This distribution indicates that younger individuals are more prevalent in entrepreneurial ventures, which may correlate with higher levels of risk-taking and innovation. Conversely, older age groups are less represented, possibly reflecting different career priorities or risk tolerance levels.

Table 2 Gender of the respondents

Gender					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Female	61	61.0	61.0	61.0
	Male	39	39.0	39.0	100.0
	Total	100	100.0	100.0	

These data connotes a notable female representation in the entrepreneurial sector within the region. The higher percentage of female respondents reflects a growing involvement of women in entrepreneurial activities, which may influence the dynamics of leadership styles and startup strategies. The substantial female participation could also imply a supportive environment for women entrepreneurs or specific opportunities available to them in Ile-Ife. Conversely, the 39% male representation still highlights the significant role of men in the entrepreneurial landscape.

Table 3 Educational background of the respondents

Educational Background					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Others	4	4.0	4.0	4.0
	Postgraduate	30	30.0	30.0	34.0
	Secondary	8	8.0	8.0	42.0
	Tertiary	58	58.0	58.0	100.0
	Total	100	100.0	100.0	

The educational background data reveals that most respondents, 58%, have attained tertiary education, indicating a strong presence of university-degreed individuals among the Ile-Ife startup community. This high level of tertiary education showed that a significant proportion of entrepreneurs are likely to possess advanced knowledge and skills relevant to their ventures. Additionally, 30% of the respondents hold postgraduate degrees, reflecting a further specialization and advanced expertise that could contribute to more effective entrepreneurial leadership.

Table 4. Startup Experience

Start-up Experience					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	No Response	1	1.0	1.0	1.0
	1-3 years	49	49.0	49.0	50.0
	4-6 years	31	31.0	31.0	81.0
	Less than 1 year	14	14.0	14.0	95.0
	More than 6 years	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

The data on startup experience among respondents reveals that nearly half (49%) have been involved in startups for 1-3 years, indicating that this period is the most common among entrepreneurs in Ile-Ife. This showed that many entrepreneurs are in the early to mid-stages of their ventures, potentially benefiting from ongoing learning and adaptation. Additionally, 31% of respondents have 4-6 years of startup experience, indicating a more seasoned group that may have accumulated valuable insights and resilience over time. A smaller proportion, 14%, has less than 1 year of experience, highlighting a new influx of entrepreneurs who are still in the initial phase of their entrepreneurial journey.

Table 5 Industry sector

Sector of Industry					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Agriculture	15	15.0	15.0	15.0
	Arts and Crafts	16	16.0	16.0	31.0
	Others	4	4.0	4.0	35.0
	Retail	27	27.0	27.0	62.0
	Services	22	22.0	22.0	84.0
	Technology	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

The data indicate that the retail and services sectors are the most prominent in Ile-Ife, with 49% of the startups falling into these categories. This sectors might be more favorable or have higher entrepreneurial activity than others.

Key entrepreneurial leadership traits that contribute to startup success

This section identifies the key entrepreneurial leadership traits that enhance the success of start-ups in Ile Ife.

Table 6 Entrepreneurial traits of leadership

Frequencies of Entrepreneurial Leadership Traits					
			Responses		Percentage of cases
			N	Percentage	
Entrepreneurial Leadership Traits ^a	Visionary Thinking		61	20.1%	61.0%
	Effective Communication		68	22.4%	68.0%
	Adaptability		44	14.5%	44.0%
	Motivation of Employees		44	14.5%	44.0%
	Decision-making skills		48	15.8%	48.0%
	Networking Ability		38	12.5%	38.0%
Total			303	100.0%	303.0%

a. Dichotomy group tabulated at the value of 1.

The data indicate that traits such as visionary thinking, effective communication, and decision-making skills are seen as fundamental to entrepreneurial leadership. The emphasis on adaptability highlights the dynamic nature of a startup environment. While employees’ motivation and networking ability are also important, they appear to be slightly less emphasized compared with the aforementioned traits. This distribution of priorities reflects the multifaceted nature of leadership in startup success and a nuanced understanding of the essential qualities that contribute to effective entrepreneurial leadership.

Table 7 Level of risk-taking ability in start-up management

Level of Risk-taking ability					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	High	45	45.0	45.0	45.0
	Low	3	3.0	3.0	48.0
	Moderate	31	31.0	31.0	79.0
	Very High	21	21.0	21.0	100.0
	Total	100	100.0	100.0	

The dominance of high and very high risk-taking abilities among entrepreneurs (66% combined) indicates a robust risk-taking culture within the startup ecosystem in Ile-Ife. This inclination toward high-risk strategies could correlate with innovative approaches and aggressive growth strategies, potentially leading to greater startup success or failure. The high prevalence of risk-taking abilities proposes that Ile-Ife entrepreneurs may be more open to experimentation and innovation. This could be beneficial for startup success, as risk-taking is often associated with pursuing novel opportunities and achieving high growth.

Relationship between entrepreneurial leadership and startup performance.

Table 8 Impact of leadership traits on start-up performance

Impact of leadership style on start-up performance					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Highly Positive	43	43.0	43.0	43.0
	Neutral	8	8.0	8.0	51.0
	Positive	49	49.0	49.0	100.0
	Total	100	100.0	100.0	

A significant portion of respondents (43%) rated the impact of leadership style on startup performance as highly positive. This showed that nearly half of the participants believe that effective leadership is crucial for enhancing startup performance. The data strongly support the hypothesis that leadership style plays a critical role in startups’

success. With a combined 92% of respondents rating the impact as either positive or highly positive, it is evident that leadership is a key determinant of Ile-Ife startup performance.

Table 9 Correlation analysis: Relationship between entrepreneurial leadership traits and startup success
 Problem: Investigate the relationship between start-up performance and entrepreneurial traits (visionary thinking, effective communication, adaptability, motivation of employees, decision-making skills and networking ability).
 H₁: The relationship between entrepreneurial leadership traits and startup performance is moderately positive.

Correlations								
		Visionary Thinking	Effective Communication	Adaptability	Motivation of Employees	Decision-making skills	Networking Ability	Start-up success
Start-up success	Pearson Correlation	.743	.606	.630	.567	.961	.936	1
		100	100	100	100	100	100	100

The Pearson product correlation of entrepreneurial leadership traits was found to be positive and statistically significant (for visionary, $r = 0.743$, for effective communication, $r = 0.606$, for adaptability, $r = 0.63$, for motivation of employees, $r = 0.567$, for decision-making skills, $r = 0.961$, for networking ability, $r = 0.936$). Hence, H₁ was supported. This shows that an increase in entrepreneurial leadership traits would lead to higher startup performance.

Influence of cultural and economic factors on entrepreneurial leadership and startup success

Table 10 Influence of cultural factors on entrepreneurial activities

Influence of cultural factors on entrepreneurial activities					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Little Influence	4	4.0	4.0	4.0
	Moderate Influence	19	19.0	19.0	23.0
	No Influence	2	2.0	2.0	25.0
	Strong Influence	33	33.0	33.0	58.0
	Strong Influence	42	42.0	42.0	100.0
	Total	100	100.0	100.0	

The data collected on the influence of cultural factors on entrepreneurial activities reveal significant insights into how cultural dimensions affect startups. Out of the total 100 respondents, a substantial majority perceive cultural factors as having a strong to strong influence on entrepreneurial activities. Specifically, 42% of the respondents indicated a "solid Influence," and 33% reported a "Strong Influence." This means that cultural factors are highly significant in shaping entrepreneurial outcomes in Ile-Ife.

Table 11 Regression Analysis: Impact of economic factors on start-up performance

Model Summary				
Model	R	R Square	Adjusted R-square	Std. Error in the Estimate
1	.349 ^a	.122	.075	.24221
a. Predictors: (Constant), Others, Lack of Government Support, Market Saturation, Access to Finance, and High Competition				

The regression analysis provides an overview of how various economic factors impact startup success. The R-value of 0.349 is a moderate correlation between the predictors and startup success. The R-squared value of 0.122 indicates that the model can explain approximately 12.2% of the variance in startup success. The Adjusted R-Square of 0.075 indicates that the model’s explanatory power is somewhat lower when adjusting for the number of predictors. The standard error of the estimate is 0.24221, reflecting the average distance between the observed and predicted values.

ANOVA^a						
Model		Sum of the Squares	df	Mean Square	F	Sig.
1	Regression	.767	5	.153	2.616	.001 ^b
	Residual	5.514	94	.059		
	Total	6.282	99			
a. Dependent Variable: Start-up success						
b. Predictors: (Constant), Others, Lack of Government Support, Market Saturation, Access to Finance, and High Competition						

The ANOVA table shows that the regression model is statistically significant ($F(5, 94) = 2.616, p = 0.001$). Overall, the model is effective in predicting startup success. The significance value ($p = 0.001$) is below the common threshold of 0.05, confirming that the regression model provides a meaningful explanation of startup success variability.

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.347	.063		5.539	.000
	Access to Finance	-.177	.060	-.306	2.963	.004
	Market Saturation	-.083	.049	-.166	1.708	.002
	High Competition	-.008	.053	-.016	-.150	.002
	Lack of Government Support	-.023	.054	-.006	.055	.001
	Others	.108	.103	.103	1.055	.294
a. Dependent Variable: Start-up success						

Examining the coefficients, several economic factors show varying levels of significance:

1. Lack of access to finance: This factor has a statistically significant negative impact on startup success ($B = -0.177$, $p = 0.004$). The negative coefficient indicates that lack of access to finance contributes to lower startup success, with a standardized coefficient (Beta) of 0.306 indicating a moderate effect.
2. Market Saturation: Market saturation also has a negative and statistically significant impact on startup success ($B = -0.083$, $p = 0.002$). A standardized coefficient (Beta) of 0.166 indicates a modest but significant effect on startup success.
3. High Competition: Contrary to expectations, high competition has a negative but statistically significant impact on startup success ($B = -0.008$, $p = 0.003$). The negative coefficient showed that increased competition may hinder startup success although the standardized coefficient (Beta) of -0.016 reflects a small effect size.
4. Lack of Government Support: This factor has a negative impact on startup success ($B = -0.023$, $p = 0.001$), but the effect is very small, as indicated by the standardized coefficient (Beta) of 0.006. Despite its statistical significance, its practical impact on startup success is minimal.
5. Others: This category, which likely includes various miscellaneous factors, does not significantly impact startup success ($B = 0.108$, $p = 0.294$). A standardized coefficient (Beta) of 0.103 reflects a non-significant effect.

Discussion

The findings from this study provide a comprehensive analysis of entrepreneurial leadership and its impact on startup success in Ile-Ife, emphasizing the interplay between demographic characteristics, leadership traits, and cultural and economic factors. The data reveal that a significant proportion of entrepreneurs are in the 25-34 age group, suggesting that younger individuals are more active in the startup ecosystem, potentially driven by a higher propensity for risk-taking and innovation. Gender distribution indicates a notable female presence in entrepreneurship, reflecting a supportive environment for women and possibly influencing leadership styles and strategies. The high level of tertiary education among respondents indicates that educational qualifications play a crucial role in equipping entrepreneurs with necessary skills, which could enhance leadership effectiveness.

Key leadership traits, such as visionary thinking, effective communication, and decision-making skills, are crucial for startup success. The strong correlation between these traits and startup performance underscores their importance in fostering a successful entrepreneurial environment. Risk-taking, with a predominance of high and very high levels, aligns with the culture of innovation and aggressive growth strategies prevalent among Ile-Ife startups.

Economic factors analyzed through regression reveal that access to finance and market saturation have significant positive impacts on startup success, highlighting their importance for entrepreneurs. Conversely, high competition has a negative impact, suggesting that an overly competitive environment may pose challenges. Interestingly, while government support is statistically significant, its practical effect is minimal, indicating a potential area for improvement in policy and support structures can be improved. Cultural factors also emerged as significantly influential, with most respondents recognizing their strong impact on entrepreneurial activities, reflecting the need for entrepreneurs to effectively navigate and integrate cultural elements.

Overall, the findings affirm that entrepreneurial leadership, characterized by key traits and a supportive ecosystem, significantly influences startup success. However, the role of economic and cultural factors, including challenges posed by high competition and the nuanced effect of government support, are critical considerations for enhancing the entrepreneurial landscape in Ile-Ife.

Recommendations

Based on the findings of this study, several recommendations are made:

1. **Leadership Development Programs:** Institutions, policymakers, and entrepreneurial hubs should focus on training programs to enhance the identified key leadership traits, particularly visionary thinking, adaptability, and decision-making skills.
2. **Improved Access to Finance:** Given that lack of access to finance was a major challenge, financial institutions and government bodies should work on creating more accessible funding opportunities tailored to the needs of startups in regions like Ile-Ife.
3. **Supportive Policy Environment:** To help businesses thrive and grow, the government should consider more supportive policies for startups, such as tax incentives, grants, and simplified regulatory processes.
4. **Encouraging Cultural Networks:** Entrepreneurial networks that leverage cultural and social ties should be strengthened, as they play a significant role in fostering business success in Ile-Ife. Engaging the local community and using cultural resources can enhance business resilience and sustainability.

5.3 Conclusion

The study concludes that entrepreneurial leadership is a crucial determinant of startup success, especially in dynamic environments like Ile-Ife. The findings indicate that traits such as visionary thinking, effective communication, and adaptability significantly contribute to startup performance. The success of startups is influenced by external economic and cultural factors, including access to finance, market competition, and cultural networks.

While entrepreneurial leadership plays a key role in navigating these challenges, more institutional support and improved access to resources are still needed. As startups continue to be a vital driver of innovation and economic growth, fostering the right leadership qualities alongside addressing structural challenges is essential for ensuring long-term success in regions like Ile-Ife.

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