Entrepreneurial Characteristics and Performance of Small and Medium Scale Enterprises (SMEs) In Kwara State

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Abstract
This research x-rays the effects of entrepreneurial characteristics on the performance of small and medium scale enterprises in Kwara State. It is aimed at finding out the extent to which entrepreneurial characteristics helps SMEs performance in Kwara State. In an attempt to establish the thrust of this research, primary and secondary data were generated. Secondary data were sourced from articles textbook and journals and primary data was generated through self-administered questionnaire. Both descriptive and inferential statistics were utilized for data analysis with the aid of statistics package for social science. Descriptive data was analyzed using simple percentage table and regression analytical tools were to test the hypothesis. From the empirical result obtained, it was discovered that that entrepreneurial characteristics (risk taking propensity, innovativeness and self-confidence) considered in this study were predictors of SME performance. The result also showed that there was a significant relationship between risk taking and sales growth. Based on the findings from the study, it was recommended that Entrepreneurial characteristics should be enhanced as a means of nurturing SMEs performance and long-term growth and survival.
Introduction
Entrepreneurship research is dynamic, and there is growing attention to entrepreneurship characteristics and values (Audretsch, 2007), and how this contributes to the economy and economic growth and competitiveness (Glancey & McQuaid, 2000). Entrepreneurship can be regarded as an “employment opportunity”, helping people to get self-employed. Entrepreneurship has become a word of the day. Policymakers, economists, academics and even university researchers are talking about it. Seminars, conferences and workshops are being organized every year across the world which emphasise the importance of entrepreneurship to the economy of a country, society as well as individual development (Béchard and Toulouse 1998; Schaper and Volery 2004; Matlay and Westhead 2005).
Entrepreneurship is one of the strongest forces shaping the societies of the 21st century, characterized by ongoing globalization and growing complexity (van Praag & Versloot, 2007). Curious individuals are taking the initiative to explore and exploit opportunities for various reasons; for self-fulfillment, profit seeking, support of their families, fulfillment of customers’ needs, or even to contribute to the economies of a nation. This can be in the context of startups, small to medium-sized enterprises (SMEs) or large corporations.
Islam, Khan, Obaidullah & Alam (2011) are of the view that entrepreneurial characteristics are a significant factor that determines Small and Medium Enterprises success. Hambrick and Marson (1984) posit that Entrepreneurial characteristics are the personal traits of the Entrepreneur. These traits are entrepreneurial demographic factors which include, Entrepreneur’s gender, age educational qualification, experience, locus of control, innovativeness, ethics, religion, orientation, readiness, and the entrepreneur’ attitude to risk (Sodik, 2012). These individualities explain the success and failure of many entrepreneurial ventures.
Small and Medium enterprises (SMEs) are the lifeblood essential to Nigeria’s economic growth and development. Small business performance is a complex and multidimensional in scope and character. It includes the convergence of ambition owner/manager, competence, internal factors organization, the resources and infrastructure, external relations and networking (Shaw and Conway, 2000). Factors influence the success of SMEs is very important to know because it is the low level of business success. SMEs have important contribution to create new jobs, trade, and country’s Gross Domestic Product (GDP).
The roles of entrepreneurs are important because of their contribution to the economic growth for both developed and developing countries. Small and Medium-sized Enterprises (SMEs) have been shown by several studies to perform significant roles in economic growth and development. High income countries are mostly built on well
instituted and functioning SMEs. SMEs have gained a lot of attention in literature as an avenue through which low and middle income countries can move to a high income status. In Nigeria, little emphasis has been given to the significant roles of SMEs to the lives of the people as well as to the economy as a whole. The researcher therefore carried out this study to find out how the SME sector has performed in relation to economic growth in order to suggest ways of improving the sector.

Empirical studies such as Ayodele (2018); Oghuvwu and Okuwhere (2018); and Norzalizah, Ahmad, Juhaini, and Sitinor (2018) reveal the contribution of entrepreneurial characteristics to the firm performance. For instance, Ayodele (2018) found that entrepreneurial characteristics such as need for achievement, originality, future oriented, risk taking propensity and self-confidence possessed by the entrepreneurs are very vital to entrepreneurial business performance, as it helps the entrepreneur with commitment, determination and advanced problem-solving skills, while entrepreneur innovativeness may determine firms’ survival and growth. Given the importance of these entrepreneurial characteristics, the central premise of this study is to examine the effect of entrepreneurial characteristics on the performance of small and medium scale enterprises in Ilorin metropolis.

**Statements of the Research problems**

Small and medium scale enterprises all over the world are more prone to failure due to the specific traits that has been possessed by the businesses, their owners and managers (Bannock, 2005). In Nigeria and Kwara state in particular, business ventures have a low survival rate as entrepreneurs start businesses but are they are unable to turn them into sustainable businesses. Also, most new SMEs in Nigeria do not move from the first stage (existence) to other stages such as survival, success, take off and resource maturity (Mamman 2010).

All over the world as well as in Nigeria, several characteristics and factors have been identified to be key determinants of SMEs performance. With SME growth rate generally low across the world, it is necessary to establish an understanding of key entrepreneurial characteristics and business practices that can help in the understanding and promotion of SMEs performance. It is believed that if business owners and managers are good at managing their businesses, then they will do extremely well in terms of ensuring the continuous growth of their businesses. Therefore, for SMEs to perform and succeed in their business operations, it is very necessary that its owners or managers possess certain entrepreneurial characteristics and carry out specific business practices. In this regards, SMEs deserve much more attention, especially with regards to the entrepreneurial characteristics and the business practices of the entrepreneur. 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.

Objectives of the Study
The main objective of the study is to assess the effect of entrepreneurial characteristics (Risk-taking propensity, innovativeness and self-confidence) on the performance of small and medium size enterprises in Kwara state. Specifically, the study intends to;

I. Examine the relationship between risk-taking propensity and performance of small and medium-sized enterprise in Kwara state.
II. Assess the relationship between innovativeness and performance of small and medium-sized enterprise in Kwara state.
III. Determine the relationship between self-confidence and performance of small and medium-

Research Questions
I. What is the relationship between risk-taking propensity and performance of small and medium-sized enterprise in Kwara state?
II. To what extent does innovativeness contribute to performance of small and medium-scale enterprise in Kwara state?
III. How far does self-confidence with the performance of small and medium-scale enterprise in Kwara state?

Research Hypotheses
Ho₁: Risk-taking propensity has no significant relationship with the performance of small and medium-scale enterprise in Kwara state.
Ho₂: Innovativeness plays no significant role on performance of small and medium-scale enterprise in Kwara state.
Ho₃: There is no significant relationship between self-confidence and performance of small and medium-scale enterprise in Kwara state.

LITERATURE REVIEW
The concept of Entrepreneur and Entrepreneurship
The word entrepreneur was first used by Richard Cantillon (1955) 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 recognizes that an entrepreneur has the willingness to accept risk. 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) sees 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. Moloi and Nkhahle-Rapita (2014) described entrepreneur as individual who accept risks and who are innovative in terms of their business management skills. According to Duru (2011), some basic characteristics of entrepreneurs include among others: Ambition; Optimism; Achievement orientation; Independent mindedness; Goal orientation; Individualism; Self-confidence; Open-mindedness and Tolerance for ambiguity.

Entrepreneurship is the most effective method for creating new enterprises, and bringing new products and services to the market. These entrepreneurial activities significantly affect the economy of a society by providing job opportunities. To be enterprising is to keep your eyes open and your mind active. It is to be skilled enough, confident enough, creative enough, and disciplined enough to seize opportunities that present themselves regardless of the environmental influence (Nwafor, 2007). Penrose, (1959), states that entrepreneurship involves identifying opportunities within the economic system, developing and bringing a vision to life. This vision may be an innovative idea, an opportunity or a better way of doing something.

Entrepreneurial Characteristics
Some characteristics have been identified to be necessary for entrepreneurs to perform better in their businesses. Such characteristics include risk taking, innovation, self-confidence and experience.

Risk taking propensity
Risk-taking propensity is defined as “the perceived probability of receiving rewards associated with the success of a situation that is required by the individual before he/she will subject himself/herself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequences than the proposed situation” (Brockhaus, 1980). Longenecker, Moore and Petty (2006) see these individuals as risk takers, risk minimizes and uncertainty tolerance. They are also able to cope with the stress associated with working in such an environment, which in-turn makes them more likely to survive and succeed (Cunningham and O’Gorman, 1997). Harold (1994) agreed 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.

Rotter (1966) argues that individuals, who are believed to possess a high internal locus of control, achieve their own goals based on their own behaviour or individual characteristics.

Chell, Harworth and Brealey (1991) exemplified that the degree of risk taking that entrepreneurs possess is moderate and calculated where the chance of losing are neither so small, (to be considered a sure thing) nor so large, (to be considered as gambling), but that these entrepreneurs to some certain extent, are willing to take some measurable and predetermined risk.

**Innovativeness**

Innovation and entrepreneurs are companion terms and in fact, studies show that entrepreneurs are more creative, imaginative and innovative than non-entrepreneurs (Thomas and Mueller, 2000), that entrepreneurially inclined individuals are more innovative than non entrepreneurially inclined individuals (Gürol and Atsan, 2006); and that innovation can also separate entrepreneurs from managers (Steward, Carland, Carland, Watson, and Sweo, 2003). 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). Innovation refers to the creation or adoption of an idea or behaviour new to the organisation (Damanpour 1996). Innovation to an entrepreneur is an everyday activity that leads them towards the achievement of their aims or goals. 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. Schumpeter (1934) on his own described innovation 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.
Self-confidence
Self-confidence is an essential entrepreneurial characteristic that is related to other psychological characteristics (Ajani and Oluyemi, 2016). 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; Koh, 1996). 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 (Good, 2003).
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). Self-confidence is an individual’s belief in his own abilities and resources. Individuals who believe that they can do well are more likely to be motivated in terms of effort, persistence and behaviour than individuals who believe they are less able and do not expect to succeed (Pintrich, 2003). Self-confidence is very essential in entrepreneurship because setting up a business and trying to be successful is not an easy task to carry out. Entrepreneurs who are entrepreneurially inclined generally report higher levels of self-confidence than others (Baum and Locke, 2004).

SME performance
SME performance could mean the success level of the firm in the market within which it operates. Naelati, Tubastuvi and SobrotulImti, (2014) view performance as the ability of an object to produce results on a dimension that has been determined beforehand in relation to a set standard or target and often relates to action and processes that lead to some outcome and the result of the action is also generally included in the examination. Yahya, (2014) sums performance as a measure of how well a mechanism/process achieves its purpose. He explained further that SMEs performance is an important dependent variable in business research. It is clear from the above reviewed that SME Performance can be conceptualized as a process by which the business owner or manager of SMEs executes their functions and crucial elements to improve the standard of their businesses Performance.
Underpinning Theory: Entrepreneurial Orientation Theory
The study was anchored on the entrepreneurial orientation theory. Entrepreneurial orientation” has been used to refer to the strategy-making processes and styles of firms that engage in entrepreneurial activities (Covin & Lumpkin, 2011). Miller (1983) characterized an entrepreneurial firm as “one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with “proactive” innovations, beating competitors to the punch”. He used the dimensions of innovation, pro-activeness, and risk-taking to measure entrepreneurship. These three dimensions have been adopted by most previous studies (Anderson, Kreiser, Kuratko, Hornsby & Eshima, 2015; Covin & Wales, 2012; Gathenya, 2012). The theory posits that a proactive firm is a leader rather than a follower, because it has the will, with competitive aggressiveness and foresight, to seize new opportunities - even if it is not always the first to do so (Covin & Lumpkin, 2012). Entrepreneurial orientation theory is chosen due to its vast use in the previous studies on Entrepreneurial characteristics and performance of small and medium scale enterprises.

Empirical review
Veena, Venkatachalm and Joshi (2013) in their study, Entrepreneurial Characteristics and Success of women entrepreneurs operating fashion and apparel business in India. The purpose of the study was to examine the relationship between entrepreneurial characteristics and success of women entrepreneurs. The study adopted a quantitative approach using random stratified sampling. The study also use questionnaire as research instrument to elicit response from respondents. The total number of usable questionnaire was 291 based on complete response received. Delinious Hodges Cumulative Method was employed to examine relationship between the variables. The statistical result showed that entrepreneurial characteristics significantly influenced on women entrepreneurs performance.

Felix and Ngene (2015) studied entrepreneurial characteristics and performance of learning institution in Kenya. The research aimed at determining the influence of entrepreneurial characteristics on learning institution in Kenya. The study was carried out in North rift region, Kenya; targeting entrepreneurs or founders of learning institutions and in their absence, the managers. The target population was 200 learning institutions within the Eldoret Municipality, Kitale Municipality and Kapsabet Municipality, Kenya. A census study was used. This implied the use of all the targeted institutions, thus the study population for this study was 200. The study used both primary and secondary sources of data. Questionnaires were used to collect data. Data was analyzed using both descriptive and inferential analysis. Descriptive methods such as frequencies mean and standard deviation were used. Inferential statistics include
Pearson correlations and multiple regressions analysis. Based on the findings obtained, the study recommends that entrepreneurs in education sector need specific education background and adequate experience as they focus on providing quality education to their clients.

Anisa ans Besa (2013) in their study, Entrepreneurial characteristics amongst University students in Albania. The study seeks to investigate the tendency toward entrepreneurship among university students in Albania. Specifically, it aims to examine the relationship between the desire for having your own business and family business background on university students.

The study was conducted on a random sample of fourth year university students (n=519) from three Albanian universities. The study reveals that prior exposure to entrepreneurship education has a positive effect on students’ attitudes toward a career in entrepreneurship and on perceived behavioral control or entrepreneurial self-efficacy.

Brownhilder (2011) studied the Impact of Entrepreneurial Characteristics and Business Practices on the long term survival of small and medium Enterprises (Smes) in Free State, South Africa. The primary objective of this study was to investigate which entrepreneurial characteristics and business practices have a bigger influence on the long-term survival of SMEs, and the extent to which they do so. The empirical research was conducted by self-administered questionnaires to entrepreneurs in the Motheo district (Bloemfontein; Botshabelo and Thaba”Nchu). The questions was developed through a modification of entrepreneurial self-assessment tools for entrepreneurial characteristics and through a review of the literature on business practices. A total of 353 questionnaires were issued, 218 questionnaires were received but only 200 questionnaires were considered in the study because they were those fully completed by the respondent and thus gave the study a response rate of 56.7%. The statistical analysis used was descriptive statistics, frequencies, chi square, T-test, ANOVA and Pearson correlation. Based on the result gathered, the study recommends the need to improve the entrepreneur’s level of education and business knowledge skills through simplified training programmes and courses. The inclusion of these training courses will certainly foster the survival and growth of SMEs.

Research Method
This study examines the effects entrepreneurial characteristics on SME performance in Kwara State. It is a census study, and therefore adopted the use of questionnaires in eliciting information from the respondents. The population for this study was the owners of SMEs in Kwara State out of which 120 were selected from. The study employs the use of questionnaires as instrument for data collection. The questionnaire
was divided into three sections, section A measures demographic information of the respondents which include age, sex, marital status, educational qualification etc., while section B measures entrepreneurial characteristics in terms of risk taking, innovativeness and self-confidence and section C measures SME performance in terms of growth, profitability and market share. The items were measured on a 5-point Likert scale ranging from strongly agree (5) to strongly disagree (1).

Primary and secondary data were used. Primary data was obtained with the aid of questionnaires. The use of the questionnaire was employed to gather relevant information from the respondents. The secondary source was obtained from related journals and articles. Data was analyzed using inferential and descriptive statistics. The descriptive statistics involves frequency tables and percentages while the inferential statistics involves regression, analysis of variance (ANOVA) and multiple regression analysis.

RESULTS AND FINDING

Table 1 Questionnaire Distribution and Return Rate

<table>
<thead>
<tr>
<th></th>
<th>No. Distributed</th>
<th>No. Returned</th>
<th>% Returned</th>
<th>No. Not Returned</th>
<th>% Not Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>120</td>
<td>114</td>
<td>95%</td>
<td>6</td>
<td>5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>120</td>
<td>114</td>
<td>95%</td>
<td>6</td>
<td>5%</td>
</tr>
</tbody>
</table>

As shown in Table 1, questionnaire distribution demonstrates an approximately 95% response rate. The researcher was able to gather 114 out of the 120 distributed to the various SME businesses in the study area.

Data Analysis

Analysis Demographic Questions

In order to achieve the main purpose of this study, the researcher found it useful to find out the general information of the respondents. The general information of the respondents included gender, age, marital status, and education qualification.

TABLE 2: Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>66</td>
<td>57.9</td>
</tr>
<tr>
<td>Female</td>
<td>48</td>
<td>42.1</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30 years</td>
<td>12</td>
<td>10.5</td>
</tr>
<tr>
<td>30-40 years</td>
<td>56</td>
<td>49.1</td>
</tr>
<tr>
<td>40-50 years</td>
<td>21</td>
<td>18.4</td>
</tr>
<tr>
<td>50 and above</td>
<td>25</td>
<td>22.0</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>100</td>
</tr>
</tbody>
</table>
The gender of the respondents was studied in order to ascertain the pattern of distribution of the respondents according to their gender. From the demographic characteristics of respondents, it is evident that male participants out-numbered their female counterparts. As many as 66 (57.9%) who participated in the study were males. While the female participants were 48 representing (42.1%).

The age of the respondents shows that the participants are mature enough to give reasonable information to the research questions. The result reveals that only 12 of the respondents are in the bracket of 20-30 years, representing (10.5%). 56 respondents are between the ages of 30-40 years representing (49.1%). 21 and 25 are between the ages of 40 to 50 years and above representing (18.4%) and (22.0%) respectively.

From the table 2 above it indicate that 89 (78.1%) of the respondents are single, while 18 (15.8%) are married. 7 of the respondents representing (6.1%) are a divorcee.

From the findings, the majority of the respondents had attained academic qualifications commensurate with their job position implying that the businesses are led and managed by professionals. The result shows that 18, 19, 28, and 49 are holders of WAEC, First Degree, Masters Degree and OTHERS qualification respectively. Representing (15.8%), (16.7%), (24.6%), (43.0%) respectively.

**Hypothesis Testing**

**Hypothesis one**

Ho: Risk-taking propensity has no significant relationship with the performance of small and medium-scale enterprise in Kwara state

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.779(^{a})</td>
<td>.607</td>
<td>.603</td>
<td>.44696</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Risk Taking
b. Dependent Variable: Sale Growth

Sources: Authors’ Computation 2019

R² value of 0.607 reveals that risk taking propensity independently accounts for 60.7% of the variation in SMEs sales growth thereby accepting the alternative hypothesis and rejecting the null hypothesis.

Table 4.2.1b

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>34.526</td>
<td>1</td>
<td>34.526</td>
<td>172.827</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>22.375</td>
<td>112</td>
<td>.200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>56.901</td>
<td>113</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sales Growth
b. Predictors: (Constant), Risk Taking

Sources: Authors’ Computation 2019

The f-statistics of 172.827 shows that the model is statistically significant. It shows that there is a significant relationship between risk taking propensity and corporate sales growth.

Hypothesis two

Ho₂: Innovativeness plays no significant role on performance of small and medium-scale enterprise in kwara state

Table 4.2.2a

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.825a</td>
<td>.681</td>
<td>.678</td>
<td>.40980</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Innovation
b. Dependent Variable: profitability

Sources: Authors’ Computation 2017

R² value of 0.681 reveals that innovativeness independently accounts for 68.1% of the variation in profitability thereby accepting the alternative hypothesis and rejecting the null hypothesis.

Table 4.2.2b

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>40.079</td>
<td>5</td>
<td>40.070</td>
<td>238.600</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Innovation
b. Dependent Variable: profitability

Sources: Authors’ Computation 2017
a. Dependent Variable: Profitability

b. Predictors: (Constant), Innovation

Sources: Authors’ Computation 2019

The f-statistics of 238.600 shows that the model is statistically significant. It shows that innovation has significant effect on corporate profitability.

Hypothesis three

H_{03}: There is no significant relationship between self-confidence and performance of small and medium-scale enterprise in kwara state

Table 4.2.2a

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>R Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.915*</td>
<td>.838</td>
<td>.836</td>
<td>.29225</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Self confidence

b. Dependent Variable: Market share

Sources: Authors’ Computation 2017

R^2 value of 0.838 reveals that self-confidence independently accounts for 83.8% of the variation in market share thereby accepting the alternative hypothesis and rejecting the null hypothesis.

Table 4.2.2b

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>49.314</td>
<td>1</td>
<td>49.314</td>
<td>577.368</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>9.566</td>
<td>112</td>
<td>.085</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>58.880</td>
<td>113</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market share

b. Predictors: (Constant), Self confidence

Sources: Authors’ Computation 2019

The f-statistics of 577.368 shows that the model is statistically significant. It shows that self confidence has significant effect on corporate market share.

Discussion of Findings

The regression result displayed in table 4.2.1a relates to relationship between risk taking propensity and sales growth. The value of the R^2 (0.607) reveals that risk taking
propensity accounts for the variation in sales growth. This shows that risk taking propensity has positive relationship with SME sales growth. The f-statistics in table 4.2.1b shows that the model is statistically significant. The value of the adjusted $R^2$ indicates that the model has a good fit. Table 4.2.2a shows the regression result relating to the significant effect between innovativeness and profitability. $R^2$ value of 0.681 reveals that innovativeness independently accounts for 68.1% variation in profitability. This shows that innovativeness has positive effect on profitability. The f-statistics in table 4.2.2b shows that the model is statistically significant. The value of adjusted $R^2$ indicates that the model has a good fit.

Table 4.2.3a shows the regression result relating to the significant relationship between self confidence and market share. $R^2$ value of 0.838 reveals that self confidence independently accounts for 83.8% variation in market share. This shows that self confidence has positive effect on SME sales growth. The f-statistics in table 4.2.3b shows that the model is statistically significant. The value of adjusted $R^2$ indicates that the model has a good fit.

**Conclusion and Recommendations**

The study has contributed to our knowledge on the effects of entrepreneurial characteristics on SME performance. The results demonstrated that there is a significant effect of risk taking propensity on sales growth of an enterprise, likewise a significant relationship between innovativeness and profitability of an enterprise. Also finding from this study revealed that self confidence has significant positive effect on market share.

Findings of the paper implies that government universities, higher learning institutions and financial service providers should incorporate additional simplified short course training programmes that will include business knowledge skills (book keeping, marketing, entrepreneurship and business management) in their programmes. The inclusion of these training courses will certainly help entrepreneurs in foster the performance and growth of Small and Medium Enterprises in Nigeria. Also, specialized capacity building support programs such as conferences, workshops and training should be put in place in order to upgrade the entrepreneur’s level of education, so as to help improve upon the business knowledge and skills of most entrepreneurs in Nigeria. Furthermore, students at higher learning institutions should be encouraged to start up their own businesses, as it is believe that most of them will have the necessary skills required to run a business

Arising from the findings of this study, the following recommendations are made. Entrepreneurial characteristics should be enhanced as a means of nurturing SMEs performance and long-term survival. Because most SMEs are totally dependent on
the entrepreneur at first, success is linked on his/her attributes and thinking styles. Moreover, in order for entrepreneurs to develop characteristics such as innovation, self-reliance and risk taking, they must engage in reading books in a variety of fields; joining professional groups; attending professional meetings and seminars and devote time to pursue natural curiosities. This is because successful creations are generally led by information gathering.

References


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