

Relationship between Entrepreneurial Characteristics and Performance of Small and Medium Scale Enterprise (A Study of SMEs in Yaba LCDA)

Ajani Akeem O.

Department of Business Administration
Lagos State Polytechnic
Ikorodu, Lagos

Oluyemi Adekanmbi

Lagos State Polytechnic
Ikorodu, Lagos

Abstract

This study examines the effect of entrepreneurial characteristics on the performance of small and medium scale enterprises using Yaba Local Government Area (L.G.A) of Lagos state as the case study. The research design selected for this study was the survey design and data were collected through questionnaire administered on 92 entrepreneurs in various activities. The data collected were analyzed through the use of descriptive statistics with the aid of SPSS. The formulated hypotheses were tested through the use of simple regression. Results revealed that entrepreneurial characteristics, entrepreneurial competency and orientation and the level of education of an entrepreneur all have a significant effect on the performance of small and medium scale business in Nigeria. It was recommended that entrepreneurs must be exposed to various sources of information, educational and specialized training programmes in entrepreneurship to expose potential and existing entrepreneurs to risk-taking strategies inherent in self-employment and wealth creation.

Keywords: Small and Medium Scale Enterprises, entrepreneur, characteristics, performance, economic growth

1. Introduction

Operational efficiency and business excellence of owners of small and medium enterprises (SMEs) are very important for the growth and sustenance of such firm (Jaeger, Matyas & Sihn, 2014). Islam, Khan, Obaidullah & Alam (2011) contended that entrepreneur characteristics are a significant factor that determines SMEs success in Bangladesh. Small and medium scale enterprises in all economies are very important to national economic growth and considerably contribute to industrial development hence researches are being carried out on how to improve their performance. In a developing economy like Nigeria, what account for largest share of employment and output are the SMEs (UNECE, 2003). According to SMEDAN (2009), SMEs play tremendous role in reengineering the socio economic landscape in Nigeria and they largely represent a stage in industrial transition from traditional to modern technology. SMEs are vital in developing the Nigerian economy for social and political role in local employment generation, balanced resources utilization, income generation, utilization of local technology. (Babatope & Akintunde, 2010)

Entrepreneurship is not an easy vocation, and it does not always guarantee a 100% success. There are several critical factors that must be in place to enable entrepreneurs achieve a measure of success. The kind of economic policies that have been followed in many African countries especially in Nigeria in the two to three decades after political independence have not always been conducive to small scale enterprise in Nigeria.

This position is consistent with the view of Adjebeng-Asem (1989) that the African entrepreneur is alive and well, but that he or she, rather than undertaking manufacturing businesses, has been diverted to non-productive, rent-seeking activities which some researchers have reference to as commercial entrepreneurship and this has often led to a decline in the performance of SMEs in Nigeria.

In Nigeria, SMEs represent about 90% of the industrial sector in terms of the number of enterprises. They also account for 70% of national industrial employment. If the threshold is set at 10-50 employees, they contribute 10% of manufacturing output and a meager 1% of gross domestic product (GDP) in 2001 (Ajayi 2002). Similarly they have also contributed significantly to economic development through employment, job creation and sustainable livelihood (Nigerian Investment Promotion Commission, 2004).

In spite of the significant contribution of SMEs 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 a large scale business can be established with expatriate capital, small scale businesses need to have a domestic entrepreneurial and industrial base. Another obstacle affecting the performance of small scale businesses in Nigeria is the persistent low level of technical and technological expertise of the owners, the shortage and inadequate entrepreneurial skills of operators and the absence of an effective management technique.

Their low product quality makes it difficult for them to compete in a technologically driven, knowledge based and export oriented globalized economy. The level of education of most entrepreneurs are mostly limited to primary education and this affects how they will be to handle their businesses in terms of account recording and balancing, record keeping using a computer and other facilities which they could use to improve their business but are not able to use them due to their level of education. In developing countries especially in Nigeria, the primary barrier to economic growth is often not so much with the scarcity of capital, labour or land but it is the scarcity of the dynamic entrepreneurs that can bring the markets and mechanisms that can facilitate the economic growth. Entrepreneurial activity is the key to growth and prosperity in many countries. Most of these entrepreneurial activities require a very good entrepreneurial characteristics and skills since entrepreneurship development is the key factor in economic development (Harper, 2003).

According to Islam et al. (2011), entrepreneur traits relate to demographic, personal and individual characters, entrepreneur orientation and readiness. There are many problems being faced by SMEs in Nigeria but some of these problems relate to the entrepreneurs (Ayozie, 2011). Performance of firms including SMEs anywhere even in Nigeria will start from its owners' capabilities, management abilities, technical know-how and its adaptability to the internal and external business environment in gaining competitive advantage. This paper is meant to examine the relationship between entrepreneur characteristics and SMEs performance with particular reference to some SMEs in Yaba LCDA, Lagos state. This paper presents the objectives of the research, literature/theoretical review, methodology, results/findings and conclusion.

Objectives

1. To find out if entrepreneurial characteristics have any significant relationship with SMEs performance.
2. To determine if there is any significant relationship between entrepreneur demographic factors and SMEs performance.
3. To examine if the possession of technical/technological skill by SMEs owners has significant relationship with their firms performance.
4. To find out if entrepreneurs orientation has significant relationship with SMEs performance.

Theoretical Framework and Literature Review

Entrepreneurship is a multidimensional trend that cuts across disciplines like economics, psychology, sociology, anthropology, management and so many other disciplines. There is no universally accepted theory of the phenomenon. The existing theories of entrepreneurship are propounded from a variety of schools of thought, with many scholars emphasizing different variables to explain them. However, the psychological theory developed by McClelland (1971) underpins this research. The McClelland psychological theory was based on the need for achievement which motivates individuals to possess the characteristics to succeed in anything they do. Landzani (2004) explained that changing circumstances require that SMEs owners and managers should receive regular training in order to reduce failure rate, increased profit and achieve growth. This is necessary because most business owners start their business without appropriate training and feasibility study of the business. When considering the trends of SMEs worldwide, it is evident that, they represent an important vehicle to address the challenges of job creation, economic growth and equitable distribution of wealth (Franz, 2000).

Small and medium enterprises failure brings with it a reduction in a country's per capita income, poverty, unfavourable balance of trade and payment, increased job losses and unemployment. It is therefore necessary to boost the level of each country's economic growth by encouraging entrepreneurial activities that lead to the creation and sustainability of surviving SMEs. Creating this surviving theme, requires for total reliance on entrepreneurship and the need for both potential and existing entrepreneurs to possess good entrepreneurial characteristics and business practices that can enable them create sustainable SMEs. Consequently, in order for the better performances of SME in Nigeria, it is necessary to critically address some of the various types of entrepreneurial characteristics that entrepreneurs need to possess for better performance of their businesses.

Conceptual framework of the study

Entrepreneur and Entrepreneurship

The word entrepreneur was first used by Richard Cantillon (1755) in his paper titled "The Nature of Commerce". Entrepreneur according to him was one who buys factor services at a definite price in order to use them to produce a product and sell it at uncertain prices at the moment at which he commits himself to his costs. This definition recognises that an entrepreneur has the willingness to accept risk. However, Cantillon definition looks at entrepreneur from the perspective of supply while ignoring demand. Hoselitz's (1951) defines entrepreneur in the perspective of the French word 'entreprendre', which translate to 'to do something'. This was originally used in the middle age in the view of an individual that is active, and gets things done. Pickle and Abrahamson (1990) defined an entrepreneur as an individual who organises and manages a corporate organisation, assuming the risk or for the sake of profit. An entrepreneur evaluates opportunities and weakness in the business environment and tries hard to make the decisions that will enhance business firms to realize sustained growth, economic development (Mauro, 1995; Svensson, 1998), and innovation (Broberg, McKelvie, Short, Ketchen, & Wan, 2013). Entrepreneurship encourages freedom to start and close business, fiscal freedom, business creation and institutional quality business creation and free economies (Kirzner, 1992; Herrera-Echeverri, Haar, & Estévez-Bretón, 2014). The growth of most economies depends essentially on the vibrancy of the entrepreneurship. Entrepreneurship has been found to create employment, offering unlimited opportunities to the people, development of pool of skill and semi-skilled workers and helping them to generate income (Herrera-Echeverri, et al., 2014). According to Chen, Tzeng, Ou and Change (2007), most industrial nations were built by entrepreneurial individuals. A number of these entrepreneurs started their business firms through sole trading or SMEs. These SMEs are seen as the engine of growth in all economies because they play important roles in the global economy (Kropp, Lindsay & Shoham, 2006).

Entrepreneurial Characteristics

Some characteristics have been identified to be necessary for entrepreneurs to perform better in their businesses. Such characteristics include personality, innovation, risk taking, self-actualisation, innovation and demographic variables.

Personality Trait

Personality trait was defined as stable qualities that a person shows in most situations (Coon, 2004). Personality trait theory is a psychological theory; like any other psychological theories, the level of analysis is the individual (Landstrom, 1998). Personality theory emphasized personal characteristics that define entrepreneurship; such characteristics include: need for achievement, locus of control risk taking, innovativeness, and tolerance for ambiguity. This theory believes that these characteristics are unique to entrepreneurs and a combination of these attributes stand to distinguish entrepreneurs from non-entrepreneurs. It is held that those with characteristics identifiable with entrepreneurs will have a higher propensity to function in entrepreneurial realms (Lachman, 1980). Three personality characteristic have featured prominently in entrepreneurship literature: risk-taking propensity; personal values (responsibility, duty etc.); and the need for achievement. This school contends that entrepreneurship is a trend that develops over time in an individual through the process of socialization (Owoseni & Akanbi, 2011). The personality characteristics of entrepreneurs give a clue or an understanding of the traits or inborn potentials. Since the entrepreneur is the catalyst for entrepreneurship, individuals are more likely to exploit opportunities from other people with the skills (Frese, 2007; Shane, 2007). Personality traits include initiative, assertiveness, ability to see and act on opportunities, efficiency orientation, concern for quality work, systematic planning, monitoring, commitment to the work contract, and recognition of the importance of business relationships.

Timmons and Spinelli (2008); Min (1999); and Caird (1991) contended in their study on the traits entrepreneurs, identified characteristics such as need for achievement, the locus of control and the risk-taking propensity, commitment and determinations, leadership, opportunity obsession, tolerance for 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, and optimistic as the characteristics of successful entrepreneurs. McClelland contended 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.

Risk Taking

Harold (1994) stated that entrepreneurs take personal risks in initiating change, and they expect to be rewarded for it. They need some degree of freedom to pursue their ideas; this in turn requires that sufficient authority be delegated. An entrepreneur as a change agent, an innovator who is also a risk taker, who exploits business opportunities in his environment and utilize resources effectively to develop new technologies, produces new products and services to maximize his profits and contributing significantly to society's development. This view encompasses the desire of the entrepreneur to maximize profit and contribute to economic and social wellbeing of the society.

It shows the entrepreneur as one who is also imbued with the ability to organize a business venture with the desire to achieve valued goals or results. It was reported that risk taking and innovativeness, need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination and a catalyst of economic or business activities (Mohar, Singh & Kishore, 2007). Recent finding on risk taking strengthens earlier empirical studies which indicate that aversion to risk declines as wealth rises, that is, one's net assets and value of future income (Szpiro, 1986). In complementing Szpiro's observation, Eisenhauer (1995) suggests that success in entrepreneurship, by increasing wealth, can reduce the entrepreneur's degree of risk aversion, and encourage more venturing. In his view, entrepreneurship may therefore be a self-perpetuating process. Further evidence suggests that some entrepreneurs exhibit mildly risk-loving behaviour (Brockhaus, 1980). These individuals prefer risks and challenges of venturing to the security of stable income. Risk-taking was historically a key characteristic associated with entrepreneurship. It originally referred to the risks individual take by working for themselves rather than being employed. Entrepreneurs are people who take decisions under uncertainty and therefore are willing to bear risk. They are usually moderate risk takers but successful entrepreneurs will always prefer to take on those risks that they can manage.

Demographic Factors

According to Goldberg, Sweeney, Merenda, and Hughes Jr. (1998) demographic factors four demographic factors in their study and these are gender, level of education, ethnic/racial status and age. These authors concluded that these variables have different level of influence on the five big personality traits (a) extraversion / surgency vs introversion, (b) agreeableness / benevolence vs belligerence, (c) conscientiousness/dependability vs undependability, (d) emotional stability vs neuroticism, and (e) intellect/imagination vs lack of intellect. These personality traits are not being examined in this study; however, they affect performances of entrepreneurs. Identification of demographic factors is very important in business because they are used to know personal information that include income level, gender, educational level, race, ethnicity, family size and location.

Entrepreneurial Orientation

Miller (1983) developed the original framework on entrepreneurial orientation which focused on risk taking, innovation, and proactiveness. Covin and Slevin (1986) adopted the Miller's (1983) original framework which focused on three entrepreneurial orientation dimensions and also defined as those firms in which top managers employ entrepreneurial management styles and operating management philosophies. According to Lumpkin and Dess (1996), entrepreneurial orientation referred to processes, practices, and decision making activities that led to new entry. The possession of orientation such as being creative, commitment, innovative, and possession of self-confidence are very important to the success of an organisation. The lack of these qualities affects the performance of most entrepreneurs and this reflects in the survival of their businesses (Padilla-Meléndez & del Aguila-Obra, 2006).

Innovation

Sarmah and Singh (1994) stated that an entrepreneur is one who can transform raw materials into goods and services, who can effectively utilize physical and financial resources for creating wealth, income and employment, who can innovate new products, standardize or upgrade existing products for creating new markets and new customers. Innovation according to Schumpeter (1934) is described as the creation and implementation of new combinations. Innovative behaviour of an entrepreneur can also be said to be the ability possessed by an entrepreneur to generate new ideas that are very industrious and profitable to the entrepreneur and the society, at large. Innovation to an entrepreneur is an everyday activity that leads them towards the achievement of their aims or goals. Lumpkin and Dess (1996) conceptualized entrepreneurial orientation to consist of five dimensions of innovation, proactiveness, risk-taking, autonomy and competitive aggressiveness. Regarding the relationships among the entrepreneurial dimensions, Miller (1983); Covin and Slevin (1989) adopted entrepreneurial orientation as a one-dimensional construct; they insisted that these three dimensions can be combined into a single scale. Lumpkin and Dess (1996) on the other hand, suggested that the entrepreneurial orientation dimensions may vary independently, depending on the environmental and organizational context.

Entrepreneurial Competencies

Entrepreneurial competency is defined as the individual characteristics including attitude and behaviour, which allow the entrepreneur to achieve business success (Sarwoko, Surachman, Armanu, Hadiwidjojo, 2013). According to Man, Lau and Chan (2002), entrepreneurial competencies are a set of higher-level characteristics involving personality traits, skills and knowledge. They can be viewed as the total ability of the entrepreneur to perform his role successfully. Moreover, Kiggundy (2002) noted that entrepreneurial competency is the sum total of the entrepreneur's requisite attributes for successful and sustainable entrepreneurship, including attitudes, values, beliefs, knowledge, skills, abilities, personality, wisdom, expertise (social, technical, managerial), mindset and behavioural tendencies.

According to Bird (1995), competencies are seen as behavioural and observable but only partly intra psychic characteristics of an entrepreneur. Consequently, competencies are changeable and learnable, allowing intervention in terms of the selection, training and development of entrepreneurship. Man et al. (2002), identified six major areas of entrepreneurial competencies in relation to an SME context, including opportunity, relationship, conceptual, organizing, strategic, and commitment competencies. These competencies are supposed to play different roles in affecting an SME's performance with their direct and indirect effects.

Entrepreneurial competencies therefore, include those clusters of related knowledge, attitudes, and skills which an entrepreneur must acquire through managerial training and development to enable him produce outstanding performance, and maximize profit, while managing a business venture or an enterprise. Other important characteristics includes self-confidence, commitment, leadership, tolerance for ambiguity, creativity, education, experience etc. all these characteristics are important for an entrepreneur.

Hypotheses

- H1: Entrepreneurial characteristic has no significant relationship with the performance of SMEs
- H2 There is no significant relationship between entrepreneur demographic factors and SMEs performance.
- H3 There is no significant relationship between technical/technological skills by SMEs owners has significant relationship with their firm's performance.
- H4 There is no significant relationship between entrepreneur orientations has and SMEs performance

Methodology

The method adopted in carrying out this study is the survey design method to obtain data which were processed with SPSS using descriptive statistical tool to answer the research questions.

Population, sample size and sampling technique

The population of the study consists of entrepreneurs and owners of SMEs in Yaba Local Government area in Lagos state, the population consists of 455 entrepreneurs. From this population, a sample size of 250 respondents was chosen using convenience sampling technique where the respondents are conveniently and easily accessible to the researcher.

Instrumentation

The research instrument selected for the study is the self designed questionnaire contains question items that provided answers to the research questions using a five point Likert scale measure. The instrument was self-administered to the participant at their various offices.

Pilot study

Since the instrument was self-constructed by the researcher, there arises a need to conduct a pilot study to show the reliability of the instrument. The result of the pilot test showed a Cronbach's Alpha value of 0.688. Hence, the reliability level of the instrument is high.

Results

The result section presents the demographic data of the respondents, the descriptive statistical measure of the variables, the correlation and regression statistics which are used to testing the hypotheses.

Table 1: Demographic data of the respondents

SEX	Frequency	Percent
Female	62	33.7
Male	122	66.3
Age distribution		
18-30yrs	70	38.0
31-50yrs	84	45.7
more than 50yrs	30	16.3
Educational qualification		
SSCE	28	15.2
OND/NCE	62	33.7
BSc/HND	71	38.6
ABOVE BSc/HND	23	12.5
Marital status		
Single	65	35.3
Married	108	59.0
Divorced	9	4.9
Widow/widower	2	1.1

Table 1 presents the demographic characteristics of the respondents on the basis of gender, age, educational qualification and marital status. The results indicated that all dimensions of the variables are represented.

Descriptive Statistics on the Variables of the study

Tables 2 to 5 present the descriptive data of entrepreneur characteristics, technical/technological skills, entrepreneur orientation and firm performance. The scale used for the items measuring the variables is the 5 point Likert scale. With this, the maximum expected mean score is 5 while the minimum is 1.

Table 2: Descriptive Statistics on Entrepreneur Characteristics

Response Variable	Mean	Std. Deviation
I am an open minded person and a quick learner in every situation.	4.39	.910
I have the ability to achieve my set goals and objectives because of my educational qualification	4.23	1.004
Nigeria business environment cannot make me fail in my business because I possess the competence to succeed	4.19	.876
I am willing to take risk for my business.	4.02	1.128
I prefer to focus on new opportunities for my business than on money.	3.83	1.311
Valid N (listwise)	184	

In Table 2, all the variables are very significant since the variable with the least mean score is 3.83 which is above the average of 2.5. Thus, the rating of the characteristics of entrepreneur is high.

Table 3: Descriptive Statistics on Technical/Technological Skill

Response variable	Mean	Std. Deviation
I can handle computer proficiently.	3.32	1.391
I know what it takes to do every aspect of this business	3.32	1.460
I run some of my business on the internet	3.22	1.214
Valid N (listwise)	184	

Table 3 presents descriptive statistics on technical/technological skill and it is shown that the highest mean score is 3.32 while the least is 3.22. This indicates that technical/technological issues are very relevant and significant among the entrepreneurs.

Table 4: Descriptive Statistics on Entrepreneur Orientation

Response variable	Mean	Std. Deviation
I have the capacity to be creative in this business.	4.31	.729
I have the ability to identify new opportunities and innovative approaches to my business.	4.30	.870
I am confidence I will build this business to a bigger one	4.29	.645
I am capable and committed in overcoming setbacks by innovating when faced with challenges	4.13	.896
Valid N (listwise)		

On entrepreneur orientation, Table 4 indicates that all the items measuring entrepreneur orientation have mean score above 4.0, indicating that the variable is very important and significant.

Table 5: Descriptive Statistics on SMEs Performance

Response Variable	Mean	Std. Deviation
I have new abilities to create more profit for this business.	3.86	1.249
My business has grown with my ability to identify new opportunities.	3.57	1.167
This firm has improved quality of her product/service to my satisfaction	3.51	1.173
There is improvement in sales performance of this business.	3.39	1.149
Valid N (listwise)	184	

On the performance of SMEs, it is shown in Table 5 that the mean score of the items range from 3.86 to 3.39. This is an indication that performance of SMEs is significant in this study.

Correlation and Regression Statistics

Table 6 and 7 present the correlation matrix and regression statistics of the study respectively which are used to testing the hypotheses of the study.

Table 6: Correlations Statistics

		Entrepreneur Characteristic	Technical/Technological Skill	Entrepreneur Orientation	SMEs Performance
Entrepreneur Characteristic	Pearson Correlation	1			
	Sig. (2-tailed)				
Technical/Technological Skill	Pearson Correlation	.846**	1		
	Sig. (2-tailed)	.000			
Entrepreneur Orientation	Pearson Correlation	.950**	.802**	1	
	Sig. (2-tailed)	.000	.000		
SMEs Performance	Pearson Correlation	.969**	.878**	.899**	1
	Sig. (2-tailed)	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Table 7: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.977 ^a	.955	.954	.97938

a. Predictors: (Constant), Entrepreneur Orientation, Technical/Technological Skill, Entrepreneur Characteristic

From Tables 6 and 7, the H_{01} is rejected because the sig. (2-tailed) value 0.00 is less than 0.01 with correlation coefficient of 0.969**. Thus there is significant relationship between entrepreneur characteristics and SMEs performance. The H_{02} is rejected because P value (0.000) is less than α (0.01) with Pearson correlation coefficient of 0.878*. This indicates that there is significant relationship between technical/technological skill and SMEs performance. On the relationship between entrepreneur orientation and SMEs performance, the H_{03} is rejected indicating that there is significant relationship between SMEs performance and entrepreneur orientation. The correlation coefficient is 0.899*. The regression table presents a correlation coefficient of 0.977 and R^2 value of 0.955 and adjusted R^2 of 0.954. The result indicated that there is a positive relationship between entrepreneur characteristics and SMEs performance.

Findings

This study shows that:

- i. For an entrepreneur to be successful in the growth of his business, he/she must have the ability to achieve his/her set goals and objectives, be an open minded person and a quick learner, prefer to focus on new opportunities for his/her business than on money, be willing to take risk for the growth of his/her business and his/her competency level is crucial for the attainment of success in the business.
- ii. It was discovered that entrepreneurs that are driven by the willingness to undertake personal sacrifice for their business, are able to overcome setbacks when faced with challenges and they are willing to take risk for the growth of their business, and have the ability to identify new opportunities and innovative approaches for their business.
- iii. It was revealed that the education qualification of entrepreneurs helped to improve their quality of service. The technical capability of entrepreneurs allows them in running their business, create wealth, and possess the abilities to lead others and ability to identify new opportunities.
- iv. It was observed that entrepreneurial characteristics have a significant effect on the performance of small and medium scale business in Nigeria. This means that the success of a small scale business is dependent on certain attributes of an entrepreneur such as ability to take risk, being open minded and being able to identify new opportunities.
- v. Furthermore, it was revealed that entrepreneurial competency and orientation has a significant effect on the performance of SMEs in Nigeria

Discussion

The research study evaluated the effect of entrepreneurial characteristics on the performance of SMEs in Nigeria. This is with a view to identifying those entrepreneurial characteristics and the factors that influence their translation to optimum business performance in the small scale industry. Results from the study assert that entrepreneurial characteristics, such as willingness to undertake personal sacrifice for the business, educational background, ability to achieve set goals and objectives, open mindedness and a quick learner, prefer to focus on new opportunities for his business than on money. Such entrepreneurs are willing to take risk for business growth and the competency level and the orientation level of entrepreneurs as opined by (Sarwoko, Surachman, Armanu, Hadiwidjojo, 2013) and Miller (1983) respectively in their theoretical frameworks helps to influence the performance of small-scale businesses in Nigeria.

Findings from this study are also in line with the empirical submissions of Endi (2013) who conducted a research to test the influence of entrepreneurial characteristics and competencies on business performance in SMEs in Malang Regency East Java Indonesia and found that entrepreneurial characteristics have a significant influence on business performance and concluded that the higher the competencies level of SMEs owner, the higher their performance in business.

Based on these findings it is conclusive to say that the more of these entrepreneurship characteristics possessed by the entrepreneurs the greater it is for their business to succeed.

It should be noted that:

- i. There is need to develop a crop of potential entrepreneurs among the youths by incorporating entrepreneurship education into the school curriculum at all levels of the educational system.
- ii. Specialized training programmes in entrepreneurship should be organized to expose potential and existing entrepreneurs to risk-taking strategies inherent in self-employment and wealth creation.
- iii. Also, the education system should incorporate business management courses in schools curriculum through the use of case studies and business simulation clinics. This will assist to develop and enhance the ability of future entrepreneurs to be proactive, to anticipate business related problems, to set goals and objectives and be better prepared for the world of work.
- iv. In addition, entrepreneurs must be exposed to various sources of information and business opportunities available both in Nigeria and external environment. To achieve this, government agencies and research and development (R&D) organizations, as well as non-governmental organizations, and development partners should develop and organize business awareness workshops and disseminate information on investment opportunities available locally and internationally. These strategies will expose entrepreneurs to sources of raw materials, new and improved process technologies, domestic and foreign markets and other information necessary for business survival and growth.
- v. In line with the various problems, challenge or constraint being faced by entrepreneurs or managers of small scale businesses in Nigeria it is therefore important for the government to provide an enabling business environment with the provision of adequate infrastructural facilities like constant power supply; good road network; water supply and others.
- vi. Finally, government should provide credit facilities to all prospective entrepreneurs with little or no cost of borrowing as well as long gestation period of repayment by the financial institutions in Nigeria.

References

- Ayozie, D. O. (2011). The Role of Small Scale Industry in National Development in Nigeria. *Universal Journal of Management and Social Sciences*, 1(1), 23
- Babatope, A. S., & Akintunde, D. O. (2010). A Study of Small- and Medium-Scale Industrial Development in Ondo State, Nigeria. *AU J.T.* 13(3): 186-192
- Etuk, U. R., Etuk, G. R., & Baghebo, M. (2014). Small and medium scale enterprises (SMEs) and Nigeria's economic development. *Mediterranean Journal of Social Sciences* 5(7), 656-662
- Goldberg, L. R., Sweeney, D., Merenda, P. F., & Hughes, J. E. Jr. (1998). Demographic variables and personality: the effects of gender, age, education, and ethnic/racial status on self-descriptions of personality attributes. *Person. individ. Diff.*, 24(3), 393-403.
- Herrera-Echeverri, H., Haar, J., & Estévez-Bretón, J. B. (2014). Foreign direct investment, institutional quality, economic freedom and entrepreneurship in emerging markets. *Journal of Business Research*, 67, 1921-1932
- Islam, M. A., Khan, M. A., Obaidullah, A. Z. M., & Alam, M. S. (2011). Effect of entrepreneur and firm characteristics on the business success of small and medium enterprises (SMEs) in Bangladesh. *International Journal of Business and Management* 6(3), 289-299
- Jaeger, A., Matyas, K. & Sihn, W. (2014). Development of an assessment framework for Operations Excellence (OsE), based on the paradigm change in Operational Excellence (OE). *Procedia CIRP* 17, 487 – 492
- Padilla-Meléndez, A. & del Aguila-Obra, A. R. (2006). The influence of entrepreneur characteristics on the success of pure dot.com firms. *Int. Journal of Technology Management*, 33(4), 373