

**Effect of Entrepreneurial Characteristics on Business Performance in Selected Small Businesses in  
Bida Metropolis of Niger State**

**By**

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## **DECLARATION**

I declare that this study was carried out in accordance with regulations of the University and the study has not been previously submitted for any degree at any higher institution. To the best of my knowledge, it contains no material previously published or written, except where due reference was made

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**CERTIFICATION**

This is to certify that this dissertation was carried out by Churchill Oloruntoba AYODELE. The research has been read and approved as meeting the requirements of the Department of Business and Entrepreneurship, School of Business and Governance; College of Humanities, Management and Social Sciences; Kwara State University, Malete, Kwara State, Nigeria for the award of Masters of Science Degree(M.Sc.) Entrepreneurship.

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## **DEDICATION**

I dedicate this dissertation to my late father, Pa Lawrence AYODELE.

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### **Abstract**

*Successful entrepreneurs are individuals who possess a personal quality that enables them to make decisions that have far reaching effects in conditions of uncertainty. The ability to make such decisions can be achieved in some people through training, while in others, it is inborn. Hence, the present study examined four major entrepreneurial characteristics (leadership quest, risk taking propensity, commitment, and innovative ability) as antecedents of SMEs performance (product and service quality, employee satisfaction, customer satisfaction and overall performance). The population comprised 3,168 SME owners and managers operating in Bida metropolis while 335 returned and valid questionnaires were used for analysis with the aid of statistical packages for social sciences (SPSS). Results demonstrate that leadership quest is positively related to employee satisfaction. Also, risk taking predicted overall business performance positively. Related, commitment characteristic has a significant and positive relationship with customer satisfaction. The researcher contributed to this study by identified the combined effect of entrepreneurs and business managers' attributes that can improve the performance of SMEs in Bida metropolis by covering a wide range of business activities/entities unlike previous empirical studies which focused on a single line of business. In conclusion, the personal attributes of SME owners and managers cannot ignored it SMEs are to attain impressive performance. This study recommends that adequate attention should be given to entrepreneurial characteristics as requisites for optimal business performance.*

**Keywords:** *Leadership, Commitment, Risk-taking, Innovativeness, Employee satisfaction, Customer satisfaction, Overall performance, Product and service quality*

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

As far back as the 1950s, researchers began linking personality characteristics and entrepreneurship by examining personality characteristics that could determine who is more likely to become a successful entrepreneur (Onugu, 2005). McClelland (1961) for example asserted that entrepreneurs possessed certain personality characteristics than non- entrepreneurs. While on the other hand, Obadina (1999) acknowledged that the only main difference between entrepreneurs and non-entrepreneurs is that entrepreneurs want to be in control of their own destiny. This control is indicative and draws attention to the fact that, “there is no set of behavioural attributes that allow us to separate entrepreneurs from non-entrepreneurs”. They argue that anyone wishing to become successful needs to achieve, and that all achievement elements are found not only in entrepreneurs but also in all successful people. Additionally, literature studies on entrepreneurship portray successful entrepreneurs as individuals who possess a personal quality that enables them to make decisions that have far reaching effects in conditions of uncertainty. The ability to make such decisions can be achieved in some people through training, while in others, it is inborn.

From the 1980s and 1990s, research on personality characteristics and socio-cultural backgrounds of successful entrepreneurs were conducted (Adeoye, 2012). Other studies were geared towards defining entrepreneurial characteristics and a research debate emerged on whether these characteristics are inborn or can be developed (Kiggundu, 2002).

Therefore, this study will explore the interaction of entrepreneurial characteristics in creating and enhancing performance of businesses in Bida metropolis of Niger State.

## **1.2 STATEMENT OF RESEARCH PROBLEM**

In Nigeria, several entrepreneurial characteristics have been identified as key determinants of SMEs performance or survival, although with inadequate empirical results. As such, the subject matter of this research becomes an empirical issue worthy of investigation. Many studies undertaken on entrepreneurial business performance have identified lack of capital, inconsistent government policies, and inadequate infrastructural facilities as the major impediments to successful entrepreneurial undertakings in a developing country like Nigeria (Adeyemi, 2007). Also, other studies have identified environmental factors such as competition and non-availability of major raw materials (some entrepreneurs depend on imported raw materials) as a major obstacle to entrepreneurial success (Adeoye, 2012; Amwele, 2013). Further, some scholars found that lack of technical know-how, poor managerial skills, unstable exchange rates, inflation, multiple taxation, high tariffs on imported raw materials, interest rates among others are responsible for poor performance of most small scale enterprises in Nigeria (Okpara, 2011; Philip, 2011).

Additionally, the views of some SME operators and scholars are that government support agencies (such as SMEDAN, NDE, BOI, NIPC and others) established to groom and offer support services to the SME owners have failed in their roles. Hence, most SME owners have been struggling to survive in Nigerian economy (Akinruwa, Awolusi & Ibojo, 2013).

Despite empirical efforts in the past, studies have not truly identified personal factors of entrepreneurs/business owners and business managers as ingredient for a successful entrepreneurial operation. However, limited scholarly efforts have identified personal characteristics of the entrepreneurs/business owners but did not consider the attributes/characteristics of the business managers.

Therefore, the present study focused on the personal characteristics of both the entrepreneurs and business managers who are engaged in carpentry, tailoring and fashion, provision stores, hand-set accessories shops, bakery products vendors, vulcanizers, motor cycle spare parts shops, black smith workshop, brass and aluminium workshops, barbing, soap making, pop corn production, hair beauty salon located in Bida metropolis. The major aim is to identify how combined effect of entrepreneurs and business managers' attributes can improve the performance of SMEs in Bida metropolis by covering a wide range of business activities/entities unlike previous empirical studies which focused on a single line of business.

### **1.3 RESEARCH QUESTIONS**

- i. What is the relationship between leadership quest characteristic and employee satisfaction (as a dimension of SMEs performance) in Bida metropolis?
- ii. Does risk-taking propensity of an entrepreneur increase overall performance of small businesses in Bida metropolis?
- iii. Is commitment characteristic of an entrepreneur positively related to customer satisfaction (as a dimension of SMEs performance) in Bida metropolis?
- iv. What effect does innovative ability of an entrepreneur have on product and service quality (as a dimension of SMEs performance) in Bida metropolis?

### **1.4 OBJECTIVES OF RESEARCH**

The general objective of the study is to examine the effects of entrepreneurial characteristics on small business performance in Bida Metropolis of Niger State;

The specific objectives are:

- i. to examine the relationship between leadership quest characteristic and employee satisfaction (as a dimension of SMEs performance) in Bida metropolis
- ii. to assess the impact of risk-taking propensity of an entrepreneur on overall performance of small businesses in Bida metropolis
- iii. to examine whether commitment characteristic of an entrepreneur is positively related to customer satisfaction (as a dimension of SMEs performance) in Bida metropolis
- iv. to identify the effect of innovative ability of an entrepreneur on product and service quality of SMEs (as a dimension of SMEs performance) in Bida metropolis

## **1.5 RESEARCH HYPOTHESES**

In this research work, leadership quest, risk taking propensity, commitment and innovative ability employee satisfaction, are our dependent variables. Meanwhile, overall performance, customer satisfaction and product/service quality are our independent variables. Thus, our hypotheses show that there are significant relationship between these independent variables and dependent variables.

H1: Leadership quest characteristic is positively related to employee satisfaction in SMEs.

H2: Risk-taking propensity of an entrepreneur influences overall performance of small businesses in Bida metropolis positively.

H3: Commitment characteristic of an entrepreneur is positively related to SMEs customer satisfaction in Bida metropolis.

H4: Innovative ability of an entrepreneur will have a positive relationship on product and service quality of SMEs in Bida metropolis.

## **1.6 SIGNIFICANCE OF THE STUDY**

The study will be beneficial to entrepreneurship development; as such, Bida local government can utilize the findings of the research as a basis for policy formulation as regard entrepreneurship development.

The study will also contribute to the existing knowledge on entrepreneurship development.

It is also worthy to note that the study can be use as a basis for further research, as the research can be use as a spring board for further research as well as a good reference material to students undertaking similar research.

## **1.7 SOURCE OF DATA**

The study make use of primary data, where by the primary data enable the researcher getting information through structured questionnaires.

## **1.8 LIMITATION OF THE STUDY**

The study is limited to Bida Metropolis of Niger State, as it will be difficult to generalize the findings to other states. For the fact that a survey study was used as the research design as well as the questionnaire as the research instrument, it is not certain if the same result would be obtained if other designs and instruments will be used. Besides, another limitation is that the respondents could have either over exaggerated or understate their responses while scoring the items in the questionnaire.

## **1.9 SCOPE OF THE STUDY**

The study covers an empirical examination of the effects of entrepreneurial characteristics on business performance. The study also identifies the practical approaches use in developing entrepreneurship as well as the problems militating against entrepreneurship development. The study is limited to small scale enterprises in Bida metropolis of Niger State.

## **1.10 OUTLINE OF CHAPTERS**

In this research work, chapter one contains introduction, Background of the study, Statement of problem, objectives of research questions, research hypothesis, significant of study, source of data, limitation of study, scope of the study, outline of the chapters, operationalization and definition of terms. Chapter two provided the major theoretical background of this study. Starting with a review on the approaches used in the study of entrepreneurial characteristics – trait approach, demographic/social approach, behavioural/ managerial approach (Field, 2005:5), economic approach and human capital approach (Ucbasaran, 2004). The chapter also identified some of their key shortcomings, with its main focus being the identification of all the various types of entrepreneurs and their characteristics pertaining to them.

The literature revealed that there are various types of entrepreneurs such as craftsmen, opportunistic, growth-oriented; independence- oriented; lifestyle; high growth; nascent, novice and habitual (serial and portfolio) entrepreneurs. As a result, entrepreneurs examined in this study were believed to have either started or purchased businesses and were also the key decision makers in the business.

Entrepreneurial characteristics were also grouped into learnable, achieved, ascribed and demand and requirement characteristics. The study thus adopted this approach as a means of clearly identifying which characteristics entrepreneurs possess that specifically can be nurtured, developed, inherited or acquired, to improve the performance of small scale businesses. The literature studies also revealed that there exist certain individual personal characteristics and characteristics requirements for becoming an entrepreneur. Entrepreneurial characteristics required for success of small scale businesses are often not required for the growth of small scale businesses and often not required to manage and grow a business (Acharya, Rajan & Schoar,

2007). Added to this assertion, was a finding by Henry, Hill and Leitch (2003) stating to the fact that “characteristics which help the entrepreneur to guide his/her new firm through the development period into the growth stage may be the very same characteristics which eventually lead to his/her own self-elimination”. This therefore means that there exist certain types of characteristics, vital of good performance of small scale businesses.

However, a conceptual framework was presented that took sixteen entrepreneurial characteristics that have received the most attention in entrepreneurial literature and equate them to a good performance and long-term survival of small scale businesses with the aim of finding out the extent to which they impact on the business performance, was also presented.

### **1.11 OPERATIONALIZATION OF VARIABLES**

Operationalization shows the distinction between the independent and dependent constructs and variables in a research study.

The independent construct of this study is entrepreneurial characteristics denoted by X while the dependent construct is performance of small businesses denoted by Y. Therefore, the constructs and variables are stated as follows:

$$Y=f(X)$$

i.e Performance = f(Entrepreneurial characteristics)

Where Y= Dependent Variable

X= Independent Variable

In other words, performance is a function of entrepreneurial characteristics. The performance is decomposed into two i.e Overall performance (y1) and product/service quality (y2) while the entrepreneurial characteristics variables is decomposed into two i.e risk-taking propensity (x1) and innovative ability (x2).

$$y_1 = f(x_1, x_2)$$

$$y_2 = f(x_1, x_2)$$

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + e$$

**The independent variables are**

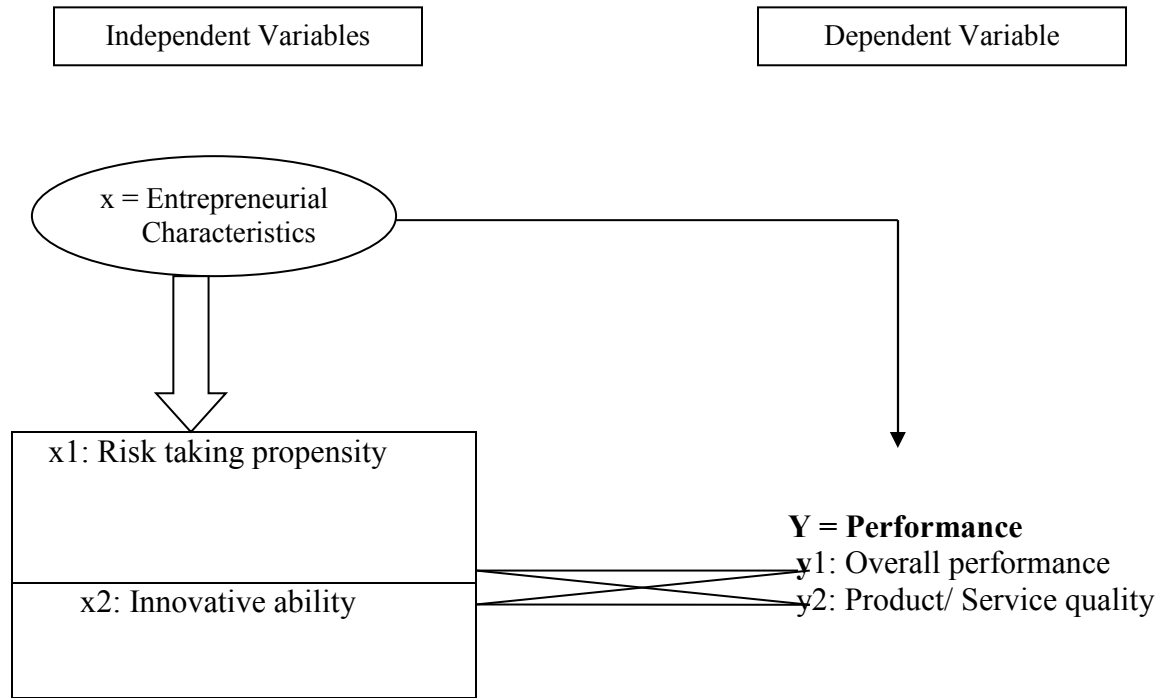
$X_1$  = Risk-taking propensity

$X_2$  = Innovative ability

**The dependent variables are**

$y_1$  = Overall performance

$y_2$  = Product/service quality



**Source: Researcher 2017.**

**DEFINITION OF TERMS**

1. **Entrepreneurial characteristics:** These are traits that make an individual an entrepreneur
2. **Business performance:** The success or failure of an enterprise
3. **Entrepreneur:** An individual that identifies, develops and brings vision to life under conditions of risk and considerable uncertainty
4. **Entrepreneurship:** is an innovative act, which includes endowing existing resources for new wealth- producing capacity.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter reviews the literature on the effect of entrepreneurial characteristics on business performance. To this end, the chapter is segmented into the following sub themes in accordance with the objectives of the studies as follows: The conceptual framework, the concept of Entrepreneur/Entrepreneurship; the practical approaches to entrepreneurship development; the importance and role of Entrepreneurship; Entrepreneur characteristics; the notion of small business; concept of business performance; factors affecting the business performance; the effect of entrepreneur's demographic and personal characteristics on business performance under the mediating role of Entrepreneurs; the problems militating against entrepreneurship development in Nigeria; theoretical frame work; emperical frame work and gap in Literature.

#### **2.2 THE CONCEPTUAL FRAMEWORK LINKING ENTREPRENEURIAL CHARACTERISTICS TO BUSINESS PERFORMANCE**

The previous studies have suggested that entrepreneurial characteristics have effects on performance, growth and success of small businesses. However, current studies have not specifically looked at how some or all of these characteristics influence the performance of small businesses. Also revealed is the fact that entrepreneurial characteristics required for success of small businesses are often not required either for the growth of small businesses or to manage and grow a business (Acharya, Rajan & Schoar, 2007). More so, there exist certain individual personal characteristics and characteristic requirements for becoming an entrepreneur (Markman & Baron, 2003).

In trying to establish a relationship between entrepreneurial characteristics and the performance

of small business, this study hypothesises that small businesses and entrepreneurs have particular characteristics that pertain to their survival. Some of these characteristics will be tested to show the extent to which they influence the performance and survival of the small businesses;

The study constructs in this research work are explained and diagrammatically illustrated in the framework below:-

### **2.2.1 The Independent Variables**

The conceptual framework of this research work identified some of the key variables in entrepreneurial characteristics namely; Leadership, risk taking propensity, commitment and innovative ability herein referred to as the independent variables as they relate with business performance which is the dependent variable.

### **2.2.2 The Dependent Variables**

The dependent variables are the objective terms from business performance. This research work seeks to show how the variations in business performance may be explained by the aforementioned independent variables. For the purpose of this research work, business performance described in objective terms likes employee satisfaction, overall performance, customer satisfaction and product/service quality. The use of this approach provides a comprehensive and holistic view of a business performance (Kaplan and Norton, 1996). Objective measures of performance allow a broader range of businesses to be compared with a single study (Allen, Dawson, Wheatley, & White, 2008).

**Fig 2.1 Conceptual Framework**

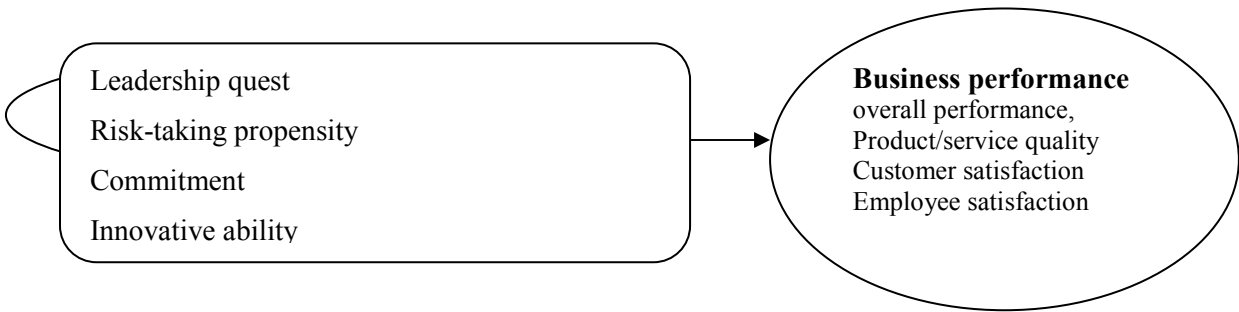


Figure 2.1, shows learnable characteristics of entrepreneurs adopted by this study. These characteristics are chosen because most studies have not specifically looked at how these characteristics influence the performance of small businesses. In addition, these set of characteristics have received the most attention in the entrepreneurship literature and are often used to differentiate entrepreneurs from non-entrepreneurs (Shaver and Scott, 1991; Robinson, Stimpson, Huefner and Hunt, 1991; Koh, 1996).

### **2.3 CONCEPT OF ENTREPRENEUR AND ENTREPRENEURSHIP**

From the literature review, it seems that there is neither unified definition regarding entrepreneur nor entrepreneurship. Hisrich and Brush (1985) referred entrepreneurship to “the process of creating something different with value”. Sajilan, Hadi, and Tehseen, (2015) stated that entrepreneurship is “the creation and management of new business, small business, and family business”. Some scholars relate the entrepreneur with different characteristics and behaviors such as innovation, risk taking, build small business and leading it to the success. Schumpeter (1934) defined entrepreneur as the person who creates something new and innovation in existing economy. Collins, Moore and Unwalla (1964) described entrepreneur as a person who is a risk-taker and has consistency with his goals and objectives in different situation. Moreover Crant

(1996) defined entrepreneurial careers as owning one's own business. Hogarth and Karelaia (2012) related the entrepreneurs with starting own business. Moloï and Nkhahle-Rapita (2014) said entrepreneurs are individuals who accept risks and who are innovative in terms of their business management skills. Janny and Dess (2014) said Entrepreneurship recognized as a leading force of economic growth and development. In Summary, entrepreneurs is defined as the people who create, manage and lead their own business to success, and being responsible for their decisions and consequent results. Moreover the researcher can define entrepreneurship a process of creating, establishing, organizing and managing new venture in the way that lead them to success.

Schumpeter (1950; 1961) famously defined the entrepreneur as the coordinator of production and agent of change ('creative destruction'). As such the "Schumpeterian" entrepreneur is above else an innovator. Scholars who share this view of entrepreneurship do not consider entrepreneurship to be very important in earlier stages of economic development – they see the contribution of entrepreneurship to be much more important at later stages of development, where economic growth is driven by knowledge and competition. At earlier stages of development, entrepreneurship may play a less pronounced role because growth is largely driven by factor accumulation (Ács and Naudé, 2013).

## **2.4 THE PRACTICAL APPROACHES TO ENTREPRENEURSHIP DEVELOPMENT**

Several studies have been conducted to understand the characteristics of entrepreneurs and to explain the functioning of these characteristics. These studies have identified four main approaches in researching the characteristics of entrepreneurs - trait approach, demographic/social approach, behavioural/ managerial approach (Field, 2005), and human

capital approach (Ucbasaran, 2004). More details of these approaches are explained below;

#### **2.4.1 Trait/Psychological Approach**

The psychological or trait approach to the study of entrepreneurship is perhaps the most widely represented area in the literature studies. The trait approach focuses on personal disposition of individuals and their traits (Song and Kee, 2013). Traits such as sociable, anxious, energetic were thought to exist within individuals to whom they were applied (Chell, 1991) as well as distinguishing entrepreneurs from other populations of individuals (Vinten, 2000). This is because entrepreneurs were assumed to be a particular fixed state of existence, a describable species that one might find a picture of it in a field guide.

To Krueger (2000), entrepreneurs were viewed as the basic unit of analyses and entrepreneurs' traits and characteristics were the key to explaining entrepreneurship as a phenomenon.

According to McClelland (1987) report on a systematically psychological study conducted by McBerand Co and funded by the U.S. Agency for International Development, the question as to whether there were key competencies vital for entrepreneurial success needed to be answered. McClelland made a distinction between 'successful' and 'average' entrepreneurs in the manufacturing, marketing/trading and service business sector in India, Malawi and Ecuador and later devised a method called the Behavioural Event Interview (BEI), which required the respondents to recall crucial incidents in the life of their business. Based on the BEI, nine competencies were identified and were believed to be more characteristic of the 'successful' than of the 'average' entrepreneur. These characteristics included: initiative; assertiveness; ability to see and act on opportunities; efficiency orientation; concern for quality work; systematic planning; monitoring; commitment to the work contract; recognition of the importance of business relationships.

Furthermore, researchers (Timmons and Spinelli,2008; Min, 1999; Caird, 1991) in their study on the traits entrepreneurs possess, identified characteristics such as need for achievement; the locus of control and the risk-taking propensity; commitment and determinations; leadership; opportunity obsession; tolerance of risk; ambiguity and uncertainty; creativity; self – reliance and ability to adapt; motivation to excel; leadership; need for power; need for affiliation; resourcefulness; creativity; visionary; independent thinker; hard worker; optimistic, as the characteristics of successful entrepreneurs. McClelland added that six of these attributes namely: self-confidence; persistence; persuasion; use of influence strategies; expertise and informative seeking were not more characteristics of successful than average owner managers.

In spite of its great popularity, researchers (Ahmed, 2000; McCarthy, 2003; Koh, 1996) identified some criticisms of the trait approach, which has caused considerable debates in the field of entrepreneurship. The first criticism is based on definitional and methodological concerns, since many studies often employ different definitions of an entrepreneur, with few studies having the same definition. The second set of critics rejected the assumption that individuals behave consistently in different situations (Ahmed, 2000) and that the trait approach had very little to say on personality factors, its influence on entrepreneur’s behaviour and how a person gets from trait to actions (Koh, 1996).

However, while these researchers have criticised the trait approach and argued against its complete dismissal, Chell (1991) provided possible suggestions on revising the personality psychology. These comprised of revising instruments for measuring situational variables so that the interaction between entrepreneurial traits and pertinent situations can be examined. It further included radical ways of conceiving entrepreneurial traits; revising the instruments used in measuring entrepreneurial traits and the development of models on entrepreneurial processes.

#### **2.4.2 Demographic/ Social Approach**

An entrepreneur's demographic is often quoted as one of the most important factors related to SMEs performances and its competitiveness (Man, Lau and Chan, 2002). The demographic approach is based on the assumption that people with similar background possess similar underlying stable characteristics that can be used to arrive at an entrepreneur's profile (Bates, 2000). Based on this approach, entrepreneurs are considered to be a product of the external environment, whose influencing factors are beyond the individual's control (Field, 2005). Henry, Hill and Leitchl (2003) asserted that research investigating the demographic / social approach focused on the effects of the educational achievement of the entrepreneur, the work experience, the culture and religion and lastly the entrepreneur's age at the time of business start-up. According to Ucbasaran (2004) the demographic approach suggest that an individual's social context such as - family and ethnic background, gender, education, and incubator employment experience, shape aspirations and career choices. He further stated that several approaches such as (social development model of entrepreneurship, psychodynamic / social marginality models, influence of networks theory) have been used to explain an individual's decision to become an entrepreneur.

#### **2.4.3 Behavioural/ Managerial Approach**

The behavioural approach to understanding entrepreneurship deals with what entrepreneur's do as opposed to which they are (Henry et al., 2003). According to McCarthy (2000), the entrepreneur's interaction with the environment which both shapes, and is shaped by the entrepreneur, is believe to be the focus of the behavioural approach. Researchers adopting this approach turn to focus on the understanding of how attitude, behaviour, management skills and know-how all combine in shaping entrepreneurial success (Henry et al., 2003). This is because

both the trait and demographic approaches focused mainly on attempting to distinguish entrepreneurs from non-entrepreneurs, and assumed that these entrepreneurs possessed unique personality characteristics that can be identified, without linking them to entrepreneurial actions (Nurul and Marja, 2005), while also not providing a clear picture of an entrepreneur.

Ucbasaran (2004) emphasises that “the focus of research on entrepreneurial behaviour is about exploring „how“ various activities undertaken by individuals emerge into organisations.” This is because “organisations are not created by their context”, while differences in individual characteristics and intentions are of great interest “they are likely to be associated with differences in individual behaviours and it is this behaviour that produces the organisation. However, Ucbasaran (2004) further contend that there is no particular sequence of behaviours associated with entrepreneurial success. Similarly, studies by Carter, Gartner and Reynolds (1996) confirm that a high level of entrepreneurial activity among nascent entrepreneurs is positively related to success.

Some authors (Venkataraman, 1997; Shane and Venkataraman, 2000) identified some of the shortcomings of the behavioural approach. These researchers believed that only very few studies on the behavioural approach has explicitly explored the relationship between entrepreneurial cognition, opportunity identification and exploitation. As such, they emphasise that the boundaries of the field of entrepreneurship research should be drawn around the issue of opportunity identification and exploitation. Man, Lau and Chan (2000) assert that though popular behavioural study methods such as direct observation and diary recordings are more effective than the trait and demographic approaches, they might not constantly be cost effective or even be a reliable means of data collection.

This notwithstanding, the cognitive approach is considered more successful than other

approaches in distinguishing the entrepreneur from other groups of individuals and has led to the development of the term entrepreneurial cognition. This approach has now moved from the "state of being" assumption of the trait approach to cognition as a predictor of certain aspects of behaviour (Henry et al, 2003). Blackman (2003) on his part expresses his views by stating that although certain entrepreneurial characteristics are requisite, the entrepreneurs "behaviour is dynamic".

#### **2.4.4 Human Capital Approach**

The human capital theory can be traced from the field of macroeconomic development theory (Sanchez, 2012). Oroko (2009) defines human capital as the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being". Nair (2012) conceives human capital as a key element needed to enhance a firm"s assets and employees in order to increase productive and sustain competitive advantage. Researchers, (Parker, 2005) state that the human capital approach is in support of the view that knowledge offers individuals an increase in their cognitive abilities and as such a more productive and efficient potential activity. This is based on Shane and Venkataraman (2000) belief that previous knowledge (an aspect of human capital) influences the entrepreneur"s ability to identify opportunities.

The above literature proposed that there exist a number of different ways in which the characteristics of entrepreneurs can be studied. After reviewing four of these approaches, researchers (McClelland, 1961; Rani, 2013 and Smith, 2013) concluded by suggesting that the innate psychological/trait characteristics of entrepreneurs are a strong dimension to the study of entrepreneurship.

### **2.5 TYPES OF ENTREPRENEURS**

In an attempt to understand the approaches to the study of entrepreneurial characteristics, the trait/ psychological approach was criticised for trying to identify a “typical entrepreneur”. Lazar and Paul (2015) consider this criticism as being problematic because they believe entrepreneurship is marked by diversity, which should be encouraged by all potential entrepreneurs and see no need to fit some narrow stereotype.

Several types of entrepreneurs have been identified. For example, Smith (2013) focused on the relationship between the entrepreneur and his firms, with the aim of identifying the possibility that the type of firm owned reflected different types of entrepreneurs. He carried out fifty two interviews with owner-managers and identified two types of entrepreneurs – craftsman (Artisan) and opportunistic entrepreneurs. To him, craftsmen entrepreneurs come from a blue-collar background; had a relatively narrowed education and had a good record as successful worker. These entrepreneurs are motivated by the desire for autonomy; use personal relationships in marketing; follow rigid strategies; restrict their sources of finance to personal savings and money from relatives or friends (Chell, 1991). Opportunistic entrepreneurs come from a middle class background; had a broader education, and sought many sources of finance. They are motivated by the desire for financial gain, which makes them continually seek new opportunities and thus develop more diverse competitive strategies. Sanchez (2012) later developed and replaced the craftsman and opportunistic entrepreneurs, with a more definite growth-oriented and independence- oriented entrepreneurs. He considered growth-oriented entrepreneurs to be entrepreneurs that pursue opportunities to maximize the potentials of the businesses and independence- oriented entrepreneurs to be entrepreneurs who prefer working for themselves.

Kiggundu (2002) identified three types of entrepreneurs based on their strategies for dealing with the environment, namely craft, promotion and administrative type. The nature of the

leadership associated with each of this organisational type was craftsmen, entrepreneurs and professional respectively. The craftsmen concentrated on building a comfortable life; were non-adaptive and had a tendency to avoid risk. The promotion firms were small in size; had a high growth rate but were often short lived and transitional in nature. The administrative firms were larger in size; more formalised and professional; engaged in planning, written policies and budgetary control and less dependent on the person leadership of the chief executive office (Chell, 1991).

Moreover, Parker (2005) recognised two types of entrepreneurs – Lifestyle and High growth entrepreneurs. Lifestyle entrepreneurs operated their businesses haphazardly with little or no system in place, which made business growth not their main focus. They instead depended on their businesses to provide them with a decent standard of living and accepted whatever their businesses produced. High growth entrepreneurs proactively looked to grow annual revenues and profits, with the expectations of creating wealth and not simply a means of creating a comfortable life. They ensured the accomplishment of their goals by regularly reviewing and revising their business plans; made sure that their financial plans; cash flow; planning; strategic and marketing plans, where up to standards.

Recently, a number of studies by (Ucbasaran, 2004; Westerberg & Wincent, 2008) have identified three general types of entrepreneurs- Nascent, Novice and Habitual entrepreneurs. Nascent entrepreneurs are people who are engaged in creating new ventures and “who expects to be the owner or part owner of the new firm, who has been active in trying to start the new and independent firm in the past 12 months” (Jasra, 2011). Novice entrepreneurs are owners of businesses who have no previous business ownership experience in a business that is either new or purchased. Habitual entrepreneurs start or purchase several businesses, one at a time or even

sequentially and comprises of two general types- Serial and Portfolio entrepreneurs. Serial entrepreneurs own one business after another but effectively own only one business at a time.

Portfolio entrepreneurs are entrepreneurs who own more than one business at a time.

However, after examining the various types of entrepreneurs, it becomes clear that all entrepreneurs have different reasons for either starting or purchasing a business as well as different sets of characteristics pertaining to them.

## **2.6 THE IMPORTANCE AND ROLE OF ENTREPRENEUR AND ENTREPRENEURSHIP**

Karayiannis (2003) pointed out that the entrepreneurial role as the leading force in the free market economy had already been recognized since the time of the proto-capitalist system of ancient Greece. Rani (2013) said entrepreneurship is critical for the economy as entrepreneurship is an engine of economic progress and job creation. The importance and roles of entrepreneurs and entrepreneurship can be summarized as follows: They are playing an important role in economic development, backbone of country's development, having major contribution in job creation, and playing an important role in wealth generation.

William and Susan (2005) Entrepreneurs contribute to economic development in terms of job creation, innovation and external income generation depending upon priorities and different stage of market reform. The authors suggested direct support to SMEs to overcome immediate difficulties to strengthen their potential for development and growth.

Carland and Carland (2004) studied the impact of entrepreneurship on employment and economic development of United States. They found that firms with less than twenty employees have greatest impact for the decade of 1990's. They suggested that the firm has great potential for future economic development. Also, economic policy changes should be specifically to boost

entrepreneurship.

Wennekers et al Wennekers, Van Stel, Thurik and Reynolds (2005) found a U shaped relationship between entrepreneurial dynamics and level of economic development. They suggested that for advanced countries incentive structure should be improved while developing nation should exploit economies of scale, foster FDI and promote management education.

Naudé (2010) Entrepreneurship has important role to play in fostering from a predominantly traditional/agrarian economy to modern economy. With innovation driven growth productivity is increased in advanced countries. Self-employment, startup and credit market determine quantity and quality of entrepreneurship. They found that low entrepreneurial activity contribute to economic stagnation and even developmental gap.

## **2.7 ENTREPRENEURS' CHARACTERISTICS**

Characteristics of successful entrepreneurs have been examined in many studies in an attempt to develop a typical personality profile that identifies the key characteristics of successful entrepreneurs. Some of these characteristics are seen to be mentioned in almost each of these studies. (Gries and Naudé, 2011; William and Susan, 2005; Littunen, 2014, Dafina, 2008; Moore and Buttne, 2010; Bates, 2000; Sarwoko, Surachman, Armanu, Hadiwidjojo, 2013; Sajilan, Hadi, and Tehseen, 2015; Salim and Yadav, 2012). Timmons, Spinelli and Ensign (2010) stated that “We do not believe there is any single set of characteristics that every entrepreneur must have for every venture opportunity. Significantly, among the growth- minded entrepreneurs with whom we have worked, not one possessed all of the highly desirable characteristics... to a high degree” (cited in Chell et al., 1991).

Other studies by (William and Susan, 2005; Blackman, 2003; Nimalathan, 2008), suggested

that the characteristics of entrepreneurs, can be acquired by birth; through life experiences or through entrepreneurial processes. They emphasise that these characteristics should belong to all entrepreneurs, everywhere he/she lives irrespective of his/her origin because the absence of any one of them could cause a critical weakness in an individual's ability to act entrepreneurially. Moreover, further studies by Abdulwahab and Al-Damen (2015); Isaga (2015) assume entrepreneurial characteristics are universal and ageless and can be nurtured and developed at earlier stages of the education process. Smith (2013) note that these characteristics perceived to be universal should be recognised and nurtured at an earlier age, in order to enhance entrepreneurial talents.

Individual characteristics of entrepreneurs comprises of ascribed characteristics, achieved characteristics, learnable characteristics and requirement characteristics of being a successful entrepreneur. Ascribed characteristics are traits one is born with and has done nothing to earn. These are attributes people have at birth; develop over time or possess through no efforts of their own, such as age; race; ethnicity; gender and socio- economic origin of the entrepreneur. Achieved characteristics are acquired through some combination of personal choices, efforts and abilities and they include ones level of education; occupation; work experiences (Vijaya and Srinath, 2012). Learnable characteristics are qualities that are highly desired in people with whom entrepreneurs want to surround themselves in building a high potential business (Tehseen and Ramayah, 2015).

Table 2.1 shows the characteristics of entrepreneurs classified into ascribed; achieved; learnable and requirement characteristics, adopted by this study.

### **Table 2.1**

## *Characteristics of entrepreneurs*

<b>Characteristics</b>	<b>Attributes</b>
Learnable characteristics	Need for achievement; Need for power; Calculated risk taking; Commitment and determination; creative tendency; Leadership quest, self-confidence; Innovativeness; Tolerance of risk, ambiguity and uncertainty; Recognizing and taking advantage of opportunities; Resourcefulness; Creativity; Visionary; Independent thinker; Hard worker; Optimistic; Creativity, self-reliance and the ability to adapt; Motivation to excel; persistence in problem solving; taking initiative and personal responsibility.

### **Adopted by this study**

This study adopts this approach as a means of clearly identifying which characteristics entrepreneurs possess that specifically can be nurtured, developed, inherited or acquired to influence the performance of small scale enterprises.

In the next part, more details will be given on each of these characteristics.

### **2.7.1 Learnable characteristics**

Learnable characteristics are qualities that are highly desired in people with whom entrepreneurs want to surround themselves in building a high potential business (Tehseen and Ramayah, 2015). From above, some of these entrepreneurial characteristics are learnable while others may be more difficult to achieve. These characteristics are explained in more details below;

#### **2.7.1.1 Need for Achievement**

McClelland (1961) explained entrepreneurship as the expression of a high need for achievement. Different studies conducted on entrepreneurs showed the need for achievement has a strong relation with the entrepreneurship (Isaga, 2015). Moreover Pendergast (2003) mentioned entrepreneur deals with many characteristics, one of these characteristics need for achievement.

Driessen and Zwart (2007) stated entrepreneurs' characteristics include need for achievement. Smith (2013) claimed need achievement is one of psychological traits of entrepreneurs, and he defined need for achievement as desire to meet an internal standard of accomplishment. According to Nimalathan (2008) in his study used the Thematic Apperception (TAT) as a tool to measure an individual's level of motivation and recognised four characteristics possessed by people with a strong need of achievement, which include the following;

- i. The need for feedback on how well they are performing.
- ii. Higher achievers prefer to work independently than in teams.
- iii. Such individuals are open to new ideas and are innovative.
- iv. A preference for moderate task difficulty and goals as an achievement incentive, which goes to show that higher achievers never give up, until they achieve their stated goals.

#### **2.7.1.2 Self-Confidence**

Koh (1996:17) focused on the self-confidence as an important entrepreneurial characteristic. While Rubino and Freshman (2005) declared that the confidence is one of the eight entrepreneurial competencies exist in his study. Moreover Othman, Ghazali, and Sung (2006) explained the main psychological characteristics of entrepreneurial personality including mainly self-confidence. Bondima, Rankhumise and Jan Grundling (2013) stated one of the characteristics and demographic factors influencing entrepreneurial inclination is self-confidence. Laguador (2013) mentioned the personal entrepreneurial competencies and they involved self-confidence. Javan (2014) stated entrepreneurship had has been consists of six dimensions one of these dimension is self-confidence. The researcher believe self- confidence defines as entrepreneur believing about himself, and to which level he believes that he can lead

his organization towards success. Self-confidence is an essential entrepreneurial characteristic that is related to other psychological characteristics (Ho and Koh, 1992). Koh (1996) believes self-confidence is a necessary requirement for successful entrepreneurship, since entrepreneurs have a higher degree of self- confidence relative to non-entrepreneurs (Robinson, Stimpson, Huefner and Hunt, 1991; Ho and Koh, 1992). Entrepreneurs that display self-confidence, base their feelings on the fact that they can conquer all necessary challenges on their path to success and still attain their desired goal (Tehseen and Ramayah, 2015). Self-confidence is a key characteristic of an entrepreneur, which enables entrepreneurs to believe in themselves and have the ability to achieve their stated goals and objectives. Entrepreneurs who possess self-confidence do not believe the success or failure of their new business depends on luck, fate or other external factors, but is confident that their personal control and influence enables them achieve their goals, even when faced with setbacks. Robinson *et al.* (1991) believe that entrepreneurs should have a perceived sense of self-esteem and capabilities in conjunction with his/her business affairs, since they consider self-confidence to be linked to tolerance for ambiguity and creativity (Ho and Koh, 1992).

### **2.7.1.3 Independency (Autonomy) and Responsibility**

Independency (Autonomy): Born and Altink (1996) mentioned three most important behavioral attributes for entrepreneurial success, one of them independence. Santos-Cumplido and Linan (2007) claimed self- employed (autonomy) is one element which configured entrepreneurial quality. Vanesaar et al. (2008) studied the entrepreneur's characteristics including independence. Jaafar et al. (2010) said one of the entrepreneur's characteristics is independency. Liang and Dunn (2011) indicated that entrepreneurs' characteristics include independent. He categorized need for autonomy as one of the five entrepreneurial motivations. Rani and Tih (2013) defined

Independency; independency is desire to be in control.

#### **2.7.1.4 Risk Taking Propensity**

Koh (1996) focus on the take risk propensity as an important entrepreneurial characteristic. In addition to that Pendergast (2003) said Entrepreneurs are commonly described as risk-takers; he defined the risk as possibility of loss due to uncertain future events.

Moreover Scarlat, Rozell, and Scroggins (2011) stated one of the characteristics of successful entrepreneurs is risk-taking. Resurreccion (2012) stated entrepreneurial competencies include risk seeking. With reference to Rani and Tih (2013); risk taking propensity was identified as one of the essential characteristics which refer to entrepreneurial quality. Javan (2014) stated risk-taking is one of the six dimensions of the entrepreneurship. Kuratko (2007) believes entrepreneurs take calculated risk when they decide to participate in a business venture in a “very calculated, carefully thought- out manner”, while making sure they get the odds in their favour and avoid taking unnecessary risks. Their strategies include getting other investors, suppliers, business partners to share in their inherent financial and business risk. Thus, to Blackman (2003) a risk adverse person will prefer being a low-paid employee with apparent job security rather than being a self- employed entrepreneur with the possibility of earning a large sum of money. In the same light, Sandika and Kulasinghe (2010) note that entrepreneurs will be more willing to take risks with no fear of investing their money in the domains they believe they are experts in them and more *risk averse* in areas they think they have little knowledge, so as to enable them estimate predictions for different outcomes

### **2.7.1.5 Innovativeness**

Innovativeness relates to perceiving and acting on business activities in new and unique ways (Robinson et al., 1991). Innovation refers to the creation or adoption of an idea or behaviour new to the organisation (Damanpour 1996). Innovation is the characteristic tool of entrepreneurs as it is a means of exploiting change to accomplish different businesses or services (Mirela, 2008) and also an important factor in a firm's survival, development and business success (Utterback 1996).

Empirical literature studies by (Ho and Koh, 1992; Robinson et al., 1991; Cromie, 2000) illustrated that entrepreneurs are considerably more innovative than non- entrepreneurs. Morrison (2000) believes that businesses that act entrepreneurially are those that survive the changes embarked upon by doing things differently and innovatively. Such innovative ideas are usually implemented when traditional systems and ways of doing business are no longer effective. However, research results in organisational innovation literature are inconsistent (Wolfe 1994) and not all entrepreneurs are uniformly innovative, but the degree to which they are innovative depends on their level of formal education and managerial experience (Maxwell and Westerfield, 2002).

### **2.7.1.6 Leadership**

Greenberg and Baron (2000) defined leadership as a process whereby individuals influence others in an attempt to achieve stated objectives. Entrepreneurial leadership means creating an entrepreneurial vision and motivating the team to perform the vision in high velocity and uncertain situations. Leadership plays a vital role in the survival and success of entrepreneurial ventures (Moore and Buttner, 1997). Henry *et al.* (2003) identified the trait, the behavioural and

the contingency approaches, as the three main approaches to the study of leadership. The trait approach is of the view that „leaders are born and not made” and that effective leader possess a set of inherent characteristics that differentiate them from ineffective leaders. The behavioural approach supports the view that effective leaders possess certain personal characteristics but that “what they do” in the context of their leadership style should be considered as important to the business. By way of contrast, the contingency approach is of the notion that “no single leadership style is effective in all situations” but tries to make a distinction between the conditions and factors which determine “whether, and to what extent”, leaders boost the performance and satisfaction of their subordinates (Greenberg and Baron, 2000). Leadership is made up of three main components- proactiveness, innovativeness, and risk taking (Kuratko, 2007; Chen, 2007 and Surie and Ashley, 2008). Proactiveness is defined by Okudan and Rzasa (2006) as being able to predict future problems, exploit opportunities, being active to influence and lead the future rather than waiting to be influenced by the future (Kuratko, Hornsby and Goldsby, 2007). Innovativeness means the “ability and tendency to think creatively, develop novel and useful ideas in opportunity recognition, resource utilization, and problem solving” (Chen, 2007) which is distinctive characteristic that distinguishes entrepreneurs from individuals who want to be just self-employed (Okudan and Rzasa, 2006). Risk taking is defined by Javan (2014) as “the tendency of the decision maker to take or avoid risk”.

A dynamic business looks up to leaders who are able to facilitate the development of a joint vision and communicate the company’s vision to the team and also build communication process that make it safe for people to say what is on their minds (Rani, 2013). Driessen and Zwart (2007) emphasises that, “a leader cannot achieve success alone” but that an effective

leader must be fully involved and in touch with his/her group members; must be able to recognise good ideas and support them; reward employees on their performance and provide encouragement to motivate them, in order to ensure business success. Timmons and Spinelli (2008) highlighted that individuals with leadership traits are experienced; possess an intimate knowledge of the technology and market place in which they compete, honest and reliable, build trust, practice fairness, are superior learners and teachers, team builders, self-starters and treat others the way they also expect to be treated. More so, Zhao, Seibert and Hills (2005) established that prudent and calculated risk taking in the early stages of entrepreneurship process, business practices and personal life strategies are used as is one of the main characteristics of entrepreneurial leaders.

#### **2.7.1.7 Commitment and Determination**

Commitment and determination refer to the passion with which entrepreneurs pursue an opportunity (Collura and Applegate, 2000). According to Blackman (2003), commitment is a founding drive to the entrepreneurs that enables them to overcome setbacks, when faced with challenges. Lee and Tsang (2001) noted that such entrepreneurs are tenacious, decisive and very persistent on problem solving.

Previous studies by Avolio and Bass (1995) argue that commitment can manifest itself both as an attitude and as behaviour since it reflects complete loyalty toward a particular organisation. Likewise, Timmons and Spinelli (2008) believe that individuals with commitment and determination can overcome many obstacles and also compensate for their weaknesses. To these researchers, these individuals are driven by the willingness to undertake personal sacrifice; are persistent to solving problems; are intensively competitive in attaining goals; are tenacious and

decisive and able to recommit quickly. Hatch and Zweig (2000) established in their studies that most of the entrepreneurs displayed a formidable will to succeed in the face of challenges encountered on their pathway to growth.

#### **2.7.1.8 Creativity, self-reliance and ability to adapt**

Creativity, self-reliance, and flexibility refer to an entrepreneur's capacity to be open-minded, learn quickly, and develop new capabilities and perspectives (Collura and Applegate, 2000). Previous research by Devanna and Tichy (1990) asserted that creativity is very important for the success of organisations. Thus, encouraging creativity is a strategic choice which firms should take into consideration, since it creates a significant contribution to organisational innovation (Amabile, 1996).

Timmons, Spinelli and Ensign (2010) highlight that successful entrepreneurs believe their achievements lie within their control and power and that they can determine their outcomes. To them, entrepreneurs possess the following characteristics; self-reliant innovator; adaptive and resilient; and have a strong desire to know how well they are performing. Kruger (2004) reported that Singh, Pathak, Shee, Kazmi and Parker (2013) in trying to examine the importance of entrepreneurial qualities amongst small business owners and non-business owners, found creativity to be one of the strongest characteristics that distinguish small business owners from non-small business owners. Okhomina (2010) suggest that if entrepreneurs are to survive and grow in a competitive and challenging business world, they are required to demonstrate creativity and innovation.

The ability to adapt to change is an important characteristic for business performance (bannock,

2005). According to Liang and Dunn (2011) adaptation to change and flexibility are critical strategies for successful venture, especially when the owners find the environment destabilising. (Morris and Zahra, 2000) stressed that an intolerant response to change will lead to denial, risk averting behaviour and imposition of arbitrary constraint.

## **2.8 THE NOTION OF SMALL BUSINESS**

According to Nair (2012), small business enterprise is a business that employs a small number of workers and does not have a high volume of sales. Such enterprises are generally privately owned and operated sole proprietorship, corporations or partnership. Francis (2016) viewed small scale industry is an industry which is independently owned and operated and not dominant in its area of operation. Many researchers have found that most of the small-scale businesses have created the job opportunities and the self-employment opportunities. Small enterprises are acts as the important contributor to enhancing economic growth, rural economic activity, poverty alleviation and social justice.

Small and medium enterprises are those enterprises which have a minimum number of employees and work on small scale. Many of the researchers have found that the small business has increased the gross domestic product (GDP) rate of the country. Small businesses hold an important place to enhance the growth of the country. It also provides the employment opportunities for those who are unemployed in the rising economy (Jasra, 2011).

Clark (2003) defined the small business as a small organization and small governmental authority or jurisdiction. A small-scale business is an independently owned concern, and the independent person operates it. Small business is not dominant in the operation field. Moreover, it satisfies many additional criteria which have established by the small business administration

(SBA).

## **2.9 BUSINESS PERFORMANCE**

Business performance can be seen from the level of sales, profitability, rate of return of capital, the rate of turnover and gained market share (Jauch and Glueck, 1998). Li and Jia (2015) use 3 indicators for performance measurement of efficiency, growth, and profit. The business performance is the phenomenon of multiple aspects that are difficult to quantify (Sanchez, 2012). A variety of the literature shows that both quantitative and qualitative indicators have limitations and are recommended to be used interchangeably. Quantitative indicators like return on investment, profit, sales and business expansion etc. While the qualitative measurements are often called as performance indicators, performance measurement is by using the approach a certain scale of performance variables such as employee satisfaction, overall performance, customer satisfaction and ability to offer quality products and services. Carnison in Sanchez (2012) measured the performance of small and medium enterprises with reference to the three aspects namely profitability, productivity, and market. While Lee and Tsang (2001) using performance effort represented by the growth venture consisting of sales growth, the growth of the company's assets, and profit growth. Studies in small and medium enterprises, business performance measurement approach typically uses a mixture of (financial and non financial), but difficulties arose three managers or owners of small and medium enterprises are not willing or object to provide information a robust performance data (Pendergast, 2003).

Jasra, (2011) defined Performance as the act of performing; of doing something successfully; using knowledge as distinguished from merely possessing it. However, performance seems to be conceptualised, operationalised and measured in different ways thus making cross-comparison

difficult.

## **2.10 FACTORS AFFECTING THE BUSINESS PERFORMANCE OF THE SMALL BUSINESS ENTERPRISES**

Cooper (1998) examined various factors which influence business performance such as: as experience, education, occupation of parents, gender, race, age, and entrepreneurial goals. While, Lerner and Hisrich (1997) conducted a study on Israeli women entrepreneurs and categorised the factors that affect their performance into five perspectives, that is, motivations and goals, social learning theory (entrepreneurial socialization), network affiliation (contacts and membership in organizations); human capital (level of education, skills) and environmental influences (location, sectoral participation, and socio political variables).

Furthermore, Sanchez (2012) suggest that factors influencing business performance could be attributed to personal factors such as demographic variable and business factors such as amount of financing, use of technology, age of business, operating location, business structure and number of full-time employees as important factors in examining the performance as small scale business operators.

The most comprehensive summary of factors influencing performance was noted in a literature review by Zahra and Covin (1995) to include: individual characteristics, parental influence, business motivation and goals, business strategies, goals and motives, networking and entrepreneurial orientation. Others include environmental factors.

Additionally, business performance was influenced or affected by many factors either positively or negatively (Abdullahi et al. 2015). (Man and Wafa, 2008), (Smith, 2013), (Salim and Yadav,

2012), (Nimalathan, 2008), (Ahmad et al., 2010). (Kiggundu, 2002) and (Smith, 2013) opined that the following factors could have a significantly positive effect on the business success of small and medium enterprises.

### **(1) Entrepreneurship**

Entrepreneurship can be defined as a creative and innovative capability which is used as the base and resources to seek out opportunities for success (Li et al, 2005). Entrepreneurship is the process of creating something new on the value of using necessary time and effort, to bear the financial risk, physical, the risk of failure that accompanied, receiving monetary rewards produced, as well as the satisfaction and personal freedom. Thus, entrepreneurship is a process of creating something new with courage in taking risks to get yield (Blackman, 2003).

### **(2) Venture Capital**

In running a business, one contributing factor that is required is capital. This capital becomes part of the foundation of the business activities. The stronger the foundation is made, the more solid the business activity (Abdulwahab et al, 2015). Capital in this context includes determination, experience, courage, knowledge, net working, as well as financial capital. However, most activity faced difficulties in starting a business due to the limited access to acquire the source of capital.

### **(3) Characteristics of Entrepreneurial**

Blackman (2003) divides the entrepreneurial characteristics into six dimensions. These dimensions are education, personal values, age, work experience, moral support network, and professional support network. Details of these six dimensions are as follows.

**(i)** Education is very important in doing business. The importance of education is not only

reflected in the level of education achieved, but also in the fact that education continues to play an important role in helping entrepreneurs overcoming the problems encountered. Education will facilitate the integration and accumulation of new knowledge, giving individuals greater opportunities and help employers in adjusting to situations.

**(ii)** In terms of personal values, there are five personal values as the consensus that was found in all consumers and leadership groups, namely, product quality, service quality for customers, ability to adapt to future changes, high caliber management, honesty and ethics in business practices.

**(iii)** In terms of age. it is important to distinguish between the age of entrepreneurial business and chronological age. The age of entrepreneurial business reflects the experience in doing business, while the chronological age is the age when a person starts entrepreneurial career. Most entrepreneurs start entrepreneurial career between the ages of 22 and 45 years. Entrepreneurial experience is one of the measures for predicting the success, especially when new businesses operate in the same field with prior business experience.

**(iv)** In terms of work history, employment history is not only a negative displacement in the decision to start a new entrepreneurial venture, but also play a role in the growth and ultimately the success of the new venture. When the business is established and began to develop, skills and managerial experiences play important roles, in addition to business experience.

**(v)** Moral support network is individuals who provide psychological support to a businessman. It is important for every entrepreneur to build a network of moral support both from family and its partners.

**(vi)** Professional support network is individuals who assist an entrepreneur in their business

activities. Apart from support, an entrepreneur also needs advice throughout the formation of new businesses. This advice can be obtained from a mentor, business associations, trade association, or personal affiliations.

#### **(4) Business Growth Strategy**

Strategies are recognized as the key aspect of management in large organizations (Lee and Tsang, 2001). Large companies generally write or say publicly that their strategy. However, for the small companies, the strategy is not formally defined and the strategy usually comes from the manager / owner as key decision-makers (McCarthy, 2000). This is because small companies usually do not write the formulation of a strategy. The strategy is developed from the pattern of behavior of the owner / manager and resource allocation (Morris and Zahra, 2000).

#### **(5) Business Performance**

Li and Jia (2015) use three indicators to measure business performance, namely; efficiency, growth and profit. The company's performance is a multi-faceted phenomenon which is difficult to measure (Sanchez et al, 2013). The literature shows that both quantitative and qualitative indicators have limitations and it is recommended to be used interchangeably. Quantitative measurements such as return on investment (ROI), profit, sales, and so forth are needed to identify the achievement of the company in a given period. However, of these measures the use of ROI that is the result of a comparison of income before tax to total assets is commonly used (Smith, 2013). While qualitative measures or often called performance indicators usually use certain scales as performance measurement such as performance business knowledge and experience, the ability to offer quality products and services, the capacity to develop processes and new products, the ability to manage and work in groups, labour productivity, and the

company's responsibility to the environment.

## **2.11 THE EFFECT OF ENTREPRENEUR'S DEMOGRAPHIC AND PERSONAL CHARACTERISTICS ON BUSINESS PERFORMANCE UNDER THE MEDIATING ROLE OF ENTREPRENEURS**

According to Abdulwahab and Al-Daman (2015), entrepreneurs' characteristics have created the positive impact in the firm performances. Some of the entrepreneurial characteristics are personal traits and skills which are the personal characteristics. These factors have constituted the competency of entrepreneurs to venture a success. Need for achievement has possessed the strong relation with the entrepreneurship. It is considered as the important characteristics of entrepreneurs. Need for achievement is defined as the people who want to attain the strong desire for success.

Many of the researchers have found that the need for achievement is included in the psychological trait which drives the entrepreneurs to attain high standards. Further, this strategy leads the entrepreneurs towards success. Apart from this category, self-confidence is another important personal characteristic of the entrepreneurs which are positively influenced the performances of the small and medium business. High level of believing about them so called as the self-confidence which has led the entrepreneurs towards success. Pro-activeness or imitativeness is nothing but the forward-looking perspectives which are focusing on introducing new products to change the business environment. It is also involved in the characteristics of entrepreneurship. At last, independence, responsibility, risk taking prosperity and experience are some of the personal characteristics which are of the entrepreneur's characteristics. These characteristics are enhanced the business growth in the higher level.

Aliyu, Rogo, and Mahmood (2015) studied the entrepreneurial orientation, knowledge management and business performance in the role of organizational culture. Entrepreneurial orientation (EO) has played a significant role in the growth of an organization in the competitive environment. Entrepreneurial orientation is the administrative and the decision-making activities which would lead to some new developments in the small business. Moreover, the entrepreneurial orientation has created the positive impact in the organizational performance of small and medium enterprises. Knowledge, skills, adapting to an organizational environment, flexibility and the learning competency are some of the factors associated with the personal characteristics which are also played the role of entrepreneur. These are improved the sustainable competitive advantage in the small-scale business. There is a significant association between the entrepreneurial orientation and the performance of the enterprises.

Gender, age, education, and marital status are some of the demographic characteristics of entrepreneurs which are positively associated with the performance of the small business. There is a significant relationship between the people demographic and the compliance behavior of the tax.

In addition to these, the demographic variables such as employment status, occupation, ethnicity, tax return filing experience, and course. Older taxpayers are more compliant than the younger tax payers. Age plays a crucial role in compliance. Gender is considered as one of the vibrant factors that affect the attitude of tax compliance and tax payer's attitudes (Antwi, Inusah, and Hamza, 2015).

Isaga (2015) studied the owners- the demographic characteristics of the manager and the growth of small and medium enterprises. The factors like age, family background, education, and the

working experience are some of the demographic factors which are positively associated with the entrepreneurial characteristics. These factors have contributed to the success of entrepreneurs. Education is the major factor of human capital. This element is deemed as the foundation and the source of skills, self-confidence, and overall knowledge. Several studies have shown that there is a positive relationship between the education of the entrepreneurs and the growth of the small and medium enterprises. Many researchers have learned that the education is not a relevant factor in determining the small business growth. Apart from these terms, management experience, the entrepreneurial experience, and the industrial related experience are some of the important experience associated with the successful performance of the business growth. Experienced entrepreneurs have the tendency to direct the firms in a more effective way because of their prior experience from handling enterprises has provided a set of trainings in many aspects for acquiring many entrepreneurial opportunities in a successful manner.

Fuethermore, age is considered as the important demographic characteristics which have influenced the advancement of small-scale and medium enterprises. Inverted U-shaped association is maintained in the age of entrepreneurs and the growth of the small and medium enterprises. Knowledge necessary to soundly run a business can be gained through observation to another one, or it can be acquired or motivated from the family background. The entrepreneur comes from the entrepreneurial family has achieved greater success in business when compared to others.

Miao (2015) studied the individual traits and entrepreneurial intentions regarding the mediating role of entrepreneurial self-efficacy and the need for cognition. The individual trait has played an effective role in the entrepreneurship. Conscientiousness, Openness to experience, emotional

stability, and the extraversion are the four factors big five personality traits. These are the significant predictors of entrepreneurial intention. These personality characteristics are created the positive impact in the performance of the business growth. These personality characteristics are significantly associated with the entrepreneurial characteristics. Many researchers have found that the biological factors are affected the activity of entrepreneurs which in turn reduces the successful performance of an organization. Self-efficacy of the entrepreneurs mediates the relationship between the individual behavior and the intention of entrepreneurs.

Moreover, the individual traits are associated with the emotional intelligence, cognitive ability, risk propensity, proactive personality, and rebelliousness. These individual traits are related to the entrepreneurial intentions and the entrepreneurial self-efficacy. The entrepreneurial self-efficacy is created the positive impact in the entrepreneurial intentions. Cognitive psychology has provided the strong implications for the intention of entrepreneurs. Personal characteristics of entrepreneurs have predicted the probability new venture success and failure.

Bakar, Mahmood, and Ismail (2014) studied the combined effect of knowledge management and entrepreneurial orientation on the performance of small and medium enterprises. Entrepreneurial orientation is the valid concept, and it has played an effective role to improve the organizations by decision making across multiple organizational contexts. The personal characteristics such as leadership style, creative or innovative knowledge, and skill are closely associated with the entrepreneurial characteristics. This has created the positive impact in the performance of the small business. Many researchers have found that the knowledge management scale has helped in the small business to enhance sustainable competitive advantage. Authors have found that there is a mediating effect of entrepreneurial orientation on the relationship between the

knowledge management and the business performance.

Hence, the entrepreneurial orientation acts as the mediator between the knowledge management and the firm performances. Gender, education, status, experience, the number of employees and the types of operation are some of the characteristics associated with the entrepreneurial characteristics. They also have helped to attain the successful performances outcomes of an organization.

Chuluunbaatar (2011) studied the entrepreneurial orientation start-up process on the role of social capital and the social, economic condition. Some of the personal characteristics are controlled locus, the ability of risk-taking, the motivation of achievement, the style of problem-solving, creativity, behavior, and working value. These characteristics are related to the entrepreneurs, and these factors have created the positive impact in the performances of the small business. Entrepreneurial attitudes, intention, and the behavior are closely related to each other, and it can be traced using the models of intention. Several researchers have found that the intention acts as the mediator between the effects of attitudes and the behavior. These are related or dependent on personality and the environment. In addition to this, the personality of entrepreneurs strongly depends on upon the family, social environment, and the culture. Moreover, the entrepreneurs have reflected the personality of an individual, insight and understanding, and justification of their ability. These behavioral tendencies lead the effective leadership acquisition, interpersonal competencies, and the persuasive competencies. Five major factors are used to measure a one's personality characteristics. The personality characteristics, for instance, act as the predictors of the entrepreneurial intentions. The neuroticism, extraversion, agreeableness, openness to experience, and the conscientiousness are the five broad

traits of personality characteristics.

Many demographic approaches have used to analyze the personality characteristics of an individual. This has determined the spirit of the entrepreneurs and it helps to distinguish the entrepreneurs from others. Demographic characteristics have focused some of the variables such as the background of the family, previous experience of work in a start-up, the status of a socio-economic factor, age, level of education and birth order. These factors have helped to achieve the successful performance outcomes of the small business. Ownership type, marital status, and income are some of the demographic variables which are created the positive impact in the entrepreneurial attitudes. Perseverance, hard work, ability to take the risk, dynamism, creativity, innovative, self-confidence and the excellent time perception are some of the personal characteristics of entrepreneurs.

More so, these characteristics have enhanced to achieve the successful performance in their business. Authors have pointed that the level of entrepreneurial attitudes increases as the increase in age, income, ownership type and marital status (Tamizharasi and Panchanatham, 2010).

## **2.12 THE PROBLEM MILITATING AGAINST ENTREPRENEURSHIP DEVELOPMENT**

In spite of their significance and of small industries to the national economy, many problems and constraints still exist in promoting their development and growth. For instance, an international labour organization (1994) study shows that inadequate technical entrepreneurial talent particularly affects the development of small scale manufacturing and processing industries. While large scale industries can be established with expatriate capital, small industries need to

have a domestic entrepreneurial and industries base.

Furthermore, another obstacle to the modernization of small industries are the persistence of a low level of technology, the shortage and inadequate entrepreneurial skills of operators and the absence of an effective management techniques (UNIDO, 1994). Their low product quality makes it difficult for them to compete in a technologically driven knowledge based and export oriented globalized economy. There is, therefore the need to tap the considerable R & D efforts that take place at universities, polytechnics, monotechnics, and other public and private sector research institution through increased commercialization or technology transfer of research results. However, this can only be achieved through a deliberate intervention strategy of developing a core of characteristics among the small industry operators to enhance production efficiently, quality and output.

## **2.13 THEORETICAL REVIEW**

Several theories have been put forward by scholars to explain the field of entrepreneurship. These theories have their roots in economics, psychology, personality and resource-based Entrepreneurship. The multidisciplinary nature of entrepreneurship is given a close examination in this research work.

### **2.13.1 Psychological Entrepreneurship Theories**

The level of analysis in psychological theories is the individual (Kwabena, 2011). These theories emphasize personal characteristics that define entrepreneurship. Personality traits need for achievement, leadership and locus of control are reviewed and empirical evidence presented for three other new characteristics that have been found to be associated with entrepreneurial inclination. These are risk taking, innovativeness, and commitment.

### **2.13.2 Personality Traits theory**

Coon and Schindler (2004) define personality traits as “stable qualities that a person shows in most situations”. To the trait theorists there are enduring inborn qualities or potentials of the individual that naturally make him an entrepreneur. The obvious or logical question on your mind may be “What are the exact traits/inborn qualities?” The answer is not a straight forward one since we cannot point at particular traits. However, this model gives some insight into these traits or inborn qualities by identifying the characteristics associated with the entrepreneur. The characteristics give us a clue or an understanding of these traits or inborn potentials. In fact, explaining personality traits means making inference from behaviour.

However, some of the characteristics or behaviors associated with entrepreneurs are that they tend to be more opportunity driven (they nose around), demonstrate high level of creativity and innovation, and show high level of management skills and business know-how. They have also been found to be optimistic, (they see the cup as half full than as half empty), emotionally resilient and have mental energy, they are hard workers, show intense commitment and perseverance, thrive on competitive desire to excel and win, tend to be dissatisfied with the status quo and desire improvement, entrepreneurs are also transformational in nature, who are life long learners and use failure as a tool and springboard.

### **2.13.3 Resource- Based Entrepreneurship Theories**

The Resource-based theory of entrepreneurship argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and new venture growth (Alvarez & Busenitz, 2001). This theory stresses the importance of financial, social and human resources (Audretsch and Mahmood, 1995). Thus, access to resources enhances the individual’s ability to

detect and act upon discovered opportunities (Markman and Baron, 2003). Financial, social and human capital represents three classes of theories under the resource – based entrepreneurship theories.

## **2.14 EMPIRICAL FRAME WORK**

This study is a Synchronic study, using the survey method to collect data on the entrepreneurial characteristics, which have effects on business performance. The empirical study will be approached from the viewpoint of a valid research design through defining the study population and sample size, incorporating suitable measuring instruments and reliable techniques for data analysis as specified in Cooper and Schindler (2011). The empirical research was conducted through self-administered questionnaire to some selected entrepreneurs in Bida metropolis of Niger State. A sample size of 343 was obtained when using the Raosoft sample size calculator. The researcher administered a total number of three hundred and forty-three questionnaires out of which two hundred and forty-six (246) were duly filled and returned. The returned 246 questionnaires are adequate because based on the rule of thumb; a sample size of 30 to 500 is considered adequate (Roscoe, 1975). Therefore, two hundred and forty six (246) is considered for this study

### **2.14.1 EMPIRICAL EVIDENCE OF THE INTER-RELATIONSHIPS BETWEEN ENTREPRENEUR CHARACTERISTICS AND BUSINESS PERFORMANCE**

Much scientific inquiry has been carried out on the subject of performance of SMEs with mixed results. Both internal and external factors have been found to impact on business performance. The factors that have received much scientific focus include entrepreneur characteristics.

Studies demonstrate different relationships between Entrepreneur characteristics and business performance. Emerging evidence indicate that individual capacities provide business competitiveness and performance. However, much scientific focus has been of narrow perspective concentrating on individual relationships rather than their interactions in a multi-dimensional way in the entrepreneurship to performance relationships.

### **Characteristics of Entrepreneur and Business Performance**

The link between entrepreneur characteristics and business performance has received a lot of focus by studies. Studies (Kristiansen et al., 2003; Westerberg & Wincent, 2008; Islam, Khan, Obaidullah Alam, 2011; Antwi et al., 2015; Sarwoko et al., 2013) show that characteristics of an entrepreneur which include demographic factors, individual background, personal traits, entrepreneur orientation, and entrepreneur readiness play an important role in performance of SMEs. Research by Kristiansen et al. (2003) show that demographic factors such as age and gender, and individual background including education and previous work experience, have an impact on business performance. Westerberg and Wincent (2008) observed that the entrepreneur characteristics of external experience and self- efficacy strongly influence business performance. Research by Islam et al. (2011) show those individual characteristics such as commitment and determination, self confidence, risk taking propensity and creativity, Self reliance and ability to adapt of the owner/manager have impact on business performance. Antwi et al. (2015) found out that an effective entrepreneurship with skills and experiences will lead to a higher innovation as well as competitiveness in business performance. Sarwoko et al. (2013) observed that entrepreneurial characteristics have a significant influence on business performance.

More so, studies conducted in Kenya and in other developing countries on the entrepreneur characteristics and business performance interaction compare positively with other topologies in the developed world. Kibas and K'Aol (2004) examined entrepreneurial characteristics, factors that influence growth, and the problems and challenges facing entrepreneurs. Kibas and K'Aol used case study approach in collecting data using observations and face-to-face interviews. The population of the study comprised of all successful indigenous entrepreneurs who had operated their business for over five year and had shown tremendous growth, innovation and creativity. Snowballing was the main sampling technique coupled with purposive approach.

Furthermore, Kibas and K'Aol that most Kenyan entrepreneurs exhibit typical characteristics of other entrepreneurs elsewhere and was rated strong on drive and energy levels, setting challenging but realistic goals, commitment, risk taking, and persistent problem solving. However, Kibas and K'Aol were narrow in focus concentrating on psychological characteristics and did not systematically investigate the effect of entrepreneur characteristics on business growth, thus failing to sufficiently inform on the relationship.

Also, Bowen et al. (2009) in their study on management of business challenges among SMEs in Nairobi assessed factors for business success. Bowen et al. employed stratified random sampling to collect data from 198 businesses using interviews and questionnaires. The data was analyzed descriptively and presented in figures, tables and percentages. Bowen et al. found out that relevant training or education is positively related to business success. However, the study did not provide conclusive results on the effect of education on performance. The sample size and analytical procedures applied were limiting hence making the findings by Bowen et al. to be inconclusive.

The relationship between entrepreneur personality attributes and business performance was examined by Oroko (2009) using a sample of artisans involved in manufacturing metallic products in Nairobi, Kenya. Applying factor analysis and descriptive analysis, Oroko observed that personality attribute influence business performance. The seven personality attributes measured included desire to be boss, risk taking, service to commercial customers, and level of optimism, desire to succeed, innovativeness, and opportunity recognition. Oroko further observed that desire to be boss, risk taking, service to customers, desire to succeed, and innovativeness had high influence on business performance. The study was limited to personality traits and failed to investigate influence of other entrepreneur characteristics on business performance.

Other studies done elsewhere in developing economies including Gaebler (2007), Urban et al. (2008), Islam et al. (2011), Antwi et al. (2015), and Sarwoko et al. (2013) related various entrepreneur characteristics with firm performance. A study by Baum and Locke (2014) observed critical success factors affecting development of SMEs in Botswana to include human resources development, organizational development, managerial background, managerial leadership and competitive strategy. Urban et al. (2008) in a study in South Africa attempted to understand the effects of business knowledge and work experience on entrepreneurial success. However, Urban et al. observed that business knowledge and work experience are positively associated with entrepreneurial success. Islam et al. (2011) examined effect of characteristics of entrepreneur on the business success of SMEs in Bangladesh. Islam et al. administered a questionnaire on the owners and employees of small firms and analyzed data using Statistical Package for Social Sciences (SPSS). Islam et al. observed that characteristics of entrepreneur

significantly influenced business success of SMEs. When studies on leadership and business performance are examined; Cummings and Schwab (1973) claim that leadership is the most important variable effecting organization's employees' performance and so, business performance. In a study conducted in sectors different from each other, it is founded that leadership style has a positive effect on wage earners' performance and so, organizational performance (Avolio and Bass, 1995). In a study conducted in manufacturing firms, Noruzy, Dalfard, Azhdari, Nazari-Shirkouhi, and Rezazadeh, (2013) have found out that leadership has a positive effect on business performance. In a study conducted in logistics companies in Malaysia, Samad (2012) has concluded that leadership has a positive effect on business performance. In a study conducted in small scale enterprises in Nigeria, Obiwuru, Okwu, Akpa and Nwankwere (2011) has found out that leadership has a meaningful and positive effect on business performance. Accordingly, Obiwuru et al (2011) stated that transactional leadership is the most suitable leadership style in small scale enterprises.

Furthermore, in a study conducted in public corporations in Kenya by Koech and Namusonge (2012), while relationships between "transformational leadership factors" and "business performance" are extensive and positively meaningful, relationships between "transactional leadership factors" and "business performance" is narrow and positively meaningful. In a study conducted in banks in Nigeria by Ojokuku, Odetayo and Sajuyigbe (2012), it is founded that leadership have positive and meaningful effect on business performance.

Additionally, the relationship between entrepreneur personality attributes and business performance was examined by Oroko (2009) using a sample of artisans involved in manufacturing metallic products in Nairobi, Kenya. Applying factor analysis and descriptive

analysis, Oroko observed that personality attribute influence business performance. The seven personality attributes measured included desire to be boss, risk taking, service to commercial customers, and level of optimism, desire to succeed, innovativeness, and self confidence. Oroko further observed that desire to be boss, risk taking; service to customers, innovativeness, and self confidence had high influence on business performance.

## **2.15 GAP IN LITERATURE**

Despite the extensive studies of entrepreneurial characteristics on small business performance in Nigeria, no robust qualitative or quantitative evidence was found to illustrate this relationship in the literature.

In some of the studies above, some of the researchers adopted primary and secondary source of data. However, this study made use of both primary and secondary sources using econometric tool to analyze the data collected. Also, there was no study on this research topic that was carried out in the selected area (Bida Metropolis) by previous researchers. Many studies have been conducted in this area, in many parts of the world as well as in Nigeria, but none has been done in Bida Metropolis of Niger State. This study seeks to examine the effects of entrepreneurial characteristics on business performance using some selected small businesses as a case study.

This study attempted to fill this gap in literature and provide a framework for future development arising from entrepreneur not having the basic characteristics or trade instinct.

Previous studies have failed to sufficiently connect reasons why many government initiatives and policies have been unsuccessfully linked to behavioural characteristics, culture, and influence of beliefs of the people.

## **Summary of Empirical Studies and Knowledge Gaps in the Entrepreneurship to Performance Relationships**

Business performance has received much focus by studies exploring entrepreneurship development. A direct relationship between entrepreneur characteristics and performance has been confirmed by various studies. However, debatable issues have emerged whether the relationship between entrepreneur characteristics and performance is direct. Some studies have suggested congruence or fit of environment and structure in order to effectively model the entrepreneurship to performance relationship (Miller, 1983; Lumpkin & Dess, 1996; Bondima et al, 2013). Lumpkin and Dess (1996) state that direct modeling without introduction of other variables fails to provide wholesome understanding of the relationship of entrepreneurship to performance

Reviews of available studies indicate existence of knowledge gaps in the understanding of relationship of entrepreneurship to performance. The empirical evidence presented in most studies was pegged on individual relationships rather than their interactions in a multi-dimensional way as suggested by Lumpkin and Dess (1996). Studies explored individual interactions of performance with various factors but little evidence was presented on their multi-dimensional integration with performance pointing to clear knowledge gaps that require to be addressed as presented in Table 2.2.

**Table 2.2: Summary of Empirical Studies and Knowledge Gaps**

<b>Researcher</b>	<b>Objectives/ Focus</b>	<b>Methodology</b>	<b>Findings</b>	<b>Knowledge Gap</b>	<b>Current Study Focus</b>
Sarwoko et.al. (2013)	Test influence of Entrepreneurial Characteristics on performance	Performed Structural Equation Modelling on data collected from 147 Entrepreneurs	Entrepreneurial characteristics have a significant influence on business performance	Did not consider the demographic factors of the owners of SMEs	Test entrepreneurial characteristics based on age and gender Differences
Moorthy et al. (2012)	Factors affecting performance of SMEs	Performed descriptive statistic, correlation and multiple linear regression analysis on 209 datasets	Skills and experiences will lead to higher innovation and competitiveness in business performance	Did not cover demographic and Individual background traits on performance	Study effect of demographic and individual background Characteristics
Islam et al. (2011)	Entrepreneur characteristics effect on success	Performed multiple regression analysis on data from 89 SMEs	Entrepreneur characteristics have significant effect on Success of SMEs	Did not explore into small businesses in Bida metropolis	Will cover small businesses in Bida local government Area
Oroko (2009)	Examine personality attributes on growth	Performed descriptive statistics and correlations on data collected from 354 firms	Personality attributes highly influencing growth	Limited to personality attributes	Key entrepreneur characteristics studied

**Source: Researcher, 2018**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter discusses how the research is carried out. It includes research design, data collection methods, sampling design, operation definitions of constructs, measurement scales, and methods of data analysis to carry out our research.

#### **3.2 RESEARCH METHODS**

There are many method of research which is qualitative, quantitative and mixed method. Qualitative research provides in-depth details. Isadore and Carolyn (1998) and Rajeev (1992) close the qualitative method to complete their studies. However, quantitative method was used to complete research in this study. Therefore, data were collected from primary and secondary sources while analysis of such data was conducted using descriptive (frequency, percentages and textual narration) and inferential (specifically regression, ANOVA) statistics.

#### **3.3 RESEARCH DESIGN**

This study makes use of quantitative research design, which Gideon and Charles (1993) defines as studies whose findings are mainly the product of statistical summary and analysis. Isadore and Carolyn (1998) note that quantitative approach involves statistical interferences and mathematical techniques required for data processing.

Furthermore, Descriptive research using a cross-sectional study was used because it provides information that allows for identifying relationships or associations between two variables (Elinor and Eric, 1998). It is also an appropriate technique due to time constraints, and this study does not attempt to examine trends.

### 3.4 POPULATION OF THE STUDY

The population of this study consist of all those who owned visible small business enterprises in Bida metropolis of Niger State. Thus, they are visible small business owners involved in production of goods and services such as carpentry, tailoring and fashion, provision stores, hand-set accessories shops, bakery products vendors, vulcanizers, motor cycle spear parts shops, black smith workshop, brass and aluminium workshops, barbing, soap making, pop corn production, hair beauty salon among others. However, ten (10) research assistances were engaged to carry out the enumeration of business enterprises in fourteen (14) wards of South and North in Bida metropolis. Thus, the population of persons engaged in visible full time business activities in Bida metropolis is Three Thousand, One Hundred and Sixty Eight (3, 168). These are presented in the table below:

<b>Wards in Bida South</b>	<b>Population of Business owners / Managers</b>
Umaru Majigi 'A'	300
Umaru Magjigi 'B'	205
Bariki	211
Dokodza	160
Landzu	267
Kyari	314
Nassarafu	168
<b>Wars in Bida North</b>	<b>Population of Business owners/ Managers</b>
Ma'asaba 'A'	280
Cheniyani	212
Wadata	200
Mayaki Anni	150
Massaba 'B'	250
Maasaga 'A'	303
Massaga 'B'	148
<b>Total number of Active Enterprises</b>	<b>3,168</b>

**Source: Field Survey, 2017**

### 3.5 SAMPLE SIZE DETERMINATION

The sample of this research is calculated by using Taro Yamane (Yamane, 1973) formula with 95% confidence level. The calculation formula of Taro Yamane is presented as follows.

$$n = \frac{N}{1 + Ne^2}$$

Where n= Sample Size Sought

N= Population Size

E= Level of Significant Chosen (5%)

Where :

n= sample size required

N = number of people in the population

e = allowable error (%)

$$n = \frac{3,168}{1 + 3,168(0.05)^2}$$

$$\frac{3,168}{1 + 3,168(0.0025)}$$

$$n = \frac{3,168}{1+7.92}$$

$$n = \frac{3,168}{1+7.92}$$

$$n = \frac{3,168}{8.92}$$

$$n = \underline{\underline{355}}$$

However, the researcher administered a total number of three hundred and fifty five (355) questionnaires out of which three hundred and thirty-five (335) were duly filled and returned. The returned 335 questionnaires are very adequate for data analysis in the present study and the results can be generalized to the entire population.

### 3.6 SAMPLING TECHNIQUES/ PROCEDURE

This study makes use of **stratified random sampling**. According to Martins, Loubser and Van Wyk (1996: 260-372) stratified random sampling is used when a population is heterogeneous in the characteristics being investigated, which again can be divided into strata

(group) that are more homogeneous with references to these qualities. Stratified random sampling is of stratification value when the researcher is able to classify the population into strata (groups) that are more homogenous in the qualities under investigation than the entire population.

The targeted respondents were identified using the list of registered entrepreneurs in Bida metropolis provided by SMEDAN database. **Stratified random sampling** was used to ensure that specific groups of business enterprises in Bida south constituency are represented from the chosen sample as suggested by (Cooper and Schindler, 2006).

### **3.7 SAMPLING FRAME**

The sample frame of this study is the representative sample of all the small scale enterprise owners in each of the fourteen wards (Umaru Majigi 'A', Umaru Majigi 'B', Nassarafu, Kyari, Dokodza, Bariki and Landzu, Ma'asaba 'A', Cheniyan, Wadata, Mayaki Anni, Massaba 'B', Massaga 'A', Massaga 'B') in Bida metropolis of Niger State. Thus, Bida metropolis is the research location.

### **3.8 COLLECTION OF DATA**

The two major sources of data collection are primary and secondary source.

However, this study used questionnaire for data collection from the population which is primary data.

#### **3.8.1 Primary Data**

The primary data is defined as the information gathered through interaction with other people through meetings, one-to-one interview, focus groups, and surveys. Primary data are the data gathered and assembled specifically for research projects at hand. The purposes of the primary data researching are to improve the understanding and perform a direct assessment of the research topic by obtaining first-hand information. In this research, the primary data are collected using questionnaire survey. A questionnaire, also known as self-administered survey is handed out to certain targets or segments of people to gather data and information

desired.

The reason of using questionnaire is to ensure completeness and consistency of information gathered. It is also the only feasible way to reach a large number of interviewee; the result was used as input for statistical analysis. It is done in a structured manner, where all of the interviewees provided their perception through the questionnaires distributed to them.

### **3.9 RESEARCH INSTRUMENT**

For this study, the research instrument used is self-administered questionnaire. The researcher develops questionnaires based on the study title and constructs (dependent and independent variables). This questionnaire were self-administered by the researcher to the respondents to obtain first class information that will further increase the validity of the study.

### **3.10 VALIDITY OF RESEARCH INSTRUMENT**

The questionnaire as an instrument of data collection is valid in the sense that it was designed to elicit needed information to solve the research questions and also achieve the objectives of the research work. Thus, the questionnaire is also reliable as it was written in simple, clear and understandable language to enable the respondents to understand it. Consequently, it can be concluded that the information given on this research are valid and reliable for other researchers to use it as a secondary data.

### **3.11 RELIABILITY OF INSTRUMENT**

The instrument used for this study is considered to be valid and reliable as it was able to gather data which were needed. Ambiguity of words had no place in this research as instruments used were well framed and unnecessary ambiguities avoided in the draft of the questionnaire. The contents and questions asked in the questionnaire were simple, straightforward and well explained to entrepreneurs who seemed not to be conversant with questionnaires. The information generated is reliable and consistent as it will yield similar results even when tested repeatedly.

### **3.12 ETHICAL CONSIDERATION**

This study is conducted seeking permission from management of all the businesses undertaken for this research work in Bida Metropolis of Niger State. It also ensures that sensitive or difficult questions that create physical or emotional damages to the subject are avoided and the results were accurately represented.

## **CHAPTER FOUR**

### **PRESENTATION AND ANALYSIS OF DATA**

#### **4.1 INTRODUCTION**

This chapter focuses on data presentation, analysis and interpretation, and hypothesis testing. The various questions in the questionnaire are analysed using simple percentage and the hypotheses are tested using the ordinary least square regression with the use of SPSS application.

#### **4.2 PRESENTATION OF DATA**

All the data collected shall be presented in tabular form and subsequently the 335 copies of questionnaire returned by entrepreneurs/managers operate in Bida metropolis, Niger State are presented, analyzed and interpreted as follows:

Table 4.2.1

*Gender of Respondents*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	177	56.9	56.9	56.9
Female	158	43.1	43.1	100.0
Total	335	100.0	100.0	

**SOURCE:** Field Work, May, 2018.

Table 4.2.1 shows that 177(56.9%) of the respondents are male while 158(43.1%) are

Table 4.2.2

*Age Distribution of Respondents*

females. Above analysis shows that the numbers of male entrepreneurs/ managers in Bida metropolis are more than the female because men are seen to be working more and also they are mostly the breadwinners of their family, while women are relegated to men, kitchen and care for children.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 20years	8	1.2	1.2	1.2
21-30 years	202	65.4	65.4	66.7
31-40 years	100	27.2	27.2	93.9
41-50 years	25	6.1	6.1	100.0
Total	335	100.0	100.0	

**SOURCE:** Field Work, May, 2018.

Table 4.2.2 shows that 8(1.2%) of the respondents are below 20 years of age, 202(65.4%) are between 21-30 years of age, 100(27.2%) are between age 31-40 years while 25(6.1%) are between age 41-50 years of age. This shows that majority of the entrepreneurs/ managers are

Table 4.2.3

*Education Qualification of Respondents*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SSCE	79	26.0	26.0	26.0
ND/NCE	106	33.7	33.7	59.8
Degree/HND	135	36.6	36.6	96.3
Masters	15	3.7	3.7	100.0
Total	335	100.0	100.0	

between the ages brackets of 21-30 years.

**SOURCE:** Field Work, May, 2018.

Table 4.2.3 shows that 79(26.0%) of the respondents are SSCE holders, 106(33.7%) are ND/NCE holders, 135(36.6%) are Degree/HND holders and 15(3.7%) are Masters Holders. This shows that the majority of the entrepreneurs/ managers in Bida metropolis are Degree/HND holders.

Table 4.2.4

*Training attended by respondents*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Business management	51	17.5	17.5	17.5
Finance	24	6.5	6.5	24.0
Book keeping	49	16.7	16.7	40.7
Marketing	32	9.8	9.8	50.4
Entrepreneurship	65	23.2	23.2	73.6
Human resource management	30	8.9	8.9	82.5
General management	16	3.3	3.3	85.8
Management accounting	15	2.8	2.8	88.6
Marketing management	14	2.0	2.0	90.7
Sales management	24	6.5	6.5	97.2
Tourism management	15	2.8	2.8	100.0
Total	335	100.0	100.0	

**SOURCE:** Field Work, May, 2018.

Table 4.2.4 shows that 51(17.5%) of the respondents have attended training on Business Management, 24(6.5%) have attended training on Finance, 49(16.7%) have attended training on Book keeping, 32(9.8%) have attended Marketing, 65(23.2%) have attended Entrepreneurship, 30(8.9%) have attended Human resource management, 16(3.3%) have attended General management, 15(2.8%) have attended management accounting, 14(2.0%) have attended marketing management, 24(6.5%) have attended Sales management while 15(2.8%) of the total respondents have attended Tourism management. This shows that the majority of the entrepreneurs/ managers in Bida metropolis have attended training in Entrepreneurshi

Table 4.2.5

*Building of communication processes make it safe for people to say what is on their minds.*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	29	3.3	3.3	3.3
Disagree	29	3.3	3.3	6.5
Undecided	74	24.0	24.0	30.5
Agree	84	28.0	28.0	58.5
Strongly agree	119	41.5	41.5	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.5 shows that 29(3.3%) of the respondents strongly disagreed that building of communication processes that make it safe for people to say what is on their minds, 29(3.3%) disagreed, 74(24.0%) were undecided, 84(28.0%) agreed and 119(41.5%) strongly agreed that building of communication processes that make it safe for people to say what is on their minds. This implies that the majority of entrepreneurs / managers in Bida metropolis strongly build communication processes that make it safe for people to say what is on their minds.

Table 4.2.6

*Rewarding employees on good performance and provide encouragement to motivate them*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Undecided	16	4.9	4.9	4.9
Agree	131	39.0	39.0	43.9
Strongly agree	188	56.1	56.1	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.6 shows that 16(4.9%) of the respondents were undecided that rewarding employees on good performance and provide encouragement to motivate them, 131(39.0%) agreed that they reward employees on good performance and provide encouragement to motivate them and 188(56.1%) were strongly agreed that they reward employees on good performance and provide encouragement to motivate them. This implies that the majority of the entrepreneurs/ managers in Bida metropolis reward employees on good performance and provide encouragement to motivate them.

Table 4.2.7

*Whether entrepreneurs/managers facilitate the development of a joint vision and communicate the vision broadly*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	11	3.3	3.3	3.3
Undecided	60	17.9	17.9	21.1
Agree	128	38.2	38.2	59.3
Strongly agree	136	40.7	40.7	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.7 shows that 11(3.3%) of the respondents disagreed that they facilitate the development of a joint vision and communicate the vision broadly, 60(17.9%) were

undecided, 128(38.2%) agreed that they facilitate the development of a joint vision and communicate the vision broadly and 136(40.7%) strongly agreed that they facilitate the development of a joint vision and communicate the vision broadly. This implies that the majority of the entrepreneurs/ managers in Bida metropolis facilitate the development of a joint vision and communicate the vision broadly

Table 4.2.8  
*Whether entrepreneurs/managers are willing to undertake personal sacrifices*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	3.3	3.3	3.3
Undecided	59	17.5	17.5	20.7
Agree	134	40.2	40.2	61.0
Strongly agree	131	39.0	39.0	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.8 shows that 11(3.3%) of the respondents strongly disagreed that they are driven by the wiliness to undertake personal sacrifices, 59(17.5%) were undecided, 134(40.2%) agreed that they are driven by the wiliness to undertake personal sacrifices and 131(39.0%) strongly agreed that they are driven by the wiliness to undertake personal sacrifices. This implies that the majority of the entrepreneurs/ managers in Bida metropolis (79.2%) are driven by the willingness to undertake personal sacrifices.



Table 4.2.9

*Whether entrepreneurs/managers are willing to take a low risk for a sure rate of return*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	1.6	1.6	1.6
Disagree	53	15.9	15.9	17.5
Undecided	79	23.6	23.6	41.1
Agree	90	26.8	26.8	67.9
Strongly agree	108	32.1	32.1	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.9 shows that 5(1.6%) of the respondents strongly disagreed of willing to take a low risk for a sure rate of return, 53(15.9%) were disagreed, 79(23.6%) were undecided, 90(26.8%) agreed and 108(32.1) strongly agreed of willing to take a low risk for a sure rate of return. This implies that the majority of the entrepreneurs/ managers in Bida metropolis are willing to take a low risk for a sure rate of return.

Table 4.2.10

*Whether entrepreneurs/managers have fear in investing their money on a project which they have calculated the risk*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	45	13.4	13.4	13.4
Disagree	30	8.9	8.9	22.4
Undecided	50	15.0	15.0	37.4
Agree	112	33.3	33.3	70.7
Strongly agree	98	29.3	29.3	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.10 shows that 45(13.4%) of the respondents strongly disagreed of not fear investing their money on a project which they have calculated the risk, 30(8.9%) were disagreed, 50(15.0%) were undecided, 112(33.3%) agreed and 98(29.3) strongly agreed of not fear investing their money on a project which they have calculated the risk. This implies that the majority of the entrepreneurs/ managers in Bida metropolis are agreed of not fear investing their money on a project which they have calculated the risk.

Table 4.2.11

*Willingness to undertake personal sacrifices*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	3.3	3.3	3.3
Undecided	59	17.5	17.5	20.7
Agree	134	40.2	40.2	61.0
Strongly agree	131	39.0	39.0	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.11 shows that 11(3.3%) of the respondents strongly disagreed that they are driven by the wiliness to undertake personal sacrifices, 59(17.5%) were undecided, 134(40.2%) agreed

that they are driven by the wiliness to undertake personal sacrifices and 131(39.0%) strongly agreed that they are driven by the wiliness to undertake personal sacrifices. This implies that the majority of the entrepreneurs/ managers in Bida metropolis (79.2%) are driven by the willingness to undertake personal sacrifices.

Table 4.2.12  
*Entrepreneuers/managers are decisive and very persistent in problem solving*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	1.6	1.6	1.6
	Disagree	11	3.3	3.3	4.9
	Undecided	63	18.7	18.7	23.6
	Agree	128	38.2	38.2	61.8
	Strongly agree	128	38.2	38.2	100.0
	Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.12 shows that 5(1.6%) of the respondents strongly disagreed that they are decisive and very persistent in problem solving, 11(3.3%) were disagreed, 63(18.7%) were undecided, 128(38.2) agreed and 128(38.2) also strongly agreed that they are decisive and very persistent in problem solving. This implies that the majority of the entrepreneurs/ managers in Bida metropolis are decisive and very persistent in problem solving.

Table 4.2.13

*Overcoming Setbacks*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	22	6.5	6.5	6.5
	Undecided	50	15.0	15.0	21.5
	Agree	109	32.5	32.5	54.1
	Strongly agree	154	45.9	45.9	100.0
	Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.13 shows that 22(6.5%) of the respondents disagreed that they overcome setbacks when faced with challenges, 50(15.0%) were undecided, 109(32.5%) agreed and 154(45.9) strongly agreed that they overcome setbacks when faced with challenges. This implies that the majority of the entrepreneurs/ managers in Bida metropolis overcome setbacks when faced with challenges.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	1.6	1.6	1.6
Disagree	30	8.9	8.9	10.6
Undecided	60	17.9	17.9	28.5
Agree	131	39.0	39.0	67.5
Strongly agree	109	32.5	32.5	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.14 shows that 5(1.6%) of the respondents strongly disagreed that they have an ability to identify fresh and innovative approaches to existing situation, 30(8.9%) disagreed, 60(17.9%) were undecided, 131(39.0%) agreed and 109(32.5%) strongly agreed that they have an ability to identify fresh and innovative approaches to existing situations. This implies that the majority of the entrepreneurs/ managers in Bida metropolis have an ability to identify fresh and innovative approaches to existing situations.

Table 4.2.15

I anticipate change and perceive trend ahead of others

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	1.6	1.6	1.6
Disagree	14	4.1	4.1	5.7
Undecided	91	27.2	27.2	32.9
Agree	125	37.4	37.4	70.3
Strongly agree	100	29.7	29.7	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.16 shows that 5(1.6%) of the respondents strongly disagreed that they anticipate change and perceive trends before they become apparent to others, 14(4.1%) disagreed, 91(27.2%) were undecided, 125(37.4%) agreed and 100(29.7%) strongly agreed that they anticipate change and perceive trends before they become apparent to others. This implies that the majority of the entrepreneurs/ managers in Bida metropolis anticipate change and perceive trends before they become apparent to others.

Table 4.2.16

*Whether entrepreneurs anticipate future consequences or implications of current situations or events*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	3.3	3.3	3.3
Disagree	45	13.4	13.4	16.7
Undecided	75	22.4	22.4	39.0
Agree	122	36.6	36.6	75.6
Strongly agree	82	24.4	24.4	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.16 shows that 11(3.3%) of the respondents strongly disagreed that they anticipate future consequences or implications of current situations or events, 45(13.4%) disagreed, 75(22.4%) were undecided, 122(36.6%) agreed and 82(24.4%) strongly agreed that they anticipate future consequences or implications of current situations or events. This implies that the majority of the entrepreneurs/ managers in Bida metropolis anticipate future consequences or implications of current situations or events.

Table 4.2.17

*Leadership quest enhances employee satisfaction*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	5	1.6	1.6	1.6
Disagree	36	10.6	10.6	12.2
Undecided	46	13.8	13.8	26.0
Agree	161	48.0	48.0	74.0
Strongly agree	87	26.0	26.0	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.17 shows that 5(1.6%) of the respondents strongly disagreed that leadership quest enhances employee satisfaction, 36(10.6%) disagreed, 46(13.8%) were undecided, 161(48.0%) agreed and 87(26.0%) strongly agreed that leadership quest enhances employee satisfaction. This implies that the majority of the entrepreneurs/ managers in Bida metropolis have leadership quest that enhances employee satisfaction.

Table 4.2.18

*Risk-taking impacts on overall SMEs performance in Bida metropolis positively*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	22	6.5	6.5	6.5
	Undecided	40	11.8	11.8	18.3
	Agree	166	49.6	49.6	67.9
	Strongly agree	107	32.1	32.1	100.0
	Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.18 shows that 22(6.5%) of the respondents strongly disagreed that risk-taking impacts on overall SMEs performance in Bida metropolis positively, 40(11.8%) were undecided, 166(49.6%) agreed and 107(32.1%) strongly agreed that risk-taking impacts on overall SMEs performance in Bida metropolis positively. This implies that risk-taking impacts on overall SMEs performance in Bida metropolis positively.

Table 4.2.19

*Commitment characteristics of entrepreneurs lead to customer satisfaction*

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	1.6	1.6	1.6
	Disagree	27	8.1	8.1	9.8
	Undecided	41	12.2	12.2	22.0
	Agree	170	50.8	50.8	72.8
	Strongly agree	92	27.2	27.2	100.0
	Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.19 above shows that 5(1.6%) of the respondents strongly disagreed that commitment characteristics of entrepreneurs lead to customer satisfaction, 27(8.1%) disagreed, 41(12.2) were undecided, 170(50.8%) agreed and 92(27.2%) strongly agreed that commitment characteristics of entrepreneurs lead to customer satisfaction. This implies that that commitment characteristics of entrepreneurs lead to customer satisfaction in Bida metropolis.

Table 4.2.20

*Innovative ability increases the possibility of product and service quality*

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	11	3.3	3.3	3.3
Disagree	45	13.4	13.4	16.7
Undecided	75	22.4	22.4	39.0
Agree	122	36.6	36.6	75.6
Strongly agree	82	24.4	24.4	100.0
Total	335	100.0	100.0	

**Source:** Field Work, May, 2018

Table 4.2.20 shows that 11(3.3%) of the respondents strongly disagreed that innovative ability increases the possibility of product and service quality, 45(13.4%) disagreed, 75(22.4%) were undecided, 122(36.6%) agreed and 82(24.4%) strongly agreed that that innovative ability increases the possibility of product and service quality. This implies that innovative ability increases product and service quality in Bida metropolis.

Table 4.2.21

*Descriptive statistics of Entrepreneurial Characteristics in Bida Metropolis, 2018*

Descriptive Statistics of Entrepreneurial Characteristics					
Variable	Mean	Standard Deviation	Minimum	Maximum	N
Leadership	4.24	1.89	4.00	20.00	335
Commitment and Determination	5.05	2.42	3.00	15.00	335
Risk taking propensity	4.67	1.40	3.00	15.00	335
Innovativeness	4.97	1.28	3.00	15.00	335

**Source:** Field Work, May, 2018

Table 4.2.22

*Entrepreneurial characteristics of entrepreneurs in Bida metropolis, 2018.*

<b>Entrepreneurial Characteristic</b>	<b>Accepted scales</b>	<b>Percentage of Entrepreneurs that have the characteristic</b>	<b>Percentage of entrepreneurs that do not have the Characteristic</b>	<b>Total</b>
Leadership	4-7	54%	46%	100%
Commitment and Determination	3-6	72.5%	27.5%	100%
Risk taking propensity	3-4	55%	45%	100%
Innovativeness	4-7	65%	35%	100%

### **4.3 DATA ANALYSIS**

All statistical analyses in this study was analysed using the Statistical Package of Sciences (SPSS). Levine (1997: 1) points out that data analysis is a body of methods that help to describe facts, detect patterns, develop explanations, and test hypotheses used in sciences, business, administration, and policy. In data analysis, the raw data is ordered and organised to enable the extraction of useful information from it. Data analysis for this study incorporated descriptive statistical tools like frequency distribution tables. Also, inferential statistics and one-way analysis of variance (ANOVA), coefficient was further used for analyses in this study. Data reliability was tested by the use of Cronbach's Alpha. Cronbach Alpha is a reliability coefficient that indicates how well the items are positively correlated to one another (Sekaran, 2000).

### **EMPERICAL RESULTS AND INTERPRETATION OF RESULTS**

#### **EMPIRICAL RESULTS**

The empirical findings will be divided into **part A and part B**. Part A is structured into seven sub-sections while Part B of the empirical findings will provide answers to the research questions and hypothesis stated in chapter one of the research work.

## **PART A**

### **DESCRIPTIVE INFORMATION OF THE ENTREPRENEURS**

The descriptive variables for which data that were collected included the gender of the respondents; the age; educational qualification and the various type of business management related courses attended. Descriptive statistics such as frequency distribution tables was used in analysing the data. Detail explanations are provided below;

#### **Gender of the respondent**

There exist differences in performance between female and male owned businesses (Du Rietz and Henrekson, 2000).

Table 4.2.1 depicts the gender of the respondents for all the entrepreneurs across a wide range of small scale enterprises in Bida metropolis, Niger State. The result indicates that they are 56.9% of males owned and managed businesses, while only 43.1% of female own businesses in metropolis, thus providing a good representation from each population group in the survey. From figure 42.1, it is observed that out the visible small business enterprises within Bida metropolis such as carpentry, tailoring and fashion, provision stores, hand-set accessories shops, bakery products vendors, vulcanizers, motor cycle spare parts shops, black smith workshop, brass and aluminium workshops, barbing, soap making, pop corn production and hair beauty salon from which the respondents came from, the males dominated all the small businesses enterprises with 56.9%.

A possible explanation for this phenomenon is that the rate of men's business ownership is far more than that of women's ownership in the formal sector, because most males engage in more lucrative businesses in Nigeria (Oroko, 2009).

#### **Age distribution of the respondents**

A number of studies have tried to establish a relationship between an entrepreneur's age and the performance of the venture in which they are involved (Reynolds, Hay and Camp, 1999; Peters, Cressy and Storey, 1999; Hatch and Zweig, 2000).

Table 4.2.2 shows that average age of entrepreneurs/managers lie between 21- 30 and 31- 40, with percentages of 65.4.5% and 27.2% respectively. This is in line with the study by Moore

*et al.*, (1997), where it was established that the ideal entrepreneurial age lies somewhere between the late 20s and early 40s, which is when there is a trade-off between confidence, usually characterised by youth, and wisdom based on years of experience.

### **The educational qualifications of the respondents**

The success of every business depends on socio-economic factors such as education, skills, and training (Thapa, Thulaseedharan, Goswami and Joshi, 2008).

The result on table 4.2.3 indicates that on the average, most of entrepreneurs had qualifications as degree/ HND and ND/NCE, with 36.6% and 33.7% respectively. Also, it was observed that 26.0 % had SSCE as qualifications and 3.7% had masters as their qualifications. This thus indicates that the respondents were well educated and were able to give informed responses to the questions. Similarly, the level of education for entrepreneurs as further observed is still low because fewer entrepreneurs were more qualified with respect to their education qualifications. This as such raises an urgent need for the government and other support initiative programs to encourage entrepreneurs to further their level of education.

### **Various type of business management related course attended**

Business-related courses seek to provide students/ entrepreneurs with the basic entrepreneurial skills. Parker (2005) emphasised the importance of education and training for existing entrepreneurs as it was established that entrepreneurs learned rather slowly and they tend to rely excessively on prior beliefs and past experiences.

Table 4.2.4 shows independent results on the short courses or training programs attended by the entrepreneurs in Bida metropolis. The results depicts that out of the 335 fully completed questionnaires received, most of the entrepreneurs had either done some short courses or attended some training programs in business related courses. On averaged, 23.2% of the entrepreneurs had done courses in entrepreneurship; 17.5% for business management and

9.8% for marketing, making up the highest percentages, which provides them with some general knowledge in running their businesses properly. However, apart from entrepreneurship that had a 23.2%, the remaining short courses had a percentage score of less than twenty, which indicate that few entrepreneurs still enrol in short courses. This is a call for concern to the higher education institutions that engage in entrepreneurship education and other support programs in Nigeria to identify possible ways to encourage entrepreneurs on the importance of education on business success.

## **PART B**

### **ENTREPRENEURIAL CHARACTERISTICS OF ENTREPRENEURS**

In this section, the respondents were asked questions pertaining to their level of entrepreneurial characteristics on (*leadership quest; risk-taking propensity; commitment and innovative ability*), which was identified in chapter two to be tested to show the extent to which they influence business performance. The questions were developed through a review of the literature in chapter two. They were later refined through exploratory research and pretesting.

A 5 point likert scale was used where 1 = Strongly Disagree, 2 = Disagree, 3 = Undecided, 4 = Agree, 5 = Strongly Agree. The respondents were expected to select the extent to which they either agreed or disagreed with the statement. The answers were then totalled to the characteristics it belonged to in order to determine the overall scores of each of the characteristics. Each of the characteristics had its own scale that could be considered either strongly present in the entrepreneur or strongly absent in the entrepreneur. The descriptive statistics of the entrepreneurial characteristics, as well as their characteristics, their accepted scales and their various percentages are presented in table 4.2.21 and table 4.2.22.

Table 4.2.21 shows the means and standard deviations for the entrepreneurial characteristics. The means describe the central tendency of each entrepreneurial characteristic, while the

standard deviations describe the variations in opinions of the entrepreneurs. The entrepreneurial characteristics were measured, each having 3 questions in a 5 point likert scale. The closeness of the means show a consistency in the answers. A high mean indicates that more entrepreneurs disagreed with the question while a smaller mean indicates that more entrepreneurs agreed with the question. The means and standard deviations are then used as basis for determining the acceptable scales for the entrepreneurial characteristics.

As indicated in table 4.2.22, the higher the means and standard deviation, the lower the percentage of entrepreneurs having the characteristics. A small mean and standard deviation depicts a higher percentage of entrepreneurs having the characteristic. Thus, the result from table 6.12 illustrates those entrepreneurs/managers that are operating small scale businesses in Bida metropolis possessed all the entrepreneurial characteristics that are tested in this research work, such as: leadership quest (54%); risk taking propensity (55%); commitment (72.5%); and innovative ability (96.5%). This phenomenon is explained by the fact that with a lower standard deviation, most of the entrepreneurs agreed with the obvious outcome of the results leading to a higher percentage of entrepreneurs having the characteristic.

### TEST OF QUESTIONNAIRE

The table below shows the reliability test of the instrument used on the questionnaire.

#### Case Processing Summary

		N	%
Cases	Valid	335	100.0
	Excluded <sup>a</sup>	0	.0
	Total	335	100.0

a. Listwise deletion based on all variables in the procedure.

Cronbach's	
Alpha	N of Items
.780	22

From the above table, the reliability statistics using Cronbach's Alpha is 78%. This shows that the items on the instruments and its level of reliability are high with 78%, this compliment the significant relationship as revealed by analyses of variance (ANOVA).

#### 4.4 TEST OF HYPOTHESES

The purpose of this study is to examine the effects of entrepreneurial characteristics on business performance of small scale enterprises in Bida metropolis, Niger State. The entrepreneurial characteristics enhanced by business entrepreneurs/managers operate in Bida metropolis were considered to have an impact on business performance. In order to understand whether there is a relationship between the relative impact (strength or weaknesses) of each of these entrepreneurial characteristics of the business owners/managers in Bida metropolis, the four research questions stated in chapter one has led to the development of following hypotheses.

**H1:** Leadership quest characteristic is positively related to employee satisfaction in SMEs.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Leadership quest	0.210 <sup>a</sup>	.517	.520	2.22556

a. Predictors: (Constant), Leadership quest

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	369.235	1	369.235	60.658	.000 <sup>b</sup>
	Residual	1485.273	244	6.087		
	Total	1854.508	245			

a. Dependent Variable: Employee satisfaction (SMEs Performance)

b. Predictors: (Constant), Leadership quest

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.502	.099		7.991	.000
	Leadership quest	.498	.023	.968	35.765	.000

a. Dependent Variable: Employee satisfaction (SMEs Performance)

**Decision Rule:**

The simple linear regression is applied to hypothesis and the decision to be taken depends on the P values obtained. For the hypothesis, the decision rule is to reject the null hypothesis and accept the alternate hypothesis where the P value is less than 0.05 and/or to accept the null hypothesis ( $H_0$ ) and reject the alternate hypothesis ( $H_1$ ) where P value is greater than 0.05.

**Interpretation**

Since the coefficient of leadership quest is significant after subjecting it to t-test, this shows that there is relationship between leadership quest and employee satisfaction.

From the above table,  $R=0.210$  which represents the correlation coefficients. R is a measurement of strength in association between two variables (dependent and independent), it is also the degree of relationship existing between two or more variables, this shows a 21%% level of relationship between the two variables.

The R-squared value of .517 shows that there is a 51.7% level in the coefficient of determination, i.e leadership quest lead to employee satisfaction in Bida metropolis to 51.7% and the remaining 48.3% will be accounted for by the Error term in equation. This shows that there is a strong degree of significant between the variables.

**Decision:** Since for **hypothesis one**, the significance is 0.000 which is far less than 0.05, the null hypothesis ( $H_0$ ) is rejected, this therefore shows that there is significant relationship between leadership and business performance.

**H2:**Risk-taking propensity of an entrepreneur influences overall performance of small businesses in Bida metropolis positively.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Risk-taking propensity	0.310 <sup>a</sup>	.498	.520	1.22557

a. Predictors: (Constant), Risk-taking propensity

### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	182.090	1	182.090	26.566	.000 <sup>b</sup>
	Residual	1672.418	244	6.854		
	Total	1854.508	245			

a. Dependent Variable: Overall Business Performance (SMEs performance)

b. Predictors: (Constant), Risk-taking propensity

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.487	.387		19.325	.000
	Risk-taking propensity	.178	.035	.313	5.154	.000

a. Dependent Variable: Overall Business Performance (SMEs performance)

### **Decision Rule:**

The simple linear regression is applied to hypothesis and the decision to be taken depends on the P values obtained. For the hypothesis, the decision rule is to reject the null hypothesis and accept the alternate hypothesis where the P value is less than 0.05 and/or to accept the null hypothesis ( $H_0$ ) and reject the alternate hypothesis ( $H_1$ ) where P value is greater than 0.05.

## Interpretation

Since the coefficient of entrepreneurs' risk-taking propensity is significant after subjecting it to t-test, this shows that there is relationship between entrepreneurs' risk-taking propensity and overall performance

From the above table,  $R=0.310$  which represents the correlation coefficients. R is a measurement of strength in association between two variables (dependent and independent), it is also the degree of relationship existing between two or more variables, this shows a 31% level of relationship between the two variables.

The R-squared value of .498 shows that there is a 49.8% level in the coefficient of determination, i.e entrepreneurs' risk-taking propensity affect overall performance of SMEs in Bida metropolis to 49,8% and the remaining 50.2% will be accounted for by the Error term in equation. This shows that there is a strong degree of significant between the variables.

**Decision:** For H2, the significance is 0.000 which is far less than 0.001, the hypothesis which stated that risk-taking propensity of an entrepreneur influence overall performance of small businesses in Bida metropolis is accepted. Therefore, it shows that there is a positive and significant relationship between risk-taking propensity and overall SMEs performance.

**H3:** Commitment characteristic of an entrepreneur is positively related to SMEs customer satisfaction in Bida metropolis.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Commitment	0.429 <sup>a</sup>	0.284	0.334	.22554

a. Predictors: (Constant), Commitment

### ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	321.027	1	321.027	51.080	.000 <sup>b</sup>
	Residual	1533.481	244	6.285		
	Total	1854.508	245			

a. Dependent Variable: Customer satisfaction (SMEs Performance)

b. Predictors: (Constant), Commitment

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.688	.098		7.989	.000
	Commitment	.629	.022	.676	35.763	.000

a. Dependent Variable: Customer satisfaction

**Decision Rule:**

The simple linear regression is applied to hypothesis and the decision to be taken depends on the P values obtained. For the hypothesis, the decision rule is to reject the null hypothesis and accept the alternate hypothesis where the P value is less than 0.05 and/or to accept the null hypothesis (H<sub>0</sub>) and reject the alternate hypothesis (H<sub>1</sub>) where P value is greater than 0.05.

**Interpretation**

Since the coefficient of commitment is significant after subjecting it to t-test, this shows that there is a relationship between commitment and customer satisfaction.

From the above table, R=0.429 which represents the correlation coefficients. R is a measurement of strength in association between two variables (dependent and independent), it is also the degree of relationship existing between two or more variables, this shows a 42.9% level of relationship between the two variables.

The R-squared value of 0.284 shows that there is a 28.4% level in the coefficient of determination, i.e commitment lead to customer satisfaction in Bida metropolis to 28.4% and the remaining 71.6% will be accounted for by the Error term in equation. This shows that there is a strong degree of significant between the variables.

**Decision:** Since for **hypothesis one**, the significance is 0.000 which is far less than 0.05, the null hypothesis (H<sub>0</sub>) is rejected, this therefore shows that there is significant relationship between commitment and customer satisfaction.

**H4:** Innovative ability of an entrepreneur will have a positive relationship on product and service quality of SMEs in Bida metropolis.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Innovative ability	0.519 <sup>a</sup>	.564	0.587	.22555

a. Predictors: (Constant), Innovative ability

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	135.209	1	135.209	19.189	.000 <sup>b</sup>
	Residual	1719.299	244	7.046		
	Total	1854.508	245			

a. Dependent Variable: Product and service quality (SMEs Performance)

b. Predictors: (Constant), Innovative ability

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.567	0.095		7.990	.000
	Innovative ability	.630	.023	.567	35.764	.000

a. Dependent Variable: Product and service quality (SMEs Performance)

**Decision Rule:**

The simple linear regression is applied to hypothesis and the decision to be taken depends on the P values obtained. For the hypothesis, the decision rule is to reject the null hypothesis and accept the alternate hypothesis where the P value is less than 0.05 and/or to accept the null hypothesis ( $H_0$ ) and reject the alternate hypothesis ( $H_1$ ) where P value is greater than 0.05.

**Interpretation**

Since the coefficient of innovative ability is significant after subjecting it to t-test, this shows that there is a relationship between innovative ability and product/service quality.

From the above table,  $R=0.519$  which represents the correlation coefficients. R is a

measurement of strength in association between two variables (dependent and independent), it is also the degree of relationship existing between two or more variables, this shows a 51.9% level of relationship between the two variables.

The R-squared value of 0.564 shows that there is a 56.4% level in the coefficient of determination, i.e innovative ability has significant impact on product/service quality of SMEs in Bida metropolis to 56.4% and the remaining 43.6% will be accounted for by the Error term in equation. This shows that there is a strong degree of significant between the variables.

**Decision:** Since for **hypothesis one**, the significance is 0.000 which is far less than 0.05, the null hypothesis ( $H_0$ ) is rejected, this therefore shows that innovative ability has significant impact on product/service quality in Bida metropolis

#### **4.5 DISCUSSION OF RESULTS**

Table 4.2.5 – 4.2.8, Finding indicates that entrepreneurs/managers who build communication processes and reward employees on good performance may attain higher business performance. This result implies that entrepreneurs/managers who operate in Bida metropolis build communication process that make it safe for people to say what is on their minds and reward employees on good performance and provide encouragement to motivate them. Furthermore, entrepreneurs/managers who operate in Bida metropolis facilitate the development of a joint vision and communicate the company's vision to the team. This is a good characteristic of an entrepreneur as stated by (Rwigerma and Venter, 2004). This finding is supported by previous empirical studies, (Avolio and Bass, 1995: 199-218, Noruzy, Dalfard, Azhdari, Nazari-Shirkouhi, and Rezazadeh, 2013). In a study conducted in sectors different from each other, it is revealed that leadership style has a positive effect on wage earners' performance and organizational performance. and a study conducted in manufacturing firms, shows that, leadership has a positive effect on business performance. In a related development, study conducted in logistics companies in Malaysia, Samad (2012)

also supported the findings that leadership has a positive effect on business performance. As well as Obiwuru (2011) reporting that leadership has a meaningful and positive effect on business performance in an investigation conducted in small scale enterprises in Nigeria.

Findings in table 4.2.9 - 4.2.11 revealed that, entrepreneurs/managers who prefer being low-paid employees and placed themselves on salary may attain higher business performance. This result implies that managers who operate in Bida metropolis are low-paid employee with apparent job security. This is a good attribute of an entrepreneur/manger as stated by (Kolakowski, 2011). Furthermore, entrepreneurs who operate in Bida metropolis invest their money without any fear on project which they have calculated the risk (Kuratko, 2009). Also, entrepreneurs in Bida take risks with no fear of investing their money in the domains they believe they are experts in (Hyrsky and Tuunanen (1999). This finding support previous research conducted by Islam et al. (2011) show those individual characteristics such as commitment and determination, self confidence, risk taking propensity and creativity, Self reliance and ability to adapt by business owner/manager have impact on business performance.

Findings in table 4.2.11- 4.2.13 show that entrepreneurs/managers who are willing to undertake personal sacrifices, persistent in problem solving and are able to overcome setbacks when faced with challenges may attain higher business performance. This result implies that entrepreneurs/managers who operate in Bida metropolis are committed to undertake personal sacrifices and very persistent in problem solving.

Furthermore, entrepreneurs who operate in Bida metropolis overcome setbacks, when faced with challenges. This is a good attribute of an entrepreneur as stated by Baskerville and Flanagan (2014). This finding support previous research by Islam et al. (2011) indicates that individual characteristics such as commitment and determination, self confidence, risk taking propensity and creativity, Self reliance and ability to adapt by business owner/manager have impact on business performance.

Findings in table 4.2.14 – 4.2.16 show that entrepreneurs/managers with potential to discover new innovative approaches to existing situations, and anticipate change before they become apparent to others may attain higher business performance. This result implies that entrepreneurs/managers who operate in Bida have the ability to identify fresh and innovative approaches to existing situations and perceive trends before they become apparent to others and also anticipate future consequences or implications of current situations, this is a good characteristic of an entrepreneur as oppined by (Robinson et al., 1991). This finding support the research conducted by Islam et al. (2011) show those individual characteristics such as commitment and determination, self confidence, risk taking propensity and creativity, Self reliance and ability to adapt by the owner/manager have impact on business performance.

Results in Tables 4.2.17 – 4.2.20 indicate that leadership quest, risk-taking propensity, commitment and innovative ability are positively related to the different dimensions of SMEs performance studied (i.e. product/service quality, customer satisfaction, employee satisfaction, and overall business performance). This result is consistent with Jauch and Glueck (1998), which found that there is a positive correlation between overall employee satisfactions with business performance. Another study conducted by Islam el tal, (2011) indicated that overall performance, employee satisfaction, customer satisfaction and product/service quality contributes positively to business performance. This result implies that entrepreneurs/managers in Bida were able to achieve employee satisfaction, overall performance; customer satisfaction, and product/service quality due to the requisites entrepreneurial characteristics possessed by the SME owners and managers.

## **CHAPTER FIVE**

### **SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSION**

#### **5.1 INTRODUCTION**

This study aims to determine the effects of entrepreneurial characteristics on business performance. As a result, the main question that was addressed was which entrepreneurial characteristics influence the performance of Small scale enterprises and to what extent they do so. Centred on/around this research questions, the most important objectives of the study therefore were to determine which entrepreneurial characteristics are essential for the performance of small scale enterprises; what is the relationship between entrepreneurial characteristics and business performance and whether the performance“ depend on entrepreneurial characteristics. All these, were addressed in chapter four, and the results were based on the findings obtained. From these empirical findings, possible answers to the research questions and hypothesis were established. These created the opportunity for further discussions - the basis upon which this study draws on an overall conclusion, while proposing some recommendations.

#### **5.2 SUMMARY**

In Nigeria, entrepreneurial ventures have a low survival rate as entrepreneurs start businesses but are unable to turn them into sustainable businesses (Abdullahi, Abubakar, Aliyu & Umar, 2015). Aliyu, Rogo and Mahmood (2015) note that most new small scale enterprises in Nigeria do not move from the first stage (existence) of growth to other stages such as survival, success, take off and resource maturity. As such, it is believed that many of these SMEs do not survive in their first years of operation and thus, do not provide their benefits to society (Smith, 2013). Isaga (2015) is of the opinion that if business owners and managers are good at managing their businesses, then they will do extremely well in terms of ensuring their continuous survival of their businesses. For small scale enterprises to survive and

succeed in their business operations, it is pertinent that its owners or managers possess certain entrepreneurial characteristics (Antwi, Inusah and Hamza, 2015; Westerberg and Wincent, 2008) and carry out specific business practices. For these reasons small scale enterprises deserve much more attention, especially with regard to its business practices, which are often developed as part of the entrepreneur's characteristics. Hence, an increase in the performance of small scale enterprise will result in sustainable job creation; poverty eradication and improved standards of living. The primary objective of this study was to investigate the effects of entrepreneurial characteristics on business performance. The argument of this study is that businesses in the SME sector all over the world are more prone to failure due to the specific qualities possessed by the businesses, their owners and managers (Bannock, 2005). It is necessary to establish an understanding of key entrepreneurial characteristics that can help in the understanding and promotion of small scale enterprise success.

The empirical research was conducted by self-administered questionnaires to entrepreneurs in Bida metropolis of Niger State. The questions were developed through a review of the literature on entrepreneur's characteristics and business performance. A total of 355 questionnaires were issued in which 335 were duly filled and returned. The returned 335 questionnaires are very adequate for data analysis in the present study and the results can be generalized to the entire population.

This study focuses on the empirical findings and it is divided into part A and part B.

**Part A** talks about the descriptive information of the entrepreneur. The descriptive variables for which data that were collected included the gender of the respondents; the age; educational qualification and the various type of business management related courses attended.

**Part B** talks about the entrepreneurial characteristics on (need for achievement; leadership; commitment and determination; risk taking propensity; self-confidence; creativity, self-

reliance and ability to adapt and innovativeness), which was identified in chapter two to be tested to show the extent to which they influence business performance. The questions were developed through a review of the literature in chapter two. They were later refined through exploratory research and pretesting, and possible explanations to the low level of specific entrepreneurial characteristics identified by the study is provided alongside their recommendations.

### **5.3 FINDINGS**

The entrepreneur characteristics exhibited strong relationship with business performance. Business performance was significantly influenced by entrepreneur characteristics of leadership, risk taking propensity, commitment and innovative ability. Since the tested hypotheses are less than 0.05 of the probability values because their P-Values are 0.000 which appeared to be  $< 0.05$ . The  $R^2 = 51.7\%$  that can be explained while the remaining 48.3% are unexplainable but can be explained by other factors. It also showed that the model has a good fit to an extent, based on the leadership quest and employee satisfaction, risk-taking propensity and overall business performance while the  $R^2$  for commitment is 28.4% which shows that the model has no good fit. For innovative ability, the  $R^2$  indicates that the model is good with 56.4% explained. Thus, it was observed that all the tested characteristics of entrepreneurs/managers in Bida metropolis of Niger State strongly have influence on business performance. All the research objectives by this study were achieved with the results indicating positive relationship between entrepreneur characteristics and business performance. The overall significance led to the rejection of the null hypothesis,  $H_0$  in favour of the alternative hypotheses, that there is a relationship between entrepreneur characteristics of leadership, risk-taking propensity, commitment and innovative ability and business performance measurements such as employee satisfaction, overall performance, customer satisfaction and product/service quality in Bida metropolis of Niger State. The findings were in support of results made in previous studies.

However, based on these findings, the researcher identified the combined effect of entrepreneurs and business managers' attributes that can improve the performance of SMEs in Bida metropolis by covering a wide range of business activities/entities unlike previous empirical studies which focused on a single line of business.

#### **5.4 CONCLUSION**

The general objective of this study was to determine the effects of entrepreneurial characteristics on business performance in Bida metropolis of Niger State. The entrepreneur characteristics had a strong and direct effect on the performance of businesses in Bida metropolis of Niger State. Thus, it was concluded that entrepreneur characteristics and performance of businesses in Bida metropolis were empirically related. Entrepreneur characteristics of leadership; risk taking propensity; commitment and innovative ability affected business performance. This shows that entrepreneur characteristics and business performance of small scale enterprises in Bida metropolis of Niger State are empirically related and consistent with positions by various studies. Abdullahi el tal (2015) and Abdulwahab el tal (2015) concluded that the characteristics of the entrepreneur are central to the determinants of small scale enterprises performance. Islam et al (2011) concluded that entrepreneur characteristics have significant effect on business success of SMEs.

The overall conclusion is that all the relationships between entrepreneur characteristics and business performance were significant resulting in the rejection of all the four null hypotheses, H01 to H04 and accepted all the alternate hypotheses. This indicated existence of significant between entrepreneur characteristics and business performance. Thus, all the four research objectives were achieved.

#### **5.5 RECOMMENDATIONS FOR INSTITUTION(S), INDUSTRY, REGULATOR, GOVERNMENT AND FOR THE FUTURE STUDIES**

Based on the data collected and analyzed, the findings obtained from the respondents, the researcher deemed it necessary to make the following recommendations;

- i. Firstly, the researcher recommends that personal evaluation of entrepreneurial characteristics and abilities should be undertaken by the SME owners and managers. This may enable them take precautionary measures against any trait that may negate business performance.
- ii. Secondly, this study recommends that future researchers consider other entrepreneurial characteristics not covered in the present study. For instance, future studies may include self-confidence, profit orientation, future orientation, locus of control, and other entrepreneurial traits. In the view of the researcher, these other characteristics may predict business performance.
- iii. Furthermore, bearing in mind that the present study is a cross-sectional survey, future research may consider longitudinal approach to study SMEs performance so that causal inferences could be made. Future researchers may observe the attitudinal and behavioural changes in SME owners/managers characteristics over a long period to enhance literature on SMEs.
- iv. Additionally, the study recommends that adequate attention should be given to entrepreneurial characteristics as requisites for optimal business performance.

## **5.6 AREAS FOR FURTHER STUDY**

- i. Since the respondents identified for this study were the entrepreneurs/managers, further studies can also be conducted to find out which characteristics are possessed by both the managers and employees of a business, as well as how they carry out the business practices assigned to them by their owners.
- ii. Furthermore, a limited number of characteristics were identified and tested by this study, which gives room for further research on the study.
- iii. Lastly, potential areas for future exploration could be to determine the characteristics that lead to the success and growth of a business.

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## **APPENDICES**

### **APPENDIX 1**

Research Topic: Effects of Entrepreneurial Characteristics on Business Performance in Some Selected Small Scale Businesses in Bida Metropolis of Niger State.

Ayodele Oloruntoba Churchill  
Kwara State University,  
Malete, Kwara State  
Nigeria.  
08035717309  
April, 2018.

Dear Sir/Madam,

#### **APPLICATION FOR STUDENT RESEARCH ENQUIRY**

I hereby forward this letter to formally request the audience of your humble to fill out an information sheet (questionnaire) for purpose of academic research.

This questionnaire is specially designed to obtain information for the purpose of carrying out a research thesis on the topic: - Effects of Entrepreneurial Characteristics on Business Performance in Some Selected Small Scale Businesses in Bida Metropolis of Niger State, as part of the fulfilment of my course of study in Kwara State University, Malete, Nigeria.

You are therefore kindly required to chose the option, and mark with a tick (✓) your choice of answer. The Questionnaire will be treated with strict confidentiality and used solely for academic purpose only.

Thank you.

Yours faithfully,

Ayodele Oloruntoba Churchill

## APPENDIX 11

### QUESTIONNAIRE

#### PART A: DESCRIPTIVE INFORMATION OF THE ENTREPRENEUR

1. Gender?

Male	1	Female	2
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2. Age group?

≤ 20	1	21-30	2	31- 40	3	41- 50	4	≥50	5
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3. Highest formal educational qualification?

SSCE	1	National Diploma	2	Degree	3	Masters	4
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1. Please indicate with a tick, which of the following short courses/training programmes or diplomas in business management you have attended before:

	Tick (√)
Business Management	
Finance	
Bookkeeping	
Marketing	
Entrepreneurship	
Human resource management	
General management	
Management Accounting	
Marketing management	
Sales management	
Tourism management	
Project management	

## PART B: ENTREPRENUERIAL CHARACTERISTICS

Please indicate the extent to which you agree or disagree with each of the following statements by ticking the appropriate option.

S/No	Statements	1	2	3	4	5
<b>Leadership</b>						
1	I build communication processes that make it safe for people to what is on their minds.	1	2	3	4	5
2	I reward employees on good performance and provide encouragement to motivate them	1	2	3	4	5
3	I facilitate the development of a joint vision and communicate the vision broadly	1	2	3	4	5
<b>Risk</b>						
4	I prefer being low-paid employee with apparent job security	1	2	3	4	5
5	I am willing to take a low risk for a sure rate of return	1	2	3	4	5
6	I do not fear investing my money on a project which I have calculated the risk	1	2	3	4	5
<b>Commitment</b>						
7	I am driven by the wiliness to undertake personal sacrifices	1	2	3	4	5
8	I am decisive and very persistent in problem solving	1	2	3	4	5
9	I am able to overcome setbacks when faced with challenges	1	2	3	4	5
<b>Innovativeness</b>						
10	I have an ability to identify fresh and innovative approaches to existing situations	1	2	3	4	5
11	I anticipate change and perceive trends before they become apparent to others	1	2	3	4	5
12	anticipate future consequences or implications of current situations or events	1	2	3	4	5
<b>Business Performance</b>						
13	Employee satisfaction is important to attain optimal business performance	1	2	3	4	5
14	The overall performance of an SME is an indicator of SME performance	1	2	3	4	5
15	Customer satisfaction is my key aim to achieve optimal SME performance	1	2	3	4	5
16	Innovative ability is required for SMEs to achieve product/service quality and improved performance					

5 = Strongly Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly Disagree