

**ENTREPRENEURS' PERSONALITY TRAITS, COMMITMENT AND  
BUSINESS PERFORMANCE OF SELECTED SMEs IN SOUTH WEST  
NIGERIA**

**BY**

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NIGERIA**

**BY**

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**A THESIS SUBMITTED TO THE DEPARTMENT OF BUSINESS MANAGEMENT,  
COLLEGE OF BUSINESS AND SOCIAL SCIENCES, COVENANT UNIVERSITY,  
OTA, NIGERIA IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE  
AWARD OF DEGREE OF DOCTOR OF PHILOSOPHY (Ph.D) IN BUSINESS  
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**JUNE, 2018**

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## **CERTIFICATION**

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## **DEDICATION**

This thesis is dedicated to the Almighty God, who is the omnipotence, omniscience, and omnipresence. He has graciously provided for me the gift of life, strength and wisdom to complete this research work. To God alone be the glory.

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## LIST OF ABBREVIATIONS

<b>ASCON:</b>	Administrative Staff College
<b>BSC:</b>	Business Score Card
<b>BOI:</b>	Bank of Industry
<b>CBN:</b>	Central Bank of Nigeria
<b>FFM:</b>	Five Factor Model
<b>GDP:</b>	Gross Domestic Product
<b>GNI:</b>	Gross National Income
<b>GNP:</b>	Gross National Product
<b>HEXACO:</b>	(Honesty-Humility (H), Emotionality (E), Extraversion (X), Agreeableness (A), Conscientiousness (C), and Openness to Experience (O)) Model
<b>IFC:</b>	International Finance Corporation
<b>ILO:</b>	International Labour Organisation
<b>JDI:</b>	Job Descriptive Index
<b>NASSI:</b>	National Association for Small Scale Industrialist
<b>NDE:</b>	National Directorate of Employment
<b>NEEDS:</b>	National Economic Empowerment and Development Strategy
<b>NERFUND:</b>	National Economic Reconstruction Fund
<b>NGO:</b>	Non-Governmental Organisation
<b>SEM:</b>	Structural Equation Modelling
<b>SMEDAN:</b>	Small and Medium Enterprises Development Agency of Nigeria
<b>SMEs:</b>	Small and Medium Enterprises

## **ABSTRACT**

The increasing rate of business failure and the challenges associated with small and medium enterprises (SMEs) survival have become a worrisome trend in all nations. The common and traditional reasons for business failure include inadequate infrastructural facilities, inadequate access to capital, harsh government regulations, stiff competition, and inadequate entrepreneurial skill. However, despite the intervention of many governments to remove these hindrances, the failures of businesses remain high. Exploring further solutions to this problem, this study examined the effects of entrepreneurs' personality traits on business performance, and the mediating influence of affective, continuance and normative commitment. This study adopted the mixed research methods which involved both quantitative and qualitative design approach. Five hypotheses were developed from the theoretical model of the study and were investigated through a survey of 531 SMEs entrepreneurs. The questionnaire was structured and designed to gather information from respondents about the personality traits that influence their commitment towards business performance. The additional qualitative approach was conducted through interviews of 15 entrepreneurs who were officers of their trade associations. The interviews were to elicit in-depth information from the selected entrepreneurs. The quantitative data were analysed using SPSS 21 version and the qualitative data were transcribed and analysed based on the hypotheses formulated for the study. Analysis of a moment structures (AMOS 22 software) was used as a confirmatory and visual representation of the result of the analysis. The results revealed positive correlation between the variables measuring personality traits (openness to experience, conscientiousness, extraversion, agreeableness, neuroticism) and business performance (profit, employees' satisfaction, revenue improvement, market share, customers' satisfaction). It was also discovered that when mediating variables - affective, continuance, and normative commitment - were introduced, they have significant effect ( $P < 0.05$ ) on the relationship between personality traits and business performance. The study recommends that entrepreneurs should cultivate the idea of self-assessment and make themselves available for training that will shape and improve their behaviour in terms of improved interpersonal relationships and enhanced business performance.

**Keywords:** Personality traits, Commitment, Business Performance, Entrepreneur, Entrepreneurship, SMEs



# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the Study**

The spate of economic recessions experienced by several developed and developing economies has over the years resulted in overwhelming outcomes. One of such outcomes is the rising rate of unemployment and the diverse attendant implications. For many nations, the strategic reaction to unemployment and its impending consequences is the promotion of entrepreneurship (Baluku, Kikooma & Kibanja, 2016). The basis for this direction is that entrepreneurship has immense potential to stimulate economic development, specifically in terms of employment and wealth creation, exploitation of business opportunities and the reduction of social vices (Iyiola & Azuh 2014; Moses, Eke, & Onochie, 2014). Indeed, there is a consensus of scholarly perspectives that entrepreneurship is an important catalyst for economic growth and development (Yusuf & Albanawi, 2016; Gado, 2015; Dhaliwal 2016).

Despite the many potential benefits of entrepreneurship, several studies have found that most enterprises fold up in the first five years of existence (Oyelana & Smith 2015; Mihajlović, 2015). Majority of the research on why businesses fail or survive are partitioned into two; the causes and the consequences (Ucbasaran, Shepherd, Lockett & Lyon, 2013). In many developing countries, the statistics of entrepreneurship failures are extremely high due to multiple challenges (Singer, Amoros & Moska, 2015). These challenges have impeded entrepreneurial activities and expected performance outcomes. An assessment of success rate among small and medium enterprises (SMEs) in developing nations was recorded at 7% (Gindling & Newhouse, 2014). This can be demoralizing for people that have the traits and passion to engage in entrepreneurial activities. Radu (2013) stated that there will be no business, products, or services without the determination and perseverance of the economic agent called entrepreneur.

Some researchers have attributed the failure of enterprises to factors such as, lack of or limited capital, non-existent or poor infrastructure, unstable exchange rate, over dependence on imported raw materials, unfriendly government regulations and policies, inadequate technological skills, high degree of unprotected competition from foreign firms, and several other environmental factors (Fatoki 2014; Ofili, 2014). However, studies by Jenkins, Wiklund and Brundina (2014) and Khelil, (2016) revealed the importance of investigating the role of entrepreneur's personality traits in the success or failure of enterprise. This is partly because business performance largely depends on both the internal and external factors of the environment. Entrepreneurs who possess a robust understanding of the internal and external environments are more likely to effectively manage the opportunities and threats that the environment presents.

The dynamic business environment has engendered entrepreneurs to be proactively committed to the process of starting, growing, and ensuring the sustainability of their entrepreneurial activities. There is an apparent relationship between personality traits and the behaviour of individuals in the workplace (Emecheta, Hart & Awa, 2016). Entrepreneurs' pattern of thought, emotions, skills and knowledge differs, and these potentially affect their passion, commitment and performance in business activities (Mohammed & Massoud 2016; Liang & Lin 2015). Within the same business environment, owners of business ventures react to issues differently because of peculiar antecedents that precede their entrepreneurial activities. Demographic variables (gender, age, marital status, religion, educational background, occupation, family size, and income level) may affect personality traits and potentially impact on behaviour and subsequently, business performance.

The performance and sustainability of business venture is largely dependent on the commitment and the unique traits that the entrepreneur possesses (Eser & Ozdemirci, 2016). Commitment to business ventures of entrepreneurs which can be achieved through the three Meyer and Allen (1991) components of affective, continuance and normative are partly determined by the personality traits inherent in each business owner. This reflects an emotional response that can be examined through people's behaviours, beliefs, and attitudes and can range anywhere from very high to very low (Meyer & Allen, 1997). The reaction of every entrepreneur to changes in the environment will be highly influenced by the skills, knowledge, passion and the individual way of thinking. Personality traits are the basis and propensities to explain the characteristics of

individuals (Colquitt, Le-Pine & Wesson, 2009) and since individual personality traits affect their commitment (Khiavi, Dashti & Mokhtari, 2016), then studying these variables in relation to business performance is critical for the growth, and sustainability of business ventures. This is particularly important in developing nations such as Nigeria, where the statistics for entrepreneurial success is low.

## **1.2 Statement of the Research Problem**

The current phenomenon in developing economies such as Nigeria where recession has increased the rate of business failures and unemployment makes it imperative for one to investigate the nature of entrepreneurship and the factors that facilitate its success. Given the same resources, opportunities, environment, and time frame, researchers have confirmed that the performances of entrepreneurs differ significantly (Simpeh, 2011; Baluku, *et al.*, 2016; Eser & Ozdemirci, 2016). What makes businesses perform either positively or negatively depends on various factors which have been studied extensively. According to these studies, the foremost reasons why businesses fail are lack of or limited capital, infrastructural amenities, environmental factors, dominance of cheaper foreign goods and services (Ofili, 2014; Singer, *et al.*, 2015, Desalegn & Venkateshwar, 2016). Researchers such as Agwu and Emeti (2014), Fatoki (2014) and Mihajlović, (2015) attributed the poor performance of enterprise to the underestimation of business risk; absence of financial responsibility; underrating business time requirements; paucity of market awareness; lack of focus; poor management and functional skills and lack of customers. The possibility that the personality traits of entrepreneurs may impact their commitment towards business performance is not considered by the mentioned studies. This study therefore seeks to close this gap by investigating how different dimensions of personality traits of the entrepreneurs affected their commitment to their business performance.

Apart from these popular traditional reasons why businesses fail, psychologists such as Consiglio, Alessandri, Borgogni and Piccolo (2013), have argued that the performance of an enterprise can be better understood from proper examination of the inherent traits and characteristics of the enterprise owner. To understand the behaviour of a person, Awadh and Ismail (2012); Syed, Saeed and Farrukh (2015); Emecheta, *et al.*, (2016) suggested the use of personality variables such as agreeableness, openness to experience, conscientiousness, extraversion, and neuroticism, which are also referred to as the five factors model (FFM). Fatoki (2014) suggested that relating these variables to indigenous

contexts will be important to forestall the incessant collapse of SMEs in developing nations. For example, agreeableness includes getting along with others in social relationships. People with high level of agreeableness are helpful, forgiving, generous and good-natured. Previous studies have however demonstrated a negative relationship between agreeableness and business performance (George & Zhou, 2001; Yesil & Sozbilir, 2013).

Cultural variations and different patterns of thinking may influence such a finding, limiting its generalizability across contexts. Therefore, such an investigation in the Nigerian business environment may generate a different finding and implication.

The lack of requisite knowledge for the growth and sustainability of SMEs has been a major problem contributing to the collapse of small and medium scale enterprises. Many businesses collapse because entrepreneurs fail to employ or duly compensate qualified staff. Disgruntled employees, with products and services that do not meet the aspirations of consumers may cause major loss and lead to the inevitable collapse of the business enterprise. To survive business early year challenges, an entrepreneur needs to display openness to experience and to promote affective commitment towards employees' satisfaction. Bakker, Van Der Zee, Lewig and Dollard (2002) observed that openness to experience involves intelligence, curiosity, imagination and flexibility. There seems to be a consensus in literature regarding the relationship between openness to experience and business performance. However, past studies have not been able to establish the mediating roles of affective commitment between openness to experience and employee's satisfaction.

In developing nations, entrepreneurs are faced with daunting challenges of sustaining organisational and operational plans when businesses transit or go through phases of change (Gado, 2015; Kanu, 2015; Mihajlović 2015). Challenges such as new technology, political and regulatory environment, competitions require a conscientious entrepreneur. Conscientiousness is a personality trait that is associated with responsibility, dependability, organisation and hard work. Past studies undertaken by Rothmann and Coetzer, (2003), Yakasai and Jan (2015) have revealed that conscientiousness is significantly and positively correlated to creativity but its relationship with revenue improvement is not well researched.

Jawwad, Muhammed, and Mazhar (2014) maintained that businesses cannot experience improvement unless the commitment of the entrepreneur is genuine. Many SMEs have failed because of bad attitude towards major stakeholders of the business. Customer loyalty becomes difficult to gain, employees do not give their best, suppliers and lender institutions are not keen to associate with the business. It will take entrepreneurs with appropriate personality traits to manage relationships effectively thereby leading to improved market share. Extroverts, for example, reflect higher frequency and intensity of personal interactions, positive emotions, self-confidence and dominance. There are inconsistent results regarding the relationship between extraversion, introversion and business performance. It is therefore important to examine the possible influence of extraversion on the normative commitment of entrepreneurs and the effect on market share.

Many SMEs constantly lose their sales and revenue because they are unable to achieve customers' satisfaction through service quality. In service-based organisations where business activities require personal interactions between employees and customers, the behaviour and attitude of the enterprise representative will be a determining factor in the level of satisfaction that the customers will derive. Representatives with neurotic personality traits may have challenges with achieving customers' satisfaction. According to Goldberg (1990) temperamental, moody, anxious, and irritable are the characteristics associated with neurotic people. Scholars have not reached a consensus regarding the implications of neuroticism on business performance due to the context dependency of neuroticism (Barrick & Mount 1991; Patterson, Kerrin & Gatto-Roissard, 2009).

Against the foregoing, this study investigated the relationships between entrepreneurs' personality traits, commitment, and business performance in selected small and medium scale enterprises in Southwest Nigeria. The interactions amongst sub-constructs were also examined to provide composite insights and analyses against the backdrop of Nigeria's dynamic business environment.

### **1.3 Research Objectives**

The general objective of the present study was to investigate the interactive effects of personality factors on business performance and the mediating role of commitment in selected small and medium scale enterprises in Southwest Nigeria. The specific objectives were to:

- i. investigate the mediating effect of affective commitment on the hypothesised relationship between agreeableness and profit derived from business;
- ii. assess the mediating role of affective commitment on the relationship between openness to experience and employees' satisfaction;
- iii. analyse the mediating effect of continuance commitment on the relationship between conscientiousness and revenue improvement;
- iv. examine the mediating effect of normative commitment on the hypothesised relationship between extraversion and market share; and
- v. ascertain the mediating effect of normative commitment on the relationship between neuroticism and customers' satisfaction;

#### **1.4 Research Questions**

The following questions were derived from the research objectives:

- i) What is the mediating effect of entrepreneurs' affective commitment on the relationship between entrepreneurs' agreeableness and profit derived from business?
- ii) What is the mediating effect of affective commitment on the relationship between entrepreneurs' openness to experience and employees' satisfaction?
- iii) What is the mediating effect of continuance commitment on the relationship between entrepreneurs' conscientiousness and revenue improvement?
- iv) To what extent does normative commitment mediate the relationship between entrepreneurs' extraversion and market share?
- v) What is the mediating effect of normative commitment on the relationship between entrepreneurs' neuroticism and customers' satisfaction?

#### **1.5 Research Hypotheses**

In line with the stated research questions, the following hypotheses were formulated and stated in null form.

##### ***Hypothesis One:***

H<sub>1</sub>: Affective commitment does not significantly mediate the relationship between entrepreneurs' agreeableness and profit derived from business.

***Hypothesis Two:***

H<sub>2</sub>: Affective commitment does not significantly mediate the relationship between entrepreneurs' openness to experience and employees' satisfaction.

***Hypothesis Three:***

H<sub>3</sub>: The effect of entrepreneurs' conscientiousness on revenue improvement is not significantly mediated by entrepreneurs' continuance commitment.

***Hypothesis Four:***

H<sub>4</sub>: Normative commitment has no mediating effect on the relationship between entrepreneurs' extraversion and market share.

***Hypothesis Five:***

H<sub>5</sub>: Normative commitment has no mediating effect on the relationship between entrepreneurs' neuroticism and customers' satisfaction.

## **1.6 Significance of the Study**

Entrepreneurs' personality traits represent important input factors that define the level of commitment to their entrepreneurial ventures (Abdul, 2016). This study is unique as it provides insights on the relationship between entrepreneurs' personality traits, commitment, as well as the implications of this relationship on entrepreneurial performance. Specifically, the study is relevant for use to the following stakeholders:

- i) **Government Agencies:** The findings provide useful information for policy makers in the formulation of sustainable policies that will educate and re-orientate entrepreneurs towards shaping their behaviour to enhance their commitment to business performance.
- ii) **Trade and Manufacturing Associations:** The study is valuable to micro, small and medium enterprise associations as it provides insights that members can benefit from, particularly in terms of business decision-making.
- iii) **Entrepreneurs and SMEs Operators:** All practicing and potential entrepreneurs will benefit immensely from the findings of this study as it provides valuable suggestions on traits and behavioural patterns that will enhance commitment towards business performance.
- iv) **Research and Academic Environments:** This study provides a platform for future investigations on entrepreneurs' personality traits, commitment and

business performance. The findings will raise pertinent questions that will require further studies.

- v) **Human Resources Agencies/ Organisations:** It will provide information and serve as a platform for the development of requisite entrepreneurial traits.
- vi) **Consultancies and Professionals Bodies:** The findings of this study will benefit consultancy services in disseminating accurate information to clients in pursuit of business performance. It will also assist professional bodies and consultancies to tailor their training and development programmes towards the suggestions and recommendations derived from this study.

### 1.7 Scope of the Study

The study population comprised entrepreneurs of the Nigerian Association of Small Scale Industrialists (NASSI), registered in the six State chapters of Southwest Nigeria. The sectors covered manufacturing, agriculture, forestry, education, waste management, water supply, construction, transport and storage. Other sectors are mining and quarrying, information and communication, recreation and entertainment, hospitality and tourism. The sample was drawn from members who attended the monthly meeting in each of the six chapters that constitute the Southwest zone of the association. The choice of the South-western zone was informed by the fact that the region is a commercial hub of Nigeria with low poverty indices and high entrepreneurial activities (NBS, 2012).

Considering the fact that there are several models for personality traits, the scope of this study is limited to the Big Five Personality Model (Agreeableness, Conscientiousness, Extraversion, Openness to Experience, and Neuroticism) as measuring variables for entrepreneurs' personality traits. Furthermore, it examined the interaction and influence of the Big Five Personality Model on commitment (affective, continuance, and normative) and business performance.

### 1.8 Operationalisation of Research Variables

The major constructs in this study were entrepreneurs' personality traits, commitment and business performance. To establish hypothesized interrelationships, the constructs are operationalized as follows:

$$Z = f(X)$$

$$Z = f(Y)$$

$$Z = f(X) + f(Y)$$



$$Z = f(X + Y)$$

Where: X= Independent Variable (Entrepreneurs' Personality Traits)

Y= Mediating Variable (Commitment)

Z = Dependent Variable (Business Performance)

Entrepreneurs' Personality Traits (X) which is the independent variable can be broken down into the following variables:

$$X = x_1, x_2, x_3, \dots, x_n$$

Where:  $x_1$  = Agreeableness

$x_2$  = Conscientiousness

$x_3$  = Extraversion

$x_4$  = Openness to Experience

$x_5$  = Neuroticism

Commitment (Y) is the mediating variable and can be divided into three distinct components adopted from Meyer and Allen (1991).

$$Y = y_1, y_2, y_3, \dots, y_n$$

Where:  $y_1$  = Affective Commitment

$y_2$  = Continuance Commitment

$y_3$  = Normative Commitment

Business Performance (Z) which is the dependent variable can further be broken down into the following variables:

$$Z = z_1, z_2, z_3, \dots, z_n$$

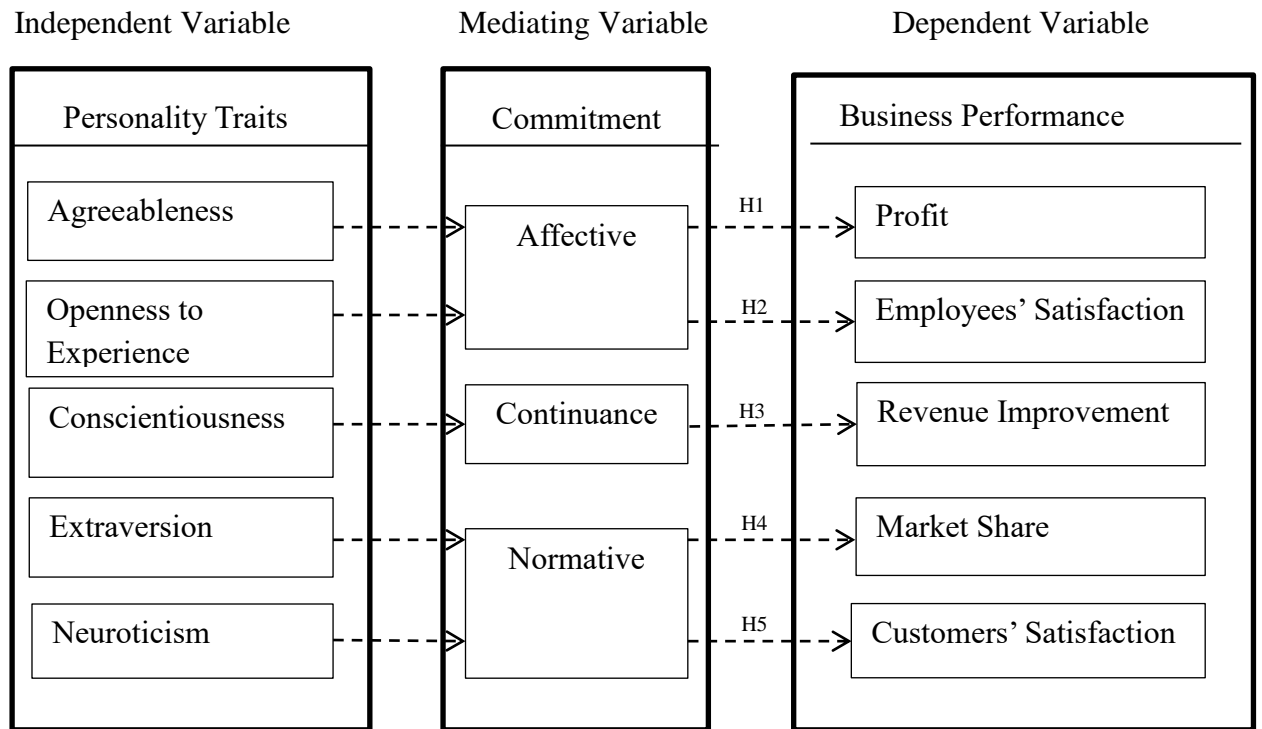
Where:  $z_1$  = Profit

$z_2$  = Employees' Satisfaction

$z_3$  = Revenue Improvement

$z_4$  = Market Share

$z_5$  = Customers' Satisfaction



**Figure 1.1: Schematic Model of the Study**

Source: Researcher's conceptual model

## 1.9 Operational Definition of Terms

### **Agreeableness:**

This is a personality trait that describes dependability, kindness, courtesy, and cooperativeness. People with this trait tend to do things for the collective good rather than being self-centred and pursuing personal goals (Emecheta, *et al.*, 2016). In this study, agreeableness is conceptualized as the degree and level to which an individual is dependable, sympathetic, kind, warm and cooperative.

**Business Performance:** This is the result of the activities of entrepreneurs and the response of the environment. It is related to the efficient and effective management of an organisation or business (Oginni & Adesanya, 2013). In the context of this study, business performance is defined as an outcome of the interaction between the environmental factors (internal and external) and the activities of entrepreneurs. It is regarded as the value that a business delivers to its owner(s) and customers over a period of time.

**Commitment:**

This is the unreserved willingness to dedicate time and energy to a course of action. Commitment relates to entrepreneurs' determination in solving business-related problems and improving business performance (Osibanjo, Pavithra & Adeniji, 2014). Entrepreneurial commitment refers to the dedication of resources (time, money, properties) to achieving and sustaining profitable performance in business ventures.

**Conscientiousness:**

Conscientiousness is the degree to which an individual is disciplined, organised and self-controlled (Zhao & Seibert, 2006; Baluku, *et al.*, 2016). In this study, a conscientious person is described as being organised, efficient, self-disciplined, purposeful and motivated towards achieving defined goals.

**Extraversion:**

This describes how sociable, warm, gregarious, talkative, and self-confident a person is. An extravert enjoys socializing, unlike the introvert who is socially withdrawn (Zaidi, Wajid, Zaidi, Zaidi & Zaidi, 2013; Emecheta, *et al.*, 2016). Extraversion is therefore conceptualized as being sociable, excitement seeking and enthusiastic.

**Hybrid Entrepreneur:**

The hybrid entrepreneur embarks on an entrepreneurial venture whilst retaining a full-time job. It is the switch from full-time and wage work to self-employment (Schulz, Urbig & Precher, 2016). Hybrid entrepreneurs partake in wage work and at the same time are involved in self-employment to generate additional income.

**Neuroticism:**

This is a typical personality trait that defines a person's state of anxiousness and nervousness. It is the degree of self-contentment and self-confidence inherent and manifested in the behaviour of a person. Persons with neurotic traits tend to be preoccupied with things that are outside their control (Baluku, *et al.*, 2016). Neuroticism refers to the trait in people who persistently have the tendencies to feel moody, envious, depressed, angry, lonely, worried, anxious, afraid and pessimistic.

**Openness to Experience:**

This is a tendency to be open-minded, preference and curiosity for new experiences. An intellectually curious person will likely score high in the measurement of openness to experience (Gozde & Emel, 2016). In the context of this study, openness to experience means engaging in new things, being open-minded, imaginative and attentive to inner feelings.

**Personality Traits:**

These are the unique characteristics or qualities inherent in an individual. Personality traits influence temperaments, emotion and behaviour. They influence the disposition and day to day activities of an entrepreneur (Aderonmu, Omonijo & Anyaegbunam, 2016).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Preamble**

This chapter entails three sections dealing respectively with the conceptual, theoretical and empirical frameworks. The conceptual framework discusses specific concepts relevant to the research topic under consideration. Furthermore, the theoretical framework reviews applicable theories associated to the dependent, mediating and independent variables. The third section focused on empirical findings, particularly those associated with issues of the influence of entrepreneurial personality traits and business performance and the mediating role of affective, continuance and normative commitment.

#### **2.1 Conceptual Framework**

The study discusses selected concepts of personality traits, entrepreneurs, entrepreneurship, commitment, entrepreneur's commitment and business performance. Also captured are specific constructs such as small and medium scale enterprises and business environment.

##### **2.1.1. Entrepreneur**

From a developmental perspective, the concept of entrepreneur has become one of the most central and widely researched subjects in various socio-economic contexts. This terminology has been defined based on specific experience of individual and their understanding of the concept. Warren, Louis and Joe (1995) affirm that several definitions focus on the roles, characteristics, and traits of individual entrepreneur. Baptiste (1816) as cited in Shacheendran and Mathew (2015) described the concept of entrepreneur as an individual who aggregates or combines a complement of material and non-material factors of production. The revenue from the sales of the products or services allow the entrepreneur to be able to pay interest on capital, wages to labourers, rent on land, and what remains is the profit. Schumpeter (1934) defined entrepreneur as innovator who implement entrepreneurial change within markets. This is identifying market opportunities and using innovative approaches to exploit them. Ogbo, Orga and Ukpere (2012) described an entrepreneur as a person that identifies, advances and brings a vision to existence to produce wealth. In line with the identification of opportunity, Osemeke (2012) opined that an entrepreneur is a person who discovers, develops and brings new

ideas to existence; coupled with the responsibility of assuming the risks involved to make profit. Peng, Lee, and Hong (2014), considered the role of entrepreneur as the actor who creates, discovers, and exploits value-adding opportunities. Also in this regard, Chell (2013) emphasized the dominant ‘opportunity recognition’ theory which defines the role of the entrepreneur as being the person that discovers new opportunities that already exist and subsequently develops (or exploits) these opportunities.

According to Adegbite, Ilori, Irefin, Abereijo and Aderemi (2007), an entrepreneur is one who brings about new ideas, put resources together, and ultimately plays a central role in the operation of business venture. However, the effect of culture, social, political, economic, psychology and entrepreneur characteristics were not accounted for in this definition. The personality of the entrepreneur, culture and environment of which the entrepreneur operates are important factors to know who a true entrepreneur is. Ogundele and Abiola (2012) described entrepreneur as the originator or creator of a profit-seeking or economic organisation, which is created for the aim of making available goods and services that satisfy needs. All these definitions indicate the identification of opportunities and providing the goods and services to meet such opportunities for profit reward. It is noteworthy that this dimension is typical of entrepreneurs in SMEs, especially those operating in developing countries.

### **2.1.2 Entrepreneurship**

The concept of entrepreneurship has generated many definitions. Each definition bears the author’s opinion, understanding, and environmental factors. Adelekan and Dansu (2016) defined entrepreneurship as solution provider through the application of passion and drive that brings about a vision conceived. From the above, entrepreneurship is regarded as a process that brings about an action to actualize the implementation of a new idea. Towards the same perception, Peverelli and Song (2012), described entrepreneurship as an activity to enable one identify an opportunity, initiate an action, utilize it, and create a business purposely to make profit. The reason behind entrepreneurship here is profit maximization. This can only be achieved if the process is enabled by a flourishing environment.

Oghenetega and Ugeh (2014) explained that entrepreneurship is a process of looking for information or avenue to unearth ways to amend economic and social standards of people through income generation. Without the personality of the entrepreneur, entrepreneurship

activities will be in futility. From this standpoint, entrepreneurship could emanate from any institution or body that will create the processes that aid the development of entrepreneurial activities. This process should drive and encourage the development and promotion of entrepreneurial process that will add value to the economic emancipation of a nation.

Johnson (1990) stated that the institution of entrepreneurship creates entrepreneurs. Without the process of entrepreneurship there will not be entrepreneur. Therefore, it is important to study the personality of the entrepreneur to ascertain the peculiarities of behaviour and potential implications for business performance. There is limited research that examines how personality traits and behaviours are associated in the Nigerian business environment. Emmanuel (2008) opined that entrepreneurship is concerned with the identification of gaps and opportunities that abound in an environment and bringing resources together to fill these gaps and getting rewarded for taking such steps. The entrepreneur bears the risk of taking such steps and gets the accrued benefits in term of profit from the business. In congruence with this, Shane and Venkataraman (2000) emphasised that individuals with passion to succeed will do better in entrepreneurial activities than those without passion.

### **2.1.3 Types of Entrepreneurship Theories**

Entrepreneurship theories remain very vital to the understanding of the development of entrepreneurial activities all over the world. Many authors with different backgrounds have put forward several theories to explain and clarify entrepreneurship. Various theories of entrepreneurship depict the understanding, environment, culture, economic backgrounds of the theorists. Each theory in most cases depends on the perspective and focus of the person giving it. The theories sometimes defy universal application because of the peculiarity of the theorist and the geographical boundaries that separate the economic regions of the world. A review of some of these theories is as follows:

#### **i) Economic Theory**

Cantillon (1755) was the first to associate entrepreneurship with the idea of an economic gain. The author recognised entrepreneur as an economic agent who bears risk in the process of utilisation of recognised business opportunity. Among the classification of the three agents of the economy (landowners, entrepreneurs, and hirelings), Cantillon (1775) believed the entrepreneur is the engine of the economy that connects the producers with

the consumers. However, entrepreneurship economic theories have a tendency to accept substantial criticism for failing to recognize the open system of the market, dynamic culture and ignoring the distinctive nature of various situations in which entrepreneurship transpires.

### **ii) Innovative Theory of Entrepreneurship**

Schumpeter (1991) opined that creativity and innovation is the main factor that enables effectiveness and efficiency of an entrepreneur. On the other hand, Schumpeter (1991) viewed innovation alongside with knowledge as the catalytic agent for successful entrepreneurship. In determining a break in a rigid competitive market, the author held that creativity is germane. Therefore, it is important to state that knowledge and innovation are major factors towards entrepreneurial achievement. The knowledge of the entrepreneur helps in identifying business opportunities, while innovation facilitates the creation and sustenance of new businesses or enterprises. This theory however did not take into consideration the challenges being experienced by entrepreneurs in developing economies, where all the creative and innovative ideas may not come into reality because of perennial problems that inhibit the growth of entrepreneurial activities.

### **iii) The Neo-Classic Theory of Entrepreneurship**

Marshall (1948) postulated the prominent theories of entrepreneurship. In his view, the organisation is the fourth factor of production after land, labour and capital. He considered entrepreneurship as the main driving factor that brings these four factors together. He also believed that the efforts of an entrepreneur will influence how well an organisation performs and the profit margin derived. The theory also perceives business information and the level of knowledge and skills attained by an entrepreneur, as significant aspects that will decide profit accrued in the course of executing business activities. That is, knowledge gives entrepreneurs an edge in the competitive business environment.

### **iv) Psychological Theories**

These theories relate more to the emotional and mental state of individuals that engage in entrepreneurial activities. Entrepreneurship lays emphasis on the emotional or mental state of individuals (Landstrom, 1998). It was further stated by McClelland (1961) that entrepreneurs have needs for attainment and accomplishment. The need drives entrepreneurs' passion and energizes their actions to perform in their entrepreneurial



activities. The locus of control implies that people's actions have an impact on the external world as a result of the resilient internal locus of control and traits they possess. A concluding approach, though not backed up by some researchers, proposed that personality trait is a gradual process ranging from creativity and flexibility to optimism and ambitious entrepreneurial behaviour.

#### **v) Opportunity-Based Theory**

This theory holds that things happen through the concerted efforts of the entrepreneurs who sees and takes advantage of opportunities. Drucker (1985) believed that an entrepreneur always searches for opportunities and takes the advantages through innovation and use of combination of resources. Drucker (1985) emphasised that entrepreneurs are better off at identifying and utilizing of business ideas generated by cultural, technological and social changes. Drucker (1985) emphasised that innovation is the hub of entrepreneurship which creates resources after its economic value is recognised and the exploration of opportunities brought by the change is what this theory defined.

#### **iv) Anthropological Entrepreneurship Theory**

Anthropological theory of entrepreneurship has to do with examining the belief, customs, development, origin and the culture of people residing in a community. It states that cultural and social backgrounds should be scrutinized in the process of initiating a successful business venture. The theory emphasises that cultural knowledge is important in planning and setting up of entrepreneurial ventures. Baskerville (2003) observed that individual ethnicity has an effect on the attitudes, values and behaviour that affect the innovative spirit. Hence, attitude and entrepreneurial differences is sourced from the cultural environments surrounding an entrepreneur (Baskerville, 2003; North, 1990 & Shane, 1994). Emphasis is also laid on the model of cultural entrepreneurship. According to this model, new ventures emanate from the influence of culture; which implies that cultural differences can be an antecedent of entrepreneurial practices.

#### **v) Resource-based theories of entrepreneurship**

This is based on individual leveraging of resources for the successful take-off of entrepreneurial activities. The resources available to individuals are very important in new venture creation and very valuable in exploiting opportunities available to entrepreneurs. Amolo and Migiro (2014) highlighted that the exploitation of opportunities and the subsequent conversion to goods and services are enhanced by the resources

available. The types of resources an entrepreneur can leverage on include information, social networks, human resources and education. Tangible and intangible resources play vital roles in the development of entrepreneurial activities.

#### **viii) Situational/Necessity propelled theory of entrepreneurship**

This explains the situational condition or the compelling necessity in which an individual engages in entrepreneurship because of unavailability of jobs that match their educational qualification or entrepreneurial skills. This is more rampant among tertiary institutional graduates that engage in menial jobs to meet their immediate physiological needs.

### **2.1.4 Types of Entrepreneurs**

Every entrepreneur is unique, different in certain respects and typically acts as catalysts for various types of business interests. The following classifications may define the types available in every sphere of business venture.

#### **i) Hybrid Entrepreneurs**

These are those who engage in entrepreneurial venture while retaining a full-time job. It is a system of switching from full-time and wage work into self-employment for entrepreneurs going into full time entrepreneurship (Schulz et al., 2016). It is a path to entrepreneurial activities for passionate individuals who wish to fulfil their entrepreneurial abilities. Though this form of entrepreneurship may affect commitment between full time job duties and part-time business ventures, it contributes to the process of enlarging the population of people transiting to full time entrepreneurship.

#### **ii) Social Entrepreneurs**

Social entrepreneurs can be regarded as drivers of social revolution and change in diverse social, business and economic spaces. They undertake tasks to reduce the poverty level of the society by applying entrepreneurial skills and business acumen to reverse unproductive outcomes or trends (Kelley, Singer & Herrington, 2015).

#### **iii) Serial Entrepreneurs**

This is an entrepreneur that engages in several entrepreneurial activities simultaneously, and runs several businesses in a concurrent manner. It is in contrast to an entrepreneur who runs a business on daily basis and sees to the management of the single business until retirement (Wolff, Valliere, Lin, Cukier, Cyr & Wong, 2014).

This later depiction represents someone who ventured into business without prior experience. Thus, learning and experience are achieved by the continuous commitment to deploying and improving the processes connected with various entrepreneurial undertakings.

#### **iv) Business Entrepreneurs**

These are individuals that consummate business ideas, particularly as regards a new product or service and are usually associated with small enterprises (Barro & Lee, 2013). They are involved in various small businesses which include; confectionery, printing and graphics, house furnishing and decoration, advertising agency, patent medicine store, fashion designing and hair styling.

#### **v) Habitual Entrepreneurs**

These set of entrepreneurs make use of their knowledge in business to advance their entrepreneurial interests. They are labelled habitual to denote their stake in various business concerns (Ucbasaran, Alsos, Westhead & Wright, 2008). They can also be regarded as experienced business owners that leverage on their wealth of experience to venture into multiple business undertakings.

#### **vi) Trading Entrepreneurs**

The trading entrepreneur in principle does not participate in the manufacturing of the goods being traded upon. The focus in this instance is to identify the market place and strategically deploy required goods to viable locations. (Sobel, 2008). This class of entrepreneurs explore the local and international jurisdictions and is synonymous with commercial dealing of chemical and high-tech products. In accordance with subsisting country regulations; franchises and distributorships can be secured which leads to some measure of competitive advantage.

#### **vii) Portfolio Entrepreneurs**

Portfolio entrepreneurs run more than one business at the same time by sharing facilities or resources and are thus engaged with multiple projects (St-Jean & Duhamel, 2014). These are very experienced individuals and this line of business forms a major part of their lifestyle. Also, they are typified by efficient resource management so as to optimize returns.

#### **viii) Industrial Entrepreneurs**

These are entrepreneurs who specialise in producing goods and services that meet the needs of a specific set of consumers. The satisfaction of identified needs preoccupies the mind of these entrepreneurs (Tessensohn, & Thurik, 2012).

#### **ix) Corporate Entrepreneurs**

Entrepreneurs who demonstrate innovative skills and possess the ability to manage the developmental activities in large organisations are referred to as corporate entrepreneurs. With big visions, they plan and manage business activities towards improving performance (Gohmann, Hobbs & McCrickard, 2008).

#### **x) Agricultural Entrepreneurs**

Agricultural entrepreneurs specialise in providing seeds, fertilizers, marketing and collection of farm produce from farmers. They are involved in the provision of tools for irrigation and the application of mechanised farming to yield large scale agricultural production (Hughes, 2014).

#### **xi) Technical Entrepreneurs**

These entrepreneurs are craftsmen who depend on the knowledge acquired through training to produce things. They concentrate time and effort on the production process rather than sales (Roja & Nastase, 2014).

#### **xii) Non-technical Entrepreneurs**

Non-technical entrepreneurs concentrate time and effort on selling rather than the production of goods. They are not involved in the technical aspect of the production but the marketing and sales process (Davidsson, Steffens & Stuetzer, 2012).

#### **xiii) Professional Entrepreneurs**

Professional entrepreneurs are people who offer services to organisations or businesses without the aim of managing the business. They facilitate the establishment of business organisations but are uninterested in managing the organisation for a long time (Sobel, Clark & Dwight 2007). They are usually engaged as consultants in business organisations.

**xiv) Pure Entrepreneurs**

Pure entrepreneurs engage in entrepreneurial activities because of the personal satisfaction derived from such venture. Status, ego and self-fulfilment are the drivers of pure entrepreneurs.

**xv) Induced Entrepreneurs**

These set of individuals become entrepreneurs because of government inducement for self-employment. The policies of the government may offer assistance, incentives and concessions to encourage entrepreneurship (Johnstone, 2014).

**xvii) Motivated Entrepreneurs**

Motivated entrepreneurs are individuals who engage in entrepreneurial ventures because of self-fulfilment and the possibility of introducing new products or services into the market. There are further motivated when such products or services begin to yield profit (Amorós & Bosman, 2013).

**xviii) Spontaneous Entrepreneurs**

These individuals commence entrepreneurial activities because of the talents and boldness inherent in them. They possess a lot of innovative ideas and are motivated to bring such ideas to reality (Langford, Josty & Saunders, 2014).

**xix) Growth Entrepreneurs**

They are engaged in resolving the challenges of growing large organisations in terms of maximizing and sustaining profit, market share and employees satisfaction (Lecuna, Cohen & Chavez, 2017).

**xx) First-generation Entrepreneurs**

These are entrepreneurs/innovators who undertake the risks of bringing new technology or products into the market.

**xxi) Modern Entrepreneurs**

Modern entrepreneurs embarks on business ventures that are aligned with current market situations or demands (Braunerhjelm & Eklund, 2014).

#### **xxii) Classical Entrepreneurs**

Entrepreneurs whose major concern is the provision of customers' needs through a venture created to service that purpose. The survival of the venture is important to sustaining expected economic returns (Bjørnskov & Foss, 2008).

#### **xxiii) Innovating Entrepreneurs**

These are individuals with innovative vigour who possess the determination to adapt an existing products or technology. They exhibit skills that make their innovative ideas attractive and valuable (Langford, Josty & Saunders, 2015).

#### **xxiv) Imitative Entrepreneurs**

These are entrepreneurs that usually adopt the innovation of others. They expend resources looking for existing products to imitate. Poor imitation of products, technology and techniques of other entrepreneurs may result, leading to production of inferior goods. Entrepreneurs of this form are popular in developing countries. However, their activities may result in significant progress in the areas that they imitate production (Ucbasaran, Alsos, Westhead & Wright, 2008).

### **2.1.5 Importance of Entrepreneurship in Economic Development**

Entrepreneurship involves recognising, exploiting and making best use of gainful business opportunities that can raise, improve and sustain the improvement and economic growth of a country. Realising the roles of entrepreneurship, both developed and developing nations have embarked on programmes to encourage the teaching, acquisition and practice of entrepreneurial skills. The effectiveness of entrepreneurial initiatives in this respect, will typically results in prosperous small and medium scale enterprises (SMEs), engendering the followings benefits among others:

#### **i) Facilitates Employment Generation**

Entrepreneurial activities that are backed up with effective government support may be a panacea to unemployment. Entrepreneurship is a prominent means of job creation and economic growth in Nigeria and other developing nations. Efficient entrepreneurship model will increase the innovative and creative abilities of entrepreneurs and invariably generate employment and increase the living standard of people.

## **ii) Expansion of Economic and Technological Activities**

The expansion of economic and technological activities through entrepreneurship is becoming an avenue through which developing nations are leveraging technological transfer for economic transformation (Dhaliwal, 2016). Entrepreneurship is vital in economic development because of its contribution in bringing up new technology and inventions.

To expand economic and technological activities, government support is important to facilitate favourable environment for entrepreneurial practices and increase in the development of entrepreneurship establishment. The establishment of various government support programs will be the lubricant needed to promote various entrepreneurs in SMEs. Improvement in the mode of production through advancement in technology will make the quality of products of local entrepreneurs to be competitive in price with so called imported goods.

## **iii) Catalyst for Economic Growth and Development**

Entrepreneurship is a significant element needed in the development of every developing nation like Nigeria. Entrepreneurs' are risk takers who operate in challenging environments with the aim of making profit and contributing to the economic growth of a nation. They are the pillars of inventions and market expansion. In order to forestall and abate the continuous nose diving of the economic fortunes of developing nations like Nigeria, the government has embarked on series of restructuring programmes to transform the economy. Emphasis has been on encouraging entrepreneurial activities that are geared towards creation of SMEs. A number of government programmes are now geared towards disinvestment and financial deregulation. The government programmes are to encourage business development that will enhance the performance of SMEs, who are the engine of economic development (Afolabi, 2015).

## **iv) Creation of New Business Ideas**

Entrepreneurship invariably serves as a means through which new goods and services are offered. Related businesses that support the new venture further add to the economic development. From the extremely qualified programmer to the construction worker, the entrepreneur enables assistance across a wide range of sectors (Dhaliwal 2016).

**v) Promoting Country's Export Trade**

Entrepreneurs contribute in notable ways to countries' foreign exchange earnings; especially those focused on importing and exporting of goods and services. This will typically provide entrepreneurs reasonable access to foreign exchange required to facilitate specific aspects of the trade. The benefits of the sustenance of this type of entrepreneurial activity are manifold and ensuring a veritable balance is important for all connected stakeholders.

**vi) Encourage Savings Culture**

The promotion of entrepreneurial activities and the resultant increase in employment generation will increase the liquidity in the economy and thereby allow for savings. Conversely, increased savings will provide capacity for re-investment in domestic employment generating options and growth, whilst also lowering the incentives and margins of external borrowing.

**vii) Redistribution of Wealth**

Entrepreneurship will create employment opportunities that will bring about profit and wages to entrepreneurs and their employees respectively. Profit derived and wages extended to employees will potentially lead to redistribution of wealth. Taxes on incomes, goods and services of the entrepreneurs and taxes of government employees are used to provide health facilities, infrastructural facilities for the society of large populace.

**viii) Improved Standard of Living**

Improved standard and increased purchasing power are associated with entrepreneurship. With increased number of wage earners as a result of increase in job opportunities, purchasing power will increase and people will be able to buy things that will increase their standard of living. Since having a regular source of income in developing nations is what distance people from poverty, then, continuous efforts should be made towards creation of employment opportunities.

**ix) Growth of Per Capita Income, Gross Domestic Product and Gross National Product**

A fundamental implication of the creation of SMEs is the generation of substantial economic activities. An increased activity of entrepreneurs in terms of goods and services improves the Gross Domestic Product (GDP), which is the total worth of a nation's



production value within a specific year. There will also be a rise in the per capital income of the citizenry due to increased entrepreneurial activities. An increase in GDP with the additional gains from foreign investment by local entrepreneurs will increase the Gross National Product (GNP).

### **2.1.6 Factors Affecting Entrepreneurial Development**

The survival and sustainability of entrepreneurial development depends largely on the capability of the entrepreneur to effectively manage the environment of operation. Given the dynamic environment that businesses operate in, especially in developing nations such as Nigeria, it is important that entrepreneurs adapt to changes and strategize constantly to achieve the business objectives. For entrepreneurs to be successful, they must be able to identify a niche within the large environment and thereafter, make strategic business plans and implement decisions (Osemeke, 2012). Environments are dynamic and characterised by several factors such as religion literacy levels, socio-cultural factors, political and legal forces, economic factor, technological innovations and demographic factors (Onodugo & Onodugo, 2015). SME entrepreneurs must assess the environment to detect which of the factors will impact positively or negatively on business operations. In most cases, internal environmental factors are controllable by the entrepreneurs, while the external factors in the environment are not controllable.

The impact of internal and external factors can be severed on the operational performance of entrepreneurs. Other possible factors include lack of credit facilities, poor infrastructure, inadequate security, insufficient entrepreneurial skills, corruption and poor government policies towards entrepreneurial development (Ayegba & Omale, 2016). These factors portend danger for economic development, employment generation, poverty reduction and crime eradication

#### **i) Inadequate Infrastructure**

Poor infrastructure is a major hindrance towards attaining economic growth potential. In Nigeria, the poor state of infrastructure has become a major challenge militating against the performance of entrepreneurs. For entrepreneurs in manufacturing sector, electricity is a major problem, as huge amounts of money are deployed to purchase generators and to fuel them. The cost of venturing into new business is on the high side as a relatively small capital is not sufficient to commence a manufacturing or production enterprise because of the high cost of electricity. Anyadike, Emeh and Ukah (2012) stated that the heavy cost

expended on infrastructure has made entrepreneurship quite challenging and unappealing in Nigeria.

### **ii) Multiple Taxations**

Multiple taxes charged by different tiers of government on business operations have also militated against the development of entrepreneurship in Nigeria. Entrepreneurs are subjected to various types of taxes which amount to multiple taxations. A situation in which an income or profit respectively is liable for tax in relation to an individual or a company is also being subjected to tax by another tax authority is discouraging, as this does not promote entrepreneurial spirit. Sanni (2012) observed that multiple taxations continue to wreck damage on businesses, average citizens, and business stakeholders. This continues to affect the performance of entrepreneurial activities.

### **iii) Failure to Adjust to the Dynamic Business Environment**

Many upcoming SME entrepreneurs find it difficult to adapt to the dynamic business environment (Onodugo & Onodugo, 2015). Hence, their enterprises are quick to fold up due to poor adaptability. Entrepreneurs who fail to get a proper knowledge of the business environment will not be able to navigate the dynamic business environment. The operating environment change with the different policies of various governments in power at each particular time. Given the ever-changing business environment, adaptation is germane for efficient and effective execution of entrepreneurial activities.

### **iv) Inadequate Entrepreneurial Skills**

As the need for entrepreneurship continues to generate wide attention, the corresponding skills and knowledge for successful entrepreneurship are lacking in many developing nations. The level of education of an entrepreneur can affect performance in business operations. Education helps an entrepreneur to identify and explore opportunities that will enhance profit maximization. The effects of globalisation make it expedient for entrepreneurs to possess up-to-date knowledge and skills to keep abreast of latest developments in their areas of businesses. Ogadimma and Ayogu (2015) further explained that the education of the entrepreneurs will allow them to properly match opportunities with the needs of the society through innovation.

#### **v) Security Issues**

The availability of security for lives and property is paramount for successful entrepreneurial activities. Achumba, Ighomeraho and Akpor- Robaro (2013) highlighted the importance of security as the basis for promoting entrepreneurship and encouraging investors into an economy. No nation can experience incremental development in its economy with the absence of good security for all stakeholders. It will be difficult to operate in a situation of chaos and confusion as it is presently obtained in some part of Northern Nigeria where terrorism and insurgency are on increasing trend.

#### **vi) Corruption**

Prevalence of corrupt practices in a nation is a great hindrance to the development of entrepreneurial activities. Kanu (2015) stated that in most developing nations, acts of corruption permeate all layers of the society and this is an impediment to the growth of SMEs. Government officials or average persons on the street who wants to be bribed for specific reasons are agents and perpetrators of corrupt practices. Funds meant for developmental activities have been siphoned and stacked away in foreign accounts thereby causing untold hardship on the populace. Substantial funds allocated to provide infrastructures that will promote entrepreneurship have been misappropriated or stolen from government coffers. The plague of corruption, which has saturated the entire economic and social life in Nigeria, has grossly affected developmental activities in many respects (Okafor & Amalu 2010).

#### **vii) Inconsistence of Government Policies**

The creation of various policies by the government for the promotion of entrepreneurship may be seen to boost employment generation and increase economic activities. However, Eniola and Entebang (2015) emphasised that government can also derail the growth of entrepreneurial activities through inconsistency in government policies. Change of governments especially in developing nations have come with attendant consequences because of the lack of continuity of already established programmes and policies that will foster growth. Lacks of continuity in government programmes and policies due to instances of new administrations coming to power and the introduction of new programmes have caused huge financial and material loss in affected countries.

### **viii) Inadequate Credit Facilities**

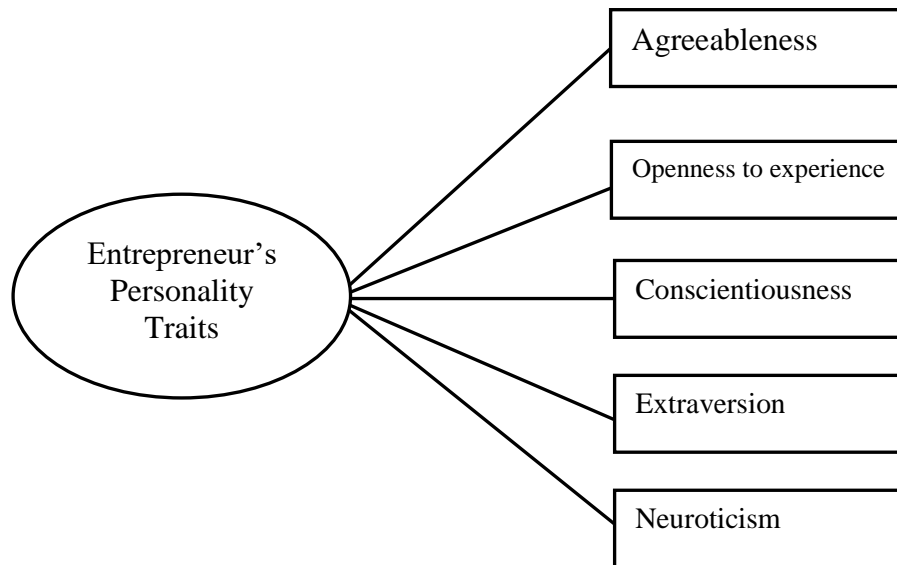
Prospective entrepreneurs come across a lot of obstacles in the process of securing credit facilities for their businesses. The interest rates charged by commercial banks in Nigeria ranges from 22% -28% which is deemed to be high by entrepreneurs across different sectors. The issue of collateral is another tall task that is difficult to overcome when required for the purpose of sourcing credit facility to either to take off or to improve production.

### **2.1.7 Personality Traits**

The concepts of personality and personality traits both in psychological research and organisational behaviour have attracted attention in understanding the behaviour of the primary actors behind entrepreneurial activity. According to Yahaya, Yahaya, Bon, Ismail and Noor (2012), personality trait is defined as the vibrant and planned set of individual behaviour that exclusively impacts reasoning, motivations, and behaviours. It refers to the unique characters possessed by individuals which make them behave in ways different from others. Personality is regarded as a factor in predicting behaviour and performance based on inherent individual traits. Beer and Brooks (2011) opined that personality traits are the behaviour that specifically differentiate one individual from another. The unique and inherent characteristic of the individual is what makes one person differ from another.

### **2.1.7a Personality Traits and the Five-Factor Model (FFM)**

Arguable, the most popular conceptualization of personality traits is the five-factor model (FFM). Ariani (2013) stated that the most accepted variables to measure individual personality is the five-factor model of personality traits. Goldberg (1992) developed a hundred items which was pruned down to serve as the structure for the five factor model. The five dimensions of the model are agreeableness, openness to experience, conscientiousness, extraversion, and neuroticism.



**Figure 2.1: Variables for Measuring Entrepreneurs' personality traits**

Source : Adopted from Mai, Le, Nguyen and Nguyen (2016)

### **i) Agreeableness**

Agreeableness refers to the qualities of being helpful, courteous, generous, cheerful, and co-operative (Lotfi, Ologbo & Chiemeké, 2016). Agreeable people appreciate the value of good relationships with others. They are generous, friendly, considerate and willing to sacrifice for the interests of others. Individuals that exhibit the characteristics of being accommodating, trustworthy, generous, tolerant, and compassionate are said to possess an agreeableness personality trait (Edwards & Quinter, 2011; Emecheta *et al.*, 2016). Agreeableness indicates a pleasant and participative relationship with others (Abdullah, Omar & Panatik, 2016).

People with high level of agreeableness are always willing to help, ready to find solution to problems by creating an avenue where everybody will be happy because of the friendly atmosphere in which issues are resolved. People with high degree of agreeableness have the inclination to achieve social harmony and build cooperation, and they are also believed to be trustworthy and honest (Hussain, Abbas, Shahzad & Bukhari, 2012).

The display of character such as selflessness, nurturance, tenderness, and passionate support describes agreeableness. Liang and Lin (2015) further expressed that people who display high degree of agreeableness have positive relationships and are trustworthy, humane, cooperative, obedient, caring, warm and gentle.

## **ii) Openness to Experience**

This personality trait describes individuals that possess an active imagination, inquisitiveness, flexibility, curiosity and autonomy (Rothmann & Coetzer 2003; Ariani, 2013). Openness to experience describes the degree to which individuals have wide-ranging interests and willingness to take risks in their businesses. They can be very curious and flexible, broad mindedness, imaginative and very intelligent (Eswaran, Islam & Yusuf, 2011). It is a measure of totality of a person breadth and depth in acquiring experience. Factors such as intellect, cultural interests, aptitude and creativity play a significant role in entrepreneurs' openness to experience. People, who display a high degree of openness to experience like novel ideas, are open-minded and have wide interests. Individuals in this category are inclined towards new paradigms of thinking and innovation (Liang, Chang & Hsu, 2013). However, people with low openness to experience are predictable, unadventurous and prefer ease (Siddiqui, 2016).

Individuals that are curious and have an extensive display of interests are said to possess high level of openness to experience. They are strongly related to different thinking and innovativeness (Nieß & Zacher 2015). These categories of persons welcome new ideas and are open to opinions, and their intellectual curiosities are more profound (Yahaya, *et al.*, 2012). The individual with this type of personality trait that exhibit high levels of openness to experience will typically improve and seek for new experiences and always seek to explore innovative and new idea (Liang, Chang & Hsu 2013).

## **iii) Conscientiousness**

This connotes hard work, planning, organisation, self-control, drive and persistence towards the achievement of specific objectives (Zhao & Seibert, 2006). People who display a high level of conscientiousness are focused, accountable, dependable, aspirational and determined (Liang, Chang & Hsu, 2013).

## **iv) Extraversion**

Individuals in this category are said to exhibit behaviours like being sociable, active, energetic, gregarious, self-confident, assertive, and talkative. They are usually vocal, very jovial, and interactive (Eswaran *et al.*, 2011). They have a tendency to be friendly, positive, lively, upbeat, cheerful, optimistic, and seek the company of others (Zaidi, Wajid, Zaidi, Zaidi & Zaidi, 2013). This set of people live a free life that is devoid of

anxiety and takes things lightly and mostly does not allow worry and tense situations to engulf them.

Andreas (2012) explained extraversion as the favourite interactive relational style, essential for encouragement, and building capacity for delightful engagements. He maintained that people with high levels of extraversion are sociable, fun loving, talkative, active, always concerned about customers or clients, and generally optimistic about life. Heller and Mount (2002) and Eswaran *et al.*, (2011) stated that these individuals tend to perform well in managerial positions, customer service, sales, and training programs.

However, individuals with low traits of extraversion will display characteristics such as shyness; they prefer working alone and are highly reserved. Therefore, they might not be appropriate candidates for job roles that involve substantial interactions on multiple levels (Abdullah, Omar & Rashid, 2013).

Yazdi and Mustamil (2015) examined the relationship between the big-five personality traits and psychological empowerment. They report that persons with high levels of extraversion are more empowered because they tend to derive more meaning from their work. Yakasai and Jan (2015) confirmed the identification of extraversion as a personality trait that facilitates the performance of people in sales jobs and similar roles that require personal interaction. On the contrary, sales people with high levels of extraversion may be taken off their sales duties and perform below expectations when they are over-excited.

#### **v) Neuroticism**

This trait indicates adverse and negative emotional conditions, such as anxiety, depression, hostility, guilt, fear, sadness, anger, disgust, and susceptibility (Rothmann & Coetzer, 2003; Major *et al.*, 2006). Persons with high levels of neuroticism are prone to irrational behaviours as a result of poor judgement of situations (Liang & Lin, 2015). Their interactions with others are marred by negative tendency, hence their ability to cross-fertilise ideas is limited.

### **2.1.7b Personality Traits and SMEs Operators**

Creativity, risk-taking, drives for independence extends the chances of becoming an entrepreneur, and reduces the satisfaction of being a wage-earning employee.

Entrepreneurs are naturally creative, investigative and enterprising (Zani, Ahmad & Zakaria, 2016). Entrepreneurial performance is not limited to the ability to take risks, being creative and innovative, but also the possession of specific personality traits that foster entrepreneurial activities.

Currently, attention is drawn to the study of entrepreneurs' personality traits because entrepreneurial performance requires the possession of some specific characteristics. These traits influence resilience and the risk associated with entrepreneurial activities, thereby impacting on performance (Kozubikova, Belas, Bilan & Bartos, 2015). Outstanding performance can be achieved through great commitment and unique personality trait of the entrepreneur.

In the turbulent business environment that prevails in most developing economies, the business environment influences the motives of individual entrepreneurs. The capacity to succeed depends on the doggedness of entrepreneurs. Small and medium enterprises entrepreneurs should be aware of their traits and realign to suit the demands of the business environment for maximum performance. The more advanced and skilful an entrepreneur is, the better for the business generally (Frese & Gielnik, 2014; Kozubikova, *et al.*, 2015).

Small and medium enterprises entrepreneurs are different from other sections of the population because of the unique characteristics and inherent traits they have. The ability and propensity of entrepreneurs to take risks will largely determine their success in entrepreneurial activities (Fairlie & Holleran, 2012; Knórr, Alvarez & Urbano, 2013; Omerzel & Kusce, 2013; Almeida, Ahmetoglu & Chamorro-Premuzic, 2014).

### **2.1.8 Commitment**

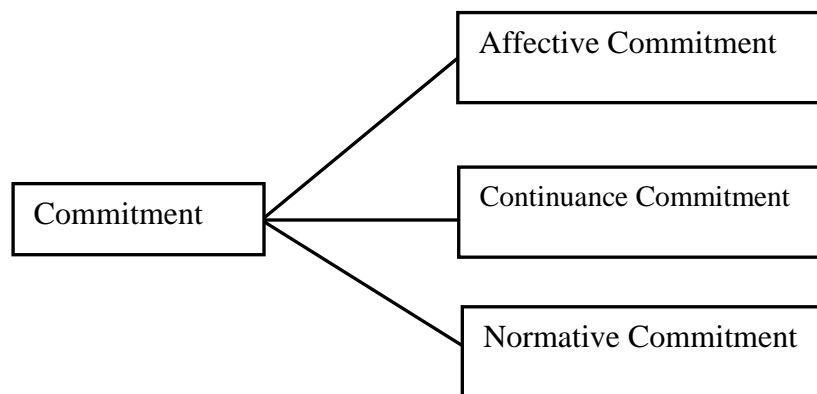
Commitment is defined as an emotional feeling by which an attitude is formed that can drive the continuation of business relationship (Rauyruen & Miller, 2007). Commitments of entrepreneurs increase business performance with up-to-date action being taken to affect the daily routine that will impact the overall performance of the business ventures. Commitment fosters reliability of entrepreneurs to preserve investments for the benefit of increasing business performance (Morgan & Hunt, 1994; Sinarwaty, Alida, Hasanuddin & Endro, 2016)

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### 2.1.8a Organisational Commitment

This reflects an emotional response that can be examined through people's behaviours, beliefs, and attitudes and can range anywhere from very high to very low (Meyer & Allen, 1997). Three types of organisational commitments have been identified by Meyer & Allen (1997), these are affective, continuance, and normative.



**Figure 2.2: Variables for Measuring Commitment**

Source: Allen and Meyer (1990)

#### i) Affective Commitment

It is a situation when an individual fully appreciate the values and goals of the organisation. Thus, employees are emotionally connected with the organisation and feel personally responsible for the entrepreneur's level of success. These individuals usually demonstrate high levels of performance, positive work attitudes, and a desire to remain with the entrepreneur (Meyer & Allen, 1997; Poon 2013).

According to Emecheta *et al.*, (2016) employees who are affectively committed always act as ambassadors for their organisation because they feel valued and are generally great asset to the organisation. These sets of employees display the three characteristics of affective commitment by believing in and accepting the aims or ideals of the organisation; they readily invest in helping the organisation achieve goals and objectives, and having a desire to uphold organisational membership. Visagie and Steyn (2011), Abdullah, *et al.*, (2013) emphasised that affective commitment is the level of employees' passionate attachment and identification with their establishment, and the degree of their involvement in the organisation. It is also the level of belief in and dedication to the objectives that the organisation possesses. People with affective commitment are proud to

be employed by their organisations (Maldonado-Radillo *et al.*, 2011; Haque & Aslam, 2014; Salazar-Fierro & Bayardo, 2015). It involves emotional feeling of attachment and the urge to want to be part of the process for achieving the desired goals and objective of the organisation (Breitsohl & Ruhle, 2013). They have the emotional drive to put in their complete time and energy into attaining the aims and objectives of the business organisation. It is the affective bond an individual feels toward the organisation, branded by affiliation and participation with the organisation and also enjoying being part of the organisation (Metin, Emine, Asli & Kadir, 2012). It is also the level of the belief and dedication to the goals, value and objectives of the organisation. McKay, Kuntz and Naswall, (2013) refers to it as the level of employee sense of belonging that identifies the individual as a dynamic member of the organisation.

## **ii) Continuance Commitment**

It is a form of commitment that employees have for their organization that is based on the reward that they receive in return for task performed and what would be lost if they were to leave the organisation (i.e., pay, benefits, associations).

In this form of commitment, employees put in their best effort in job tasks only when the rewards match their expectations (Meyer & Allen, 1997). Employees do not necessarily love their jobs, but when they consider the pros and cons of quitting, they prefer to remain in their jobs because the cost of leaving is greater than the cost of staying with the organisation (Salman & Syed, 2016). For instance; if there are limited choices of available jobs after leaving the organisation, the individual develops continuance commitment. You may feel the need to cling to your job, because the loss you may experience by quitting it is greater than the benefit you think you might gain in a new role. The decision to stay is usually related to monetary benefits such as salaries and benefits, professional incentives such as the loss of seniority and/or role-related skills that may have been acquired, as well as the loss of social ties such as friendships. The severity of continuance commitment mostly may increase with age and experience.

Hawass (2012) explained Continuance Commitment as the calculations a person conducts to decide whether there is the need to stay in the organisation. Hence, this commitment is developed when an individual observes that the costs of leaving are higher than the expected benefits (Balassiano & Salles, 2012). In continuance commitment people really

wish to leave the organisation but they could not because the cost of leaving is greater than the cost of staying with the organisation (Salman & Syed, 2016).

### **iii) Normative Commitment**

This reflects when employees remain with an organisation based on expected standards of the entrepreneur behaviour or social norms. Employees' value for obedience, cautiousness, and formality helped increase commitment in achieving entrepreneurs' success. Research suggests that employees who are normatively committed tend to exhibit the same attitudes and behaviours as those who have affective commitment (Meyer & Allen, 1997).

The difference between the three models of commitment, that is, affective, normative and continuance can be concisely described as, employees' will perform their work in an organisation because they *want to*, they *ought to*, or they *need to* (Meyer & Allen 1997; Gozde & Emel, 2016). Pelit, Dincer and Kilic. (2015) suggested another form of commitment described as alienated commitment. This is when an employee does not feel a sense of belonging to the organisation either because of nepotism or other organisational factors that are beyond the control of the employee. In such situations, the employee demonstrates low level of performance despite the possession of the ability to exceed performance expectations.

## **2.1.8b Factors Creating Entrepreneurs' Commitment**

The driving force behind an entrepreneur's commitment is extrinsic or intrinsic variables which include:

**i) Self Determination:** An entrepreneur's desire or internalised idea to own and maintain a business without an outside influence will culminate in higher levels commitment that will engender sustainability.

**ii) Desire for Independence:** An entrepreneur who is tired of rigid bureaucratic systems and decides to accomplish tasks in his or her own terms will likely be committed to self-initiated entrepreneurial activities. Decisions made are implemented in a timely fashion as the thought of independence fuels commitment to achieving business' goal.

**iii) Need for Achievement:** The passion or desire for high performance and accomplishment will drive an entrepreneur to increase the commitment level in the

business. According to McClelland and Burnham (2003), an entrepreneur with high-need to achieve will possess strong commitment to take on the personal responsibility of finding solutions to challenges emanating from business.

**iv) Personal Investment:** Investment of immeasurable material and financial resources in a business will engender entrepreneurs' commitment towards sustainable and profitable running of the business.

**v) Non-Economic Goals:** Commitment of entrepreneurs to their ventures may on many occasions not be as a result of pecuniary reasons but rather because of non-pecuniary goals such as self-fulfilment and desire for autonomy. Xu and Ruef (2004) revealed that owners of SMEs emphasised the credence of challenging themselves and creating personal legacy through their ventures. This indicates that most entrepreneurs, who see their businesses as symbol of status, esteem and instrument to wield power in the society will go to any length to commit themselves to it.

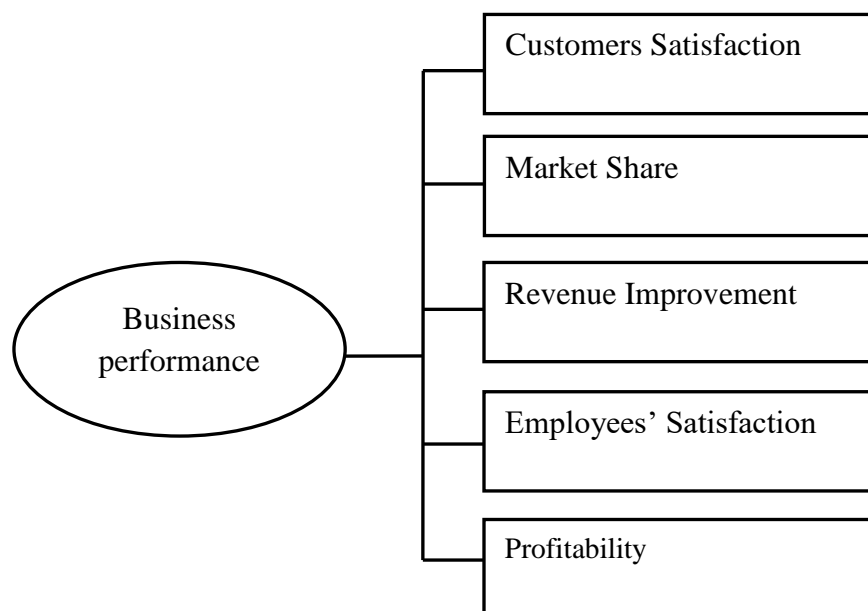
### **2.1.9. Business Performance**

Performance is defined as the transformation of individual labour and energy into productive acts to accomplish specific results. Awadh and Ismail (2013) defined business performance as an important gauge that measures the capacity of a business to achieve the desired goals and objectives upon which it is established. In other words, business performance is the ability of an enterprise measured against its set goals and objectives. Prasetya and Kato (2011) defined performance as the accomplished result of activities with the abilities of workforce who execute specific tasks of the entrepreneurs in their business ventures. Eniola and Entebang (2015) emphasised that business performance is an important subject among researchers in the field of management; it serves as an element used in measuring the performance of the business venture against the input. Business performance is the capability and strength of firms in developing and deploying appropriate strategies of actions in achieving business objectives such as positive financial outcomes, large market share, quality product, customers' satisfaction and long-term sustainability (Gado, 2015). This implies that financial stability, profitability, growth and development of organisation, through precise, exact and growth-oriented plan can bring about improved performance in entrepreneurial activities.

Kusumawardhani (2013) stated that the aim of entrepreneurial venture is to improve business performance so as to remain in business and contribute meaningfully to the

growth of the organisation and overall economic enlargement of the society. The author maintained that entrepreneurship serves as macroeconomic results and also vital in business performance as this serves as measurement for the effectiveness of the operation of SMEs and all entrepreneurial ventures. Olughor (2015) noted that the interaction of the business and the environment is important for the firms to gain positive result in its performance and be able to achieve profitable level that will reach the set goal and objectives of the business. While highlighting the importance of performance measurement, Neely, Gregory and Platts (1995) defined business performance as the assessment to measure the effectiveness and efficiency of business operations. Measurement of actions against set goals is for the business to take corrective measures for any deviation from the set objectives of the organisation.

The similarity in these definitions is that there is a driving force or reason behind business venture and there must be a measuring gauge to ascertain input against output. The performance of entrepreneurial activities cannot be devoid of interaction with the environment.



**Figure 2.3: Variables for Measuring Business Performance**

Source: Adopted from Santos and Brito (2012)

i) **Profitability:** The profit is the amount accrued to a business venture after all the expenses and taxes on the business are deducted. It can also be described as yield from investment, yield on equity contribution and assets. The profitability of businesses is determined by subtracting expenses incurred away from the revenue generated. Profitability can be measured by the efficiency of the company in using its assets, as well as efficiency in the management of company operations (Jakpar, Tinggi, Siang, Johari & Myin, 2017). The profit generated can be used in measuring the performance of businesses, that is, profitability can as well be measured in terms of the financial performance of the business which makes business to remain a going concern (Hina, 2014). In SMEs, profit making is very important to the survival of the business. In actual fact, the primary motive for establishing business ventures is profit-making. Profit is seen as the level of efficiency and effectiveness a business display in utilizing all the resources available to it. Companies that have high profitability tend to have smaller debt than companies with low profitability because companies with high profitability are able to provide internal funding to meet their funding needs through retained profits. Although the sustainability of SMEs depends largely on profit making, the character of entrepreneurs, their attitude and commitment towards their business may also influence their performance in making profit from the entrepreneurial activities (Joseph & Jie, 2014).

ii) **Employee Satisfaction:** Employees satisfaction is the level at which an employee can be regarded as contented, fulfilled and happy with the condition and working environment. It is deemed to be a prerequisite for increased performance in organisations. The satisfaction of an employee can be measured by the intention to stay or leave the employing organization, wages and reward policies, career plan, training and development and organisational climate. San, Nanthawan, Natthachet and Warawude (2016) defined employee satisfaction as an individual's sensitivity and appraisal of job and this perception is prejudiced by the individual's exceptional circumstances such as values, need and anticipation. According to Gangai and Agrawal (2015) an employee who is affectively committed to his job will have the tendency to be satisfied with the situation around the job. This implies that employee satisfaction can be derived from one's likeness and passion for job tasks. However, Osibanjo, *et al.*, (2014) posited that compensation packages are strong indicators of employees' satisfaction. Their findings assert that salary; fringe benefits, allowances, bonus and incentive have a positive correlation with

employee satisfaction. In SMEs setting, where the structure of ownership is majorly limited to family members, employee satisfaction may be obtained through affinity and bond with family members. In this case, commitment is perceived as normative or natural and it results in satisfaction without economic attachments.

iii) **Revenue Improvement:** In this study, this means growth in market-share, net income, number of employees, asset, and net revenue. It implies the ability to improve on the lot of a business through increased sale, and all avenues that will help increase income generation, coupled with continuous strategy to reduce associated costs. Mayer-Haug, Read, Brinckmann, Dew and Grichnik (2013) emphasised that the character of entrepreneurs towards their customers will affect the market either positively or negatively. They indicated that a humorous and positive entrepreneur will be able to relate well with customers thereby resulting in increased performance. Joseph and Jie (2014) stated that the behaviour of entrepreneurs will influence their commitment towards improving the performance of the organisation. The instinct and the intention to become an independent person is a motivator to become self-employed and generate employment for other people. Revenue improvement can be achieved if an entrepreneur possesses the right personality that influences behaviour towards all the stakeholders involved in the business. Growth of business which may result in increased revenue is a product of dedication and commitment to entrepreneurial activities.

iv) **Market Share:** This refers to the estimated total percentage referenced to a company relative to the activities within a particular sector. It is the portion a company have in the production of goods and services. Mohammad, Awad and Akif (2017) pointed out that the relationships between market share and profitability do not always portend positive signal. They affirmed that there may be an increase in the market share of an enterprise without necessarily increasing the profitability of the company or organisation. Ajagbe, Adegbuyi, Egberipou, Isiavwe and Adimabua (2015) emphasised the importance of marketing function to entrepreneurial firm's performance, new product development and overall share in the market. Marketing function according to this study is important to increasing the share of an entrepreneur market. However, in a developing economy like Nigeria dealing with several contextual challenges (lack of electricity, finance, entrepreneurial skills); the task of increasing market share remains tedious, especially for entrepreneurs operating within the SMEs sector.

v) **Customers Satisfaction:** This can be referred to as the level of satisfaction a customer derive from the consumption of products and services; as such outcome is usually manifested by customer repeat purchases. Also, a customer is deemed satisfied with the goods and services from business venture when the expected goals of the company on the product is exceeded. That means the customers derived some level or degree of satisfaction in that particular goods or services (Odusina, 2014). The indicators adopted in measuring customers' satisfaction include; frequency of complaints, rate of repurchase, retention of new customer, and sales volume. Sanusi, Hendragunawan, Nur and Mursalim (2017) indicated that the performance of business is derived from customer satisfaction. When customer satisfaction from product or services is high, the study affirmed that there will be increase in sales and such will culminate into higher corporate performance. Customer satisfaction is very paramount to the survival of an entrepreneurial firm. However, managing the relationship between customers and the organisations is germane for continuous delivery of satisfactory goods and services (Ogunnaike *et al.*, (2014).

### **2.1.9a Factors that Influence Business Performance**

#### **Factors that influence business performance**

The performance of business depends on several factors within and outside the environment of the business. Since the business operates within the environment, the effect of the activities within the environment will affect and influence the activities and performance of the business. Some of the factors are enumerated below.

##### **i) Business environment**

Business environment is referred to as the internal and external factors that influence the performance of business ventures. The environment such as physical and mental strength, entrepreneurial skills, human relations, and experience in business, financial stability, family base, social factor, economic factor, competition, political or legal factors and technological change can affect the performance of business.

##### **ii) Physical and mental strength**

An entrepreneur's physical and mental strength plays a very important role in achieving the aims and objectives of any business venture. The mental well-being of an individual goes a long way in taking the right decision for the growth of the business at the appropriate time. The ability of the entrepreneur to adapt to changes in the environment



and take necessary actions will go a long way to sustain the business and improve performance.

### **iii) Entrepreneurial skills**

Entrepreneurial skills serve as the skills that enable an entrepreneur to utilize and take advantage of opportunities identified. It also encompasses the behavioural skills possessed by an entrepreneur that helps in the application of hard skills and knowledge in the business venture. Entrepreneurial skills also provide benefits regardless of whether a person sees their future as starting a business (Stan & Nedelcu 2015). The skills possessed by the employees in the business ventures will also go a long way to compliment the activities of the owner in bringing about good performance

### **iv) Human Relations**

The interaction of the entrepreneur with other people can also influence the performance of business. Good relationships with the overall stakeholders of the business will bring about an environment suitable for increased performance in the activities of the entrepreneurs.

### **v) Experience in business**

The experience of an entrepreneur in business ventures also influences the performance of business. Experience assists an entrepreneur in solving problems encountered in the world of business which invariably increases the business performance. It also allows entrepreneurs to stand out when compared to a novice who is just coming to business.

### **vi) Financial stability**

The ability of the entrepreneur to raise enough capital will partly enhance the commencement, running and sustaining the business. Business thrives when the financial aspect is managed as it helps to advance the achievement of primary and secondary objectives of the business.

### **vii) External factors**

The external environment impacts on the formulation, implementation and control of business decisions. The choices made by the entrepreneur in these respects, contributes significantly to the efficient and effective running of the venture. The factors constituting the external environment which influence business performance include: social factor, economical factor, technological change, competition and political or legal factor. The

interaction of the entrepreneur with all these variables of the environment will influence performance levels to varying degrees depending on the intensity of identifiable variables.

#### **viii) Political/Legal factors**

The political environment of a business also influences the performance of the business. Hence, a stable political environment is fundamental towards the achievement of productive and sustainable entrepreneurial activity. The political environment is also the legal environment surrounding business, that is, the rules and regulation made by government. The change in government that brings about changes in the rules and regulations guiding business activities has great effect on their performance (Adeoye & Elegunde, 2012).

#### **ix) Competition**

Competition within and outside the country is an important factor that will affect the operation of the business. Dumping of goods from foreign companies constitutes an apparent hindrance to the growth of business as local entrepreneurs usually cannot compete with low prices of foreign goods and the dynamics associated with economies of scale.

#### **x) Technology changes**

The adoption of technological changes will lead to changes in the operation processes, structure and performance of business. Technology has altered the way businesses are conducted. Businesses function more effectively with the aid of improves technology. The need to innovate production processes motivates corporate action to integrate novel technology or adapt existing technology to achieve optimal returns.

#### **xi) Self-efficacy**

In this instance, an individual projects confidence in the ability to stimulate and to ascertain enterprise performance. Bandura (1986) highlighted that self-efficacy is a critical factor in entrepreneurship because it continuously exerts a force to keep on performing even in challenging situations.

#### **xii) Identity Impact**

This is the ability to connect the unique personality inherent in one to a specific behaviour to achieve business goals, even in the face of mounting challenges.

### **2.1.9b Measurements of Business Performance**

The measurements of business performance are multi-dimensional and different scholars adopt different variables to arrive at measurements that will be significant to the sustainability of the operations of business entities. In most of the performance measurements, the type of the organisation and the product or service rendered will determine the variables to be used and how to use them in obtaining a viable result. Yıldız and Karaskas (2012) identified market share, profitability, customer satisfaction, sales growth, return on sale (ROS), new product launch, and return on investment (ROI) as the most important variables to measure business performance quantitatively. Salleh, Jusoh and Isa (2010), Mohammad and Prashant (2016) submissions also specified the use of profitability and sale performance as measures of business performance. In a more realistic entrepreneurial setting, Heikki and Kari, (2015) suggested the use of subjective measures to determine business performance. Similarly, Kaplan and Norton (1992) and Satwinder, Tamer and Kristina (2016) emphasised that business performance is a set of both non-financial and financial indicators capable of assessing the degree to which organisational goals and objectives have been accomplished. Although financial performance of an organisation is germane, it does not signify the overall performance. Business performance can be measured qualitatively or quantitatively (Augustine, Bhasi & Madhu, 2012). Invariably, it can be measured either by considering the economic variables or non-economic variables. Several studies on business performance use a number of organisational resources to measure performance of business.

In SMEs, Gado (2015) and Olughor (2015) emphasised that the use of subjective measures will be in alignment with the tradition of SME entrepreneurs in developing nations who rarely keep records of activities in business ventures. The published company account or the information from the stock exchange is the source of data for the financial measures. Subjective measure is also an important means of measuring the entrepreneurial performance. The information for this can be sourced from managers or employees asking them to rate the performance of the company on key areas like sales, innovation, profitability, employees' satisfaction, customers' satisfaction and market share (Satwinder *et al.*, 2016). Business performance can therefore be measured using the following parameters:

### **i) Objective and Subjective Measures**

The approach adopted depends largely on availability of information needed to conduct the assignment. Though each of the objective and subjective measures has their own merits and demerits, the usage depends on the type and level of the organisation deploying it. In developing economies like Nigeria, the availability of records necessary for measuring performance objectively are limited to large scale organisations and few SMEs who can afford to employ highly qualified personnel to source and prepare the information. However, majority of SMEs do not have the resources to hire a qualified personnel to prepare the necessary books of account to measure their performance, hence the use of subjective measures like sales volume, market share, customer satisfaction, profitability, productivity, size of employment and investment (Satwinder *et al.*, 2016). Subjective measures of performance are common in SMEs where the quantitative data are not easily or completely available (Ndofor & Priem, 2011; Camps & Luna-Arocas, 2012 & Satwinder *et al.*, 2016). In developing nations, the nature of SMEs characterised with challenges from the environment make information from financial data unavailable. Difference in style of reporting may even render information not useful as companies adopt various accounting standards for their reports (Hult *et al.*, 2008; Satwinder *et al.*, 2016). Consequently, some researchers have employed the use of subjective measures to analyse performance of entrepreneurial ventures.

### **ii) Financial and Non-Financial Measures**

The financial and non-financial measures of business performance include the following: sales volume, customer satisfaction, profitability, employment size, total assets, return on investment (ROI), capital employed, employee turnover, market share, productivity, turnover and delivery time (Gerba & Viswanadham, 2016).

The use of hybrid approach in the measurement of business performance is to cover both the financial and non-financial bases of operation. According to Chong (2008), Forsman (2008) and Yirgalem & Viswanadham (2016) the common variables used for measuring financial and non-financial measures of business performance are market share, sales growth, quality and productivity, return on investment, cost reduction, and operating profit ratio. This is to incorporate many parts of business performance. The use of hybrid approach will allow firms to be able to capture all the areas of operation that influence and bearing on the operations and general performance of the firm.

In addition to quantitative and qualitative measures of financial performance, nonfinancial measures of performance such as growth is used as indicator of business performance and usually measured through growth in sales and employment (Wiklund & Shepherd, 2005). Akinruwa, *et al.* (2013) employed more diverse measures of performance, such as: capital employed, sales volume, numbers of employees, profit margin, growth, and survival. Du Rietz and Henrekson (2000) used four performance indicators (profit, sales order, commission and number of employees) when investigating female under-performance in small firms.

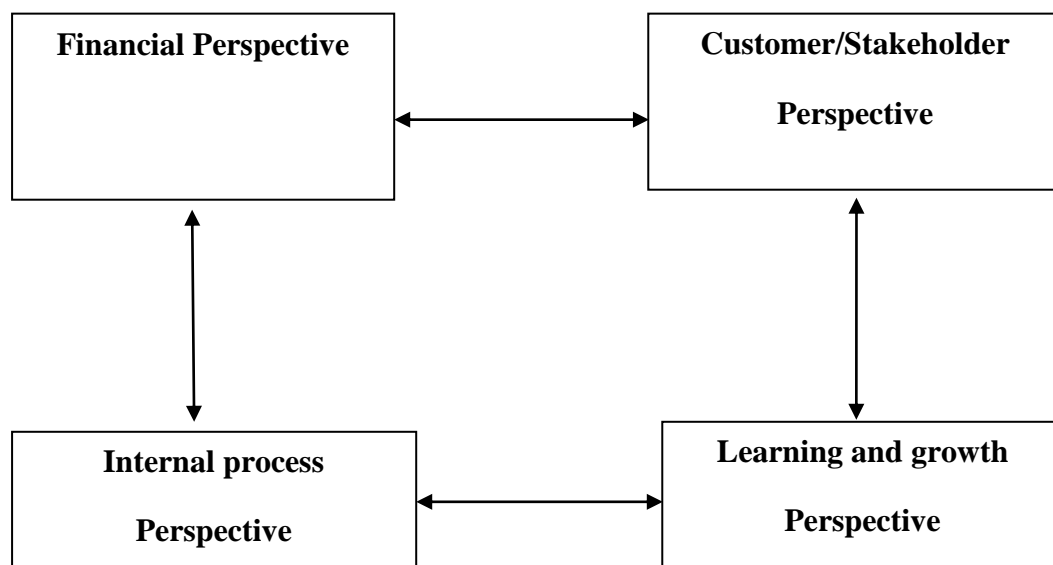
In addition to the financial measures of profit and turnover, the consideration of owner/manager satisfaction as measures of business performance is important (Alasadi & Abdelrahim, 2007). Moreover, researchers in literature argued that financial and non-financial measures are used to measure the performance of business firms (Perera & Baker, 2007; Chong, 2008, Richard, *et al.*, 2009). The use of growth to measure entrepreneurial performance may be better accessible and accurate than using accounting measure that may not be readily available to SMEs (Wiklund & Shepherd, 2005). In situations where majority of sample population are SMEs without proper records of account, Yirgalem & Viswanadham (2016) argued that non-financial measures of entrepreneurial performance should be more accurate to bridge the inadequacies of financial information. In an environment where SMEs are struggling to survive, the use of non- financial measures of performance will be appropriate in the face of inadequate record keeping. However, with increase in the size of the enterprises and the ability to recruit experienced hands in financial records keeping, it is expected that stable and more detailed financial records will encourage the use of financial measures.

### **iii) Balanced Score Card (BSC)**

The framework of balanced scorecard (BSC) defines what a company needs to succeed (Michaela & Marketa, 2012). It is a framework that helps organisation in conceptualising and diagnosing its operations and performance for sustainability. It assists organisations to overcome the problems of financial measures in organisation performance. Apart from reviewing the existing operational performance, BSC links the organisation with the future by providing the necessary information for the management on future operations of the business. Wu (2009), Shahryar, Nor, Asrat, Syafiah and Nor (2016) emphasised that what makes BSC a unique model of measuring organisational performance is its ability to combine the present and the future in its coverage.

The balanced score card is a mixture of both financial and non-financial measures in a performance measurement scope. This mixture is also referred to as a multidimensional model and measurement methods which are inherent in the mission and vision of the organisation. The BSC must be balanced to be applicable and successful in the future operation of the organisation. The BSC has aspects which are regarded as indicator indices which must be part of the measuring scope. These aspects are financial and non-financial, short-term and long-term goals, internal and external performance indices, and required input and output. The indicators must be fully represented in the performance appraisal before it is called balanced (Michaela & Marketa, 2012; Shahryar, *et al.*, 2016). BSC is a tool that can effectively measure the performance based on the two angles and indices. The success of BSC does not however reside in the theoretical framework but in the validity of its empirical works. It provides a model that is useful for the company to meet the needs of its shareholders, customers, employees and the general public. The BSC has four interrelated quadrants that measure perspectives that cover the operations of the organisation. The perspectives comprise the following:

- a) Financial
- b) Customer/Stakeholder
- c) Internal Process
- d) Learning and Growth



**Figure 2.4 Balance Score Card Measurement Quadrants**

**Source:** Kaplan and Norton (1992).

- a) **Financial:** This perspective focuses on organisational financial performance and use of financial resources
- b) **Customer/Stakeholder:** This perspective views organisational performance from the point of view of the customer or other key stakeholders that the organisation is designed to serve
- c) **Internal Process:** Organisational performance from the perspective of the quality and efficiency of products or services or other key business processes
- d) **Learning and Growth:** This is also known as organisational capacity. It views organisational performance based on human capital, infrastructure, technology, culture and other capacities that are important for performance.

#### **Advantages of BSC:**

- a) Business score card adopts a balanced and broad-based approach for moderating and controlling the organisational performance; through setting the objectives and performance dealings in four key perspectives such as, business and internal processes, financial, customer, and learning and growth.
- b) It facilitates the communication of business goals and strategies, at all levels of an organisation.
- c) It conveys organisational strategy and vision, to the forefront of management attention.
- d) It incorporates financial and non-financial goals and performance measures into a single system, something which traditional controlling techniques never consider.

#### **Limitations of Business Score Card:**

- a) Business Score Card bases its methods of analysis only around four perspectives (business and production processes, customer, financial and learning and growth). There might be more important perspectives like managerial development, social responsibility etc, which the BSC does not accommodate.
- b) There are neither any major set of standard goals nor any set of standard performance measures, for each of the four (4) perspectives, which form the core of BSC. Therefore, BSC may be considered a vague approach to controlling an organisation's success.

- c) It proposes no suggestions about what should be done to improve performance in each of the perspectives.

Lonbani, Sofian and Bareto (2016) evaluated the moderating role of environmental uncertainty in the relationship between BSC implementation and performance in SMEs. Their findings revealed the value and importance of gathering accurate and timely information about emerging conditions that interact with management systems. Such important data can assist businesses especially in the SMEs sector of the economy to identify business patterns, reduce uncertainty, and guide personnel in recognizing opportunities. This implies that the use of BSC in SMEs will support the growth and sustainability strategy of entrepreneurs if fully appreciated and adopted. Shahryar *et al.* (2016) maintained that this measuring standard is appropriate for day to day activities of entrepreneurs and it will facilitate the achievement of business objectives.

#### **2.1.9c Dynamics of firm performance measures**

The old accounting measurement has been termed the traditional business performance measurement. It has been popular and widely used prior to the 1980s (Wilcox & Bourne, 2003). Gomes, Mahmoud and Joao (2006) opined that this old measurement model has borrowed a lot from cost accounting orientation that selectively used some indicators such as return on investment and profit. However, this approach has been termed to be ineffective, inefficient and inappropriate for modern organisations as it is specifically and majorly quantitative in approach (Wilcox & Bourne, 2003). Reliance on traditional measures of business performance which have been derived from financial data alone is challenging. Preferably, firms should adopt integrated approaches of financial and non-financial measures, so that results will be more credible (Gomes *et al.*, 2006; Forsman, 2008).

Otley (2002) opined that for the appropriate running of a firm, especially small firms, the financial measure is not sufficient, as all the relevant information may not be available, or not properly applied due to inadequate knowledge in keeping financial records. According to Boohene, Sheriden and Kotey (2008), the majority of government institutions are primarily preoccupied with the rate of employment generated by firms and subsequently measure the performance of business through the rate of employment generated by SMEs. Business performance should be measured to meet business goals and assess the rate at which objectives are met (Kotey, 1999). This can only be achieved



through adequate measurement, taking into consideration what makes up the operation and performance indices of the organisation.

Small firms may pursue various goals; the performance measurement must reflect all the areas of operation that added up to the activities of the organisation. Perhaps there are situations when particular measures of performance are more desirable if its priorities are more important to the sustainability of the firm. For instance, accounting performance measures (return on capital employed) are more intensively used if the financial performance priorities of the firm become more important (Verbeeten & Boons, 2009). However, measuring business performance solely by financial indicators will not capture the complex range of objectives (Jarvis, *et al.*, 2000). The non-financial measures will give more in-depth analysis of firm performance, as this tends to show the reality and practicability of firm performance.

### **2.1.10 Small and Medium Scale Enterprises (SMEs)**

Small and medium scale enterprises are regarded all over the world as the engines that propel the economic activities of a nation. In developing nations, SMEs are the cradle upon which economic and developmental activities are laid. Without virile small and medium scale enterprises (SMEs) sector, the industrial and entrepreneurial activities of a nation will scarcely experience increased developmental rate. This sector of the economy is labour intensive and can generate employment in large volumes depending on the dynamics of the environment. In their study Agwu and Emeti (2014) found that this sector of the economy constitutes 97.2% of the firms in Nigeria. This implies that the sector is vital to the national economy and requisite attention should be accorded the sector for the growth and diversification of the economy (Adegbuyi, 2015). SME owners are usually the people that manage the organisation. They manage based on the objective set for the business and the personal experiences or drive that spur them in the business.

#### **2.1.10a Defining SMEs**

SME is an abbreviation for small and medium scale enterprises. It refers to small and medium sized firms and businesses. These businesses rise as a result of various individual entrepreneurial activities. There are numerous meanings given to SMEs and this is owed to their world-wide usage and characteristics (Esuh & Adebayo, 2012). Internationally, there is no unified agreement regarding an exact definition of small and medium scale enterprise (SMEs). According to the International Labour Organisation (ILO), there are

over 50 definitions of SMEs from about 75 different countries. Each of these definitions made to suit the exact benchmark of enterprises and the phase of industrial growth in a specific nation. In Nigeria's business context, small and medium enterprises can be defined as firms or businesses employing between one and 35 people.

Small and medium scale enterprises (SMEs) have also been defined based on their sizes and types. Measures used to classify SMEs in terms of size are employment, assets and revenue. The Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC) describe small enterprises as enterprises that meet two (2) of the following three (3) conditions:

- i). Less than 50 employees
- ii). Less than ₦3 million total assets
- iii). Less than ₦3 million total annual sales.

Meanwhile, medium enterprises are those that meet two of these three conditions:

- i) Less than 300 employees
- ii) Less than ₦15 million total assets
- iii) Less than ₦15 million total annual sales (Harris & Sauzer, 2006)

Tables 2.1, 2.2 and 2.3 below provides definitions of SMEs:

**Table 2.1: Characteristic definition of Small and Medium scale Enterprises according to United States**

<b>Company category</b>	<b><i>Employees</i></b>	<b><i>Total assets</i></b>	<b><i>Total annual sales</i></b>
Micro enterprise	Below or equal to 10	Below or equal to \$100,000	Below or equal to \$100,000
Small Enterprise	Above 10 and below or equal to 50	Above \$100,000 and below or equal to \$ 3 million	Above \$100,000 and below or equal to \$3 million
Medium Enterprise	Above 50 and below 300	Above \$3 million and below or equal to \$15 million	Above \$3 million and below or equal to \$15 million

Source: Ramachandran (2002)

**Table 2.2: Characteristic definitions of Small and Medium scale Enterprises in the European Union**

Company category	Employees	Turnover	Balance sheet total
Microenterprise	< 10	≤ €2 million	≤ €2 million
Small enterprise	< 50	≤ €10 million	≤ €10 million
Medium enterprise	< 250	≤ €50 million	≤ €43 million

Source: Ramachandran (2002)

**Table 2.3: Institutional definitions of Small and Medium scale Enterprises in Nigeria**

Institution	Assets excluding real estate (In million Naira)			Annual turn over (In million Naira)			Number of employees		
	Medium	Small	Micro	Medium	Small	Micro	Medium	Small	Micro
Central Bank	<150	<1	–	<150	<1	–	<100	<50	–
NERFUND	–	<10	–	–	–	–	–	–	–
NASSI	–	<40	<1	–	<40	–	–	3-35	–
Ministry of industry	<200	<50	–	–	–	–	<300	<100	<10
NASME	<150	<50	<1	<500	<100	<10	<100	<50	<10
Arthur Andersen	–	–	–	<500	<50	–	–	–	–
SMEEIS	≤500	–	–	–	–	–	–	–	–

Source: National Council of Industry (2017)

The Nigerian Bank for Commerce and Industry (NBCI) described a small-scale business as one with total capital not more than ₦750, 000 (not including the cost of land but counting working capital). The Federal Ministry of Industry's guidelines to NBCI described SMEs as those enterprises with total cost not more than ₦5m (exclusive of cost of land but as well as working capital). The Nigerian Industrial Development Bank (NIDB) defined small-scale enterprise as an enterprise that has investment and working capital not exceeding ₦750, 000, while it defined medium scale enterprises as those operating within the range of ₦750, 000 to ₦3m. The Central Bank's guidelines to commercial banks in 1979, stated that, small-scale enterprises are those with yearly turnover not above ₦5m, while the merchants banks described small- scale enterprise as those with capital investment not more than ₦2m (eliminating cost of land) or with a very

high turnover of not above ₦5m (Adetula, Owolabi & Onyinye 2014). Agwu and Murray (2015) argued that SMEs are often seen as the offshoot of many conglomerates, based on the diversified nature of the various products and services they offer. Small-scale enterprises represent businesses that are mostly managed by one entrepreneur and not a public limited company (Plc). They are companies having small percentage of workers as specified by different country definition. Alarape (2007) explains it as “an enterprise with a labour size of 11-100 employees or a total cost of not less than ₦50 million, counting working capital but exclusive of cost of land”. The Federal Ministry of Commerce and Industry defined SMEs as firms with a total investment ₦750, 000 with the capital but excluding cost of land, and paid employment of up to 50 persons. While according to Central Bank of Nigeria (CBN), SMEs can be described as those enterprises with turnover of up to ₦500,000 only (Akinruwa, *et al.*, 2013). These definitions indicate that several nations, bodies and organisations have varying definitions of SMEs based on specific paradigms.

**Table 2.4: Small Business Definitions in Nigeria**

Authors	Definitions
Ogundele (2007)	Minimum of 5 employees with slightest capital outlay of not less than ₦5000.00
Osuagwu (2001)	Less than 50 but not more than employees in any situation with not less than ₦150, 000.
Obafemi Awolowo University	Whose total assets in plant, capital equipment, and working capital are less than ₦250, 000.00 with fewer than 50 full time employees.
Arowomole (2000) Central Bank of Nigeria (CBN, 1991)	Capital investment not exceeding ₦5 million excluding land and working capital with a turnover not more than ₦25 million annually.
Nigerian Industrial Policy	Those with total investment of between ₦100, 000.00 and ₦2 million excluding land but inclusive of working capital
ASCON) Administrative Staff College of Nigeria	Whose total cost is not more than ₦750, 000.00 including the total cost of land.

**Source:** Ogundele (2007) and Arowomole (2000)

**Table 2.5: International Definition of SMEs by Employees Numbers**

	Small	Medium
UK	Business with up to 49 employees	Business with up to 249 employees
Australia	Business with up to 5 or more employees but less than 20	Business with up to 200 employees
European Union	Business with up to 50 employees	Business with up to 250 employees
USA	Business with up to 100 employees	Business with up to 500 employees

Darren and Conrad (2009)

### **2.1.10b Factors that influence the performance of Small and Medium scale Enterprises (SMEs)**

The following are factors determining the performance of small and medium enterprises in Nigeria:

**i) Infrastructure:** The performance of SMEs in developing nations especially in Nigeria is overwhelmed with inadequate infrastructural amenities. The growth of SMEs is hampered because of inadequate supply of electricity, good roads, water supply and communication system. Huge amounts are used for generating power and supply of water and this invariably adds to the cost of operations. The production capacity and the survival of SMEs are hindered by the inadequacy of infrastructural facilities. These in turn affect the operation and growth of SMEs and entrepreneurial activities in developing countries.

**ii) Education:** Inability to entrench entrepreneurship education in academic curriculum is a factor militating against the growth and performance of SMEs. Inadequate training in acquiring entrepreneurial skills has hindered the development and growth of SMEs. There are various inconsistencies in government policies that do not allow the creation of good curriculum for entrepreneurship training from primary to university. There are many dilapidated training and technical schools that government needs to reactivate. Training and vocational schools where students can acquire various skills should be set up so as to

this help boost and encourage the development of SME entrepreneur (Gilda, Noorinasab & Yazdanpanah, 2016).

**iii) Technology:** The role of technology in entrepreneurial performance is critical. Changes in technology have the potential to impact negatively on firm's competitive position. The emergence of new technology such as digital camera in lieu of pinhole camera, computer instead of manual typewriter, and other modern technology, has impacted entrepreneurial activities. However, Oghojafor (2000) stated that technology possesses both opportunities and hazards, hence, there is need for proper and careful monitoring of the environment, to identify the various technology that will best enhance individual SME performance. Firms that fail to do this will gradually lose their business edge. The performance of enterprises can be improved by the adoption of new technology as it saves cost, time and ensures enterprises success.

**iv) Government Policies:** These are tools in the hand of government to create an environment conducive enough for SMES to thrive. Government creates rules and regulations by which enterprises are able to compete alongside each other favourably from time to time (Agwu *et al.*, 2014). Policy changes by government necessitate enterprises to modify the methods and structure of their operations. Policy formulations and strategic planning are capable of promoting innovation and new enterprise start-up. As part of the objective to boost the performance of SME, policies must be established by government to strengthen enterprise financial support mechanisms from the financial institutions.

**v) Politics:** It is not a gain-say that “whosoever controls political power also controls economy power” The hand writing for many years of past administrations have been seen on the wall. This according to Awe (2008) includes: nationalization, expropriation, fundamental change in government policy and in government. For instance, where government encourages private initiative, foreign investment and non-oil export will indeed yield various incentives that can enhance the performance of SME through the creation of conducive environment. Again, continuity and stability in government that will ensure the consistent implementation of economy policies are another area through which politics affect SME performance. Political instability therefore weakens the performance of SME.

**vi) Entrepreneurial Competencies:** Awe (2008) described an entrepreneur as a person who organizes and manages a commercial undertaking with the ultimate purpose of profit making as a return on investment. Entrepreneur can be described as an innovator, path-breaker and a pacesetter of economic and industrial growth. Their capabilities in terms of systematic ways of handling available resources, with the right knowledge of what it takes to make enterprises to perform indicate competency. Therefore, entrepreneur is a person breaking away from the traditional base of economic activity and catching on to a relatively new line of enterprises, service or manufacturing (Kehinde, Abiodun, Adegbuyi & Oladimeji 2016). Hence, the trademark of an entrepreneur is the ability to identify, exploit and make a success of opportunities. These attributes explain who an entrepreneur is and the importance of competence.

**vii) Raw Materials:** This is the input that the firm works with to produce output. The inability to source raw materials locally is a bane to entrepreneurial development. The absence or low supply of these raw materials increases costs of production. The Manufacturers Association of Nigeria (MAN) cited in Ibrahim, 2008 observed that inadequate supply of raw materials causes 'stagnation, low quality of products, and poor performance.

**viii) Monetary:** Funds can be termed to be the life blood of any enterprise. It defines a substantial part of the enterprise performance. The effective and efficient utilization of funds help the growth and development of SMEs. According to Ogunjuiba, Ohuche and Adenuga (2004), finance contributes to the tune of 25% SME success, among other determinant factors. In Nigeria, most SMEs fail because of their inability to gain access to credit facilities. Banabo and Koroye (2011) revealed that through lending activities, if financial injection of funds into the economy is effectively utilized, it will improve people's standard of living, enhance enterprise performance and invariably add value to the bottom line of the economic development. The inability of enterprise owners' to have easy access to financial facilities from financial institutions constitutes a great problem to sustaining enterprise. Consequently, enterprises owners' secure alternative sources of finance, which in most cases cannot sustain the long-term growth of enterprises.

**ix) Benefaction:** This describes the support, enterprises enjoy from the customers, or a sharing of earnings with eligible customer-owner. The level at which customers patronize enterprises backed-up with ability to pay, determines the performance of enterprises.

Performance here can be viewed as whether the enterprises are surviving, developing, growing and making profit (Ismaila, 2012).

### **2.1.10c Difficulties faced by SMEs**

The desired impact expected from SMEs performance is becoming a mirage and difficult task to achieve. Despite the efforts of various governments' supports the performance of SMEs is not driving and bringing the necessary benefits towards the development and growth of industrialisation and economic development. Various problems and difficulties are faced by many existing entrepreneurs that are hindering the growth and the development of the sector. Many would be investors and entrepreneurs are not motivated to go into entrepreneurial activities because of these difficulties.

Lucky and Minai (2011) explained that despite the many benefits of SMEs operations to the development of the economy, the institutional failure and imperfection of the market constitute great challenge to the smooth operation and performance. The demand for capital has made the service sector to be more patronise and easier to operate than the manufacturing sector which require more capital to venture in (SMEDAN 2010). Some of the difficulties and challenges that are faced by SMEs operators especially in developing nation like Nigeria are listed as follows:

**i) Insufficient capital:** Many existing entrepreneurs of SMEs are faced with the challenges of accessing loan to expand their production capacity. The stringent requirements for acquiring loan have made it difficult for entrepreneurs to expand and increase their production capacity. The difficulties and problems of funding SMEs are basically about its accessibility and necessarily the sources of funding. The lack of working capital leads to a recurrent death of SMEs because it restrains productive capacities of the SMEs. The lack of adequate collateral, stringent conditions set by financial institutions, and credit information are causes identified that hinder the accessibility of funds. Adelaja (2003) asserted that financial institutions preferred to give loan to big organisations with large resources and assets than small organisations.

**ii) Infrastructural inadequacies:** The series of intervening efforts of the government and its agencies are not enough to propel the required change to bring development to the SMEs sector of the economy. There has been a continuous and increase in poor infrastructural facilities like network of good roads, poor transport system, water supply,



electricity supply and poor management of industrial waste. In developing economies like Nigeria, the existence of bad and inadequate infrastructures has been a major impediment to the development and growth of SMEs. Many firms find it difficult to survive because the inadequate electricity force them to use a large percentage of their revenue to generate electricity thereby reducing their profit and making them to have no resources for developmental and expansion project. Oyeyinka (2012) emphasised that adequate supply of electricity will increase profit margin and reduce operating cost of an organisation.

**iii) Multiple taxes, levies and rates:** The issue of tax in multiple ways has become one of the major challenges facing SMEs. The corrupt manner in which operators and government officials go around in estimating amount to be paid is not favourable to the SMEs operators who are charged high if they cannot bribe the tax officials. Entrepreneurs are faced with double taxation because of non-harmonisation of all the taxes imposed.

**iv) Poor policy implementation:** Poor implementation of government policies has caused great difficulties to the operation of small scale enterprises. Government action by banning importation of a particular good towards encouraging local production and the same government given import licence to its cronies will defeat the purpose of such program.

**v) Changing government policies and regulations:** The inconsistencies in government policies and programs make the activities of SMEs difficult to operate in Nigeria. Change in policies of government due to change in power and regulated authorities make the performance of entrepreneurs to be below standard. There is no consistency in government policies towards SMEs, every new government brings in policies that will favour it and bring in more revenue without minding the survival of SMEs. Oluwaremi, Odelabu, Lawal, Obisesan, (2016) highlighted that this harsh method of government insensitivity started in Nigeria in 1982. However various governments had come and gone the constant indicator is that SMEs has not experience the desired growth and development.

**vi) Lack of requisite skill and experience:** The required skills to excel in entrepreneurial development have been lacking majorly among SMEs operators especially in developing economies. Acquiring the latest technological knowledge to remain competitive globally has been a major setback for the development of SMEs. Many of the operators do not

have the required basic educational background to learn the new technology that will transform their organisations and make them competitive in their industry and globally. Competency and experience issues have been majorly ascribed to the failure of many SMEs. The required experience and capability for survival of SMEs are lacking from the operators of small scale enterprises. The necessary managerial, accounting, and financial skills are not available among the majority of entrepreneurs in the SMEs sector of the economy. This has affected the performance of the operation and growth of the sector due to having the necessary skill to advance their business. Asaolu (2005) reiterated that majority of successful SMEs has experienced and knowledgeable operators in their businesses.

**vii) Declining economic environment:** The economic situation in the country, where the purchasing power is reducing and the cost of rent is going up is making SMEs operators to have more difficulties than the big organisation that they are competing with in the housing sector of the economy. Real small scale operators have been forced to go into the streets or other places that are accessible because of the high rents that are charged for stores by their owners in good locations (Johnson, 2013). The purchasing power of the populace determines the ability to buy goods and services. Low purchasing power has reduced the ability to buy the products and services of SMEs operators.

**viii) Lack of Focus:** The inability of entrepreneurs to be more committed and remain focus on their businesses, is a daunting challenge that makes the sector prone to failure. Many of the entrepreneurs invest their profit in other ventures that do not relate to their businesses and thereby incurred loses that can drain the whole resources of the entrepreneur. Many plough the small profit made the business into social and political jamboree which may not sustain the operation and survival of the business.

**ix) Lack of ability to produce at Large Scale:** The inability to produce in large scale will not make the operation of SMEs to be able to compete with large firm with big operational efficiency. According to Harris and Sauzer (2006) large scale organisations have better chance to compete and survive than small scale firms due to economy of scale in their production and other activities. Large scale production will allow the manufacturer to buy raw material in bulk and reduce price which will translate to lower cost of production, lower selling price and more sales and more profit. The ability to

produce in large scale will allow the manufacturer to enjoy discount and so many trade bonuses from their suppliers due to large volume of business. The small scale manufacturer may not enjoy big volume of business due to lack of finance and capacity to produce in large scale.

**x) Inability to advertise and promote business:** Advertising and promotion are always not practiced by SMEs due to lack of finance and the ability to meet the large scale production demand of most customers. Oyeyinka (2012) opined that due to the inability of SMEs to advertise and promote their business, the challenge faced by them is to be able to provide good services to their customers and continue to win their loyalties. This difficulty has made SMEs to attract few customers compared to the large firms that have resources to promote and advertise their goods and services.

**xi) Unhealthy Competition:** The large scale firm enjoy so many benefits such as bulk purchase of raw materials at reduced price, production at reduced price, and ability to import at cheap price. SMEs entrepreneurs may not be able to match the large scale entrepreneurs in price, volume and advertising. Since SMEs need to compete with these large firms, it will take extra efforts and skill to be able to survive the incomparable size of the two extreme firms competing with each other. It will take a witty idea and innovation for small scale firm to remain in business due to unhealthy competition in the industry. MOPFED (2010) emphasised that unless small firms patented their products, big firm can hijack them and send the small firm out of the market. Most of the goods and service in the market today are innovation of SMEs but later high jacked by big organisation with better and powerful resources to excel in competition.

**xii) Poor Accounting System:** Poor accounting system of SMEs is another difficulty confronting them. Lack of good record keeping may cause an irredeemable lost to the operation and performance of SMEs among entrepreneurs in developing nations. Pilfering and other maladministration have often been the trade mark of such firms that do not have good accounting system in place.

Other problems faced by small and medium scale enterprises in Nigeria include:

Lack of business strategy, lack of focus, inability to procure the right plant and machinery, inadequate market research, lack of ability to separate business and family or personal finances, over-concentration on one or two markets for finished products, lack of

proper book keeping, lack of proper record keeping or lack of record, inability to distinguish between revenue and profit, and failure to engage or employ the right calibre of staff. Others are: cut-throat competition, lack of official patronage of locally produced goods and services, over concentration of decision making on one (key) person, usually the owner.

Other problems listed by Onugu (2005) are: unfavourable fiscal policies, fuel scarcity or shortages, reversals and shocks, raw materials sourcing problems, restricted market access, and fragile ownership structure which may hinder succession program.

The survival of SMEs is only likely through a methodical analysis of the difficulties they are faced and planning out suitable strategies of overcoming them, through an appropriate understanding of the business environment. For a business to survive in unfriendly environmental conditions, it should adopt a plan that exploits its strengths to utilize chances while avoiding its weaknesses. Strategic changes might take place in a firm without initial formulations; such decision could be informed by innovation strategy, expansion strategy, and change in production techniques, preference to cash sales policy, and local sourcing or use of alternative materials, backward integration and merger. Aigboduwa and Oisamoje (2013) recalled that any entrepreneur who wants to flourish must identify business opportunities, enterprising, be creative, courageous, risk taking and sensitive to changes in the business environment. Curiosity to survive despite the numerous challenges will make an entrepreneur to stay focus, adjust and align with the environmental dictate of the society.

#### **2.1.10d Types of Small Scale Business Enterprises**

##### **i) Cooperative enterprise:**

This is a group of people coming together to form an association with the aim of providing services for the members of the association or its shareholders. The cooperative enterprise is established for the sole purpose of mutual benefit and to sell products and render services at the minimum possible price. It is an independent relationship of group of individuals who willingly come together for their common, cultural, economic, and social benefit. The businesses of cooperatives organisations are owned by non-profit seeking community and managed by members who use its services (Worlu, Evioghenesi, Ajagbe & Okoye, 2015). A co-operative enterprise is also defined as a democratically self-governing group of people who associate voluntarily to satisfy their common social,

economic and cultural needs. Compared to other forms of business organisations, the creation and establishment of cooperative society is not difficult. A cooperative society can be formed by the coming together of ten or more adults.

### **ii) Sole proprietorship:**

The sole proprietor is an individual who owns a business, controls it and is responsible for the debts of the business personally; it is therefore not a legal entity. Sole proprietorship can be established using the name of the owner or any other name. It is a form of business that is owned and managed by a single owner. The management of sole proprietorship is easy as majority of the decisions are taken by the sole owner (Oyeyinka, 2012). The resources and capital for sole proprietorship are always limited to what the single owner can provide. It is a form of business that is easy and not expensive to manage. Decisions are promptly taken and action on issues is also implemented without delay. One of the major disadvantages of sole proprietorship is that the liability of the company is not limited to the owner's business only; it can be extended to the private assets to offset the liability of the business. There is no continuity in the business of sole proprietor as the business always folds up with the demise of the owner.

### **iii) Partnership:**

This is a type of business where two (2) or more people come together to establish a business based on mutual terms in the partnership agreement. There are majorly two forms of partnership, they are general and limited partnerships. In general partnership, partners manage and assume responsibility for debts and other obligations, while limited partners work as investors, are not subjected to the same liability and have no control over the company as the general partners. Partnerships are formed by either a written or oral agreement and this agreement mostly manages the relationship that occurs between the partners and the partnership in general.

The shortcoming of the partnership form of business is that profits and proceed of business are apportioned and distributed with others as indicated in terms of the partnership (Asaolu, 2005). In partnership form of business, the managing partners take decisions. Disagreement can occur because a single person does not take decisions. Dramatic and traumatic split-ups could occur because of its long-term nature and the involvement of different people with varying personality traits could result in changes in expectations and situations. However, the pooling of resources together makes

partnership better than sole proprietorship. Partners have access to more resources and can gain a lot from the pool of experiences brought on board the business.

#### **2.1.10e Benefits of Small and Medium scale Enterprises (SMEs) in Nigeria**

Small medium enterprises are proper engines for the execution of the nation's objective where it concerns developing individuals interested in entrepreneurship, generation of employment opportunities especially for the youths and acquisition of technological skills. They reduce the rate at which people move and settled from rural areas to urban areas and immensely contribute to the nation's GDP and export earnings.

The bulk of business activities in an economy are SMEs. They are the engines that propel the economic activities of a nation especially developing economic like Nigeria. SMEs are the major factor for the development and promotion of entrepreneurial activities. It is the driving force for the promotion and development of private sector (Udechukwu, 2003). The benefits of SMEs cannot be over-emphasised and they include;

**i) Income generation for government and citizenry:** The establishment of SMEs bring income and increase standard of living to the employees. Tax is also paid to the government on the goods and services provided by the numerous businesses operated by SME entrepreneurs. Expanded SME businesses signify expanded income generation for the government and the large number of employees working in the organisation.

**ii) Engine for sustaining economic development:** SMEs are the largest employer of labour in most developing and developed nations and by extension represent the engines that keep the economy running towards political, technological and social development (MOPFED Report, 2010). They serve as linkage between the small-scale industries and large organisation.

**iii) Re-distribution of wealth and resources:** SMEs are regarded as the pillar of economic development in all nations. They are a good mean of redistribution of resources of the nation among all the strata of the citizenship. SMEs play important role in every economy, and contribute immensely to the advancement of economy activities and also help in redistribution of wealth and resources of the nation (Kombo, 2011). The redistribution of income and wealth created by SMEs allow employment generation to increase and reduce poverty level which invariably reduce vices from the society.

**iv) Encourage domestic savings:** The income generated by the numerous workers is a source of domestic savings which helps to stabilise the financial sector of the economic. Savings generated through SMEs are veritable means for mobilisation and utilisation of domestic savings. The savings has served have provided platforms for expansion of existing and additional SME companies which can borrow money from financial institutions.

**v) Vehicle for utilisation of local raw materials and rural development:** Significant volumes of locally sourced raw materials would have been neglected if local SMEs manufacturers are not competing for increased market share. Foreign large scale organisations mostly preferred importing raw materials from their home country under the pretext of higher quality or maintaining global standards. The establishment of SMEs would transform economy development of rural areas as improve employment and utilisation of local raw materials will increase the standard of living of rural populace.

**vi) Avenue for developing entrepreneurial skills:** Creation of multiple SMEs is an avenue for developing and increasing expertise in entrepreneurial activities, especially on a macro-level. It is an opportunity for training new graduates from tertiary institutions, semi- skilled workers and managers for better performance. In all developing nations, there is dire need for training and development of skills and capacity to deal with the task of economic transformation. Instructively, the SME sector is a central medium for the development, growth and the sustainability of the entrepreneurial activities of a nation.

**vii) Contribution to gross national income (GNI) and gross domestic product (GDP):** The establishment and the growth of SMEs are veritable instruments for the increase in the gross national income and the gross domestic product of the nation. Numerous SMEs will help to diversify the economic base of the country and also facilitates redistribution of resource across several sectors of the economy. The growth of SME will help to diversify the economy and add to the economy base of the country. Eniola (2014) opined that the organised manufacturing sector which is about 95% in Nigeria will be further helped to increase the other sector of the economy through SMEs development.

**viii) Employment generation:** SMEs in almost every nation have become the largest employer of labour. Many nations have started to encourage entrepreneurship to fast track

the creation of employment opportunities. Many employment opportunities can be generated through the development and growth of SME firms in all the sectors of the economy. Employment opportunities are generated more in the private sectors than the government institutions. The government only need to promote entrepreneurial activities to increase entrepreneurial uptake in the public arena. SMEs transform the labour market of the nation and constitute viable incubators of entrepreneurial growth (Anyanwu & Duru, 2003).

**ix) Technological innovation:** Increase and expansion of the technological development can be accelerated on account of SMEs penetration and sustained growth. The emergence of new and innovative ideas is variously connected to the growing SMEs sector that is competing in a dynamic business environment. Continuous researches are being carried out on daily basis by the managers to assess and sustain firm presence over the long-term. Many of SME ventures in Nigeria are adopting and improving on domestic technology. Many entrepreneurs in the production of soft drink, bakery, soap production, paint, foot wear and textiles have improved on their domestic technology. Many of the managers of these SME entrepreneurs are educated people that deploy their research knowledge to advance the technological advancement of their organisations (Wanyama, 2013). This technological improvement in the production of goods and services has improved the performance of these firms and make them more competitive. This supports the view that the improvement in the technological advancement of SME has contributed immensely to the growth of the economy (MOPFED Report, 2010).

**x) Enhanced standard of living:** Employment generation through SME will improve the income of the employees and positively impact on their standard of living. Many of the employees will be able to satisfy their basic needs that had been relegated prior to such entrepreneurial undertaking. The increase in their level of income will consequently alter spending patterns and general outlook to life. Thus, immediate family and dependants will also experience changes in their standard of living.

#### **2.1.10f Government Policies for Promoting Small Scale Business Enterprises**

Governments of different nation all over the world have consciously embraced entrepreneurship to be able to reduce the unemployment situation and the social implications attached to unemployment. Majority of the assistance comes from various



agencies established by the government. SMEs problems are not peculiar to a particular region of the world; the only difference is the policies of government in different part of the world and the will to implement such policies. In developing economies, policy towards SMEs development are characterised with the issue of corruption and lack of political will to implement these policies for the advancement of SMEs.

In Nigeria, the problems SMEs are not peculiar to the nation. The governments over time have introduced different programs to promote the development of this important sector of the economy. These assistance and policies emanate from various government institution, non-governmental agencies, local government, and international donor organisation. Successive governments in Nigeria have introduced various ways to promote the development of SMEs in the country.

**i) Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN):**

Small and Medium Scale Enterprises Development Agency of Nigeria was created in 2003 for the development and growth of the micro, small and medium scale enterprises (MSME). The underlying basis for the establishment is to have data of all businesses operating within this sector and to provide access for finance and other necessary resources. Also, the malaise of unemployment and its attendant consequences and the implications for poverty across global jurisdictions justified the establishment of this body. The body also enables entrepreneurs to network and obtain the necessary assistance. This outcome is achievable as accessibility is leveraged by increasing the volume and substance of the data in the data base.

**ii) Family Economy Advancement Programme (FEAP):** This was established to directly provide loans to Nigerians through cooperative societies and other recognised informal bodies. This aligns with the aim of stimulating the growth of the economy through individual contributions to entrepreneurial activities. It is to provide credit facilities to individuals through cooperative society for the growth and development of cottage industries and entrepreneurial activities that can improve the nation's economy (Aremu & Adeyemi, 2011). The programme assists in the training at local and ward level so as to stimulate the growth of the economy and to create employment opportunities.

**iii) National Economic Reconstruction Fund (NERFUND):** This is another scheme established for the provision of medium and long-term loans for the growth of SMEs

businesses in the country. The finance of #300 million was provided by the nation highest bank Central Bank of Nigeria (CBN) and Ministry of Finance. The aim of the programme is commendable, but was short-lived because of non-continuity of government program, particularly in periods of transition or change of government.

**iv) The Rural Financial Institution Building Program (RUFIN):** This was a program that was targeted towards at improving the life and economic activities of the rural dwellers. The program which was launched in 2009 and started operation in 2010 was co-financed by the International funds for Agriculture. It was a programme targeted to secure food security by accessing and deploying funds for rural dwellers.

**v) Family Support Programme (FSP):** FSP was established in 1993 with the sole aim of providing better living standard for rural people. It was designed to take care of the health-related issues of the people living in the rural areas. The program dealt with issues of youth development, child welfare and increase balanced diet and nutritional value of the local and rural people.

**vi) National Poverty Eradication Programme (NAPEP):** NAPEP was created in 2002 to address the continuous lack of access to finance for SMEs in the country which inhibit the growth of the sector. The failures of the previous programmes culminated in the establishment of NAPEP. The program revolves around stakeholders in the country that are involved with SMEs. It was established to apply practical solutions to the perennial problems associated with the growth and development of SMEs in the country.

**vii) Small and Medium Industries Equity Investment Scheme (SMIEIS):** Small and Medium Industries Equity Investment Scheme is one of the latest of the intervention programs of the government. It was established to attend to the perennial and unresolved problems facing SME (Oyeyinka, 2012). The financial institution was expected to contribute 10% of their pre-tax profit for equity contribution towards the development of SME businesses.

**viii) Small and Medium Enterprises Credit Guarantee Scheme (SMECGS):** In this program, the Federal Government in 2012 approved the sum of #200billion for the operation of small scale business sector. The program was to serve as credit guarantee

scheme for the entrepreneurs who want to go into SME business or are desirous of expanding their scope of operation. The continuity of the program was halted owing to the endemic culture of discontinuity

**ix) Better Life Programme (BLP):** Better Life Programme was established in 1987 with the sole aim of alleviating the suffering of local and rural people especially the women. The program was implemented by distribution of inputs to increase the entrepreneurial activities of rural people. Though the scheme like the others did not live up to expectations, the adoption of the soft loans regime somewhat increased the economic activities of the rural people (Ismaila, 2012).

**x) People's Bank of Nigeria (PBN):** The challenges of providing loans for rural people are the reasons why PBN was established in 1990. The program was arranged to serve the needs of Nigerians who are engaged in legitimate business and cannot provide collateral to access loan. The bank gave loans to people who cannot secure loans through the orthodox commercial banks.

**xi) Bank of Industry (BOI):** This is a unique institution which was formerly called Nigeria Industrial Development Bank. This bank has gone through positive transformation. Its operation and management are up to date in assisting the development and growth of SME sector of the economy. In effect, successful entrepreneurs are largely assured of obtaining necessary advice to grow their businesses. One of the challenges of the bank is dishonest entrepreneurs who are keen to default on their repayment obligations for various tenable and untenable reasons. Unfortunately, this behaviour impairs the capacity of the institution to attend to the needs of a wider pool of applicants.

All the above institutions were established with good intentions and to provide solutions to the growth and development of the industrial sector, especially the SME sector of the economy. However, the growth of the sector is still ridden with multiple challenges that hinder the growth of the sector. Poor implementation of the program by the various institutions is a central issue limiting the achievement of the desired outcomes. Improving support for BOI and SMEDAN are one of the ways the current government is trying to reclaim support for SME growth in the nation.

### **2.1.11 Hybrid Entrepreneur**

Most researches that have examined the entrepreneurs' decisions to enter into a venture or not found that it largely depend on the motives, environment, skills, and the financial capability of the promoter of the business. An entrepreneur who engages in self-employment while still in wage work is called a hybrid entrepreneur (Indudewi, 2015; Folta, Delmar & Wennberg 2010). Majority of businesses by entrepreneurs are established concurrently while they are still in paid employment. They initiate their business while they still have jobs they are being paid for at the end of the month, or depending on the period of the month which they are remunerated. Burke, FitzRoy and Nolan (2008) found that "pure" entrepreneurs are much more than individuals who combine their time in both self-employment and wage work. Other researchers have also noted this occurrence in various part of the world (Barley, 2001; Raffiee & Feng, 2014). This process is what is called hybrid entrepreneurship while those who participate in these practices are called hybrid entrepreneurs (Bates, 1990). The approach of a hybrid entrepreneur is vastly becoming compelling which involves doing a day job where one is getting paid alongside being an employer of labour that is also running a business. However, this involves thorough planning and work. It also has major advantages for people who adopt this fusion-approach to become a hybrid entrepreneur. Evading the method of owning a business allows numerous workers to forge ahead and gain adequate confidence in going into full time entrepreneurship.

People who partake in primary jobs in wage work and at the same time participate in self-employment activities are called Hybrid entrepreneurs. Even though the idea of hybrid entrepreneur is common and very popular without knowing, majority of entrepreneurs practices it without given it a thought. Many entrepreneurs practice hybrid venturing without knowing what type of entrepreneurial ventures they are embarking on. This type of entrepreneur has been denied empirical and systematic research because it is a venture so unconsciously expanded without notice (Blanchflower, 2000). Hybrid entrepreneur may be used to evaluate and appraise the business environment when the risk is high and unpredictable. Entrepreneurs who are not certain about the reality of business environment and the risk associated with the venture will opt for hybrid entrepreneurship. Entrepreneurs who are less-confident about their ventures might realistically adopt hybrid entrepreneurship to limit the level of risk associated with full entrepreneurship.

Businessmen who see huge returns on a business, while they are still in another business or paid job, may embark on hybrid entrepreneurship to take advantage of the opportunity. These methods explain why people quit their self-employment and concentrate on their paid job after successfully taking advantage of the business opportunity that endeared them to hybrid entrepreneurship.

### **2.1.11a Motivations for Hybrid Entrepreneur**

*i) Supplementary Income:* A major reason why most people combine their day job where they earn wages with their personal business is to gain an extra source of income. This reasoning proposes that hybrid entrepreneurs might be similar to wage-earning individuals who have two or more jobs because of the harsh economy which in one way or the other reduces the earning capacity in one's primary job. It is also expected that low income regime or trend will encourage individuals to seek additional income via hybrid entrepreneurship. The recession and changes in the economy will compel people to seek for additional means to supplement their incomes, and this may increase the gravitation towards hybrid entrepreneurship. This is in accord with the literature on "moonlighting" in a second wage job, which suggests that people engage in hybrid entrepreneurship if their primary job yields a low salary, and at the same time have so many people to cater for instance a spouse or children (Kimmel & Conway, 2001; Renna 2006). It is clear as evidenced by Bruce and Schuetze (2004) and Hyytinen and Rouvinen (2008) that low income people select self-employment than to go into hybrid venturing with huge capital. Inadequate resources which drive hybrid entrepreneurs also drive poor people into self-employment because of unavailability of enough money to start a new venture.

*ii) Non-monetary Benefits:* Another reason individuals go into hybrid entrepreneurship and take on second jobs is to profit from nonmonetary remunerations that might not be obtainable in their primary job. Some professional like lawyers, accountants, and engineers who work outside their profession may derive joy by going into hybrid venture to obtain nonmonetary benefits. These set of people will engage in extra job outside their wage pay, because of the personal fulfilment they derive from doing so (Hamilton, 2000). The justification for this people is the inner joy set of derived from being able to practise their profession outside their wage job which does not provide such satisfaction. Many of this type of entrepreneurs can sacrifice wages to achieve their self-seeking satisfaction.

**iii) Transition:** Many embrace hybrid entrepreneurship as a training ground to perfect the act of entrepreneurial activities. It is a bridge between fulltime entrepreneurial activities and wage job. The cost of transiting from wage job to full time entrepreneurship may be high and it may take away all the savings of the entrepreneur if proper learning and training are not received. These costs will be saved if the entrepreneur engages the hybrid model, particularly sufficient time, to master the art of the business before fully committing to this business path (Parker, 2005). These costs of transiting which are removed through hybrid method will allow the entrepreneur to save and think about the right time to quit wage employment for full time entrepreneurship.

**iv) Attractive and Low Cost of Entry**

Attractive and low cost of entry point for people are some reasons individuals embark on hybrid entrepreneurship. Those in high pay job can venture into hybrid entrepreneurship if the cost is not significant and the job is attractive. University lecturers and government workers engage in this type of arrangement to complement their incomes and are motivated to participate owing to low cost of entry and attractiveness..

**v) Government Policy**

Government policy and program to encourage entrepreneurship may also promote hybrid entrepreneurs if the conditions for such policies allow wage workers to be part of the beneficiary of the program. Provision of farm implements and loan to farmers may be a good opportunity for wage job earners to become a hybrid entrepreneur. People get involved in poultry, fishing, piggery farming if the relevant support or interventions are made available.

**vi) Attitude to Risk**

Attitude to risk will determine if an individual can become an entrepreneur. Persons who are risk-averse will be apprehensive to go into business because of unforeseen situations (Kihlstrom & Laffont 1979). People embrace being hybrid entrepreneurs because of the fear of losing out completely in their paid jobs and private investments.

**vii) Liquidity Constraints**

Inadequate financial and material resources are key constraints of self-employment. Many people have good business ideas but do not have adequate resources to execute these

ideas. People in this category often engage in hybrid entrepreneurship on a small scale until more finance is available (Evans & Jovanovic, 1989; Taylor, 2001).

## **2.2 Theoretical Framework**

### **2.2.1 Trait Theory**

What constitutes who we are, the reasons behind our actions are as complex as our understanding of world. Scholars have attempted to study the behaviour and attitudes of human beings. Specifically in terms of understanding the rationale behind individual behavioural patterns by using analytical methods or informal methods. One of the oldest and widely-used approaches to understanding this phenomenon is the trait theory.

The trait theory underpins the uniqueness of behaviour and personality of humans. It indicates the extent to which specific personality traits (patterns and forms of thought and behaviour like shyness, timidity, anxiousness, care free, candidness etc.) exist from one person to the other (Emecheta *et al.*, 2016; Eser & Ozdemirci, 2016). The influence of this on other people and work processes can invariably affect the performance of an entrepreneur in an environmental setting such as Nigeria.

#### **i) Gordon Allport**

In 1936, Allport Gordon a renowned psychologist and one of the foremost scholars in personality psychology proposed 4,000 words through dictionary search to describe human behaviour and personality. He however went ahead to group them into three major categories on the basis that just a few number of them would successfully define who we are as humans. These categories are (1) Central traits, (2) Secondary traits and (3) Cardinal traits.

**Central Traits:** Traits that constitute and dominate a person's behaviour. They constitute a person's personality and temperament.

**Secondary Traits:** Traits that are expressed in nervousness, i.e. impatience while in a line, being agitated when in stressful situations.

**Cardinal Traits:** Traits that completely describe what a person is known for. It refers to dominant features that characterise personality. Cardinal traits overshadow all other traits because individuals possess the uniqueness of such uncommon traits that define them.

Allport's definition holds sway in a developing economy like Nigeria. Entrepreneurs must identify the uniqueness of their personality and align it with the situational environment when taking or planning to venture into entrepreneurial activities. Knowing the peculiarity of character embedded in oneself will allow for the channelling of efforts towards leveraging personal strengths.

## **ii) Raymond Cattell**

Cattell (1946) used knowledge and experience to reduce Allport's 4,000 traits which was too cumbersome and unrealistic. Privileged to be born in 1905, Cattell worked with renowned psychologist Charles Spearman who was known for pioneering work in statistics and witnessed the inventions of cars, airplanes, electricity and telephones. Cattell (1946) narrowed down the trait theory down to a more adaptable and manageable composition and applied the factor analysis learned from Spearman to streamline the 4,000 traits by Allport to an initial 171 characteristics and arrived at 16 personality traits. These 16 personality traits became one of the main assessment methods for rating human personality. According to Cattell human beings have one unique trait which makes their behaviour unique and different from that of others. Cattell (1946) believed that personality was not just some unknowable and untestable mystery. It was something that could be studied and organized. Through scientific study, human characteristics and behaviours could then be predicted based on underlying personality traits.

## **iii) Eysenck's Three**

Eysenck (1939) grouped the behaviour and personality of humans into two dimensions, the extraversion versus introversion, and emotional stability versus emotional instability or neuroticism. Extraverts are people who are outgoing and loud or generally people that can talk without been timid. The introverts on the other hand, are people who reserved and comfortable with keeping to themselves. Emotionally stable people do not allow stress and worry to distract them from taking right decisions. Persons in the neuroticism category are always tensed, worried, disturbed and are pessimistic about the issues of life. Eysenck (1939) realised that human behaviour cannot be grouped under these two broad dimensions and then added a third dimension, which was classified as psychoticism which mean a state of aggressiveness and hostility in interpersonal relations.



The major aim of Eysenck' (1939) conceptualization was to relate human behaviour to specific personality dimensions. The theory is important to the study of entrepreneurs' personality traits as it allows individual entrepreneurs to evaluate their behaviour and ascertain areas to improve upon. It suggests that personality is variegated by dimensions that can affect the behaviour of human capital in an organisational context.

### **2.2.1a Pros and Cons of Trait Theory**

The trait theory has some noticeable pros and cons. The strong points of the theory are that objectively, it is easy to understand, straightforward and adaptable for use among practitioners. Psychologists, human resources practitioners and managers of organisations have adopted it as a useful instrument in analysing human behaviour.

The trait theory is perceived to be unbiased as it relies on statistical analysis which can stand the test of time. The data can be subjected to reliability and validity tests which makes for objective rather interpretation rather than subjective interpretation. Many of the tests in trait theory are conducted with quantitative methods and supported with qualitative methods to further enhance result reliability. However one criticism of the trait theory is that it does not provide information on the root cause of the behaviour of the personality under investigation. This may be a setback for the theory which is more observational rather than investigative (Mckim, 2017). Also, the assembly of trait to measure individual behaviour might not actually reflect the true position of the measured traits of the personality under investigation. Indicators of trait theory can be used to ascertain the personality of an individual, but these can actually be different from the actual personality of the individual. Changes in personality are also not addressed by the trait theory. The theory itself does not address the development of traits; therefore it does not recommend how a negative trait can be changed, or how a positive trait can be advanced.

Trait theory is considered a concrete, objective tool for evaluating a personality, and over the years, experts have developed quite sophisticated methods for getting good measurements of the key traits. The main tool for evaluating the strength of a person's character traits is through self-reporting. Often, self-reporting can be awfully gloomy, as people are generally not the best interpreters of their own behaviours. However, psychologists have developed tests with hundreds of questions that have proven through

research to be quite reliable at testing out accurate personality assessments. The inherent benefits of this theory made it very valuable for this study.

### **2.2.2 Self Determination Theory (SDT)**

This is a theory of motivation that relies on the theoretical understanding that people have natural or inherent behaviour (Ryan & Deci, 2008). Human beings have a natural tendency to pursue a fulfilling life by accomplishing set objectives. According to Szymanski (2016), the three main psychological needs that drive SDT are: perceived competence, perceived relatedness, and perceived autonomy. Perceived competence is the level at which a person has a feeling of possessing the required skills and understanding to successfully execute the task at hand. Perceived relatedness is the level at which an individual feels a sense of belonging to an organization, community or group. Perceived autonomy is the locus of control in a particular circumstance. Independently motivated individuals often tend towards actions that are caused by internally generated reasons. They experience control over their actions and are at liberty to make decisions regarding their work (Reeve & Jang, 2006).

This theory is very relevant to the development of entrepreneurship as every entrepreneur should demonstrate the ability to plan and commit reasonable time to the planning and growth of entrepreneurial ventures. Determined entrepreneurs will always aspire to put in available resources including experiences that have been gathered over the years.

### **2.2.3 Theory of Mindfulness**

The word mindfulness originally comes from the *Pali* word *sati*, which means having awareness, attention, and remembering (Bodhi, 2000; Brown, Ryan, & Creswell, 2007). In other words, it is moment by moment awareness of one's state of mind. It is a theory that originated from Buddhist psychology and its application spreads across several disciplines.

Mindfulness theory addresses awareness of context in the present moment. It stems from comparing experiences that stretch the understanding of a situation by keeping an open mind to alternative perspectives (Carson & Langer, 2006). It is seen as a state of continuous and conscious awareness of the situation and activities within an environment. This gives the individual the ability to change as the situation warrants. Mindfulness theory is majorly centred on creating alternative ways of doing things through thinking,

planning, and reflecting on reality at a given time or period. Individuals and organisations that are mindful explore the variety of alternatives available to execute the tasks which they are involved in. The dynamic environment gives mindful persons the opportunity to thrive in the face of mounting challenges as they are able to adapt to changes in the business environment (Langer, 1989; Ndubisi, 2012).

The challenges that entrepreneurs confront daily necessitates continuous thinking, so that they can take decisions that will augur well for the continuous operation of the business ventures. The prevalent economic challenges make it pertinent for entrepreneurs to be readily aware of their states of mind to ensure that they react to situations as necessary. An understanding and application of this theory will enable entrepreneurs assess and modify their reasoning to enhance critical business decision making.

## **2.3 Empirical Framework**

### **2.3.1 Personality Traits and Entrepreneurs' Commitment**

Barrick, Mount and Ning (2013) opined that differences in individual personality will impact on the drive to achieve goals and the required level of commitment. The performance of an entrepreneurial venture may vary based on entrepreneurs' personality (Viinikainen, Heineck, Böckerman, Hintsanen, Raitakari & Pehkonen, 2016). Hence, the performance of individuals in entrepreneurial activities differs because of varying commitment levels. The difference in personality and the commitment level of the entrepreneur will be a determinant of entrepreneurial performance. Brandstätter (2011) revealed in the study of the Big Five, that higher openness, extraversion, conscientiousness, and lower neuroticism, determines the level of performance to derive from business. Zhao and Seibert (2006) concluded that the difference that exists between entrepreneurs and managers is usually the distinction between the commitment spirit and the personality inherent in individual. Entrepreneurs' commitment is the current prevalent factors that influence employees' attitudes and behaviours, including organisational commitment. Extraversion, agreeableness, conscientiousness, openness to experience and lower neuroticism stimulate entrepreneurs' commitment, thereby fostering job satisfaction and increased business performance of the entrepreneur (Brandstätter, 2011; Ganu, 2014). Personality trait of an entrepreneur is, therefore, a set of abilities that accurately assess the commitment of self and others, regulate the commitment to achieve

desired results, and use the commitment towards achieving the expected entrepreneurial performance (Meyer & Salovey, 1997; Mohammed & Massoud, 2016).

### **2.3.2 Personality Traits and Business Performance**

Amir, Naz, Hafeez, Ashfaq and Dogar (2014) investigated the moderating effect of employees' engagement on the relationship between Five Factor Model and team performance. The result from the study revealed that four of the variables of the big five model, that is, openness to experience, conscientiousness, agreeableness and extraversion have significant relationship with team performance and was moderated by employees' engagement. Neuroticism was found not to have any relationship with team performance.

The role of interpersonal interactions is important in the activities of entrepreneurs. Adequate understanding of the key stakeholder in the business environment will pave the way for increased performance of the entrepreneur in business. Effective utilisation and deployment of the right personality in a business circle, will allow the business to experience growth and improved performance (Zhao, Seibert & Lumpkin, 2010). Extraversion is a reliable predictor of effective interpersonal interactions and relationship (Ayodele, 2013). A very cordial and friendly relationship will allow an entrepreneur enjoy commitment from both employees and customers of the business.

Askarian and Eslami (2013) in their study examined the relationship between personality traits and job performance; their findings revealed that personality traits have significant relationship with job performance and that personality traits are important predictors of job performance. Awadth and Ismail (2012) also investigated the moderating effect of organizational culture on the relationship that exists between personality traits and employee work-related attitudes. The findings revealed that extraverts are social, emotionally stable and effective in tasks that require interactions with clients or customers.

Yakeen and Adebayo (2015) opined that neurotic people experience negativity in business because they dwell on pessimistic ideas and are always tensed, worried and temperamental. Barrick and Mount (1991) also revealed that neurotic people are inversely and negatively related with business performance.

Yahaya *et al.* (2012) emphasised that there is significant relationship that exists between conscientiousness, job performance and job satisfaction. Raja, Johns and Ntalianis (2004) and Chang, (2015) noted that conscientious persons search for cordial environments to display dexterity and seriousness. They are optimistic because of their work ethic and proactive tendencies. Mark and Nwaiwu (2015) investigated the relationship between employees' attitudes and organisational performance. The study established that aggregated attitudes such as job satisfaction and organisational commitment were concurrently related to performance. Organisations with more satisfied employees tended to be more effective than organisations with dissatisfied employees. This study pointed out the importance of job satisfaction in fostering effectiveness in organisations. Ryan, Schmitt and Johnson (1996) investigated the relationship between attitude, productivity and performance. The findings indicated a relationship between attitude and productivity in organisation. The personality traits of the entrepreneur will invariably affect productivity and performance at many levels.

A study on the effects of personality trait, motivation factors and performance of customer service personnel (CSP) was conducted by Azizi, Noordin, Jasmi, Zainudin, Muhammad, Azlina, Noraffandy and Fairol (2011). Results showed that extraversion, agreeableness, conscientiousness and openness to experience are positively correlated with performance. The study highlighted the moderating effect of big five personality factors on the relationship between start-up capital and entrepreneurial success. The study observed that agreeableness and extraversion positively predicted entrepreneurial success. Neuroticism, on the other hand, did not predict entrepreneurial success. Extraversion was the only factor in the big five model that moderated the relationship between start-up capital and entrepreneurial success, thereby highlighting the importance of interpersonal skills in enterprises.

Arslan, Farah, Waqar, Inamul and Abdul (2013) conducted a HEXACO (Honesty-Humility (H), Emotionality (E), Extra version (X), Agreeableness (A), Conscientiousness (C), and Openness to Experience (O)) Model of Personality Traits in relation with entrepreneurial performance. The study revealed a significant relationship between personality traits variables and entrepreneurs' performance. However, the study differentiates between entrepreneur and managerial appointment in a business setting. Entrepreneurs who are stable and strong in spirit are seen to be able to achieve more than unstable individual with negative tendencies. Zhao *et al.* (2010) found conscientiousness

and openness to experience to be personality traits which are firmly and constantly connected with entrepreneurial performance. The study emphasised that people with more conscientious are attracted towards entrepreneurship and they are also further likely to be successful after becoming an entrepreneur. Zhao *et al.* (2010) revealed that conscientiousness is the strongest predictor of business performance, while openness to experience is the major personality dimension which differentiates good performance of any managerial role from that of an entrepreneurial one. Successful performance of entrepreneurs may be facilitated by a consideration towards new, innovative and unconventional values, ideas and their execution. This study concluded that openness to experience is associated with innovation and creativity which leads to increased performance.

A new venture requires exploring new ideas, using creativity to solve problems, and applying innovative approaches to develop products, services, and business strategies (Zhao & Seibert, 2006). A previous study showed that openness is related to successfully adapting to change (Yap, Anusic & Lukas, 2012). Open people are curious about both inner and outer worlds, and their lives are experientially rich. These attributes are crucial for entrepreneurs (Rothmann & Coetzer, 2003).

### **2.3.3 Affective Commitment, Agreeableness and Business performance**

#### **Agreeableness and Affective Commitment**

Abdul (2016) studied the relationship between personality traits and career choice by sampling high school students. He discovered that persons with high level of agreeableness and emotional stability preferred jobs with team work and customer relations. The work of Baluku, *et al.* (2016) on the Big Five personality factors on the relationship between start-up capital and entrepreneurial success revealed that agreeableness, extraversion and start-up capital are determinant of entrepreneurial success.

Panaccio and Vandenberghe (2012) discovered that individuals high in agreeableness are positively associated with affective and normative commitment. However, individuals high in neuroticism are positively associated with continuance commitment and negatively associated with affective commitment. Agreeableness and affective commitment have been found to be significantly correlated. Hence, individuals that are

high in agreeableness are most likely to have better job fit, higher commitment and higher intentions to remain in the jobs that promote greater opportunities for interactions that involve helping or serving customers (Kappagoda, 2013). Izzati, Suhariadi, and Hadi (2015) also analysed personality traits as predictor of affective commitment and found that only agreeableness and conscientiousness significantly influenced affective commitment.

Almıaçık *et al.* (2012) investigated the relationships between affective commitment, career motivation and employees' satisfaction. They found that career motivation is significantly and positively correlated with affective commitment and job satisfaction. Career motivation scores significantly differed according to respondents' gender; female respondents attained higher career motivation scores compared to their male counterparts. Also, career motivation provides positive reinforcement for good performance, giving opportunities for achievement, and supports career development. Satisfied employees are more affectively committed to their organisation and employees who are satisfied and committed are more likely to attend work, stay with an organisation, perform well and engage in behaviours helpful to the organisation (Zachary, 2015). Employees' satisfaction is recognized as component and predictor of organisational commitment, and employees with high levels of organisational commitment are always outstanding and more work-oriented compare to other employees. They see their jobs as fulfilling more of their private needs, and are therefore willing to exercise great effort on behalf of the organisation (Ghaffaripour, 2015).

Baylor (2010) studied the relationship between employees' satisfaction and affective commitment to determine which of them greatly influence the intention to quit in the solid waste management industry. Results show that factors like stress on the job, the quality of the members, collective representation, and social support could play a big role. Findings also revealed that intrinsic factors have a greater positive influence on affective commitment, but extrinsic factors take the lead in their influence on the intention to quit.

Tasnım, Yahya and Zainuddin (2014) found that affective commitment is the major component of commitment that influences entrepreneurial performance, and that passion, values and personality play significant roles in shaping affective commitment. Jawwad, Muhammad and Mazhar (2016) studied the Big Five Personality Traits in connection with job performance and the mediating role of organisational commitment. The outcome

revealed that organisational commitment mediates the relationship between the big five personality traits and performance. Affective commitment most significantly mediates the relationship between personality and performance; as it mediates the relationship between extraversion and job performance, also conscientiousness and job performance. Mai, Le, Nguyen and Nguyen (2016) assert that entrepreneurs tend to have greater satisfaction when their traits match and are more consistent with task demands. They showed that first, due to how the opportunity for the expression of their trait as part of their work behaviour can be very motivating and rewarding, and secondly, as soon as these traits contribute to successful tasks, they also feel tangibly rewarded.

### **2.3.4 Commitment and Employee Satisfaction**

Gouri and Zubin (2013) studied openness to experience and work outcomes with conscientiousness as a mediator. They found that openness to experience can significantly influence work performance in many ways. They explored the interaction of openness to experience and conscientiousness, and found that there is significant variation in the influence of openness to experience by the interaction of conscientiousness factor.

Lie, Suyasa and Wijaya (2016) analysed the mediating role of cultural intelligence in the relationship between job satisfaction among expatriates and the openness to experience personality trait, they showed that cultural intelligence played a significant mediating role between openness to experience and job satisfaction among expatriates. Their result revealed that the variance in job satisfaction accountable to the openness to experience is fully mediated through cultural intelligence. Kaufman, Quilty, Grazioplene, Hirsh, Gray, Peterson and Deyoung (2016) examined the independent predictive validity of openness to experience and intellect by evaluating the relationship among reasoning ability, divergent thinking, character, and creative achievement across the sciences and arts. They reported that openness to experience predicts creative success in the arts while intellect predicts creative success in the sciences. They also found out that extraversion predicts creative success in the arts, independent of openness to experience.

Lotfi *et al.* (2016) emphasised that the influence of the Big-Five personality traits on individual's knowledge sharing behaviour revealed that openness to experience seems to be the most significant factor influencing knowledge sharing. DeYoung (2014) stated that openness to experience is one of the five Factor model that provides a useful



classification of personality traits. These traits are predictive of several important outcomes of life which include achievement at work and in school, mental and physical health, and even social behaviour. It is the only factor that is regularly and broadly linked with creativity, divergent thinking, personal goals, as well as predicting creative achievement.

### **2.3.5 Openness to Experience, Affective Commitment and Employee Satisfaction**

Gouri and Zubin (2013) studied openness to experience and job outcomes and the mediating effect of conscientiousness. Openness to experience significantly influenced positive job outcomes in many respects and that conscientiousness mediated the interaction between openness to experience and job outcomes.

Lie *et al.* (2016) assessed the mediating role of cultural intelligence on the relationship between job satisfaction among expatriates and the openness to experience. They found that cultural intelligence significantly mediated the relationship between openness to experience and job satisfaction among expatriates.

### **2.3.6 Affective Commitment and Satisfaction**

Tasnim *et al.* (2014) examined why successful entrepreneurs are affectively committed to their desires and persevere. They observed that among the commitment variables affective commitment ranked first as influencing the success of an entrepreneur and the desire to set and achieve goal. Alniaçık *et al.* (2012) examined the relationship between career motivation, affective commitment and employees' satisfaction. Findings show that, career motivation is significantly positively correlated with affective commitment and job satisfaction; providing positive reinforcement for good performance, giving opportunities for achievement, supporting career development and motivation among employees. Matzler and Renzl (2007) investigated personality traits as predictors of employee satisfaction, and the effect of employee satisfaction on affective commitment towards organisation. The results show that agreeableness positively influenced employee satisfaction; neuroticism was negatively correlated with employee satisfaction and conscientiousness had no influence on employee satisfaction. Both also report a significant relationship between employee satisfaction and affective commitment. Importantly, they observed that a considerable variance of employee satisfaction is

explained by individual differences. That is, the effectiveness of measures to increase employee satisfaction depends considerably on employees' predispositions.

Folorunso, Adewale and Abodunde (2014) studied the effect of organisational commitment dimensions on employees' performance and found that organisational commitment dimensions independently and jointly influence employees' performance. Measuring the dependent variables, affective, normative and continuance commitment; their results indicate that the contribution of affective commitment to employee's performance was 97%, normative commitment was 96%, and continuance commitment contributes 96% to employee's performance respectively. Yucel and Bektas (2012) found that affective commitment is positively correlated with employees' satisfaction. Though not a linear relationship, they revealed that age differences affect the relationship between affective commitment and satisfaction.

### **2.3.7 Openness to Experience and Affective Commitment**

Kalyani and Saravanan (2016) investigated the relationship between different personality traits and affective commitment in educational Institutions. The results showed a positive and significant relationship between extraversion, openness and affective commitment, and a negative relationship between agreeableness, neuroticism and affective commitment.

The findings from the study of Gözde and Emel (2016) in construction companies stated that openness to experience is negatively related to continuance commitment and not associated with affective commitment or normative commitment. These findings buttress the perspective in a previous study (DeNeve and Cooper, 1998) that openness to experience is negatively correlated to continuance commitment among construction professionals and is not related to affective commitment or normative commitment.

### **2.3.8 Conscientiousness and Revenue Improvement**

Shazia, Naveed and Yilmaz (2016) investigated the influence of the conscientiousness trait on job performance and found that conscientiousness had a significant relationship with job performance and was a predictor of employee job performance. They also acknowledged a significant relationship between conscientiousness and contextual performance, conscientiousness and task performance, and conscientiousness with overall job performance. In their study of how personality and demographic factors could impact

work motivation, level of competitiveness and work success; Azizi *et al.* (2012) explained that conscientiousness and job status were both major predictors of work success. Conscientious employees are said to be more empowered and successful because of their disposition and capabilities in handling their work-related tasks (Yazdi & Mustamil, 2015).

### **2.3.9 Extraversion, Normative Commitment and Market Share**

Hyo (2016) analysed personal traits of information technology (IT) personnel to study how these traits affect their commitment. The study also extends the analysis on the impact of job commitment on job satisfaction. The findings of the study revealed that agreeableness, conscientiousness, extraversion and openness to experience, had significant impact on commitment. The findings also indicated that neuroticism did not have any effect on commitment. Commitment among IT workers had significant and positive effect on job satisfaction. Phung and Mai (2017) studied the impact of the big five personality traits and mood on the performance of individual investors trading in the stock market. The results confirmed that agreeableness, conscientiousness and openness to experience have positive and direct influence on performance. Conscientiousness, extraversion and openness had a significant influence on performance through the mediation of positive mood. Conscientiousness, extraversion and openness to experience had direct effects on positive mood, while agreeableness and neuroticism were linked to negative mood. They suggested that investors should have positive mood when investing in stocks.

Yazdi and Mustamil (2015) examined the connection between the big five personality traits and psychological empowerment. The findings explained that individuals with high levels of extraversion are more empowered because they tend to derive more meaning from their work. Extant literatures emphasised the identification of extraversion as one of the salient personality traits having significant correlation with sales success (Yakasai & Jan, 2015). Other studies argued that, high levels of extraversion may hinder success, because the salespeople may be preoccupied with being excited, engaging in social relation or expressing any of the above-mentioned characteristics of extraversion with the customer rather than focusing on selling activities.

Udu and Ameh (2016) explained that market share is the primary indicator an organisation or companies used to measure how well they are faring with regards to their

competitors. It is the percentage of the company as regards to either units or revenue that is earned over a specific time period.

#### **2.3.10 Neuroticism, Normative Commitment and Customers' Satisfaction**

Ali, Azizollah, Zaman, Zahra, and Mohtaram (2011) evaluated the relationship that exists between personality variables and performance and revealed that, neurotic people have reduced accuracy in their thinking especially when it involves analytical and prompt decision issues. The result further stated that neurotic people always have the history of absenteeism, lateness to duty, ineffectiveness, and are always dissatisfied with the operational rules and procedures. Marsh, Muthen and Morin (2010) focused their study on sales people who deal with consumers or clients with diverse culture, beliefs, social orientation and different forms of temperament. The study revealed that people that display high level of neuroticism have low performance, as against high performance for people with low levels of neuroticism. Arndt, Karande and Harkins (2012) also reiterated that people with neurotic traits cannot display normative commitment because they are not patient and do not have the ability to remain in a business and sustain it because of their poor disposition.

Kuok (2017) examined full-time employees amongst the non-gaming industries in Macau, a nation where the economy was majorly dominated by the revenue from casinos. It was found that work satisfaction was low for employees in these industries. It was also reported that, conscientiousness is a positive predictor, while neuroticism is a negative predictor of work satisfaction. Regressions analysed distributive justice to be a more powerful and positive predictor of work satisfaction and affective commitment, together with family emotional support and management ethics. Erat, Kitapçı, and Çömez (2017) investigated the effects of workload on emotional commitment, work stress and turnover intention among academics. The result of the analysis indicated that workload affected emotional commitment and led to work stress. Workload was also found to have a significant effect on turnover intention.

Sow, Anthony and Berete (2016) considered the quantitative effects of normative commitment on employee retention, and the relationship that exists between normative commitment and labour turnover intention. The correlation analysis showed a negative relationship between normative commitment and labour turnover intention.

Narteh and Kyei (2016) examined the effect of relationship marketing practices on customer satisfaction. They found that relationship marketing practices have a significant effect on relationship quality and customer satisfaction. The results show that commitment, trust, reciprocity, competence, shared value and communication are key elements of relationship quality.

### **2.3.11 Customers Satisfaction and Business Performance**

In a study conducted by Neupane (2014) on the relationship that exists between customers' satisfaction and business performance in service organisations, findings showed that customers' satisfaction had a weak but positive relationship with business performance and the impact of customer satisfaction on business performance was not significant. Oghojafor *et al.* (2014) reiterated the importance of customer satisfaction as they found that customer satisfaction is paramount to increased business performance.

### **2.3.12 Employee Satisfaction and Job Performance**

The study of Omoankhanlen, Olada and Ajenka (2014) investigated the relationship between employee satisfaction and job performance. They found that performance in business can only be improved if employees are satisfied. Employees' satisfaction within and outside their working environment is perceived to facilitate job satisfaction. Choo and Bowley (2007) concluded that job performance has a significant relationship with job satisfaction and that job performance stems directly from the employees that derived satisfaction from their job. Research by Shaikh, Bhutto and Maitlo (2012) indicated that assigned tasks and duties are weakly related to job satisfaction. An employee derived satisfaction from assigned tasks and duties if the environments of the organisation give satisfaction to the employees. This mean human being generally do not want to take responsibility without expecting a reward form such assignment or responsibility. The study of Hong and Waheed (2011) about the impact of motivation on job satisfaction and job performance revealed that motivation is a strong driver of job satisfaction which leads to improve job performance. Khan, Nawaz, Aleem and Hamed (2012) highlighted that the performance of the employees is a subset of job satisfaction.

### **2.3.13 Entrepreneurial Commitment and Increase Performance**

The commitment of the entrepreneur is perceived as the driver of good behavioural outcomes. An employee with high commitment spirit will prefer to persist with the

business, especially as he is keen to contribute to the growth of the business. The study of Angle and Perry (1981), Cropanzano, James and Konovsky (1993) and Meyer, Irving, and Allen (1998) revealed that commitment of employee to the organisational cause or objectives will result in improved organizational performance. Their studies revealed that a committed employee will exert more energy to entrepreneurial activities and work towards sustaining the growth and development of the organisation. Committed employees will exhibit good and better performance in business than the ordinary non-committed staff.

Commitment of employees benefits the organisation in several ways, such as reduction in absenteeism, better performance, customers' satisfaction and reduced labour turnover. The commitment of the entrepreneurs towards the business can be of immense benefits to the organisation in many ways, Mathieu and Zajac (1990) and Schuler and Jackson (1996) believed it will reduce absenteeism. Mowday, Steer and Poter (1979) opined that it motivates the employees. Furthermore, one can reasonably expect that committed employees will provide stable and reliable labour to the organisation, thereby facilitating sustained organisational growth, especially in a competitive industry

Employees' commitment is important for an organisation to experience optimum growth. An entrepreneur's commitment without the complementary employee commitment cannot bring about development to the business and organisation. Simultaneous commitment of the entrepreneurs and the employees will bring about remarkable growth and development to the entrepreneurial undertaking. Meyer and Allen (1997) emphasised that a committed employee embraces the organisation in both turbulent and challenging periods. Thus, such employees deploy their efforts towards protecting the interest of the organization in all conceivable respects. The persistence growth of the organisation depends majorly on the application of the entrepreneurs' capital resources. An aggregation of these dimension are useful barometers in measuring the sustainability of the business venture.

#### **2.3.14 Commitment and Business Performance.**

Igbaekemen and Idowu (2014) revealed in their study of organisational commitment and performance that a positive relationship exists between commitment variables and performance in an organisation. The study further indicated that a structured approach to instil commitment will bring about higher productivity. Mubbsher, Zia-Ur and

Muhammad (2012), showed in their study of the impact of employee commitment on performance that employee satisfaction is one of the most vital variables that can bring about improved performance. The study emphasised that the performance of employees that will bring about increase performance and employee satisfaction can only be achieved on such basis. It is further highlighted that the presence of the ingredients of commitment, like recognition to goals, strong faith, and active participation are indications that the performance may be improved within the business entity

### **2.3.15 Personality Trait, Commitment and Business Performance**

The study of Abubakar and Muhammad (2015) examined the mediating role of customer orientation as well as the moderating effect of culture on the influence of Big Five Factor model of personality traits on the performance of sales people. The study revealed that no particular factor could influence the performance of the sales people alone. The effect of the culture of the sales people is an antecedent of the performance of sale people. The understanding of culture and good orientation of customer can actually influence the performance of the sales team on their jobs.

In a study carried out by Bostjan (2009) on the link between personality traits variables and technological development, it was shown that in every SME, the big five personality traits variables are central to the behaviour of the entrepreneurs in a technological outfit. The study revealed openness to experience which implies positive impact and neuroticism which implies negative impact as the two factors that predict technological development. It is also revealed that the age of the business can have positive significant effect on the performance of the business. It was concluded in the study that other personality factors; agreeableness, conscientiousness and extraversion may not play important role in the technological firms of SMEs.

Chen, Jing and Sung (2012) found out in their study of personality traits and entrepreneurial intention that neuroticism impact negatively on entrepreneurship. Conscientiousness, extraversion and openness to experience impact positively on entrepreneurship while conscientiousness, openness to experience, extraversion and agreeableness affect the attitude of the entrepreneurs. The study further indicated that entrepreneurship and entrepreneurial attitude mediate between the personality factors of openness to experience, extraversion and conscientiousness.

The result of the study on social entrepreneurs start up intention by Nga and Shamuganathan, (2010) looked at the relationship that existed between biographical variables and personality traits. The findings revealed that personality factors like openness to experience; conscientiousness and agreeableness have impact on the aspect of social entrepreneurship. However, the study emphasised that people with agreeableness trait have been particularly identified as having significant impact on start-up intentions. The influence of personality factors and demographic factors on social entrepreneurship intention to start a business suggests that certain personality factors such as agreeableness, conscientiousness, and openness to experience influence all aspects of social entrepreneurship. The study revealed that agreeableness is the only personality trait that significant influences all aspect of social entrepreneurship. Conscientiousness is also seen in the study as a personality trait factor that has a significant effect on the financial returns and the sustainability of the business. Openness to experience was also found to have significant and positive impact on the business performance of the firm. Noor (2011); Salwa, Yahya, Azila, and Fidlizan (2015) pointed out that the effect of gender and age had significant effect on the commitment and performance of enterprise. Bula (2012) however revealed that marital status did not have significant effect on the commitment of the entrepreneur towards the performance of the business.

The study by Zhao *et al.* (2010) on the relationship between personality, entrepreneurial intentions and performance revealed that out of the five factors of personality traits only four are related to entrepreneurial intentions and entrepreneurial performance. Also, only conscientiousness and openness to experience have a consistent relationship with these two outcomes. Agreeableness is the only personality factor that did not have any relationship with any of these variables. The study recommends that the uniqueness of individual entrepreneur need to be studied to have a desirable impact on the business. This study established that personality plays an important role in the intention of becoming an entrepreneur and the likelihood of success. The difference in the performance of people in different organisations can be better explained by the personality traits inherent and exhibited by individual workers in varying contexts. Openness to experience has strong effect on entrepreneurs' job performance but previous study recorded low relationship with job performance (Barrick & Mount, 1991). This result indicates that openness to experience is the major personality factor that differentiates major performance in an entrepreneurial role and managerial role.



Agreeableness in higher level which implies more cooperation and trust among the stakeholders of the business may be a good predictor of better performance (Ciavarella, Ciavarella, Buchholtz, & Riordan 2004; Mohammed & Massoud 2016). However, excessive display of agreeableness by entrepreneur may spell doom for the business as the entrepreneur may not be able navigate the dynamics of tough or challenging business terrains (Zhao *et al.* 2010). The combination and careful identification of peculiar personality traits amenable to different type of business outfit is what an entrepreneur needs to withstand the dynamic and turbulence business environment. Every effective and efficient entrepreneur will appraise the uniqueness of inbuilt behaviour and bring about the one that will improve the performance in work place for sustainability and growth.

Brandstätter (2011) summarised that what differentiates an entrepreneur from manager is the type and level of personality traits inherent in the individual person in the respective positions. The amount of each of trait in individuals will determine the level of success and the ability to predict the performance of the entrepreneur. The author emphasised that lower neuroticism and high conscientiousness, openness to experience and extraversion will bring about increased performance in entrepreneurial activities.

### **2.3.16 Openness to Experience**

Mohan and Mulla (2013) studied openness to experience and work outcomes. In the study using conscientiousness as moderating effect, it is revealed that openness can significantly influence performance in many ways. They also explored the interaction of openness with personality through the factor of conscientiousness and found that there is significant variation in the influence of openness by the interaction of conscientiousness factor.

Kaufman *et al.* (2016) examined the relationship between openness to experience and intellect reasoning ability such as creative achievement, divergent thinking and character. The study conducted among science and art students confirmed that intellect predicts creative success among science students while among art students' openness to experience predicts creative success. The authors also found out that extraversion predict creative success in the arts, independent of openness to experience.

In the same vein Lie *et al.* (2016) studied the mediating effect of cultural intelligence between openness to experience and job satisfaction among expatriate staff. The result

show that cultural intelligent fully and positively mediated between personality trait and job satisfaction. The result further revealed that an expatriate who has a better understanding of a local culture will have a better appreciation of the working environment and therefore derived satisfaction from the job. This was particularly construed in the relationship between openness to experience of personality trait and job satisfaction among expatriates. Using cultural intelligence as a mediating role between openness to experience and job satisfaction, the result shows that the variance in job satisfaction accountable to the openness to experience is fully mediated through cultural intelligence. They also provide evidence that possessing cultural intelligence acts as an instrument in which an open expatriate could feel satisfied with the job. Lotfi *et al.* (2016) emphasised that the effect of the Big-Five model of personality traits on individual's knowledge sharing behaviour revealed that openness to experience seems to be the most significant factor influencing knowledge sharing of an upcoming entrepreneur. Khalife and Chalouhi (2013) and Radipere and Dhliwayo (2014) emphasised the role of gender and business age respectively in the commitment towards the performance of the enterprise. Their study confirmed that female entrepreneurs are more committed towards entrepreneurial activities,

DeYoung (2014) revealed that openness to experience is an important part of the Five-Factor Model that provides a useful classification of personality traits. These traits are predictor of so many important outcomes of life which include achievement at work and in school, mental and physical health, and even social behaviour. It was pointed out that it is the only factor that is regularly and broadly linked with creativity, divergent thinking, personal goals, and as well as predicting creative achievement.

In studying the effect of culture and its values on affective commitment, Meyer, Stanley, Herscovitch and Topolnytsky (2002) revealed that the level of affective commitment of employees in different cultures varies between cultural values, information, practices and interests to multinational organisations or other enterprises which employ individuals from different cultural backgrounds. It is also revealed by Alniaçık *et al.* (2012) that individual bio-data like age, income, gender, and characteristics affect the level of entrepreneur's commitment and intention to stay in the business.

Tasnim *et al.* (2014) investigated the type of commitment a successful entrepreneur possesses. The study revealed that affective commitment is an important component of

commitment that impacts entrepreneurial success, and the passion to pursue goals which are drivers for enterprise development.

### **2.3.17 Affective Commitment**

Affective commitment is the most common commitment variable that predicts change in the organisation and causes employees to have passion for their work (McKay *et al.*, 2013). Employees that are affectively committed always have the desire to contribute and be part of the progress of the organisation. This implies that individual passion for work will bring about an inward motivation to achieve. Emotional attachment to entrepreneurial activities will bring about effective management that can result in increased performance. The study by Phipps, Prieto and Ndinguri (2013) showed that affective commitment serves as a strong predictor of anticipated organisational outcomes such as low absenteeism, employee retention, reduced withdrawal intention, organisational climate, justice, and culture which are strongly linked with business performance and the behaviour of citizenship within the organisation.

### **2.3.18 Agreeableness**

Agreeableness shows characteristics such as being cooperative, trusting, tolerant and patient. On the other hand, low agreeableness in an individual suggests manipulative tendencies and self-centredness (Caliendo & Kritikos 2008). Mihalcea (2013) elaborated that employees with agreeableness or collective orientation achieve higher job satisfaction in contrast to employees with other personality traits. Also, individuals with the agreeableness trait demonstrate conformity with organisational values, traditional, and generous value.

## **2.4 Gaps in Reviewed Literature**

What makes businesses to perform either positively or negatively depends on a variety of factors which have been studied extensively. The common reasons alluded to are lack of enough capital, entrepreneurial skills, infrastructural amenities, environmental factors, dominance of foreign goods and services *etc.* (Ofili, 2014; Singer *et al.*, 2015; Desalegn, & Venkateshwar, 2016). However, limited studies have examined personality traits and commitment of entrepreneurs in relation to entrepreneurial performance. Therefore, this study investigated the relationship that exists between these constructs (Personality traits, Commitment and Entrepreneurial Performance) among selected SMEs in Southwest

Nigeria. This provides new insights into enterprise performance, in addition to the traditional and common reasons adduced as to why businesses fail.

Empirical studies by George and Zhou (2001), Panaccio and Vandenberghe (2012), Yesil and Sozbilir (2013), Judge and Zapata (2015) have established positive and negative relationship between agreeableness and business performance. However, studies that focus on affective commitment as a mediating variable of agreeableness and profit making are empirically limited. Similarly, the studies of Mohan and Mulla (2013), DeYoung (2014), Kaufman *et al.* (2016) and Lie *et al.* (2016) found a relationship between openness to experience and business performance. None of these studies have clear empirical findings that established the mediating effect of affective commitment, between openness to experience and the employees' satisfaction. Empirical evidences provided by Azizi *et al.* (2012), Yazdi and Mustamil (2015), and Shazia *et al.* (2016) indicated a plausible relationship between conscientiousness and empowerment, job satisfaction and work success. However, studies on the mediating role of revenue improvement are limited.

Scholars such as Yakasai and Jan (2015), Yazdi and Mustamil (2015) found inconsistent results in the relationship between extraversion or introversion and business performance. Specifically, there are limited empirical studies that examine the mediating effect of normative commitment on conscientiousness and market share. The context dependency of neuroticism has made it difficult for researchers to reach a consensus about the implications of the neurotic trait on business performance. Hence, sparse evidence exists on the mediating effect of normative commitment on neuroticism and customers' satisfaction.

Researchers (Simpeh, 2011; Baluku *et al.* 2016; Eser & Ozdemirci, 2016) have observed that having the same opportunities, resources, and being subjected to same environmental factors, influence the performance of entrepreneurs differently. The possible reasons behind this especially in developing nation like Nigeria will go a long way in providing sustainable solutions to perennial problems of small and medium scale enterprises.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Preamble**

This chapter described the methodology employed in the study. It focuses on the research design, research methods, population, sample size determination, sampling frame, sampling techniques, and the instruments and data collection procedure. It further discusses sources of data, validity and reliability of research instrument and methods of data analysis.

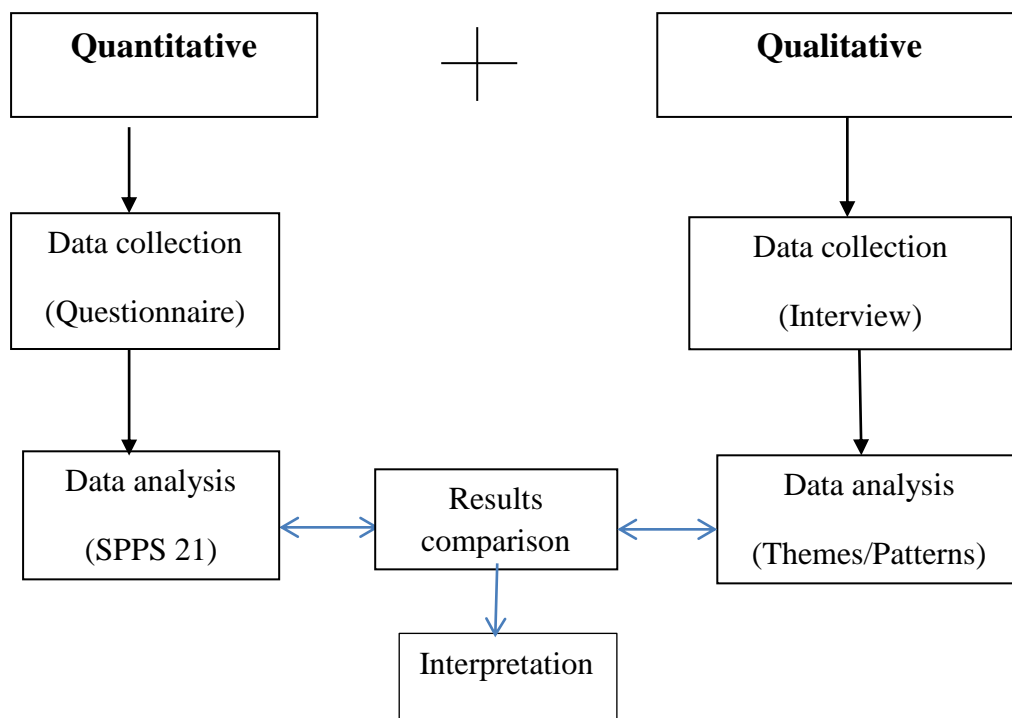
#### **3.1 Research Design**

The design for this research is exploratory since this study is aimed at gaining new or additional insight into the interactive effect of entrepreneurs' personality traits on commitment to business performance. Bernd (2013) argued that exploratory research is suitable when a researcher intends to clarify or define the nature of a research problem. The study explored the Big Five or the five factor model (FFM) of personality traits to measure the different level and inherent characteristics of entrepreneurs. The commitment level was measured adopting Meyer and Allen (1997) three components of commitment (affective, normative and continuous). The business performance was measured using five variables- profit, employees' satisfaction, revenue improvement, customers' satisfaction and market share. These dimensions captured selected activities of the SMEs entrepreneurs in relation to all the business stakeholders.

The main focus of this study was on entrepreneurs' personality traits and their influence on commitment to business performance. Commitment components were used as the mediating variables between entrepreneurs' personality traits and business performance variables. The study provided for selected entrepreneurs to indicate their preference and situate where they belong among the personality traits and commitment variables through the use of five point Likert scale. The idea for using this approach is to generate current opinions and to facilitate the measuring of variables associated with the three major constructs (entrepreneurs' personality traits, commitment and business performance)

## Research Methods

This study adopted mixed research methods which involves both quantitative and qualitative design approach. The quantitative method involves the use of questionnaire which is structured and it is designed to gather information from respondents about their peculiar personality traits that influence their commitment towards business performance. The additional qualitative approach was conducted through interview to elucidate in-depth information from the selected entrepreneurs. The adopted methods produce results that complement each other and contribute in measurable respects to validating the results and findings of the study. Mixed methods research adds more value and provided additional meaning to the phenomenon under study (Mckim, 2017). Apart from providing multiple views of a phenomenon, it provides better and clearer understanding of an issue than a singular method (Creswell & Plano Clark, 2011). Specifically, the methods helped to reveal that the results derived from the quantitative analysis reflected the accurate views of the respondents on the research questions. Also, it enhanced the results of statistical and thematic analysis of responses collated from the respondents.



**Figure 3.1: Concurrent Triangulation Design**

**Source:** Adopted from Creswell (2003)

This research adopted the concurrent triangulation strategy which accommodates a parallel analysis of quantitative and qualitative data respectively (Venkatesh, Brown & Bala, 2013; Choy, 2014). In Figure 3.1 above, the step by step illustration of this strategy used in this study is given.

### 3.2 Population of the Study

The study population constituted registered entrepreneurs with Nigerian Association of Small Scale Industrialists (NASSI), Southwest chapters. Members that make of this population were drawn from six States' capitals comprising; Lagos (660, members), Ogun (380 members), Oyo (300 members), Ekiti (220 members), Osun (280 members), and Ondo (255 members).

**Table 3.1 Registered National Associations of Small Scale Industrialists (NASSI) Members in Southwest Nigeria**

S/N	States	Registered No
1	Lagos	660
2	Ogun	380
3	Oyo	300
4	Ekiti	220
5	Osun	280
6	Ondo	255
	<b>Total</b>	<b>2095</b>

Source: NASSI information Bulletin 2016

National Associations of Small Scale Industrialists (NASSI) members as SMEs operators cover all the sectors of the economy which serves as the engine room for the economic growth of the nation. They covered both manufacturing and service sectors of the economy comprising manufacturing, agriculture, forestry, fishing, food processing, textiles and non-woven, education, waste management, water supply, construction, transport and storage. Other areas are mining and quarrying, information and communication, recreation and entertainment, hospitality and tourism, cosmetics, machinery and fabrication *etc.* Therefore, NASSI presents a good picture and representation of SMEs entrepreneurs in Nigeria. The choice of this population was hinged on the roles played by SMEs entrepreneurs as the engine of economic activities,

employment generation, improve standard of living, capacity building, link and service provider to large scale organisation, and transformation of rural economy. Therefore, NASSI provides a good representation of SMEs entrepreneurs in Nigeria.

### 3.3 Sample Size Determination

The sample size was derived from the entire SMEs entrepreneurs' population that registered with NASSI in all the branches in Southwest Nigeria. Since the target population of this study is the total sum of all the registered members (2095) in the six States' capital of the Southwest Nigeria, then the sample size was 325 based on the sample size determination table by Krejcie and Morgan (1970) read at 95% confidence level and 5% margin of error. However, to achieve a more suitable representation in the six branches of NASSI in Southwest Nigeria, and to make provision for low respondents; the sample size was increased to 650 entrepreneurs divided in proportion of each selected State. This is based on Kaplan, Chambers and Glasgow (2014) emphasis on the importance of large data. Furthermore, the questionnaire was administered to members who attended their respective branch monthly meeting. The questionnaire was handed to every member at their designated meeting venues. The state officer informed all members and sought their supports about the importance of filling and returning the questionnaire.

**Table 3.2: Proportion of Sample size in the six NASSI branches of Southwest Nigeria**

Name of Branches	Population	Percentage of Total Population. %	Approximated Proportion of Sample Size
Lagos	660	31.5 (32)	208
Ogun	380	18.1 (18)	117
Oyo	300	14.3 (14)	91
Osun	220	10.5 (11)	71
Ondo	280	13.4 (13)	85
Ekiti	255	12.2 (12)	78
Total	2095	100%	650

**Source:** Field Study (2017)



### **3.4 Sample Frame**

The study sample frame entails the list of SMEs entrepreneurs registered with NASSI cutting across six State capitals in Southwest Nigeria.

### **3.5 Sampling Techniques**

The study adopted multi-stage sampling technique. The first stage involved grouping of respondents based on their concentrations in different states in Southwest Nigeria. The second stage involved the use of convenience sampling technique, in other words, only those that were available during their monthly meeting as at that time had the opportunity of being given the questionnaire.

In the third stage, simple random sampling technique was used. This technique was adopted because the members that were present during the monthly meeting exceeded the sample size that the researcher needed to draw from the population in each of the sampled States. Every member had equal chance of being sampled in as much they attended the monthly meeting during which the questionnaires were administered. Simple random sampling technique was utilized because it provides an equal chance of selection for each element of the population (Adanech & Bayeh 2016). Also, this technique is appropriate in the context of this study, especially as the entrepreneurs that form the sample frame share a homogeneous operating environment and certain characteristics.

### **3.6 Instruments and Data Collection Procedure**

Data collection instruments for this study centred on the use of structured questionnaires and in-depth interviews relative to the research topic under consideration. The researcher employed the service of research assistants in the distribution and collection of questionnaires. The interview was however conducted by the researcher to ensure coordination and better interaction with the interviewees. The questionnaire contained 5 point Likert items which ranges from strongly agree = 5, agree = 4, undecided = 3, disagree = 2, and strongly disagree = 1. The respondents evaluated based on their own understanding of the question or statement.

At the initial stage in the data collection process, it was found necessary to contact and established a primary point of regular contact with all the officers in all the State branches of NASSI Southwest Nigeria. The researcher intimated the branches about the study

through letter of introduction about the research and the approval obtained for distribution of questionnaire and the conduct of interview. Advance notice for the administration of questionnaire and conduct of the interview was given to the contact person in each of the State branches having ascertained the monthly meeting days. The questionnaire and the interview were administered and conducted, respectively, at the end of the monthly meeting after brief introduction by chairperson of the meeting.

**Table 3.3: Questionnaire Distribution and Response Rate**

Name of Branches	Population	Questionnaire Distributed	Questionnaire Returned	Rate of Response %
Lagos	660	208	198	95
Ogun	380	117	102	87
Oyo	300	91	83	91
Osun	220	71	45	63
Ondo	280	85	59	69
Ekiti	255	78	44	56
Total	2095	650	531	82

**Source:** Field Study (2017)

### **3.6.1 Primary Source of Data**

Questionnaires and structured interviews were the primary source of data for this study. The questionnaire was in three sections: a) the background questions about the respondents, b) questions about measuring variables for major constructs' of this study, and c) the general questions on specific area of study. An in-depth interview was conducted among three members in each of the six branches located in all the States' capital of the sample population. The interview included at least one branch executive in each of the branches to lend more credence to the activities and peculiarity of entrepreneurial activities in the area.

### **3.6.2 Secondary Source of Data**

The secondary source of data for this study focused on relevant literature reviewed in the course of this study, articles, text books, internet information and NASSI information bulletin that gave details about its activities, aims and objectives, registration procedures and number of registered members.

### 3.7 Validity and Reliability of Research Instrument

Reliability is the stability, consistency and repeatability of the research result under different circumstances with identical situations (Twycross & Shields 2004). Prior to the administration of questionnaires, this study subjected the research instrument to a pilot test among 30 SMEs entrepreneurs in Lagos metropolis. This enabled the researcher to determine the reliability and adequacy of the instrument. Cronbach's Alpha was used to test the internal validity and the result becomes reliable when the instrument yield a value  $>0.7$ . The result of the pilot test conducted is as shown in Table 3.4 with a value of .814 which gave the assurance of internal consistency of the survey instrument.

**Table 3.4: Pilot Test**

**Reliability Statistics**

Cronbach's Alpha	N of Items
.814	47

**Source:** Field Study (2017)

The ability of an instrument to measure the specific variables that is designed to measure is called validity (Kumar, 2011). In order to verify that the instrument provides a statistical link or interface between the questions and the objectives of the research, face and content validity was adopted for this study. The construction of the link which is face validity and the assessment of the items which is content validity were done by the supervisors and other experts in the area of research. This ensures that every item in the research questions have a plausible relationship with the objectives of the study. Table 3.5 depicted the results of the construct validity of the research instrument.

**Table 3.5: Result of Validity and Reliability**

		<b>Loading</b>	<b>Indicator Reliability</b>	<b>Error Variance</b>	<b>Compose Reliability</b>	<b>Average</b>	<b>No. of Indicators</b>
	<b>Variables</b>	<b>&gt; 0.7</b>		<b>&lt; 0.5</b>	<b>&gt; 0.8</b>	<b>&lt; 0.5</b>	
<b>Business Performance</b>	Customer Satisfaction	0.9666	0.9343	0.0657	0.9343	0.8374	3
	Revenue Improvement	0.8971	0.8048	0.1952	0.8048		3
	Market Share	0.9746	0.9498	0.0502	0.9498		3
	Employee Satisfaction	0.8875	0.7877	0.2123	0.7877		3
	Profit	0.8428	0.7103	0.2897	0.7103		3
<b>Commitment</b>						0.8571	
	Affective Commitment	0.9947	0.9894	0.0106	0.9894		3
	Continuance Commitment	0.8988	0.8078	0.1922	0.8078		3
	Normative Commitment	0.8798	0.7740	0.2260	0.7740		3
<b>Personality Traits</b>						0.8865	
	Extraversion	0.9897	0.9795	0.0205	0.9795		3
	Agreeableness	0.9817	0.9637	0.0363	0.9637		3
	Conscientiousness	0.9674	0.9359	0.0641	0.9359		3
	Neuroticism	0.8784	0.7716	0.2284	0.7716		3
	Openness to Experience	0.8843	0.7820	0.2180	0.7820		3

**All loadings are significant at  $p < 0.0001$**

**Source:** Field Study (2017)

The study used measuring model and structural model to assess the fitness of model, validation of the research constructs and confirmation of the test of hypotheses. The choice of carrying out the validity and reliability evaluation of the model was to ensure the instrument used for the study is consistent and valid before carrying out hypotheses testing. As recommended by Fornell and Larcker (1981) the following examination were done; content and construct reliability, reliability of items, item loading and composite reliability, fit of the measurement model and scale validity. However, for a model to have a good fit there must be minimum benchmark of 0.70 and 0.80 for Confirmatory Factor Analysis loading and the construct composite reliability respectively. The extracted average construct variance should be more than 0.5 why the Error variance should be less than 0.5. The result of validity and reliability of this study is depicted in Table 3.5.

### **3.8 Method of Data Analysis and Presentation**

The study made use of both quantitative and qualitative data analysis. The essence of data analysis is to present information that further explains the extent or scope of the issues

attributable to the research questions, coupled with the fact that it gives a clearer view on consistency between the results of the study and the stated objectives.

### **(1) Quantitative Data Analysis**

The collated questionnaires were coded and inputted into Predictive Analytical Software (PASW), formally known as Statistical Package for Social Sciences (SPSS) software 21 to analyse the data for the study. Descriptive statistics was used to explain the demographic data of the respondents. The study also made use of charts, percentages, frequency tables, mean, and standard deviation as tools of analysis.

Hierarchical multiple regression was used to test all the five hypotheses in this study. This provided the latitude to incorporate another predictor to the existing variables under investigation. In this case the researcher is at the liberty to determine which variable to add into the regression equation. This is a method that allows the researcher to bring on board additional independent variable to be measured with the existing one. This approach is suitable for this study owing to the need to measure the impact of commitment variables that were conceptualized as the mediating variables. This was considered appropriate to analyse the mediating effect of the variables. Structural Equation Model (SEM) IBM AMOS 22 was used as a confirmatory and visual representation of the result of the analysis.

### **(2.) Qualitative Data Analysis**

For the interview aspect of the research, the recorded interviews were transcribed, and the data was analysed using thematic content analysis; this drew out the common themes and same patterns from the interview. The aim is to have more detailed information about the phenomenon under study. The analysis emphasised the transformation of the data to meanings or representations (Flick, 2013). Majority of the interviews were quoted verbatim to bring out the emphasis as it is presented by the respondents.

## **3.9 Ethical Consideration**

Ethical consideration in research majorly is about informed consent. According to Armiger (1997), this is about a person willingly, knowingly and intelligently providing his consent. Fouka and Mantzorou (2011) emphasised that disclosure, voluntariness, competency and comprehension are the four important parts of consent. In line with these ethical standards, this researcher sought the permission of the appropriate body. The respondents in this research were duly informed and informed about the reason and

purpose of the study, and their voluntary participations were obtained. The researcher maintained that the anonymity of the respondents is assured and their responses kept in utmost confidentiality.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.0 Preamble

This chapter is the presentation of analysis and interpretation of collected data. Questionnaires and interviews were deployed in the data collection process. The data analysis section commences with questions centred on the personal data of the respondents. The responses captured in the questionnaires were analysed based on the objectives of the study. The relevant discussions are presented in chapter five, while conclusions and recommendations are contained in chapter six.

#### 4.1 Demographic Information

**Table 4.1 a: Demographic Information: Gender, Age and Marital Status**

Demograph ic Variables		LAGOS	OGUN	OYO	OSUN	ONDO	EKITI	TOTAL
<b>Gender :</b>	M	105	36	59	10	27	12	249
	F	93	66	24	35	32	32	282
<b>Age: (Years)</b>	20-30	62	31	17	5	29	3	147
	31-40	36	17	26	7	9	13	108
	41-50	54	18	21	29	9	10	141
	51-60	29	17	12	2	9	12	81
	61 above	17	19	4	2	3	6	51
<b>Marital status:</b>	Single	62	34	31	9	29	3	168
	Married	118	68	52	36	24	41	339
	Divorced	3	-	-	-	3	-	6
	Widow	12	-	-	-	3	-	15
	Widower	3	-	-	-	-	-	3

**Source:** Field Study (2017)

Table 4.1a, b, c presents the distribution of gender, age, marital status, educational qualifications, sector of the economy, run business alongside a paid job, and age of business.

**Table 4.1 b: Demographic Information; Academic Qualification and Sector of the Economy**

Demographic Variables		LAGOS	OGUN	OYO	OSUN	ONDO	EKITI	TOTAL
Academic Qualification	Primary School	6	-	-	-	-	6	12
	Secondary School	27	15	4	8	6	6	66
	Diploma Studies	15	18	15	8	7	-	63
	HND/BSc/BA	67	47	53	22	32	4	225
	MSc/MBA/MA/MPA	65	7	8	4	5	25	114
	PhD	9	12	3	3	6	-	33
	Professional Qualification	9	3	-	8	3	3	26
Sector of the Economy	Manufacturing	114	-	59	45	4	-	222
	Agriculture	30	60		-	15	-	105
	Hotel and restaurant	-	12		-	12	-	24
	Educational Services	9	12	3	-	24	-	48
	Constructions	3	-		-	4	2	9
	Finance and Business Service	27	18	18	-	-	21	84
	Wholesale and Retail Trade	6	-		-	-	6	12
	Consulting Services	9	-	6	-	-	15	30

Source: Field Study (2017)

### Gender Distribution

Table 4.1a above and Figure 4.1 displayed the gender distribution of the respondents. The result showed a total number of 531 respondents, out of which 249 were males and 282



were females. It is notable that Lagos State has the highest number of male 105 and Osun State has the lowest number of male 10. However, on the other hand, Lagos State again has the highest number of female 93 and Oyo State have the lowest number of female with 24 respondents. Overall, in all the six States of Southwest, the females were the majority in SMEs among NASSI members.

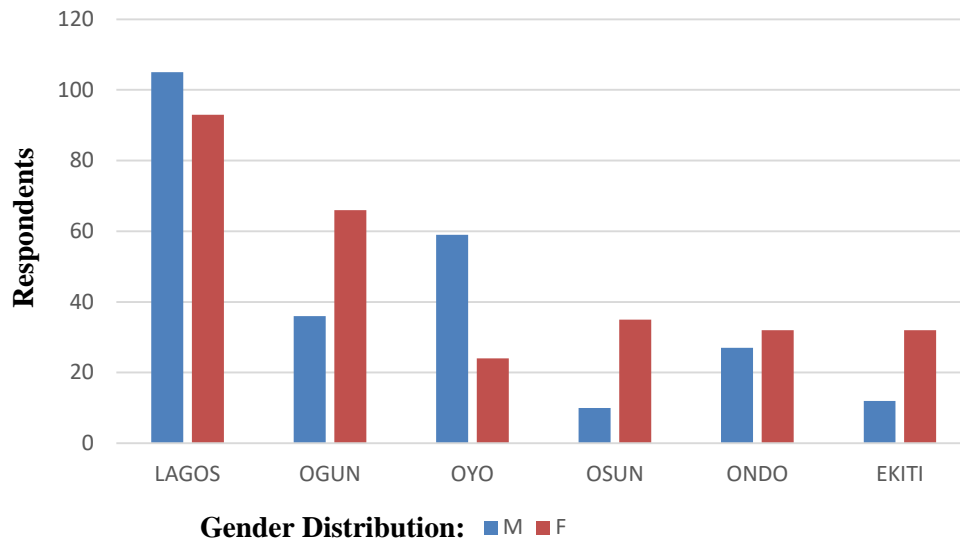


Figure 4.1: Gender Distribution of the Respondents  
Source: Field Study (2017)

### 1. Age Distribution of Respondents

The respondents' age distribution is shown in Table 4.1a. The result reveals that most of the respondents were between the ages of 20-30years (147). To support the claim, the table also revealed that Lagos State came top (62 respondents) of the total respondents between the ages of 20-30years. However, minority of the respondents, were between 61years and above (51), with Lagos having (17 respondents) the highest in that category and Osun (2respondents) the lowest in that category.

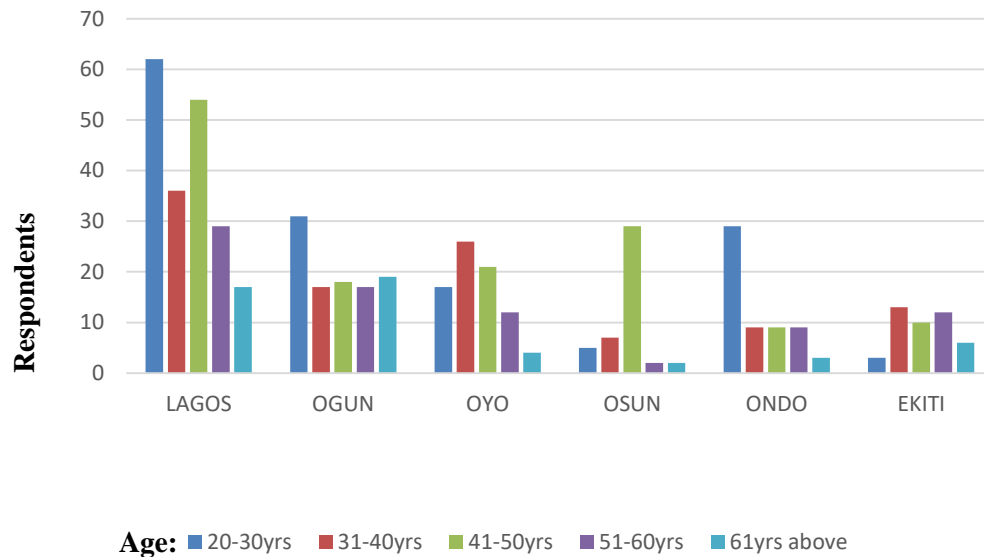


Figure 4.2: Age of Respondents  
Source: Field Study (2017)

Figure 4.2 confirmed the youth between the ages of 20-30years to be the largest number of entrepreneurs among all the respondents across the six States. Furthermore, Lagos, Ogun, and Ondo in that order, have the largest number of youth entrepreneurs between this age brackets. Moreover, Ogun and Lagos also have the highest number of oldest SME entrepreneurs between the age of 61years and above.

## 2.Marital Status

In Table 4.1a and Figure 4.3, the marital status results revealed that more of the respondents were married (339) followed by 168 single entrepreneurs. Lagos State had 118 married respondents, the highest in that category and Ondo had the least (24). However, the Table also showed that the three respondents who are widowers came from Lagos, with no other state having any respondent in that category.

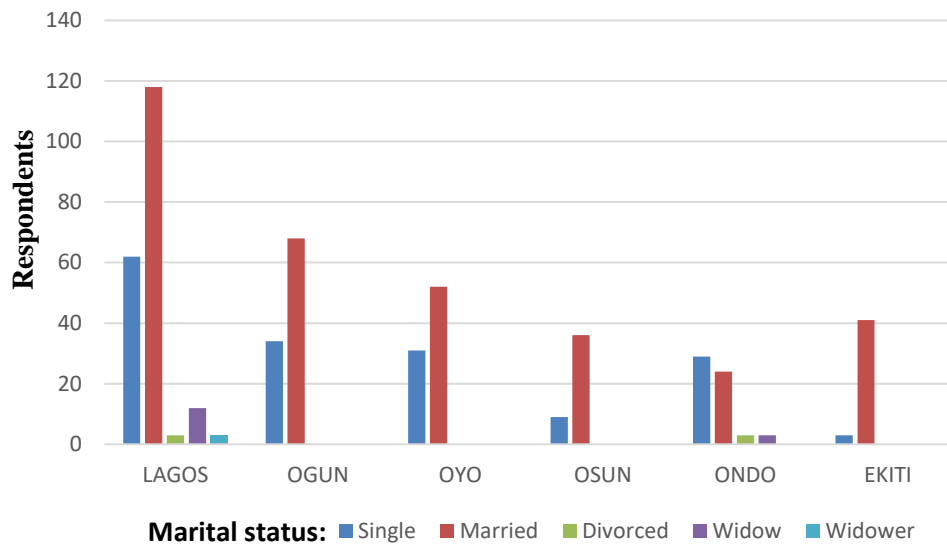


Figure 4.3: Marital Status of the Respondents  
Source: Field Study (2017) (Centralize)

### 3. Educational Qualification

Figure 4.4 and Table 4.1b revealed that in educational qualification majority of the respondents (225) were HND/BSc/BA holders. However, Lagos State had the highest number (67) and also has the highest number of respondents with higher degree of M.Sc/MBA/MA/MPA. The Table also showed that few of the respondents possessed Professional qualifications.

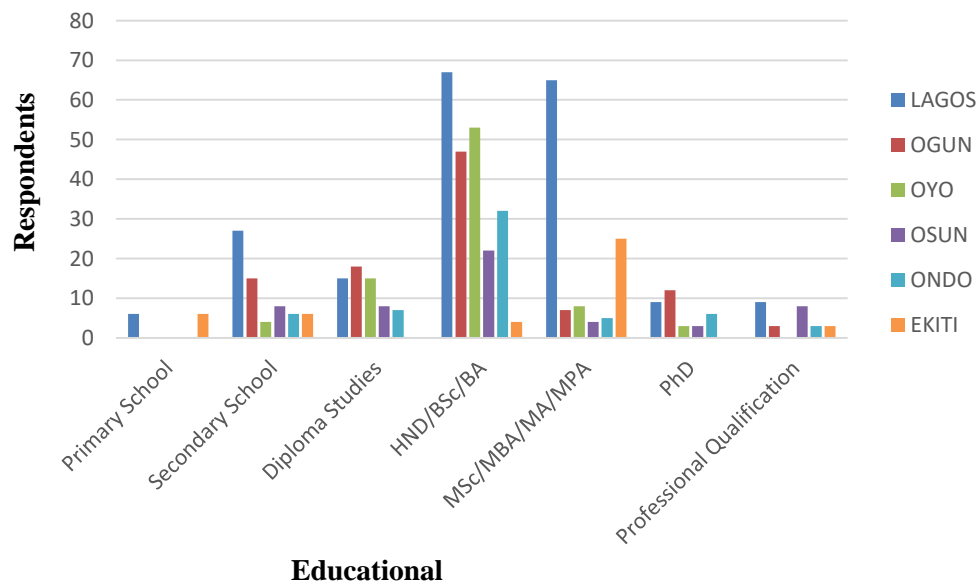


Figure 4.4: Academic Qualifications of the Respondents  
Source: Field Study (2017)

#### 4. Sector of the Economy

The Table 4.1b and Figure 4.5 showed the Sector of the Economy distribution. The results showed that most of the respondents were engaged in manufacturing (222). In addition to that, the table again revealed that 114 of that number were from Lagos State, the highest in that category. None of the respondents from Ogun and Ekiti State engaged in manufacturing. On the other hand, very few of the respondents were into construction. The table also showed that 105 respondents were into agriculture, 24 respondents were engaged in hotel and hospitality business. The table also showed that 105 respondents were into agriculture, 24 respondents were engaged in hotel and hospitality business.

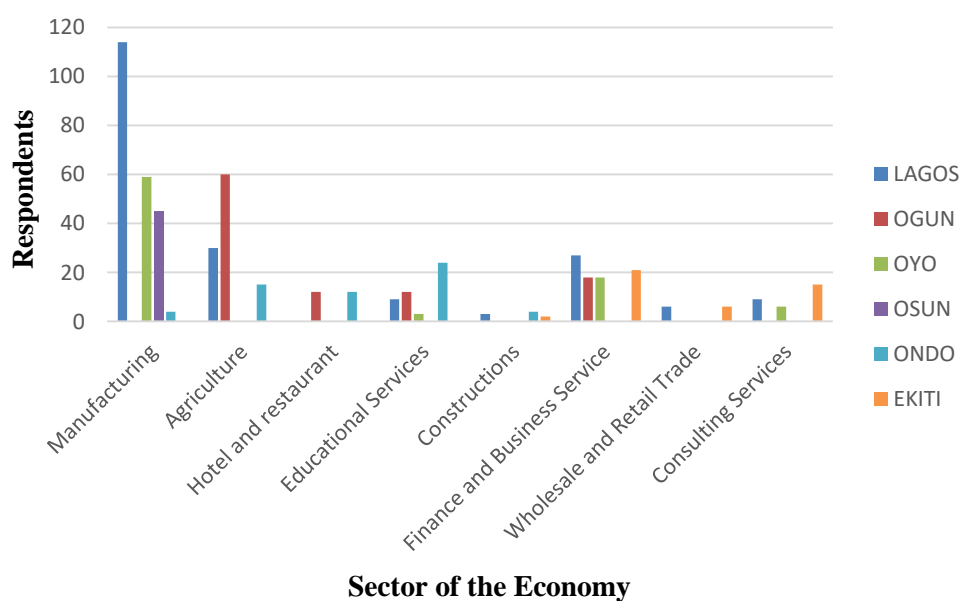


Figure 4.5: Sector of the Economy across the states  
Source: Field Study (2017)

**Table 4.1 c: Demographic Information; Run Business Alongside a Paid Job and Year the Business has been in Existence**

Demographic Variables		LAGOS	OGUN	OYO	OSUN	ONDO	EKITI	TOTAL
Run Business Alongside a Paid Job:	Yes	62	41	36	4	18	4	165
	No	136	61	47	41	41	40	366
Years that the Business has been in Existence	1-5	67	74	46	13	28	12	244
	6-10	72	12	23	20	10	19	156
	11-20	32	7	6	6	6	-	57
	21-30	15	3	4	1	15	-	38
	31 above	12	6	4	5	-	9	36

Source: Field Study (2017)

### 1. Run Business Alongside a Paid Job

The Table 4.1c above showed that 336 respondents answered unfavourably to the assertion that they run business alongside a paid job, nevertheless, 165 of the total number of respondents however answered in the affirmative. This shows that the commitment level of the entrepreneurs towards their businesses is high. As presented in Figure 4.6, majority of the entrepreneurs across the six States investigated were more committed to their enterprises.

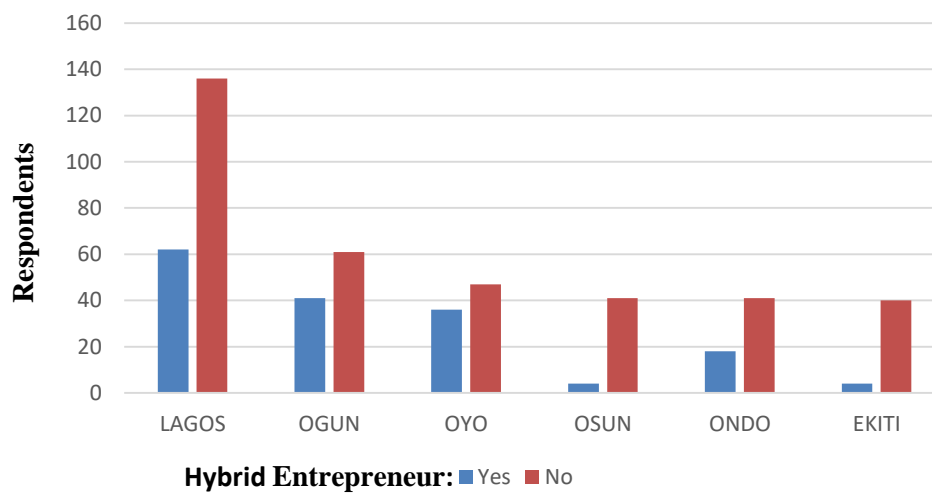


Figure 4.6: Run Business Alongside Paid Job  
Source: Field Study (2017)

### Age of Business

The Table 4.1c displayed the age distribution of business. The result showed that 156 businesses have been established for at least 6-10 years, of which 72 of that number are in Lagos, 12 in Ogun, 23 of that number are in Oyo, 20 are in Osun, 10 in Ondo and 19 are in Ekiti State. It is also observed that 36 of the respondents have businesses that are 31 years and above across the various States except Ondo State.

Figure 4.7 revealed that Ogun, Lagos, and Oyo States have the highest numbers of start-up and new businesses within 1-5 years of existence. However, Lagos has the highest number of business within 6-10 years of existence and the highest number of business that has surpassed one year and above.

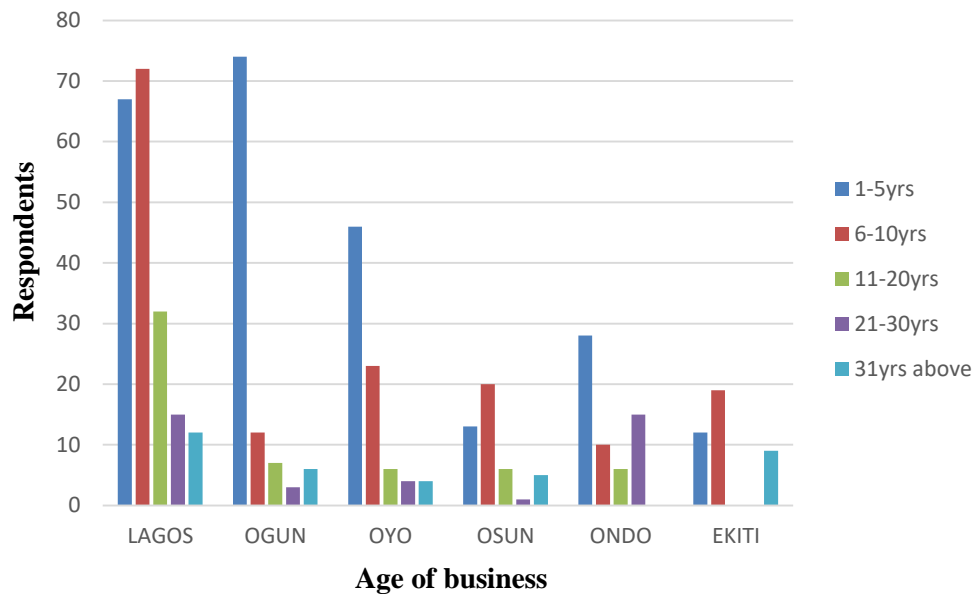


Figure 4.7: Age of Business  
Source: Field Study (2017)

## 4.2 Classification of Research Based On Gender

### Commitments

Table 4.2: Affective Commitment Scale Items Based on Gender

Description	Male	Female
I would be very happy to spend the rest of my career with this organisation	4.40	4.62
I enjoy discussing about my organisation with people outside it	4.16	4.30
I really feel as if this organisation's problems are my own	4.40	4.33

Source: Field Study (2017)

With reference to Table 4.2, large number of both categories (male and female) of respondents reacted positively when asked if they would be very happy to spend the rest of their career with their organisation. In addition, female respondents (4.30) answered more certainly that they enjoy discussing about their organisation with people outside it, more than male respondents (4.16). In addition, majority of the respondents again agreed to the claim that they really feel as if the organisation's problems are their own.

**Table 4.3: Continuance Commitment Scale Items Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
I am not afraid of what might happen if I quit my job without having another one lined up.	3.28	3.15
It would be very hard for me to leave my organisation right now, even if I wanted to.	3.00	2.70
Too much in my life would be disrupted if I decided to leave my organisation now.	3.14	3.16

Source: Field Study (2017)

The Table 4.3 revealed that when both genders were interviewed, majority of both respondents said that they were not afraid of what might happen if they quit their job without having another one lined up. However, when respondents were asked if it would be very hard for them to leave their organisation right now, even if they wanted to, most of the female (2.70) respondents acknowledged negatively to the statement, nonetheless the male respondents (3.00) slightly agreed. In addition, both gender categories agreed that too much in their life would be disrupted if they decided to leave their organisation now.

**Table 4.4: Normative Commitment Scale Items Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
One of the major reasons I continue to work in this organisation is that I believe loyalty is important and therefore feel a sense of moral obligation to remain.	4.40	4.68
If I got another offer for a better job elsewhere I would not feel it was right to leave my organisation.	3.57	3.63
I was taught to believe in the value of remaining loyal to one organisation.	4.18	4.18

Source: Field Study (2017)

The Table 4.4 showed that respondents across both gender agreed to the claim that one of the major reasons they continue to work in their organisation was that they believe loyalty is important and therefore feel a sense of moral obligation to remain. In addition, most of the respondents to some extent agreed that if they got another offer for a better job



elsewhere they would not feel it was right to leave their organisation. Also both categories (4.18) agreed that they were taught to believe in the value of remaining loyal to one organisation.

### **Business Performance**

**Table 4.5: Customers Satisfaction Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Customers repeat purchase of my products or services is satisfactory.	4.09	4.70
Overall I am very satisfied with the way my customers respond to my product and services.	4.00	4.48
In our business we learn about customers, anticipate their needs, and create business opportunities	4.49	4.68

**Source:** Field Study (2017)

Table 4.5 revealed that when respondents were asked if customers repeat purchase of their products or services is satisfactory, most of the respondents acknowledged positively to the statement. In addition to that, large number of respondents came to term that overall, they were very satisfied with the way their customers responded to their products and services. Furthermore, female respondents (4.68) agreed that in their business they learn about customers, anticipate their needs, and create business opportunities, more than male respondents (4.49) in that category.

**Table 4.6: Revenue Improvement Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Our business strategy increases the number of customers.	4.68	4.47
Our interaction with customers' increases the frequency of transactions per customer.	4.48	4.62
My business improves on price, standards and strategic advertisement to boost customer's interest.	4.16	4.49

**Source:** Field Study (2017)

In accordance to Table 4.6, large number of respondents of both genders replied

positively when asked if their business strategy increased the number of customers. However, the female respondents (4.62) agreed more that their interaction with customers' increases the frequency of transactions per customer. Moreover, majority of respondents across gender said that their business improved on price, standards and strategic advertisement to boost customer's interest.

**Table 4.7: Market Share Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
The sales and spread of our products and services are on the increase compared to competitors	3.90	4.33
Our brand name is becoming more popular and acceptable	4.26	4.51
The size of our firm is becoming significant in the industry we belong	4.05	4.19

**Source:** Field Study (2017)

In reference to Table 4.7, most of female respondents (4.33) were more certain when asked if the sales and spread of their products and services are on the increase compared to competitors more than male respondents (3.90) in that category. Also, respondents from both gender categories said that their brand name was becoming more popular and acceptable. In addition, most respondents again agreed to the claim that the size of their firm is becoming significant in the industry they belong.

**Table 4.8: Employees' Satisfaction Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Paying fair wages, enhancing labour condition and providing equal opportunities are part of our policy	4.23	4.57
There is commensurate appreciation for workers if desired work/targets are accomplished	3.91	4.19
There is good communication between management and employees in this organisation	3.57	3.87

**Source:** Field Study (2017)

With reference to Table 4.8 above, large number of both categories (male and female) of respondents replied positively when asked if paying fair wages, enhancing labor condition

and providing equal opportunities were part of their policy. In addition female respondents (4.19) answered more certainly that there was commensurate appreciation for workers if desired work/targets are accomplished, more than male respondents (3.91). In addition to that, majority of the respondents again agreed to the claim that there was a good communication between management and employees in their organisation.

**Table 4.9: Profit Based on Gender**

<b>Description</b>	<b>Male</b>	<b>Female</b>
My organisation is usually satisfied with return on sales	3.53	3.86
My organisation is usually satisfied with net profit margin	3.63	3.87
My organisation is usually satisfied with gross profit margin	3.59	3.78

**Source:** Field Study (2017)

Table 4.9 revealed that when both genders were asked, majority of them category of respondents said that their organisation is usually satisfied with return on sales with score (3.53) and (3.86), respectively. However, when respondents were asked if their organisation is usually satisfied with net profit margin, most respondents of both gender categories again gave a favourable response. Also, both male and female respondents agreed their organisation is usually satisfied with gross profit margin.

### **Personality Traits**

**Table 4.10: Extraversion Based on Gender**

**I see myself as someone who...**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Is talkative	3.29	3.25
Is outgoing, sociable	4.05	4.10
Generate a lot of enthusiasm	3.83	4.00

**Source:** Field Study (2017)

In accordance to Table 4.10, large number of respondents of both genders replied positively somewhat when asked if they see themselves as someone who is talkative. However, female respondents (4.10) agreed more that they see themselves as someone

who is outgoing, sociable and generate a lot of enthusiasm than the male respondents in that category.

**Table 4.11: Agreeableness Based on Gender**

**I see myself as someone who...**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Is helpful and unselfish with others	4.45	4.58
Like to cooperate with others	4.26	4.76
Is considerate and kind to almost every one	4.36	4.51

**Source:** Field Study (2017)

The Table 4.11 revealed that when both genders where asked, majority of both category of respondents said that they see themselves as someone who is helpful and unselfish with others with score (4.45) and (4.58), respectively. The Table also explained, when respondents were again asked if they see themselves as people who like to cooperate with others, both categories replied favourably to the avowal. Furthermore, respondents of both categories said they saw themselves as someone who is considerate and kind to almost every one.

**Table 4.12: Conscientiousness Based on Gender**

**I see myself as someone who...**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Does a thorough job	4.34	4.76
Persevere until the task is finished	4.16	4.49
Makes plan and follow through with them	4.21	4.58

**Source:** Field Study (2017)

Table 4.12 showed the responses of males and females when asked, most of the respondents said that they saw themselves as persons who does a thorough job with score of 4.34, and 4.76 respectively. The Table once further showed that the reply of the respondents when asked if they see themselves as someone who persevere until the task is finished, both gender replied favourably, and also that they make plan and follow through with them.

**Table 4.13: Neuroticism Based on Gender**

**I see myself as someone who...**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Worries a lot	2.33	2.84
Get nervous easily	2.54	2.62
Can be tensed	2.91	3.14

**Source:** Field Study (2017)

In conformity to Table 4.13, most respondents of both genders replied uncertainly when asked if they see themselves as someone who worries a lot. Furthermore, most respondents of both genders answered negatively they saw themselves as someone who gets nervous easily with scores of 2.54 and 2.62, respectively. The Table also explained that some of the male respondents (2.91) disagreed that they saw themselves as someone who can be tensed. Nevertheless, most of the female respondents (3.14) answered affirmatively.

**Table 4.14: Openness to Experience Based on Gender**

**I see myself as someone who...**

<b>Description</b>	<b>Male</b>	<b>Female</b>
Is original, comes up with new ideas	4.35	4.62
Is curious about many different things	4.14	4.09
Is ingenious, a deep thinker	4.32	4.34

**Source:** Field Study (2017)

The Table 4.14 showed that when both genders were asked, most of the respondents said that they saw themselves as someone who is original, comes up with new ideas with scores 4.35 and 4.62, respectively. Also, the respondents were once more inquired if they see themselves as someone who is curious about many different things; both categories reacted favourably to the statement and also that they were ingenious, a deep thinker.

### 4.3 Classification of Research Based On Sector of Economy

#### Commitments

**Table 4.15: Affective Commitment Scale items Based on Sector of Economy**

Description	Manufac turing	Agric ulture	Hotel and Restau rants	Educati onal Services	Constr uctions	Finance and Busines s Service	Wholesal e and Retail Trade	Consulting Services
Happy to spend career with organisation	4.64	4.69	4.75	4.87	3.67	3.61	5.00	4.60
Enjoy discussing organisation with people	4.57	3.97	3.75	4.20	3.67	3.75	5.00	4.20
Feel organisation's problems are mine	4.46	4.60	4.25	4.13	3.33	4.00	5.00	4.40

**Source:** Field Study (2017)

The Table 4.15 showed that majority of the respondents across the various economy sectors reacted positively when asked if they would be very happy to spend the rest of their career with their organisation. In addition, wholesale and retail trade respondents (5.00) answered more certainly that they enjoy discussing about their organisation with people outside it, more than other sector respondents in that category. In addition, majority of the respondents were of the opinion that they really feel as if the organisation's problems are their own. The low scale recorded in the construction sector is due to the preconceived idea that the sector is not for small scale entrepreneurs and that it is a sector dominated by male entrepreneurs.

**Table 4.16: Continuance Commitment Scale Items Based On Sector of Economy**

<b>Description</b>	<b>Manufac turing</b>	<b>Agric ulture</b>	<b>Hotel and Restaur ants</b>	<b>Educati onal Services</b>	<b>Constr uctions</b>	<b>Finance and Business Service</b>	<b>Wholesale and Retail Trade</b>	<b>Consulting Services</b>
Not afraid if I quit my job without having another	3.11	3.14	4.75	4.20	5.00	2.82	4.25	1.80
Hard to leave organisation now	2.81	3.26	2.25	3.47	2.00	2.79	2.75	2.00
Too much would be disrupted if I leave organisation	3.11	3.43	2.75	3.20	2.00	3.71	3.25	1.50

**Source:** Field Study (2017)

Table 4.16 explained that when respondents were asked, majority of respondents across the various sectors said that they are not afraid of what might happen if they quit their job without having another plausible option. On the other hand, respondents in the finance and business service somewhat reacted negatively to the claim. The table also revealed that when respondents were also inquired if it would be very hard for them to leave their organisation right now, even if they wanted to; most of the respondents across the various sector acknowledged negatively to the statement. Nonetheless, agriculture and educational services sector to some extent agreed with scores of 3.26 and 3.47 respectively. It is revealed by the respondents across the various sectors that too much in their life would be disrupted if they decided to leave their organisation now. Though hotel and restaurants, construction and consulting services, somewhat disagreed with the statement.

**Table 4.17: Normative Commitment Scale Items Based On Sector of Economy**

Description	Manufa cturing	Agric ulture	Hotel and Resta urants	Educati onal Services	Constr uctions	Finance and Business Service	Wholesa le and Retail Trade	Consult ing Services
Work because of loyalty and obligation to remain	4.54	4.54	4.75	4.73	5.00	4.39	4.50	4.10
Other offer will not make me leave job	3.54	3.63	3.00	2.93	4.00	3.89	4.00	4.30
Taught to remain loyal to organisation	4.26	4.23	4.25	4.53	3.33	3.86	4.50	3.90

**Source:** Field Study (2017)

The Table 4.17 showed that respondents across the various economic sectors agreed to the claim that, one of the major reasons they continue to work in their organisation is that they believe loyalty is important and therefore feel a sense of moral obligation to remain. In addition, when also asked, most of the respondents to some extent agreed that if they got another offer for a better job elsewhere they would not feel it was right to leave their organisation. Also, all categories of respondents reacted favourably, that they were taught to believe in the value of remaining loyal to one's organisation.

### **Business Performance**

**Table 4.18: Customers Satisfaction Based On Sector of Economy**

Description	Manufa cturing	Agric ulture	Hotel and Resta urants	Educati onal Services	Cons truct ions	Finance and Business Service	Wholes ale and Retail Trade	Consulting Services
Customers repeat purchase satisfactory	4.59	3.91	3.50	4.47	4.33	4.54	4.50	4.20
Satisfied with customers respond to product/ services	4.39	4.06	4.00	3.80	3.00	4.29	4.50	4.30
Learn, anticipate customer's need and create business opportunities	4.54	4.63	4.50	4.60	4.67	4.46	5.00	4.80

**Source:** Field Study (2017)



Table 4.18 revealed that most of the respondents acknowledged positively to the statement ascertaining if customers repeat purchase of their products or services is satisfactory. Overall, a large number of respondents across the various economy sectors came to terms that they are very satisfied with the way their customers responded to their product and services. In addition, wholesale and retail trade respondents (5.00) and consulting services (4.80) agreed more positively that in their businesses, they learn about customers, anticipate their needs, and create business opportunities, more than other respondents in that category.

**Table 4.19: Revenue Improvement Based On Sector of Economy**

Description	Manufacturing	Agriculture	Hotel and Restaurants	Educational Services	Constructions	Finance and Business Service	Wholesale and Retail Trade	Consulting Services
Business strategy increases number of customers	4.53	4.71	4.50	4.87	4.67	4.43	4.50	4.70
Interaction increases customer's transactions	4.66	4.29	4.75	4.47	4.00	4.61	4.50	4.50
Price, standards and strategic advertisement boost customer's interest	4.51	4.29	4.63	3.80	4.00	4.07	4.25	4.20

**Source:** Field Study (2017)

In accordance to Table 4.19, a large number of respondents across the different economic sector replied positively, when asked if their business strategy increases the number of customers. However, hotel and restaurants sector (4.75) believed that their interaction with customers' increases the frequency of transactions per customer. However, majority of respondents across the different economy sector said that their businesses improved on price, standards and strategic advertisement to boost customer's interest.

**Table 4.20: Market Share Based On Sector of Economy**

Description	Manuf acturi ng	Agri cultu re	Hotel and Resta urants	Educa tional Servic es	Cons truct ions	Finance and Business Service	Wholesale and Retail Trade	Consulting Services
Sales and spread of products/services increase compared to competitors	4.30	3.91	4.50	3.93	3.67	3.86	4.00	3.90
Brand name more popular and acceptable	4.59	4.11	4.50	4.53	4.33	4.11	4.50	3.90
Size of firm significant in industry	4.26	3.91	3.75	4.53	3.67	4.00	4.50	3.70

**Source:** Field Study (2017)

In reference to Table 4.20, most of the hotel and restaurants respondents (4.50) replied more certainly when asked if the sales and spread of their products and services are on the increase, compared to competitors, in other sector of the economy. Also, respondents in all sectors said that their brand name was becoming more popular and acceptable. It was also agreed that across the sectors of the economy, the respondents' size of firms were becoming significant.

**Table 4.21: Employees' Satisfaction Based On Sector of Economy**

Description	Manufa cturing	Agri culture	Hotel and Restau rants	Educati onal Services	Constru ctions	Finance and Business Service	Wholesa le and Retail Trade	Consultin g Services
Wages, labour condition and equal opportunities part policy	4.58	4.29	4.50	4.87	3.67	4.07	4.25	3.60
Commensurate appreciation for workers if work/targets are accomplished	4.23	4.11	4.50	4.40	4.67	3.32	3.50	3.40
Good communication between management and employees in organisation	3.86	3.89	2.50	4.00	3.67	3.32	3.50	3.60

**Source:** Field Study (2017)

In Table 4.21, majority of the respondents in the different economy sector replied positively when asked if paying fair wages, enhancing labor condition and whether provision of equal opportunities were part of their employees policy. In addition, Construction sector (4.67) was also equally positive that there was commensurate appreciation for workers if desired work/targets are accomplished, more than respondents of other sector. In addition, majority of the respondents across the various sectors again agreed to the claim that there was a good communication between management and employees in their organisation. On the other hand, hotel and restaurants respondents gave a negative response to the claim.

**Table 4.22: Profit Based On Sector of Economy**

Description	Manu facturing	Agric ulture	Hotel and Resta urants	Educati onal Services	Construc tions	Finance and Business Service	Wholesa le and Retail Trade	Consulti ng Services
Organisation satisfied with sales	3.84	3.80	2.00	3.93	3.00	3.54	3.75	3.60
Organisation satisfied with net profit margin	3.73	3.77	3.00	4.33	4.00	3.75	3.75	3.30
Organisation satisfied with gross profit margin	3.73	3.74	3.00	4.40	3.00	3.61	3.25	3.10

**Source:** Field Study (2017)

Table 4.22 revealed the sectors of the economy that were more profitable. Majority of the respondents agreed that their organisations are usually satisfied with return on sales, net profit margin, and gross profit margin. Overall, the educational sector followed by manufacturing and agricultural sectors recorded high performance among the indices measured profit.

## Personality Trait

**Table 4.23: Extraversion Based On Sector of Economy**

**I see myself as someone who...**

Description	Manufa cturing	Agric ulture	Hotel and Resta urants	Educati onal Services	Constru ctions	Finance and Business Service	Wholes ale and Retail Trade	Consulti ng Services
Is talkative	3.03	3.37	4.00	3.87	3.33	2.86	4.00	4.10
Is outgoing, sociable	3.92	4.26	4.50	4.60	5.00	3.64	4.50	4.30
Generate a lot of enthusiasm	4.19	3.94	3.00	3.87	1.67	3.43	4.50	4.20

**Source:** Field Study (2017)

In Table 4.23, a large number of respondents across the various economy sectors gave a positive response when asked if they see themselves as someone who is talkative; nevertheless, respondents from the finance and business service (2.86) gave a negative response. However, construction sector (5.00) agreed more that they see themselves as someone who is outgoing, and sociable than any other sector in that category. On the contrary, the construction sector (1.67) disagreed with the claim that they see themselves as someone who generates a lot of enthusiasm. Respondents from other sector differed in their response from that of construction workers.

**Table 4.24: Agreeableness Based On Sector of Economy**

**I see myself as someone who...**

Description	Manufa cturing	Agric ulture	Hotel and Resta urants	Educati onal Services	Constru ctions	Finance and Business Service	Wholes ale and Retail Trade	Consult ing Services
Helpful and unselfish with others	4.59	4.29	4.50	4.73	5.00	4.61	4.50	3.90
Cooperate with others	4.72	3.83	4.50	4.73	4.33	4.61	4.50	4.30
Considerate, kind to every one	4.46	4.06	4.50	4.87	4.00	4.43	5.00	4.60

**Source:** Field Study (2017)

Table 4.24 revealed the response when inquired, majority of respondents of all economy sectors said that they see themselves as someone who is helpful and unselfish with others. However, when respondents were again asked if they see themselves as someone who likes to cooperate with others, respondents from all economy sectors were affirmative in their response. The study furthermore revealed by respondents across the various sectors that they saw themselves as someone who is considerate and kind to almost every one.

**Table 4.25: Conscientiousness Based On Sector of Economy**

**I see myself as someone who...**

Description	Manuf acturing	Agric ulture	Hotel and Resta urants	Educatio nal Services	Cons tructi ons	Finance and Business Service	Wholesa le and Retail Trade	Consulti ng Services
Does a thorough job	4.73	4.34	4.50	4.93	5.00	4.39	4.50	3.30
Persevere until the task is finished	4.61	4.06	4.00	4.47	3.67	4.25	5.00	3.10
Makes plan and follow through with them	4.58	4.03	4.00	4.67	4.33	4.39	4.50	3.90

**Source:** Field Study (2017)

Table 4.25 showed that most of the respondents said that they see themselves as someone who does a thorough job. However, the respondents were again inquired if they see themselves as someone who persevere until the task is finished, majority of the respondents across the various sectors replied favourably to the statement and also that they makes plan and follow through with them.

**Table 4.26: Neuroticism Based On Sector of Economy****I see myself as someone who...**

Description	Manufacturing	Agriculture	Hotel and Restaurants	Educational Services	Constructions	Finance and Business Service	Wholesale and Retail Trade	Consulting Services
Worries a lot	2.70	2.80	3.00	2.33	2.33	2.04	3.50	1.70
Get nervous easily	2.47	3.43	2.88	2.40	2.67	2.07	3.50	1.40
Can be tensed	2.76	3.46	4.25	2.80	3.67	3.00	3.50	2.30

**Source:** Field Study (2017)

In conformity to Table 4.26, most respondents across all economy sector replied uncertainly when asked if they see themselves as someone who worries a lot. Though, respondents from Hotel and restaurants (3.00) and wholesale and retail trade (3.50) answered in the affirmative. Furthermore, a large number of respondents across the various sectors answered negatively that they see themselves as someone who get nervous easily. The table also explained that some of the respondents from the manufacturing (2.76), educational services (2.80), and consulting services (2.30) disagreed that they see themselves as someone who can be tensed. Nevertheless, the rest sectors of the economy answered in the affirmative.

**Table 4.27: Openness to Experience Based On Sector of Economy****I see myself as someone who...**

Description	Manufacturing	Agriculture	Hotel and Restaurants	Educational Services	Constructions	Finance and Business Service	Wholesale and Retail Trade	Consulting Services
Is original, comes up with new ideas	4.66	4.49	3.75	4.53	3.33	4.25	4.00	4.60
Is curious about many different things	4.16	4.03	3.50	4.53	4.33	3.96	4.00	4.40
Is ingenious, a deep thinker	4.43	4.54	3.50	4.53	3.33	3.89	4.00	4.80

**Source:** Field Study (2017)

Table 4.27 showed that most of the respondents see themselves as someone who is original, and comes up with new ideas. Moreover, when respondents were further inquired if they see themselves as someone who is curious about many different things,

respondents across the various economic sector reacted favourably to the statement and also that they were ingenious, and a deep thinker.

#### 4.4 Classification of Research Based On Location of Business (States)

##### Commitments

**Table 4.28: Affective Commitment Scale items Based on Location of Business**

Description	LAGOS	OGUN	OYO	OSUN	ONDO	EKITI
Happy to spend career with organisation.	4.38	4.14	4.46	4.91	4.98	4.86
Enjoy discussing organisation with people	4.46	3.93	4.58	4.60	3.56	3.68
Feel organisation's problems are mine	4.35	4.60	4.59	4.56	3.80	4.07

**Source:** Field Study (2017)

Table 4.28 showed that majority of the respondents across the various location reacted positively when inquired if they would be very happy to spend the rest of their career with their organisations. In addition, Osun respondents (4.60) answered more affirmatively that they enjoy discussing about their organisation with people outside it, more than other states respondents in that category. In addition to that, majority of the respondents were of the opinion that they really felt as if the organisation's problems were their own.

**Table 4.29: Continuance Commitment Scale Items Based On Location of Business**

Description	LAGOS	OGUN	OYO	OSUN	ONDO	EKITI
Not afraid if I quit my job without another	3.27	3.01	2.34	3.27	4.37	3.57
Hard to leave organisation	3.30	3.29	2.13	2.51	2.51	2.14
Much in life disrupted if I leave organisation	3.41	3.62	3.14	2.76	2.69	1.93

**Source:** Field Study (2017)

Table 4.29 explained that majority of respondents across the various states were not afraid of what might happen if they should quit their job without having another one lined up. On the other hand, respondents from Oyo (2.34) reacted negatively to the claim. The table also revealed that when respondents were again inquired if it would be very hard for them to leave their organisation right now, even if they wanted to, most of the respondents across the various states acknowledged negatively to the statement. Nonetheless,

respondents from Lagos and Ogun State, to some extent agreed with score (3.30) and (3.29) respectively. In addition, more than half of the total respondents across the various states again agreed that too much in their life would be disrupted if they decided to leave their organisation now. Nevertheless, some of the respondents from Osun (2.76), Ondo (2.69) and Ekiti (1.93) disagreed to the statement.

**Table 4.30: Normative Commitment Scale Items Based On Location of Business**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Work because of loyalty obligation to remain	4.28	4.41	4.73	4.96	4.83	4.66
Other offer will not make me leave my job	3.42	3.29	3.82	3.96	3.73	4.14
Taught to remain loyal to organisation.	3.95	4.14	4.64	4.58	4.22	4.00

**Source:** Field Study (2017)

Table 4.30 showed that respondents across the various business locations agreed to the claim that one of the major reasons they continue to work in their organisation was that they believed loyalty was important and therefore felt a sense of moral obligation to remain. In addition, when also inquired, most of the respondents to some extent agreed that if they got a better job offer elsewhere, they would not feel it was right to leave their organisation. Also the table revealed that most respondents across the different business locations respectively reacted favourably that they were taught to believe in the value of remaining loyal to one organisation.



## Business Performance

**Table 4.31: Customers Satisfaction Based On Location of Business**

Description	LAGOS	OGUN	OYO	OSUN	ONDO	EKITI
Purchase of products/services is satisfactory	4.27	3.65	4.89	4.67	4.75	4.59
Satisfied with customers respond to my product/services	3.95	4.25	4.63	4.67	4.12	4.20
Learn about customers, anticipate their needs, and create business opportunities	4.23	4.65	4.71	4.93	4.95	4.86

**Source:** Field Study (2017)

Table 4.31 revealed that most of the respondents across the states gave positive response when asked if customers repeat purchase of their products or services was satisfactory. In addition, a large number of respondents across the different states agreed entirely that they are very satisfied with the way their customers responded to their products and services. In addition, respondents whose business were located in Ondo State (4.95) agreed that in their business, they learn about customers, anticipate their needs, and create business opportunities, more than other respondents in the other states.

**Table 4.32: Revenue Improvement Based On Location of Business**

Description	LAGOS	OGUN	OYO	OSUN	ONDO	EKITI
Business strategy increases the number of customers	4.44	4.65	4.25	4.78	5.00	5.00
Interaction with customers' increases customer's transactions	4.30	4.39	4.93	4.80	4.64	4.86
Price, standards and strategic advertisement to boost customer's interest	3.89	4.36	4.60	4.91	4.49	4.66

**Source:** Field Study (2017)

Furthermore, Table 4.32 showed that large number of respondents across the different business locations replied positively when asked if their business strategy increased the number of customers. However, Oyo State respondents (4.93) agreed that their interaction with customers' increased the frequency of transactions per customer. However, majority

of respondents across the different states said that their business improved on price, standards and strategic advertisement which boost customer's interest.

**Table 4.33: Market Share Based On Location of Business**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Sales and spread of products/services increase compared to competitors	3.20	4.00	4.71	5.00	5.00	5.00
Brand name more popular and acceptable	4.05	4.10	4.55	4.91	4.85	4.86
Size of firm significant in the industry	3.71	3.88	4.28	4.67	4.85	4.59

**Source:** Field Study (2017)

Table 4.33 revealed that most of the respondents replied positively when asked if the sales and spread of their products, and services were on the increase compared to competitors, in other sectors of the economy. Also, respondents from the different state said that their brand name was becoming more popular and acceptable. In addition also, most respondents again agreed to the claim that the size of their firm is becoming significant in the industry they belong.

**Table 4.34: Employees' Satisfaction Based On Location of Business**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Wages, labour condition and equal opportunities part of policy	4.14	4.31	4.51	4.91	4.75	4.39
Commensurate appreciation for workers if work/targets are accomplished	3.66	3.96	4.08	4.76	4.59	4.32
Good communication between management and employees in organisation	3.57	3.72	3.92	4.44	3.42	3.55

**Source:** Field Study (2017)

Table 4.34 showed that greater part of respondents from the different business location replied positively when asked if paying fair wages, enhancing labor condition and providing equal opportunities are part of their employees' policy. In addition, Osun State (4.76) answered more certainly that there was commensurate appreciation for workers if desired work/targets were accomplished, more than respondents in the other business

locations. Also, majority of the respondents across the various states again agreed to the assertion that there is good communication between management and employees in their organisation.

**Table 4.35: Profit Based On Location of Business**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Organisation satisfied with sales	3.66	3.81	4.07	4.13	2.83	3.36
Organisation satisfied with net profit margin	3.45	3.75	3.66	4.20	4.14	4.14
Organisation satisfied with gross profit margin	3.36	3.64	3.67	4.24	4.03	4.14

**Source:** Field Study (2017)

Table 4.35 revealed that when respondents were inquired, majority of respondents said that their organisations were usually satisfied with return on sales. They also affirmed that their organisations were usually satisfied with net profit margin. Also, respondents across the different business locations established that their organisations were usually satisfied with gross profit margin.

### **Personality Trait**

**Table 4.36: Extraversion Based On Location of Business**

**I see myself as someone who...**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Is talkative	3.04	3.12	2.99	3.20	3.97	4.34
Is outgoing, sociable	3.83	4.17	3.58	4.36	4.76	4.73
Generate a lot of enthusiasm	3.91	4.25	4.37	4.20	2.90	3.23

**Source:** Field Study (2017)

In accordance to Table 4.36, a large number of respondents across the various business locations replied positively when asked if they see themselves as someone who is talkative. Nevertheless, respondents in Oyo State (2.99) reacted negatively to the claim. However, Ondo State respondents (4.76) affirmed, that they see themselves as someone who is outgoing, sociable than the respondents from other states in that category. Furthermore, respondents in Ondo State (2.90) countered the assertion that they see themselves as someone who generates a lot of enthusiasm. Nonetheless, respondents from other

business locations reacted favourably to the claim.

**Table 4.37: Agreeableness Based On Location of Business**

**I see myself as someone who...**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Is helpful and unselfish with others	4.25	4.57	4.55	4.91	4.78	4.66
Like to cooperate with others	4.26	4.06	4.84	4.96	4.83	4.80
Is considerate and kind to almost every one	3.92	4.30	4.89	4.96	4.88	4.93

**Source:** Field Study (2017)

Table 4.37 revealed that majority of respondents from all business locations said that they saw themselves as someone who was helpful and unselfish with others. They also responded in affirmative to the question if they see themselves as someone who likes to cooperate with others. Similarly, respondents across the various locations said they saw themselves as someone who was considerate and kind to almost every one.

**Table 4.38: Conscientiousness Based On Location of Business**

**I see myself as someone who...**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Does a thorough job	4.39	4.44	4.71	4.96	4.93	3.98
Persevere until the task is finished	4.27	4.41	4.69	4.73	4.17	3.32
Makes plan and follow through with them	4.27	4.37	4.77	4.80	4.27	3.86

**Source:** Field Study

The Table 4.38 showed that when all the various business locations were inquired, most of the respondents said they saw themselves as someone who does a thorough job. Furthermore, respondents were again inquired if they saw themselves as someone who perseveres until the task is finished, majority of the respondents across the various states replied favourably to the statement, and also affirm that they make plan and follow through with them.

**Table 4.39: Neuroticism Based On Location of Business**

**I see myself as someone who...**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Worries a lot	2.99	3.13	2.28	1.71	1.88	1.55
Get nervous easily	2.85	3.23	2.01	1.80	2.20	2.20
Can be tensed	3.01	3.38	2.51	2.07	3.53	3.39

**Source:** Field Study (2017)

Making reference to the Table 4.39, most respondents across the various states countered the claim that they saw themselves as someone who worries a lot. Furthermore, more than half of the respondents across the various states answered positively that they saw themselves as someone who get nervous easily. Though, respondents from Ogun state reacted favourably to the assertion, the table also explain that Respondents from Oyo state (2.51), Osun state (2.07) disagreed that they saw themselves as someone who can be tensed, even though, respondents from the other business location answered in the affirmative.

**Table 4.40: Openness to Experience Based on Location of Business**

**I see myself as someone who...**

<b>Description</b>	<b>LAGOS</b>	<b>OGUN</b>	<b>OYO</b>	<b>OSUN</b>	<b>ONDO</b>	<b>EKITI</b>
Is original, comes up with new ideas	4.36	4.59	4.78	4.60	4.17	4.34
Is curious about many different things	4.13	4.38	3.90	3.93	4.02	4.20
Is ingenious, a deep thinker	3.98	4.69	4.52	4.73	4.17	4.48

**Source:** Field Study (2017)

Table 4.40 showed that most of the respondents saw themselves as someone who was original, and comes up with new ideas. Furthermore, the table also revealed that when respondents were further inquired if they saw themselves as someone who was curious about many different things, respondents across the various economic sectors reacted favourably and also affirmed that they were ingenious, and a deep thinker.

#### 4.5 Descriptive and Correlation Analysis of Commitment

**Table 4.41: Correlations of Commitment Variables**

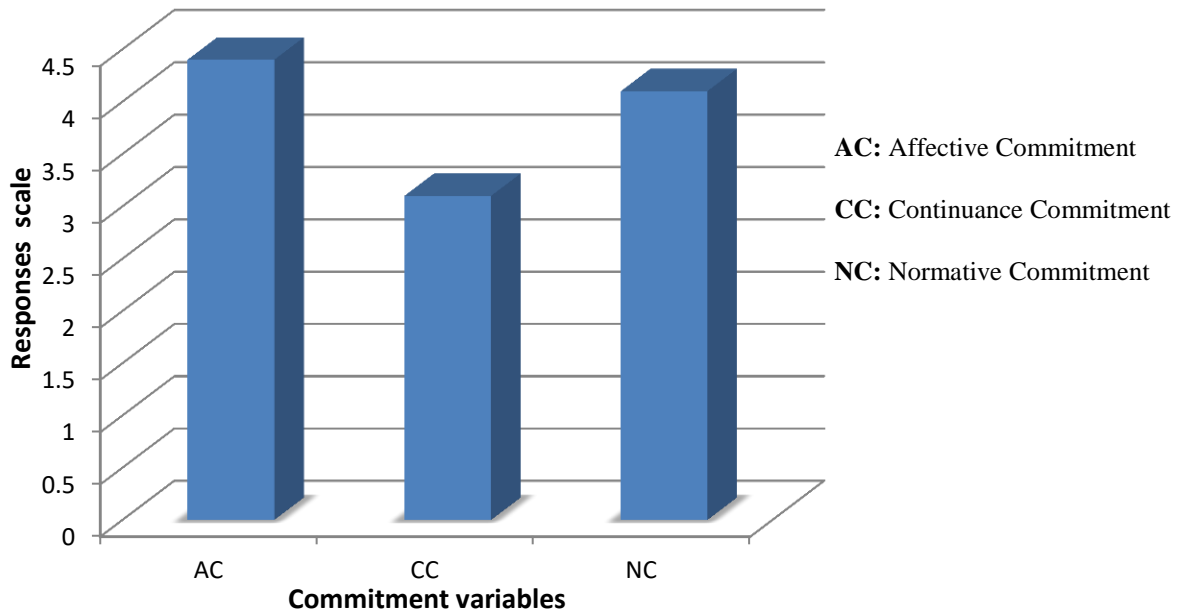
		AC	CC	NC	OVERALLCOM
AC	Pearson Correlation	1	-.304**	.163**	.373**
	Sig. (2-tailed)		.000	.000	.000
CC	Pearson Correlation		1	-.138**	.582**
	Sig. (2-tailed)			.001	.000
NC	Pearson Correlation			1	.555**
	Sig. (2-tailed)				.000
OVERALLCOM	Pearson Correlation				1
	N	531	531	531	531
	<b>Mean</b>	4.3635	3.0791	4.1017	3.8481
	<b>Standard deviation</b>	.66378	1.03402	.73181	.41874

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

**Source:** Field Study (2017)

#### Interpretation

The correlation Coefficient Matrix table revealed the nature of relationship that exists among Affective Commitment (AC), Continuance Commitment (CC), and Normative Commitment (NC). It was observed from the table that Affective Commitment had significant correlations with Continuance Commitment ( $r = -0.304 @ 0.0001$ ). Also it was observed from the table that Affective Commitment had significant correlations with Normative Commitment ( $r = 0.163 @ 0.0001$ ). The table revealed that Continuance Commitment as one of the Commitment measures considered in this study had the highest correlation coefficient with the overall Commitment.



**Figure 4.8: Respondent Preference of Commitment Variables**  
Source: Field Study (2017)

Figure 4.2 revealed the preference and the judgment of the respondents on commitment variables. Affective commitment was the most ranked, follow by normative commitment and continuance commitment.

#### 4.6 Descriptive and Correlation Analysis of Business Performance

**Table 4.42: Correlations of Business Performance Variables**

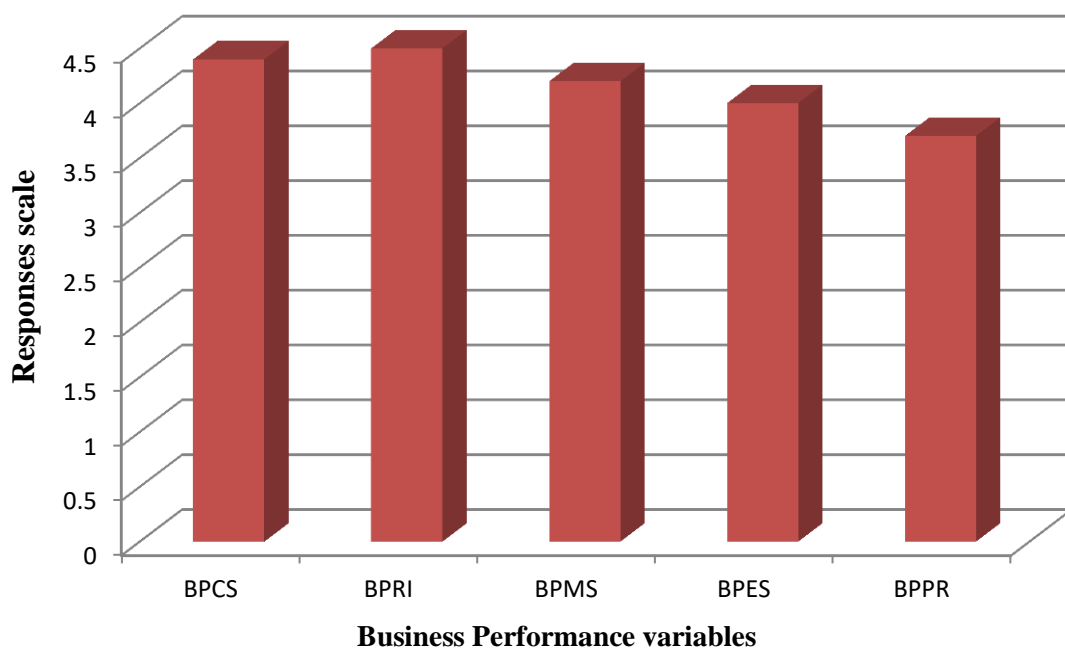
		BPCS	BPRI	BPMS	BPES	BPPROF	OVERBP
BPCS	Pearson Correlation	1	.556**	.490**	.204**	.293**	.690**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
BPRI	Pearson Correlation		1	.501**	.136**	.282**	.676**
	Sig. (2-tailed)			.000	.002	.000	.000
BPMS	Pearson Correlation			1	.537**	.237**	.759**
	Sig. (2-tailed)				.000	.000	.000
BPES	Pearson Correlation				1	.432**	.667**
	Sig. (2-tailed)					.000	.000
BPPROF	Pearson Correlation					1	.706**
	Sig. (2-tailed)						.000
OVERBP	Pearson Correlation						1
	N	531	531	531	531	531	531
	Mean	4.3842	4.4802	4.1902	4.0414	3.6987	4.1589
	Standard deviation	.67520	.71358	.74790	.74701	1.03989	.54962

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

Source: Field Study (2017)

## Interpretation

The correlation Coefficient Matrix table revealed the nature of relationship that exists among Customers Satisfaction (BPCS), Revenue improvement (BPRI), Market Share (BPMS), Employees' Satisfaction (BPES), and Profit (BPPROF). It was observed from the table that Customers Satisfaction had significant correlations with Revenue improvement ( $r = 0.556 @ 0.0001$ ). Also, from the table, it was observed that Customers Satisfaction had significant correlation with Market Share ( $r = 0.490 @ 0.0001$ ). Again, it was observed from the table that Customers Satisfaction had significant correlations with Employees' Satisfaction ( $r = 0.204 @ 0.0001$ ). Also, it was observed from the table that Customers Satisfaction had significant correlations with Profit ( $r = 0.293 @ 0.0001$ ). The table revealed market share as one of the business performance measures considered in this study had the highest correlation coefficient with the overall business performance.



**BPCS:** Business Performance Customer Satisfaction; **BPRI:** Business Performance Revenue Improvement  
**BPMS:** Business Performance Market Share      **BPES:** Business Performance Employees Satisfaction  
**BPPR:** Business Performance Profit

**Figure 4.9: Respondent Preference of Business Performance Variables**

**Source:** Field Study (2017)

From Figure 4.3 the preference ranking and the judgement of the respondents on business performance variables were shown. Revenue improvement was ranked first, follow by customers' satisfaction, market share, employees' satisfaction and profit.



#### 4.7 Descriptive and Correlation Analysis of Personality Traits

**Table 4.43: Correlations of Personality Traits Variables**

		PTE	PTA	PTC	PTN	PTO	OVERPT
PTE	Pearson Correlation	1	.172**	.080	-.044	.380**	.554**
	Sig. (2-tailed)		.000	.066	.310	.000	.000
PTA	Pearson Correlation		1	.446**	-.257**	.365**	.528**
	Sig. (2-tailed)			.000	.000	.000	.000
PTC	Pearson Correlation			1	-.120**	.352**	.584**
	Sig. (2-tailed)				.006	.000	.000
PTN	Pearson Correlation				1	-.111*	.345**
	Sig. (2-tailed)					.010	.000
PTO	Pearson Correlation					1	.686**
	Sig. (2-tailed)						.000
OVERPT	Pearson Correlation						1
	N	531	531	531	531	531	531
	<b>Mean</b>	3.7508	4.4708	4.4049	2.7137	4.3051	3.9291
	<b>Standard deviation</b>	.71817	.62791	.70748	1.06324	.76056	.40616

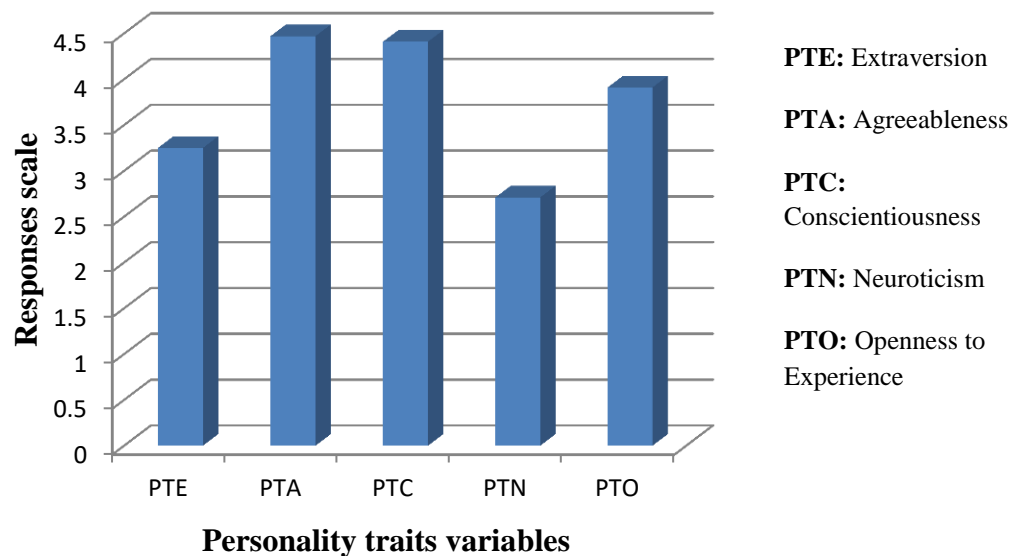
\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Source:** Field Study (2017)

#### Interpretation

The correlation coefficient matrix revealed the nature of relationship that exists between extraversion (PTE), agreeableness (PTA), conscientiousness (PTC), neuroticism (PTN), and openness to experience (PTO). It was observed from the table that personality trait extraversion had significant correlations with personality trait agreeableness ( $r = 0.172 @ 0.0001$ ). Also from the table, it was observed that personality trait extraversion had significant correlations with personality trait conscientiousness ( $r = 0.080 @ 0.0066$ ). Again, it was observed from the table that personality trait extraversion has significant correlations with personality trait neuroticism ( $r = -0.044 @ 0.310$ ). Also, it was observed from the table that personality trait extraversion had significant correlations with personality trait openness to experience ( $r = 0.380 @ 0.0001$ ). Table revealed that openness to experience as one of the personality traits measure considered in this study had the highest correlation coefficient with the overall personality traits.



**Figure 4.10: Respondent Preference of Personality Traits Variables**

**Source:** Field Study (2017)

In this study, Figure 4.4 showed the preference and ranking of the personality traits variables. Agreeableness was the most ranked among the respondents, follow by conscientiousness and openness to experience. The least ranked in which they situate their opinions and judgement was neuroticism.

#### **4.8 Test of Hypothesis One:**

Ho: Affective commitment does not mediate the relationship between entrepreneurs' agreeableness and profit derived from business.

Ha: Affective commitment mediates the relationship between entrepreneurs' agreeableness and profit derived from business.

## Regression

**Table 4.44: Model Summary For Hypothesis One**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.299 <sup>a</sup>	.089	.087	.99339	.089	51.777	1	529	.000
2	.340 <sup>b</sup>	.115	.112	.97991	.026	15.652	1	528	.000

a. Predictors: (Constant), PTA

b. Predictors: (Constant), PTA, AC

c. Dependent Variable: BPPROF

**Source:** Field Study (2017)

R is the correlation coefficient and  $R^2$  is the coefficient of determination. R measures the linear association between the explained and explanatory (dependent and independent) variable, while  $R^2$  measures how the total variability in the dependent variable is explained by the independent variable.

With respect to our investigation, the table indicates a positive correlation between Affective commitment as well as agreeableness and business profit. In model one, the F-change is 51.777 but when affective commitment was introduced in model two the F-change is 15.652. The F-change is significant at 0.0001

Model two is the most relevant model in this case since the objective is to examine the mediating effect of Affective commitment on agreeableness and business profit. The F-value is the Mean Square Regression (33.062) divided by the Mean Square Residual

**Table 4.45: ANOVA for Hypothesis One**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.095	1	51.095	51.777	.000 <sup>a</sup>
	Residual	522.028	529	.987		
	Total	573.122	530			
2	Regression	66.124	2	33.062	34.432	.000 <sup>b</sup>
	Residual	506.998	528	.960		
	Total	573.122	530			

a. Predictors: (Constant), PTA

b. Predictors: (Constant), PTA, AC

c. Dependent Variable: BPPROF

**Source:** Field Study (2017)

(0.960), yielding  $F=34.432$ . From the results, the model in this table is statistically significant ( $\text{Sig} = .001$ ) and hence the null hypothesis should be rejected. Therefore, Affective commitment has mediating effect on the relationship between agreeableness and business profit at  $F_{(2,530)} = 34.432$ .

**Table 4.46: Coefficients for Hypothesis One**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	1.488	.310		4.796	.000					
PTA	.494	.069	.299	7.196	.000	.299	.299	.299	1.000	1.000
2 (Constant)	.506	.394		1.284	.200					
PTA	.465	.068	.281	6.819	.000	.299	.284	.279	.988	1.012
AC	.255	.065	.163	3.956	.000	.194	.170	.162	.988	1.012

a. Dependent Variable: BPPROF

**Source:** Field Study (2017)

The first model in the table above revealed the contributions of agreeableness to the model and its level of significance (PTA;  $\beta = 0.299$ ;  $t = 7.196$ ;  $p < 0.000$ ). The second model revealed the mediating effect of affective commitment to the model and their level of significance. (AC;  $\beta = 0.163$ ;  $t = 3.956$ ;  $p < 0.000$ ). The interaction between the affective commitment and the personality trait agreeableness has resulted to change in the contributions to the model as it can be seen in the two models.

**Decision:** The p-value (Sig.) of the F-change is less than 0.05. Consequently, the null hypothesis is rejected and it is concluded that affective commitment mediates the relationship between entrepreneurs' agreeableness and profit derived from business.

Using the unstandardized coefficient part of the table, the model is expressed in the form;  
 $y = \text{constant} + \beta x_1 + \beta x_2$

Where  $y$  = business performance profit,  $\beta$  = slope, and

$x_1$  = affective commitment,  $x_2$  = personality trait agreeableness

$$y = 0.506 + 0.255x_1 + 0.465x_2$$

business performance profit = 0.506 + 0.255 affective commitment + 0.465 personality trait agreeableness

#### 4.9 Analysis of Qualitative Findings

This aspect used themes as descriptor, concepts and component of ideas that were reoccurring when respondents give their different opinions about the effect of commitment on entrepreneurs' personality traits and business performance. It contained common trends or patterns discovered from the interviews conducted with the SMEs entrepreneurs. The responses and narratives validated the tests of the hypotheses tested in the quantitative aspect of this study. It gives a complementary idea on the subject matter of entrepreneurs' personality traits, commitment and business performance of SMEs.

#### 4.10 Qualitative Findings of Hypothesis 1:

##### Theme 1: Agreeableness, Affective Commitment and Business Profit

The answers and the narratives of the respondents gave a resounding opinion that the entrepreneur performance cannot be too far to what his character dictates and accommodates. They were of the opinion that the character and behaviour of the entrepreneurs will greatly influence his interaction with all the stakeholders that have a stake in the business. Majority of the interviewees were assertive that the positive or negative disposition of the entrepreneurs will rub on their business and influence their performance. Quotations from the respondents are given below:

*“The business at the SME level born out of innovation is actually an extension of the person of the entrepreneur. Sociable person will bring that personality into the business and he will get the reward from it likewise someone who is quarrelsome. Like they say “Your character will always find you out”. It is a saying that is most true when it comes to SME business. What drives you out of bed to go to work in the morning to succeed is*

*your personality trait, if you are a lazy man for instance, you will see no reason to go out, however, if you are hardworking, even when you have nothing to do you are out of the bed pursuing another level of success that you didn't do yesterday. So personality traits actually drive entrepreneurship, good or bad" (Participant 12).*

*"Be liberal to all, carry everybody along, give them a sense of belonging, have a common direction to people you are working with. Another personality trait an entrepreneur needs to develop is the spirit of give and take, which means you don't have to be over profiteering all the time, at times you need to be flexible minded in decision making, at the market, during production process, etc. Give and take will also bring in losses and profit to your business but in the long run it will pay off in your business"(Participant 3).*

*"Firstly, you cannot separate your business from your personality. People might know your business, your goods and what you sell, but they also want to know the person behind it and the day they find out that your personality traits is not attractive or contradicts what your business is projecting, you begin to lose sales. Some of the personality traits that one can have includes sociability, intelligence, trust worthiness etc. if people discover that the person behind a business is not trust worthy or they have a dealing with you and you short change them, they will never come back and they news spreads, travelling farther, your business will not move forward"(Participant 8).*

*"You can't do without it, what makes you what you are, is part of your character, your personality matters a lot. The trust and integrity is very important. If people do not trust you, or they think you do not show integrity in your business, you cannot make it in business" (Participant 5)*

*"As an entrepreneur, there is need to know that there are some special abilities in you that is different from someone in a paid employment. The first is having integrity in the workplace, both to your customers and workers. Your word must be your bond. You must make sure that you fulfil your financial commitment all the time because money is crucial to an entrepreneur in running a business" (Participant 15).*

*"If an entrepreneur is loving, amiable and approachable, it can help him in so many ways. For example it can improve the commitment of the work force when they see that their boss is interested in them. Even in their private affairs, showing concern and asking after their families, which will lure people to him" (Participant 13).*

*“The best one can think as regards entrepreneur is to exercise discipline and also self-control in dealing with money. You should be able to plan ahead and give yourself target” (Participant 7).*

*“Be honest to yourself and hardworking. By this you will do exploits people will know you for your works and be able to vouch for you and say because this person said this, that’s the way it is and also believe that your products and services are genuine” (Participant 1).*

It shows from the transcripts above that in SMEs setting the commitment of the entrepreneurs will help in the growth and development of the enterprise. For an entrepreneur to be able to succeed in the long run, trust and commitment must be part of what the entrepreneur display in daily activities. The commitment level of the entrepreneur will impact and influence the inherent personality of the entrepreneur towards improves profit from business. An attractive personality will make the customers to always seek for a repeat of the goods and services of the entrepreneur.

#### **4.11 Test of Hypothesis Two:**

Ho: Affective commitment does not mediate the relationship between entrepreneurs’ openness to experience and employees’ satisfaction.

Ha: Affective commitment mediates the relationship between entrepreneurs’ openness to experience and employees’ satisfaction.

#### **Regression**

**Table 4.47: Model Summary for Hypothesis Two**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.149 <sup>a</sup>	.022	.020	.73934	.022	12.059	1	529	.001
2	.286 <sup>b</sup>	.082	.078	.71715	.060	34.245	1	528	.000

a. Predictors: (Constant), PTO

b. Predictors: (Constant), PTO, AC

c. Dependent Variable: BPES

**Source:** Field Study (2017)



R is the correlation coefficient and  $R^2$  is the coefficient of determination. R measures the linear association between the explained and explanatory (dependent and independent) variable, while  $R^2$  measures how the total variability in the dependent variable is explained by the independent variable.

With respect to our investigation, the table indicates a positive correlation between Entrepreneurs' affective commitment as well as openness to experience and employees' satisfaction. In model one, the F-change is 12.059 but when affective commitment was introduced in model two the F-change is 34.245. The F-change is significant at 0.0001

**Table 4.48: ANOVA for Hypothesis Two**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.592	1	6.592	12.059	.001 <sup>a</sup>
	Residual	289.163	529	.547		
	Total	295.755	530			
2	Regression	24.204	2	12.102	23.531	.000 <sup>b</sup>
	Residual	271.551	528	.514		
	Total	295.755	530			

**Source:** Field Study (2017)

a. Predictors: (Constant), PTO; (b). Predictors: (Constant), PTO, AC

c. Dependent Variable: BPES

Model two was the most relevant model in this case since the objective was to examine the mediating effect of Entrepreneurs' affective commitment on openness to experience and employees' satisfaction. The F-value is the Mean Square Regression (12.102) divided by the Mean Square Residual (0.514), yielding  $F=23.531$ . From the results, the model in this table was statistically significant ( $\text{Sig} = .000$ ) and hence the null hypothesis should be rejected. Therefore, Entrepreneurs' affective commitment mediates between openness to experience and employees' satisfaction at  $F_{(2,530)} = 23.531$ .

The first model in the table above revealed the contributions of openness to experience to the model and its level of significance (PTO;  $\beta = 0.149$ ;  $t=3.473$ ;  $p<0.000$ ). The second model revealed the mediating effect of Entrepreneurs' affective commitment (AC) to the

model and their level of significance. (AC;  $\beta = 0.251$ ;  $t = 5.852$ ;  $p < 0.000$ ). The interaction between the affective commitment and openness to experience (PTO) had resulted to change in the contributions to the model as it can be seen in the two models.

**Decision:** Since the p-value (Sig.) of the F-change is less than 0.05, consequently the null hypothesis is rejected and it is concluded that affective commitment mediates the relationship between entrepreneurs' openness to experience and employees' satisfaction.

**Table 4.49: Coefficients for Hypothesis Two**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	3.410	.185		18.474	.000					
PTO	.147	.042	.149	3.473	.001	.149	.149	.149	1.000	1.000
2 (Constant)	2.419	.246		9.817	.000					
PTO	.091	.042	.093	2.165	.031	.149	.094	.090	.949	1.054
AC	.282	.048	.251	5.852	.000	.271	.247	.244	.949	1.054

**Source:** Field Study (2017)

Using the unstandardized coefficient part of the table, the model is expressed in the form;  
 $y = \text{constant} + \beta x_1 + \beta x_2$

where  $y$  = business performance employees' satisfaction,  $\beta$  = slope, and

$x_1$  = Entrepreneurs' affective commitment,  $x_2$  = personality trait openness to experience

$$y = 2.419 + 0.282x_1 + 0.091x_2$$

business performance employees' satisfaction = **2.419 + 0.282** Entrepreneurs' affective commitment + **0.091** personality trait openness to experience.

## 4.12 Qualitative Findings of Hypothesis 2

### Theme 2: Openness to Experience, Affective Commitment and Employees' Satisfaction.

The following were some of the excerpts on the mediating role of affective commitment between openness to experience and employees' satisfaction.

*"One of the personality traits that I use and would suggest for any entrepreneur is flexibility of the mind, one need to be accommodating, one need to be open to hear other people's interest, I gained a lot from tapping from the experiences of people in my industry and I am available to all sorts of new thing that will bring my business to limelight" (Participant 8).*

*"You know innovativeness drive the success of an enterprise. I encourage my staff to be innovative as their opinion is always sampled about strategic management issues. We have apart from management meeting where suggestions are recommended, suggestions box is made available for staff to make available their recommendations on various issues" (Participant 6).*

*"Your passion and drive towards your business can only yield result if you are given necessary support by the people in the organisation. Avoid been bossy, be inquisitive and good listener if you want to get the best from your organisation" (Participant 1).*

*"Without an entrepreneur supervision and strong determination to succeed, the business cannot go farther. The commitment must be total for the growth and expansion of the business" (Participant 15).*

The majority of the respondents believed innovation, drive for success, and attentiveness cannot be achieved without the commitment and satisfaction of the employees. An entrepreneur commitment cannot yield increase performance without the commitment and employees' satisfaction. Good ideas and innovative move can only translate to success if the entrepreneur seek and get the support of the generality of members of the organisation.

#### 4.13 Hypothesis Three:

Ho: The effect of entrepreneurs' conscientiousness on revenue improvement is not significantly mediated by entrepreneurs' continuance commitment.

Ha: The effect of entrepreneurs' conscientiousness on revenue improvement is significantly mediated by entrepreneurs' continuance commitment.

#### Regression

**Table 4.50: Model Summary For Hypothesis Three**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.241 <sup>a</sup>	.058	.056	.69325	.058	32.549	1	529	.000
2	.291 <sup>b</sup>	.085	.081	.68398	.027	15.438	1	528	.000

a. Predictors: (Constant), PTC

b. Predictors: (Constant), PTC, CC

c. Dependent Variable: BPRI

**Source:** Field Study (2017)

R is the correlation coefficient and  $R^2$  is the coefficient of determination. R measures the linear association between the explained and explanatory (dependent and independent) variable, while  $R^2$  measures how the total variability in the dependent variable is explained by the independent variable.

With respect to this study, the table indicates a positive correlation between conscientiousness on revenue improvement as well as entrepreneurs' continuance commitment. In model one, the F-change is 32.549 but when entrepreneurs' continuance commitment was introduced in model two the F-change is 15.438. The F-change is significant at 0.0001

**Table 4.51: ANOVA for Hypothesis Three**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.643	1	15.643	32.549	.000 <sup>a</sup>
	Residual	254.233	529	.481		
	Total	269.876	530			
2	Regression	22.865	2	11.433	24.438	.000 <sup>b</sup>
	Residual	247.011	528	.468		
	Total	269.876	530			

a. Predictors: (Constant), PTC

b. Predictors: (Constant), PTC, CC

c. Dependent Variable: BPRI

**Source:** Field Study (2017)

Model two was the most relevant model in this case since the objective was to examine the mediating effect of conscientiousness on revenue improvement on entrepreneurs' continuance commitment. The F-value is the Mean Square Regression (11.433) divided by the Mean Square Residual (0.468), yielding  $F=24.438$ . From the results, the model in this table was statistically significant ( $\text{Sig} = .000$ ) and hence the null hypothesis should be rejected. Therefore, the effect of conscientiousness on revenue improvement was significantly mediated by entrepreneurs' continuance commitment at  $F_{(2,530)} = 24.438$ .

**Table 4.52: Coefficients for Hypothesis Three**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	3.411	.190		17.961	.000					
PTC	.243	.043	.241	5.705	.000	.241	.241	.241	1.000	1.000
2 (Constant)	3.805	.213		17.901	.000					
PTC	.232	.042	.230	5.521	.000	.241	.234	.230	.996	1.004
CC	-.113	.029	-.164	-3.929	.000	-.179	-.169	-.164	.996	1.004

a. Dependent Variable: BPRI

**Source:** Field Study (2017)

The first model in the table revealed the contributions of conscientiousness to the model and its level of significance (PTC;  $\beta = 0.241$ ;  $t = 5.705$ ;  $p < 0.000$ ). The second model revealed the mediating effect of Entrepreneurs' continuance commitment (CC) to the model and their level of significance. (CC;  $\beta = 0.164$ ;  $t = -3.929$ ;  $p < 0.000$ ). The interaction between the conscientiousness on revenue improvement and entrepreneurs' continuance commitment had resulted to change in the contributions to the model as it can be seen in the two models.

**Decision:** The p-value (sig.) of the F-change is less than 0.05. Consequently the null hypothesis is rejected and it is concluded that the effect of entrepreneurs' conscientiousness on revenue improvement is significantly mediated by entrepreneurs' continuance commitment.

Using the unstandardized coefficient part of the table, the model is expressed in the form;  
 $y = \text{constant} + \beta x_1 + \beta x_2$

where  $y$  = business performance revenue improvement,  $\beta$  = slope, and

$x_1$  = Entrepreneurs' continuance commitment,  $x_2$  = personality trait conscientiousness

$$y = 3.805 - 0.113x_1 + 0.232x_2$$

business performance revenue improvement = **3.805 -0.113** entrepreneurs' continuance commitment +**0.232** personality trait openness to experience.

#### 4.14 Qualitative Findings of Hypothesis 3

##### **Theme 3: Conscientiousness, Continuance Commitment and Revenue Improvement**

Below are part of the excerpts from the respondents on the mediating role of continuance commitment on the relationship between conscientiousness and revenue improvement.

*"Being up to date. I am always dated. Write things down so you can always have a record of things. I am also an early riser, going to bed early so that you can wake up early refreshes the brain and makes it possible to think straight and smart. I am also very hard working. That has helped me a lot" (Participant 9).*

*"There is no way you will be serious, hardworking and good planner that you will not commit more of your resources to your enterprise. If you want to increase your net worth in your business then unreserved commitment is the key to your breakthrough" (participant 13).*

*"Be honest to yourself and hardworking. By this you will do exploits people will know you for your works and be able to vouch for you and say because this person said this, that's the way it is and also believe that your products and services are genuine" (Participant 1).*

*"The best one can think as regards entrepreneur is to exercise discipline and also self-control in dealing with money. You should be able to plan ahead and give yourself target" (Participant 7).*

*"What has been helping is a passion for doing things right. Not reacting to what is there but reacting to what you inwardly believe is the right thing to do. Not leading oneself into bribe for instance just because you want to do business. You later on reap the benefits for these things. If you run quickly to do things without thinking, you will run quickly to get yourself into trouble. For you to succeed as a SME, it's your character" (Participant 12).*

*“Customers are always right, when you are dealing with your customers, no matter the kind of threat they display, you have to accommodate them. You have to be a good planner and must be able follow your plan and implement it” (Participant 6).*

The responses transcribed above showed that entrepreneurs should be able to accommodate and understand the people around his business. Integrity and hardworking was also one of the traits expressed in this interviews. It is also noted that entrepreneurs should also be meticulous and being up to date in his activities.

#### **4.15 Test of Hypothesis Four:**

Ho: Normative commitment has no mediating effect on the relationship between entrepreneurs’ extraversion and market share.

Ha: Normative commitment has a mediating effect on the relationship between entrepreneurs’ extraversion and market share.

#### **Regression**

**Table 4.53: Model Summary for Hypothesis Four**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.191 <sup>a</sup>	.036	.035	.73487	.036	19.960	1	529	.000
2	.328 <sup>b</sup>	.107	.104	.70791	.071	42.061	1	528	.000

a. Predictors: (Constant), PTE

b. Predictors: (Constant), PTE, NC

c. Dependent Variable: BPMS

**Source:** Field Study (2017)

R is the correlation coefficient and  $R^2$  is the coefficient of determination. R measures the linear association between the explained and explanatory (dependent and independent) variables, while  $R^2$  measures how the total variability in the dependent variable is explained by the independent variable.



With regard to this investigation, the table indicated a positive correlation between Entrepreneurs' normative commitment as well as extraversion and market share. In model one, the F-change is 19.960 but when entrepreneurs' normative commitment was introduced in model two the F-change is 42.061. The F-change is significant at 0.0001

**Table 4.54: ANOVA for Hypothesis Four**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.779	1	10.779	19.960	.000 <sup>a</sup>
	Residual	285.677	529	.540		
	Total	296.456	530			
2	Regression	31.857	2	15.929	31.785	.000 <sup>b</sup>
	Residual	264.599	528	.501		
	Total	296.456	530			

a. Predictors: (Constant), PTE

b. Predictors: (Constant), PTE, NC

c. Dependent Variable: BPMS

**Source:** Field Study (2017)

Model two was the most relevant model in this case since the objective was to examine the mediating effect of Entrepreneurs' normative commitment on extraversion and market share. The F-value is the Mean Square Regression (15.929) divided by the Mean Square Residual (0.501), yielding  $F=31.785$ . From the results, the model in this table was statistically significant ( $\text{Sig} = .0001$ ) and hence the null hypothesis should be rejected. Therefore, Entrepreneurs' normative commitment had significant effect on the relationship between extraversion and market share at  $F_{(2,530)} = 31.785$ .

The first model in the Table 4.55 revealed the contributions of extraversion to the model and its level of significance (PTE;  $\beta = 0.191$ ;  $t = 4.468$ ;  $p < 0.000$ ). The second model revealed the mediating effect of Entrepreneurs' normative commitment (NC) to the model and their level of significance. (NC;  $\beta = 0.267$ ;  $t = 6.458$ ;  $p < 0.000$ ). The introduction of entrepreneurs' normative commitment to the relationship between extraversion trait of an entrepreneur and the market share of his business has resulted to change in the contributions to the model, as it can be seen in the two models.

**Table 4.55: Coefficient of Hypothesis Four**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	3.445	.170		20.299	.000					
PTE	.199	.044	.191	4.468	.000	.191	.191	.191	1.000	1.000
(Constant)	2.329	.237		9.806	.000					
PTE	.198	.043	.190	4.632	.000	.191	.198	.190	1.000	1.000
NC	.273	.042	.267	6.485	.000	.267	.272	.267	1.000	1.000

**Source:** Field Study (2017)

**Decision:** Since the P-value (Sig.) of the F-change is less than 0.05, consequently the null hypothesis is rejected and it is concluded that normative commitment has a mediating effect on the relationship between entrepreneurs' extraversion and market share.

Using the unstandardized coefficient part of the table, the model is expressed in the form;  
 $y = \text{constant} + \beta x_1 + \beta x_2$

where  $y$  = business performance market share,  $\beta$  = slope, and

$x_1$  = Entrepreneurs' normative commitment,  $x_2$  = personality trait extraversion

$$y = 2.329 + 0.273x_1 + 0.198x_2$$

business performance revenue improvement =  $2.329 + 0.273$ entrepreneurs' normative commitment +  $0.198$ personality trait extraversion.

#### 4.16 Qualitative Findings of Hypothesis 4

##### **Theme 4: Extraversion, Normative Commitment and Market Share.**

Parts of the excerpts of the interviewees on the mediating role of normative commitment between extraversion and market share are given below.

*“How can you be a good entrepreneur when you cannot sell your business to third party? Ability to be able to express oneself in clear and unambiguous manner will endear people towards your business and this will invariably increase the fortune of the business”*  
(participant 6).

*“Your interactive and social life can be a positive attribute on your SME. I enjoy social gathering and this has made me to increase my customers' base because people see me in action as an event organiser. I meet people and I am able to relate with them a lot”*  
(participant 7).

*“Increase in the size of business can only be experienced if people in sales and others that interface with the public are able to communicate the value and the quality in the goods and services to the consumers. No appreciable sales and growth can be recorded if commitment does not translate to ability to sell”* (Participant 12).

The respondents above believed that ability to express oneself in a positive way and unreservedly committing to the course of the business will bring increase in the activities of the business. Social and lively interaction was seen as a viable and predictive behaviour for personal of businesses that require more interpersonal relation. Good interpersonal relation skill, coupled with sense of compelling obligation to the business was seen to lead to better business performance.

#### 4.17 Test of Hypothesis Five:

Ho: Normative commitment has no mediating effect on the relationship between entrepreneurs' neuroticism and customers' satisfaction.

Ha: Normative commitment has a mediating effect on the relationship between entrepreneurs' neuroticism and customers' satisfaction.

#### Regression

**Table 4.56: Model Summary for Hypothesis Five**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.305 <sup>a</sup>	.093	.091	.64370	.093	54.143	1	529	.000
2	.406 <sup>b</sup>	.165	.162	.61810	.072	45.725	1	528	.000

a. Predictors: (Constant), PTN

b. Predictors: (Constant), PTN, NC

c. Dependent Variable: BPCS

**Source:** Field Study (2017)

R is the correlation coefficient and  $R^2$  is the coefficient of determination. R measures the linear association between the explained and explanatory (dependent and independent) variables, while  $R^2$  measures how the total variability in the dependent variable is explained by the independent variable.

Relative to this study, the table indicates a positive correlation between entrepreneurs' normative commitment on neuroticism and customers' satisfaction. In model one, the F-change is 54.143 but when normative commitment was introduced in model two the F-change is 45.725. The F-change is significant at 0.00

**Table 4.57: ANOVA for Hypothesis Five**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.434	1	22.434	54.143	.000 <sup>a</sup>
	Residual	219.193	529	.414		
	Total	241.627	530			
2	Regression	39.904	2	19.952	52.223	.000 <sup>b</sup>
	Residual	201.723	528	.382		
	Total	241.627	530			

a. Predictors: (Constant), PTN

b. Predictors: (Constant), PTN, NC

c. Dependent Variable: BPCS

**Source:** Field Study (2017)

Model two was the most relevant model in this case since the objective was to examine the mediating effect of entrepreneurs' normative commitment on neuroticism and customers' satisfaction. The F-value is the Mean Square Regression (19.952) divided by the Mean Square Residual (0.382), yielding  $F=52.223$ . From the results, the model in this table was statistically significant ( $\text{Sig} = .001$ ) and hence the null hypothesis should be rejected. Therefore, the entrepreneurs' normative commitment had significant effect on the relationship between neuroticism and customers' satisfaction  $_{(2,530)} = 52.223$ .

**Table 4.58: Coefficients For Hypothesis Five**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	4.909	.077		64.059	.000					
PTN	-.194	.026	-.305	-7.358	.000	-.305	-.305	-.305	1.000	1.000
2 (Constant)	3.854	.173		22.328	.000					
PTN	-.181	.025	-.284	-7.129	.000	-.305	-.296	-.283	.994	1.006
NC	.249	.037	.270	6.762	.000	.291	.282	.269	.994	1.006

a. Dependent Variable: BPCS

**Source:** Field Study (2017)

The first model in the table above revealed the contributions of neuroticism to the model and its level of significance (PTN;  $\beta = -0.305$ ;  $t=7.358$ ;  $p<0.000$ ), the second model revealed the mediating effect of Entrepreneurs' normative commitment (NC) to the model and their level of significance. (NC;  $\beta =0.270$ ;  $t=6.762$ ;  $p<0.000$ ). The interaction between entrepreneurs' normative commitment on neuroticism and customers' satisfaction had resulted to change in the contributions to the model, as it can be seen in the two models.

**Decision:** The p-value (Sig.) of the F-change is less than 0.05. Consequently, the null hypothesis is rejected and it is concluded that the entrepreneurs' normative commitment has significant effect on the relationship between neuroticism and customers' satisfaction.

Using the unstandardized coefficient part of the table, the model is expressed in the form;  
 $y = \text{constant} + \beta x_1 + \beta x_2$

Where  $y$  = business performance customer's satisfaction,  $\beta$  = slope, and

$x_1$  = entrepreneurs' normative commitment,  $x_2$  = personality trait neuroticism

$$y = 2.329 + 0.249x_1 - 0.181x_2$$

Business performance revenue improvement =  $2.329 + 0.249$  entrepreneurs' normative commitment  $- 0.181$  personality trait neuroticism.

#### 4.18 Qualitative Findings of Hypothesis 5

##### Theme 5: Neuroticism, Normative Commitment and Customers' Satisfaction

The respondents gave an overwhelming assertion that commitment of the entrepreneurs towards their enterprises can bring about a positive attitude that will impact on the business. This stems from the fact that a committed entrepreneur towards his business will always find a balance between his traits and the business stakeholders to make sure the business survive and succeed. The following interviewees were of the opinion that there is no SMEs operator who will commit time and money to his business that will want to use his or her negative postures to kill the business.

*"You cannot go far in business if you do not believe in yourself and you always have a pessimistic view of issues. How can you get the loyalty of your customers when you as the promoter of the business is not committed to the growth of the company. You cannot eat your cake and have it at the same time. It is either you find time for the business or you allow your lacklustre attitude to affect the business" (Participant 5).*

*"Nobody will contribute time and other resources toward a business and use his hand and behaviour to terminate the venture. Bad attitudes and behaviour towards customers has been seen to send some businesses into their early grave. As an entrepreneur you must be up-to-date in checking which of your character or staff behaviour is inimical to the business. These need to be checked early so that the business will not die" (Participant 3).*

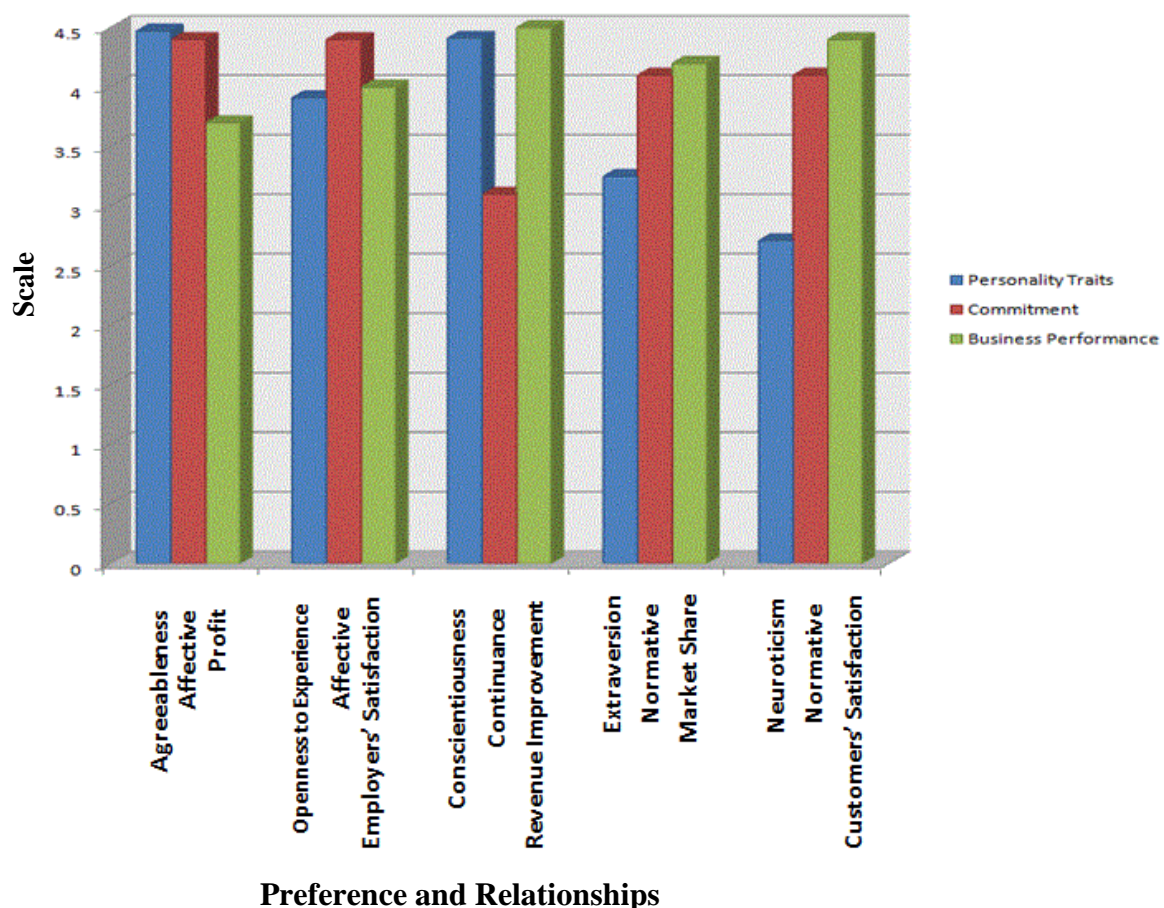
*"An entrepreneur who realised he has a negative attitude will always be conscious of his disposition towards his customers. Any hot temper person will always be slow in talking so as not to offend his customers" (Participant 10).*

*"A committed employer or entrepreneur will always find a way out of his weak point to make sure the organisation continues to thrive" (Participant 12).*

*“Have you seen a professional footballer who has practiced with his team mates severally for an important march, and on the day of the march he began to score intentionally against his team? No entrepreneur will allow his behaviour to affect the business which he has committed a lot of resources” (Participant 8).*

*As a small and medium entrepreneur, you will rather learn to improve on your negativity than to allow it to affect your business. This is where training and development comes in. Business owners should make themselves available to education that will help them to improve their negative behaviour (Participant 6)*

The responses above indicated that commitment of SME entrepreneurs will be influenced by their personality. All the respondents were of the opinion that committed individual will avoid any problem associated with behaviour that will impinge on the satisfaction of the customers which determine the survival and the performance of the enterprise.



**Figure 4.11: Preference and Relationships of Study Variables**

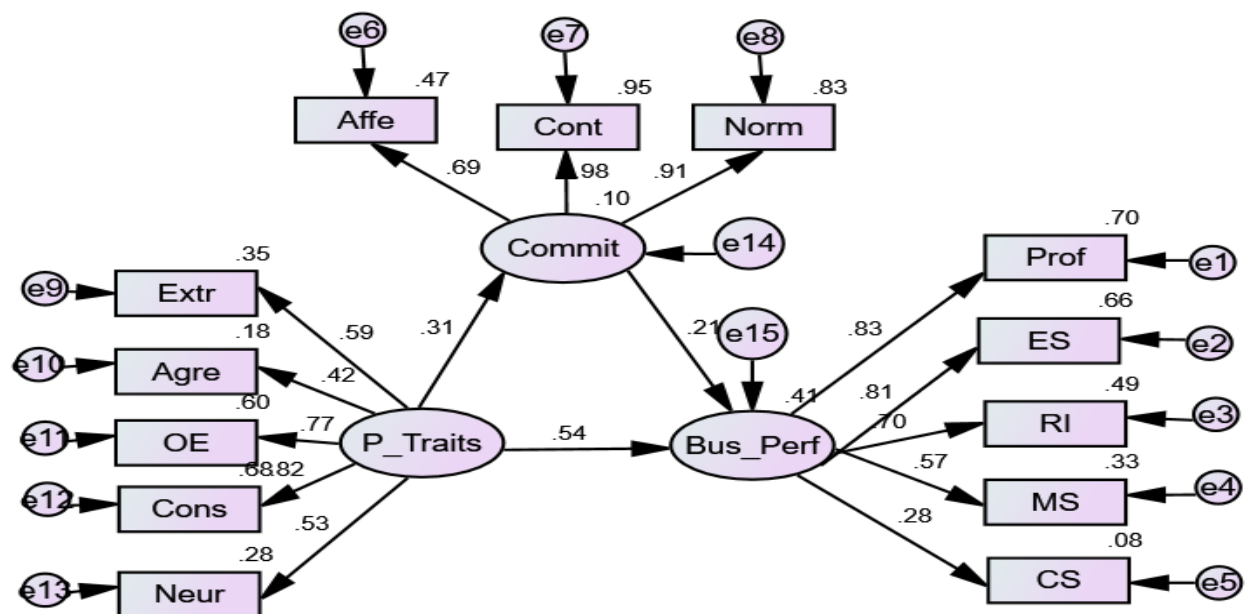
Source: Field Study (2017)



In this study as indicated in Figure 4.5, agreeableness was the most referred variable of personality traits upon which respondents gave the highest scores. The list that tends towards negative tendency is the neuroticism with the lowest ranking.

Among the three components model of commitment, affective commitment was the most referred and the highest in term of ranking, while the continuance was the least in term of ranking in this study. Among the variables that measure business performance, revenue improvement was ranked first in this study, while customer satisfactions took the second place in term of ranking.

Structural equation model was used to confirm the relationship that existed between the measured variables and latent constructs of entrepreneurs' personality traits, commitment and business performance. This helped to validate the model for this study, as it depicted the level and extent of the relationship that existed between the measured variables (Borsboom, Mellenbergh & Heerden, 2003).



**Figure 4.12: Personality Traits, Commitment and Business Performance Model.**

**Independent Variable:**

Extr = Extraversion

Agree = Agreeableness

OE = Openness to Experience

Cons = Conscientiousness

Neur = Neuroticism

### Mediating Variable: Commitment

Affe = Affective

Cont = Continuance

Norm = Normative

### Dependent Variable: Business Performance

Prof = Profit

ES= Employee Satisfaction

RI= Revenue Improvement

MS= Market Share

CS= Customer Satisfaction

**Table 4.59: Fitness Index Measurement**

Fit Indices	Recommended Benchmark	Value	Results
<b>Chi sq</b>	p>0.05	94.527	Minimum Achieved
<b>RMSEA</b>	<0.80	.158	Good fit
<b>GFI</b>	>0.90	.955	Good fit
<b>NIF</b>	>0.90	.966	Good fit
<b>AGFI</b>	>0.90	.973	Good fit
<b>CFI</b>	>0.90	.958	Good fit
<b>TLI</b>	>0.90	.923	Good fit
<b>IFI</b>	>0.90	.958	Good fit

Source: Field Survey, 2017

Further to Table 4.59, some scholars such as Bentler and Wu (2002) and Kaplan (2000) noted that for a model to be said to have good degree of fitness, it must meet the minimum benchmark or criteria set for different indicators of goodness-of-fit. It has also been argued that the higher the number of the indices of indicators, the better the acceptable of a good fit of the following indices: Normed Fit Index (NFI) which must be >.90; and Comparative Fit Index (CFI) acceptable value >.90. Similarly, Root Mean Squared Error of Approximation (RMSEA) is accepted to be fit if it is <0.8 while Goodness of fit (GFI) can be regarded as good fit if it is >0.90. However, the outcome of the model results reveal that the minimum benchmark for all the model indices are overall parameter set and the results are satisfied with chi-square/degree of freedom ( $\chi^2/df$ ) = 94.527 < 5; Normed Fit Index (NFI) = 0.966 > 0.90; Comparative Fit Index (CFI) = 0.958 > 0.90; and RMSEA = 0.158 < 0.05.

Structural equation modelling procedure as depicted in Table 4.59 and Figure 4.12 revealed that personality traits to a large extent contributed to entrepreneurs commitment and business performance respectively. From the standardized regression estimate ( $\beta$ ), personality traits and commitment were predicted to have 31% and 21% contribution to business performance respectively. Meanwhile, it must also be noted that commitment played a mediating role between personality traits and business performance with 21% contribution. Taking into consideration the measures of personality traits, extraversion (extra) had regression coefficient ( $\beta$ ) =0.588, @  $p < 0.05$ , agreeableness (agre) had regression coefficient ( $\beta$ ) =0.424, @  $p < 0.05$ , openness to experience (OE) had regression coefficient ( $\beta$ ) =0.773, @  $p < 0.05$ , conscientiousness (cons) had regression coefficient ( $\beta$ ) =0.822, @  $p < 0.05$  and Neuroticism (neur) ( $\beta$ ) =0.527, @  $p < 0.05$  respectively have significant effect. The model output as presented showed that openness to experience and conscientiousness were the most active of personality traits in the prediction of commitment and business performance. Similarly, looking at the predictive capability of the measures of commitment as a mediating variable between personality traits and business performance, continuance commitment (cont) had the most significant effect (( $\beta$ ) =0.976 @  $p < 0.05$  followed by normative commitment (norm) with (( $\beta$ ) =0.908 @  $p < 0.05$  and affective (affe) (( $\beta$ ) =0.686 @  $p < 0.05$  respectively. On the other hand, looking at the predictive capability of the measures of business performance, profit (prof) had the most significant effect (( $\beta$ ) =0.834 @  $p < 0.05$ , follow by employee satisfaction (ES) (( $\beta$ ) =0.814 @  $p < 0.05$ ; revenue improvement (RI) (( $\beta$ ) =0.701 @  $p < 0.05$ ; market share (MS) (( $\beta$ ) =0.572 @  $p < 0.05$  and customer satisfaction (CS) (( $\beta$ ) =0.275 @  $p < 0.05$  in that order.

**Table 4.60:-----Regression Weights**

			<b>Estimate</b>	<b>S.E.</b>	<b>C.R.</b>	<b>P</b>	<b>Label</b>
<b>Commit</b>	<---	P_Traits	.313	.043	4.741	***	Sig
<b>Bus_Perf</b>	<---	Commit	.211	.055	2.589	.010	Sig
<b>Bus_Perf</b>	<---	P_Traits	.545	.061	.847	.029	Sig
<b>Extr</b>	<---	P_Traits	.588	.053	2.104	.035	Sig
<b>Neur</b>	<---	P_Traits	.527	.044	3.444	***	Sig
<b>Cons</b>	<---	P_Traits	.822	.055	4.729	.066	Sig
<b>Agre</b>	<---	P_Traits	.424	.060	3.288	.001	Sig
<b>Affe</b>	<---	Commit	.686	.052	4.947	***	Sig
<b>Norm</b>	<---	Commit	.908	.041	1.068	.086	Sig
<b>Cont</b>	<---	Commit	.976	.076	4.565	***	Sig
<b>OE</b>	<---	P_Traits	.773	.059	2.339	.019	Sig
<b>ES</b>	<---	Bus_Perf	.814	.054	4.126	***	Sig
<b>MS</b>	<---	Bus_Perf	.572	.146	4.759	***	Sig
<b>RI</b>	<---	Bus_Perf	.701	.034	5.171	***	Sig
<b>Prof</b>	<---	Bus_Perf	.834	.040	4.642	***	Sig
<b>CS</b>	<---	Bus_Perf	.275	.046	2.698	.007	Sig

Note: C.R. = Critical Ratio; S.E. = Standard Error; \* significant at 0.05

The findings of this study are consistent with extant literature. Specifically, Kocakaya and Kocakaya (2014) using structural equation model, expressed the relationship between experienced teachers and performance of student in science classes. Yesil and Sozbilir (2013); Ongore, (2014) also revealed the relationship between personality traits and the performance and innovation of individual in work places. Their studies emphasised the effect of personality variables of individual on work and performance results.

## **CHAPTER FIVE**

### **DISCUSSIONS**

#### **Preamble**

The general objective of this study was to examine the interactive effect of the personality factors and business performance among selected SMEs owners. It is noteworthy that the commitment construct was incorporated as the mediating variable in measurable respects. This chapter elaborates the descriptive aspects of the study; discusses research results, that is, theoretical and empirical findings in the light of the formulated research objectives and hypotheses. .

#### **5.1 Descriptive Findings**

##### **5.1.1 Gender and Research Variables**

It was observed that female entrepreneurs were relatively more involved with the business of SMEs based on the scope of this study. Also, more than half of the respondents were based in Lagos and Ogun States out of the six states where this study took place. This implies that economic activities in these states or jurisdictions are more prominent in comparison to other states. This is not unusual when considered against the background of the significant infrastructure, financial and social investments associated with these two States.

#### **Gender and Commitment**

The result revealed that female entrepreneurs were more affectively committed to their business than their male counterparts. It was also established from this study that female entrepreneurs were more normatively committed to their business than their male counterparts. However, male entrepreneurs rated themselves higher than female entrepreneurs in continuance commitment. This is in contrast with the findings of Khalife and Chalouhi (2013) which established that the performance of female entrepreneur was lower than their male counterpart. Furthermore, this study revealed that female entrepreneurs commit more of their resources and time to SMEs, especially in a developing socio-economic context. This implies that female entrepreneurs have more passion for sustaining entrepreneurial activities than male entrepreneurs. Moreover, this study revealed that female entrepreneurs possessed more agility to continue in business

despite the various challenges facing SMEs. This study further affirmed the important role of women in entrepreneurship, especially for SMEs operating in developing economy like Nigeria.

### **Gender and Business Performance**

In terms of overall business performance, female entrepreneurs outperformed the male counterparts. This was evident as regards the dimensions of customer satisfaction, revenue improvement, market share, employees' satisfaction and derived profits. The results also revealed that women entrepreneur had more dexterity in managing SMEs than their male counterpart. This finding is consistent with the study of Chirwa (2008) that revealed that female enterprise grew faster than the male enterprise. There are more female entrepreneurs in the population of this study, and the result of the study revealed that more of the female entrepreneurs gave more time to their enterprises and thereby culminating in improved performance.

#### **5.1.2 Age of Respondents**

In this study, 75% of the respondents were below the age of 50years. The age range of 20-30years was 27% of the respondents while entrepreneurs within the age range of 40-50years represented 26% of the respondents. The trend implies that youth and middle age persons were more inclined to participate in entrepreneurial activities. This agrees with the submission of Noor (2011) that; old age promotes diminished entrepreneurial performance levels relative to more youthful application of effort. This may be a good omen for economic activities, if all the necessary infrastructures to boost entrepreneurial activities are put in place. It is also a clear indication that the age of the owner of the business plays a significant role in the economic development of a nation.

#### **5.1.3 Marital Status and Commitment towards Business Performance.**

The results of this study revealed that majority of the respondents, 64% were married, while 32% were still single. Commitment has an influence on business performance; more than half of the respondent were married; this explain the effect of marital status on SMEs performance. This assertion was supported by the study of Salwa, Yahya, Azila, and Fidlizan (2015) which revealed that married people in entrepreneurship performed better than unmarried people. However, the study of Bula (2012) showed no significant relationship between marital status and performance of entrepreneurs among small scale

enterprises. However the single and divorced in entrepreneurial activities may potent good commitment and better performances unlike the married that are saddle with family issues that may impair their full commitment towards improve business performance.

#### **5.1.4 Academic Qualification, Commitment and Business Performance**

The result of this study showed that above half (63%) of the respondents possessed certificates ranging from Higher National Diploma (HND), Bachelor of Art (BA), Bachelor of Science (BSC), Master of Art (MA), Master of Business Administration (MBA), and Master of Science (MSC). This implies that majority of the degree holders' embraced entrepreneurial activities because of non-availability of blue chip jobs or readymade employment. This trend is a positive one for the development of entrepreneurial activities in terms of fostering innovation in SMEs penetration and growth across sectors. This finding concurs with that of Thomas and Feldman (2009) which established that education is integral to performance of SMEs. Education is seen as the initiator of innovation and creativity and the moderator of behaviour that can nurture improved business performance.

#### **5.1.5 Sector of the Economy and Business Performance**

In considering the sectors of the economy, the manufacturing sector, followed by agricultural sector, had most of the respondents with 42% and 20%, respectively. This implies that provision of adequate infrastructures for manufacturing and agricultural sectors of the economy will increase productivity in both sectors and improve the contribution of the sectors to gross domestic product (GDP). These sectors do employ large number of youth in the society and if optimized can increase the overall economic outlook of the nation. The ability of a country to identify which sector promotes inclusive growth plays a major role in determining the success or otherwise of a nation. The manufacturing and agricultural sectors as revealed in this study should be duly enabled to promote the requisite and much desired socio-economic growth and multi-lateral development.

#### **5.1.6 Age of Business, Commitment and Business Performance**

The predominant age of the businesses sampled in this study fell within 1-5years. The implication of this is that there are more start-up businesses which may be due to people receiving more encouragement to be self-employed or owing to the declining

opportunities for the typical white collar jobs. The result of this study revealed that less than 10% of the respondents businesses were within 20-30years, and also less than 10% of the respondents businesses were 31years and above. This implies that sustainability of businesses over the long-term is a fundamental issue which must be addressed to effectively secure the place of entrepreneurship in domestic growth. Radipere and Dhliwayo (2014) investigated the role of business age on performance; their findings revealed no significant relationship between age of business and performance. Thus, businesses require conducive environment to thrive, regardless of number of years of its existence. Sustainability and growth of SMEs depends largely on the commitment and experience of the entrepreneur to manage the business in the face of numerous challenges. However, according to Love, Roper, and Zhou (2016) the age and experience dimension in businesses is more relevant for entrepreneurs that are focused on services sector. Instructively, other sectors of the economy also need the leverage that experience provides which can be acquired over a period of time. All efforts must be aggregated to promote growth and sustainability of entrepreneurial activities, especially as majority of respondents' businesses (75%) captured in this study were within the age of 1-10 years.

### **Objective One**

Investigate the mediating effect of affective commitment on the hypothesised relationship between agreeableness and profit derived from business.

### **5.2 Hypothesis One**

The study revealed that entrepreneurs, who are kind, reliable, dependable, and cooperative with others, will have the urge to do things for the common goods of the organisation. These set of entrepreneurs, the study confirmed, are passionate toward the activities of the organisation, and this translated to improved profits in their business ventures. People with high level of agreeableness are inclined to be more passionate and affectively committed to the course of developing the economic and financial bases of their business outfit. This finding aligns with the study of Jawwad *et al* (2016) that indicated that organisational commitment mediates in the relationship between the big five personality traits and performance. As pointed out in this study, a kind, and unselfish individual who becomes an entrepreneur will have the enduring and self-will to make the entrepreneurial activities to profitable or rewarding in multiple respects. In a globalised and ever dynamic world, where competition exists in both micro and macro level; an



entrepreneur needs to be passionately attached to his/her ventures to achieve a sustainable growth. This unique trait will help to drive the organisation towards improvement and profitable performance. The assertion drawn from the result of this study was corroborated with the findings of Amir *et al.* (2014). In their study, it was revealed that four out of the big five personality traits affect performance, except for neuroticism that had inverse relationship.

Entrepreneur relationship with all the stake holders in business will determine the level of satisfaction derived from the enterprise. A business promoter or owner that is not constantly engaged with the issues of the business, neglects to spend quality time in the business, and fails to constructively deal with organizational problems; will not be able to achieve sustained or progressive returns. The study of Tasnim *et al.* (2014) also reiterated the role of affective commitment as major component of commitment that influences performance of entrepreneur.

The result of the interview conducted gave overwhelming perspectives and narratives that link the performance of the entrepreneurs to character and disposition of the entrepreneur, coupled with other surrounding variables identifiable with the business context or sphere. It was opined by the respondents, that the degree of one's character and behaviour towards his business will influence the performance of the business. Thus it suffices to state that the type of commitment deployed in solving the problems and challenges of the organisation will determine the performance levels of the organisation. The result of this study expressed that start-up entrepreneurs need cooperative attitude and behaviour to build the support and confidence of the workers, customers and suppliers in order to achieve higher and better performance.

## **Objective Two**

Assess the mediating role of affective commitment on the hypothesised relationship between openness to experience and employees' satisfaction.

## **5.3 Hypothesis Two**

The result revealed that entrepreneurs' differences and dispositions affect and influence the level of contentment, fulfilment and performance outcome of the employees in their organisations. The findings expressly stated that entrepreneurs that usually generate new ideas, curious about many things in his environment and a deep thinker will continue to be passionate to the satisfaction of employees. Furthermore, it is indicative that for an

employee to be accomplished and fulfilled, the employer must be attentive to inner feelings, be sensitive, and intellectually curious. The level of an entrepreneur commitment to an enterprise will greatly affect the extent to which the employees in such enterprise commit themselves to the daily activities. The thematic analysis of the interview conducted also revealed that the drivers of commitment and success in business are the innovative tendency that is inbuilt in the entrepreneurs. The study of Omoankhanle *et al.* (2014) confirmed the result of this research and revealed that performance of the employees had a positive relationship with the work place environment and disposition of the employer.

Though this aspect of the research confirmed the relationship between a passionate entrepreneur, who has an inner feeling and employee's satisfaction, the study of Mohan and Mulla (2013) aligned with this. Their findings revealed that openness to experience influence performance in many ways but not with any mediating effect as in this study. There is compact working relationship between employees and the employers in SMEs sector, hence it is very pertinent for employers to possess and display traits that will endear workers satisfaction. Employees will contribute optimally to an organisation whose entrepreneur or the owner shows a good example and is more passionate about issues that will promote the satisfaction of the workers.

Openness to experience in this study has been confirmed to be a predictor of employee's satisfaction, fully mediated by affective commitment. Therefore, the key role of the entrepreneurs in securing improved performance through employees' satisfaction is important for growing and sustaining entrepreneurship in a dynamic economy, particularly in a constantly changing business environment. This is buttressed by Lie *et al.* (2016) in their study which explored the mediating role of culture in the relationship between openness to experience and job satisfaction of expatriates' workers. The study provided evidence that culture and other environmental factors mediate the relationship between openness to experience and employees' job satisfaction. Though the effect of culture on affective commitment is not measured in this study, it is however important to note that the level of the affective commitment of the employees can be affected by the cultural background that surround the environment of the business.

It is however noted by Alniaçık *et al.* (2012) that individual bio-data like age, income, gender, and characteristics, affect the level of entrepreneur's commitment and plan to

continue in the business and succeed. This suggests that entrepreneurs should be mindful of bio data of the would be employees, at the same time be gender friendly, and provide equal opportunity to diverse set of prospective workers. The critical factor here is the sustainability of the entrepreneurial activity which brings to focus the satisfaction of the employees through a genuine feeling and passion by the entrepreneurs.

### **Objective Three**

Analyse the mediating effect of continuance commitment on the hypothesised relationship between conscientiousness and revenue improvement.

### **5.4 Hypothesis Three**

It is revealed that an entrepreneur, who is thorough in task delivery, will persevere until the task is finished, she plans and follows through, and will always crave to improve the performance of his or her organisation. It also follows that this type of conscientious entrepreneur will be resolute and gives a resounding commitment to the entrepreneurial activities. This study has shown that conscientiousness is a valid predictor of revenue improvement for every entrepreneurial activity. Azizi, *et al.* (2012) supported this research finding; they reported that conscientiousness and status of job are both predictors of entrepreneur success that will bring about improvement.

The result of the interview conducted also revealed that conscientious people are seen to be more serious and are keen to give more to the organisation. An entrepreneur that gives more time to plan, does a thorough job will always want to see that the business or his venture get to a sustainable level. Among the SMEs, this trait will be most suitable as it will help to maintain and stabilise the development and growth of start-up, reinvigorate existing small and medium enterprises. The findings that emanate from the results of this study revealed that the SMEs entrepreneurs believed that leaving and not committing themselves to their business will be disastrous for the growth potentials of their business. Majority of the small scale entrepreneurs will rather invest more time to see to the increase of the business than to allow their investment to diminish or be completely eroded. Shazia, *et al.* (2016) agreed with this notion by pointing out that conscientiousness has a very strong link with job performance, and employees and employers have more to gain by increasing the overall job performance.

One fact that the findings of this study revealed, was that in all the sectors of the economy, all the entrepreneurs held the same view that a structured, thorough and well

organised entrepreneur, will be willing to sacrifice time and energy to bring about improvement to the business. Regardless of the bio-data, this study shows that the position of the entrepreneurs is to have a thriving business amidst various challenges that plague entrepreneurial development.

#### **Objective Four**

Examine the mediating effect of normative commitment on the hypothesised relationship between extraversion and market share.

#### **5.5 Hypothesis Four**

The findings from this study gave a clear indication that entrepreneurs' normative commitment had significant effect on the relationship between extraversion and market share. This implies that the SMEs owners in this study believed that the traits of been sociable, assertive, talkative and enthusiasm has propelled them to be more loyal, and remain on the course of increasing the growth of their enterprise. The study revealed that the spread and sales of the entrepreneurs' products and services were on the increase due to the trait of extraversion inherent in them. Yakasai and Jan (2015) reported similar result when they confirmed the identification of extraversion as an important personality traits that has strong correlation with the success of sales people. The thematic analysis also pointed out that the ability to be able to explain one self, and to objectively address customers' objections, is a necessary attribute that will make sale personnel to excel and increase the market share of their organisation. In this study, the finding revealed that the entrepreneurs believed that extraversion trait with normative commitment, will allow their business to increase in market share. Expressing any of the characteristics of extraversion will go a long way in having effective selling activities.

In line with these findings, Abdullah, *et al.* (2016) reiterated that other contributing factor to the acceptability of the brands of the entrepreneurs is the resolve to remain loyal to one organisation or business which is the antecedent of new SMEs. Having normative commitment will help the entrepreneurs to be focused and maximise their resources for increase performance. Many entrepreneurs especially in SMEs believed that loyalty to their business is essential; hence it is morally obligatory to remain and nurture their business to path of growth and maturity. It is therefore expedient for entrepreneurs to know how to identify trait that will improve employees' loyalty towards improving the growth and share of their business in their respective industry.

## **Objective Five**

Ascertain the mediating effect of normative commitment on the hypothesised relationship between neuroticism and customers' satisfaction.

### **5.6 Hypothesis Five**

From hypothesis 5, the entrepreneurs' normative commitment was predicted not to have any significant effect on the relationship between neuroticism and customers' satisfaction. The findings of this study however revealed that normative commitment has significance relationship between neuroticism and customers' satisfaction. This indicates that the entrepreneurs' sense of obligation to remain committed to the course of their organisation, will influence and change their state of anxieties, worries and nervousness to bring about customers' satisfaction. Entrepreneurs who have a moral obligation to remain committed to their organisation due to financial, ownership, and other reasons will work assiduously to change negative attitudes to bring about good relationship between the organisation and the customers.

Judge and Zapata (2015) reported that neuroticism directly affect job performance. This is possible when there is direct association between the organisation employees with neurotic traits and the customers. This is more likely in service industry or in direct sale organisation where the seller has to meet the buyer through personal contact. However, the situation will change when there is mediating effect and the employees know that there is something at stake that borders on the survival of the organisation upon which the survival of the entrepreneurs and the employees is also attached. The findings of this study is in congruence with the result of Jawwad, *et al.* (2016) they reported that organisational commitment mediate between the big five personality traits and job performance. Unlike the study of Jawwad, *et al.* (2016), which was conducted in a service organisation, this study had more coverage that included both service and manufacturing sectors of SMEs. This makes this study more realistic that an employee or entrepreneur with more stakes in a business will be more committed to the survival of the organisation.

Moreover, SMEs operators with neurotic traits may not be able to deploy persuasive instinct when involved in a business that takes more risk than what the ordinary risk averter will embrace. With the various challenges plaguing entrepreneurial activities, the risk averse entrepreneur with neurotic tendency may not have tangible result to show for his/ her efforts. Based on the result of this study, an entrepreneur with low neuroticism

and high in normative commitment will be able to command repeat purchase by customers and be able to anticipate the needs of the customer and create more business opportunities.

## **CHAPTER SIX**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **6.0 Preamble**

The uniqueness of entrepreneurs' character, qualities and dispositions to issues has been found to affect their performance in business. This study examined the interactive effects of the personality factors and business performance among selected SMEs owners using commitment as the mediating factor. In this chapter, a brief summary of the research aims and objectives and its execution is given. Also provided are conclusions, recommendations, contribution to the existing body of knowledge, limitation of the study and suggestions for further study.

#### **6.1 Summary**

SMEs survival and failure have been usually attributed to traditional reasons, such as lack of access to finance, lack of infrastructures, lack of entrepreneurial skill, stiff competitions, lack of government protection, lack of a conducive environment and multiple taxations. Apart from these common reasons, this study has gone further to examine the personality traits of the SMEs entrepreneurs, and its effect on their commitment to business performance.

The study proffers solutions to the perennial collapse of SMEs, by extending research into the uniqueness of entrepreneurs' characteristics and behaviour that can impact on the performance of the business. Using the five factors model (FFM) of personality traits (Agreeableness, Openness to Experience, Extraversion, Conscientiousness, and Neuroticism) the study has been able to establish the interactive effect of these traits on the three component model of commitment (Affective, Normative and Continuance) on business performance.

The study employed mixed method that is both quantitative and qualitative research approach. Questionnaire was used in the quantitative aspect and 650 copies were administered and 531 copies were retrieved and certified useable for analysis. 18 interviews were conducted among state officials of NASSI, of which 3 representatives were taken in each of the six states used for this study.

The results of this research work revealed the importance of entrepreneurs' discovering their inbuilt personality traits and how is to be shaped and deployed to initiate and improve commitment towards business performance. It has also demonstrated that failure and survival of SMEs are not limited to the traditional and common reasons listed above. Thus it is imperative for entrepreneurs to realise that their individual personality traits contribute significantly in influencing their commitment to improve business performance.

This study in addition to confirming related works of scholars has been able to provide the following itemised answers to research questions designed for this study.

- i. The statistical analysis in Table 4.44, 4.45 and 4.46 for test of hypothesis one revealed that the null hypothesis is rejected, and conclude to answer research question one, that Affective commitment has mediating effect on the relationship between agreeableness and business profit.
- ii. From Table 4.47, 4.48 and 4.49 the result of the statistical analysis for test of hypothesis two revealed that the null hypothesis is rejected and that openness to experience influenced entrepreneurs' continuance commitment in achieving revenue improvement.
- iii. Table 4.50, 4.51 and 4.52 show the statistical analysis result for hypothesis three. The null hypothesis is rejected and concludes that the effect of conscientiousness on revenue improvement is significantly mediated by entrepreneurs' continuance commitment.
- iv. The analysis on Table 4.53, 4.54, and 4.55 for hypothesis four indicates a positive correlation between Entrepreneurs' normative commitment as well as extraversion and market share. Since the null hypothesis is rejected, we conclude that entrepreneurs' normative commitment has significant mediating effect on the relationship between extraversion and market share.
- v. The test of hypothesis five as shown in Table 4.56, 4.57, and 4.58 revealed that the null hypothesis is rejected, and conclude that the entrepreneurs' normative commitment has a significant effect on the relationship between neuroticism and customers' satisfaction.



## **6.2 Conclusions**

The uniqueness of human character brought to light individual disposition to issues and the environment. The influence of personality traits on commitment of the entrepreneurs towards their businesses have been established and re-echoed by this study. Different traits inherent in individual entrepreneur have been seen to bring about different level of commitment towards entrepreneurial activities. Measuring and understanding the disposition and perception of individual entrepreneur is paramount to developing, growing and sustaining SMEs. Commitment and the dedication of the entrepreneurs to their businesses are viable solutions for preventing premature death and incessant collapse of SMEs in their formative age.

The activities of the entrepreneurs are seen to be greatly influenced by the inbuilt characters which vary from person to person. All the respondents across the States under investigation believed that all but one of the variables measuring the personality traits (Agreeableness, Conscientiousness, Openness to Experience and Extraversion) had strong relationship with business performance. The only one that does not have a strong relationship is neuroticism.

The result of this study revealed that, the tide of business collapse and failure will cease, if SMEs entrepreneurs, government agencies in charge of entrepreneurial activities, and other stakeholders would avail themselves and imbibe the knowledge of entrepreneurs' personality traits.

## **6.3 Recommendations**

Further to the analysis and the results of the hypotheses tested as well as the findings of the thematic analysis carried out on the interviews conducted, the following recommendations were made for different categories of stakeholders;

- i. An entrepreneur should be tactful in his/her approach to all issues, show openness and yet be accommodating to all differing views, be courageous enough to sift every considered opinion, and decisive in taking the best course of action on timely basis. His commitment to an impressive business performance should be total and par excellence, he should be committed to having a vibrant and highly motivated workforce, whose godly virtues must be empowered and activated by his robust kindness. His entire organisation must bear a toga of total quality management.

- ii. The entrepreneur should endear himself to his business and all his other constituents especially his employees and clients or customers. He should cultivate and develop good relationship with, have a positive attitude and strong commitment to his enterprise. He should be more passionate, think, and talk about the business as it relates to all the stakeholders in the business. Those will foster synergy and bring the business to an ultimate height.
- iii. In order to do a thorough job and be able to achieve more, an entrepreneur should persevere until assigned task is done, make plan and follow through with them, not be nervous, tensed or stressed out and should be a deep thinker and cooperate with others.
- iv. Ability to communicate without hurting, and being able to achieve the expected desire is important for an entrepreneur to build loyalty for his personality and brand. He must have a mature mind in handling issues relating to his business environment and must be proactive in handling performance related issues.
- v. He should be mentally matured, confidence, be tactically and technologically inclined, he should be courageous and highly motivated to take the right decision even in the midst of challenges. Ability to endure harsh business conditions and ever changing business environment is required.
- vi. Growing SMEs require an entrepreneur to be consistent, honest, persevere, and have good relationship with both the customers and employees. He should be open minded, and be able to modify various options available to him, for the expansion of the business.
- vii. An entrepreneur should strive for more knowledge, attend seminars, and enrol for courses that will promote his personality traits towards improving and having a rewarding business outfit. He must be ready to seek for information on how to deal with issues bordering on business growth and sustainability.
- viii. The behaviour of the entrepreneurs should be tailored towards having good relationships with all the stakeholders in the business environment, for mutual benefits and improved performance. He should not be too rigid but must be able to adapt and deal with situations as they unfold and take the best action for the benefit and growth of the business.

- ix. Honesty, integrity and punctuality are keys for becoming a better entrepreneur. The customer should be confident enough to have trust and build loyalty in the products and services of the enterprise.
- x. An entrepreneur should create avenues for further learning, and endeavour to improve his or her relationship with all the stakeholders in the business. He should hire the best hands in running the business with him.

#### Government/Academic/Trade and Business Association

- xi. The academic world should include or intensify the study of entrepreneurs' personality traits into the school curriculum so as to allow the students to know what traits they possess and how they can develop it towards having successful business enterprises when they leave school.
- xii. The government should also encourage educational institutions and its agencies to establish vocational training centres, where practicing and would-be entrepreneurs will avail themselves to learn on corrective measures for negative personality traits that may hinder business performance.
- xiii. In setting the entrepreneurship agenda, the policy maker should have at the back of their minds, the different traits and behaviour of the entrepreneurs, so as to have a policy that will accommodate and promote behavioural and traits modification strategies.
- xiv. All trade and business associations should be advised to emphasise the training of members on how to identify the peculiar traits and how to improve on the good interpersonal relationships with all their business stakeholders

### **6.4 Contributions to Knowledge**

The study adds to extant literature and body of knowledge by examining the interactive effect of entrepreneurs' personality traits on their commitment towards business performance. Various scholars such as Khelil (2016) and Jenkins, Wiklund and Brundina (2014) contributed to intellectual discourse on the literature as regards the causes of business failure. There are limited studies that examined entrepreneurs' personality traits and its effects on business performance. This study has contributed to the body of knowledge by ascertaining the pattern of relationships and effects of personality traits on

business performance. The findings of this study are of immense benefits to practicing SMEs operators, would-be entrepreneurs, trade and business associations, educational institutions, government agencies and vocational centres.

The specific contributions of the study are stated below:

- i. The study has provided new insight by enriching the body of knowledge about the implicit role of agreeableness and its direct and indirect effects on the performance of entrepreneurial ventures. It has also provided empirical evidences as regards the level of agreeableness of the entrepreneurs across both genders, relative to service and manufacturing sectors of the economy and to the selected States in Southwest Nigeria.
- ii. Hierarchical Multiple Regression as well as Structural Equation Modelling (SEM) method adopted as statistical tools further helped to enrich the literature by providing the pattern of nexus among entrepreneurs' display of openness to experience, affective commitment and employees satisfaction.
- iii. The study also established the works of several scholars such as Shazia, Naveed and Yilmaz (2016), Yazdi and Mustamil (2015), Azizi, *et al.* (2012) that a person high in conscientiousness will always achieve more in productivity and performance. This finding revealed positive relationship between conscientiousness, continuance commitment and revenue improvement.
- iv. Inconsistency in literature as regards the direction (positive or negative) of the relationship between extraversion and business performance called for further studies. This study has been able to contribute to the on-going intellectual discourse by providing empirical evidence about the direct and indirect effects of extraversion on market share.
- v. Context dependency nature of neuroticism precluded scholars such as Lotfi, Muktar, Ologbo, and Chiemeke (2016), Yakasai and Jan (2015), Awadh and Ismail (2012) to reach consensus. In the context of this study, the findings provided the necessary empirical evidence that depicted the patterns of relationship among neuroticism, normative commitment and customer satisfaction.
- vi. The instrument (questionnaire) adopted and validated for this study would

be useful for other scholars that desire to replicate this study in other parts of the world.

- vii. Finally, this study developed a model through the aid of SEM. The pattern and strength of the relationship among the research variables were graphically presented. All the necessary parsimonious and psychometrics values of the research variables were also reported.

## **6.5 Limitations of the Study**

A major limitation of this study is the generalizability of the findings as a result of varying cultural influences, religion and other social factors across the Nigerian nation. These factors may influence the entrepreneurs' personality traits, commitment and business performance.

The reliance on information from the respondents who may not be willingly to disclose required information about their businesses even after assuring them of confidential usage may be a limitation to the study

As this study was conducted among SMEs operators, the understanding and interpretation of the research variables may be different among big and large organisations thereby limiting the possibility of generalisation

## **6.6 Suggestions for Further Study**

The study has revealed and also affirmed the role of personality traits and commitment towards fulfilling business performance. However, since this study is limited to small scale industrialists, other areas that may be of interest to researchers are as follows:

- a. Large and medium scale entrepreneurs in big organisations.
- b. The research may be extended to other regions of the country to see if the findings can be generalised even with the peculiar activities of terrorists and regional agitations that pervade some of these regions.
- c. Comparative study of the effect of personality traits on business performance between SMEs and big organisations' entrepreneurs.
- d. The relationship between the behavioural pattern and commitment of an entrepreneur in an emerging economy.

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## APPENDIX A



### QUESTIONNAIRE INTRODUCTION LETTER

Department of Business Management,  
Covenant University,  
Ota.Ogun State.  
Nigeria.

Dear Sir/Ma,

My name is Ayoade Omisade a post graduate student of Covenant University. For my PhD thesis, I am conducting a research on Entrepreneurs' Personality Traits, Commitment and Business Performance. The study is working at peculiarity of traits inherent in each entrepreneur that will influence their Commitment towards business performance.

Being a practicing entrepreneur I am interested in your experience by responding to the following questions. You are to tick appropriately the column which answer the statements or question in the questionnaire.

Thank you for assisting me to be able to complete this task towards my educational endeavours. If you will love to contact me on this research please do not hesitate and call on this number 234-8037201846 or email: [omisade.ayoade@stu.cu.edu.ng](mailto:omisade.ayoade@stu.cu.edu.ng)

Please note that your participation is voluntary and you do not need to put your name or phone numbers on the questionnaire.

Yours sincerely,

Ayoade Omisade.



## QUESTIONNAIRE

### APPENDIX B

#### Bio Data

1. Sex: Female ☐ Male ☐

2. Age: 20-30yrs ☐ 31-40yrs ☐ 41-50yrs ☐ 51-60yrs ☐ 61 years above ☐

3. Marital Status: Single ☐ Married ☐ Divorced ☐ Widow ☐ Dowry ☐

4. Highest Academic Qualification: Primary Sch./Secondary Sch. ☐ Diploma Studies

HND / B.sc / BA ☐ M.sc / MBA / MA / ☐ PhD Professional Degree ☐

5. Sector of the economy: Manufacturing Agriculture ☐ Hotel and Restaurant ☐

Educational Service ☐ Construction ☐ Finance and Business Service ☐

Wholesale and Retail Trade ☐ Telecommunication ☐ Consulting Services ☐

Others specify.....

6. Do you run your business alongside a paid job? Yes ☐ No ☐

7. If yes, is your paid employment private or public sector?

Public sector ☐ Private Sector ☐

8. What year has the business been in existence?

1-5yrs ☐ 6-10yrs ☐ 11-20yrs ☐ 21-30yrs ☐ 31 years above ☐

## COMMITMENTS

### Affective Commitment Scale items

S/N	Description	SA	A	U	D	SD
1.	I would be very happy to spend the rest of my career with this organisation.					
2.	I enjoy discussing about my organisation with people outside it					
3.	I really feel as if this organisation's problems are my own					

### Continuance Commitment Scale Items

S/N	Description	SA	A	U	D	SD
4.	I am not afraid of what might happen if I quit my job without having another one lined up.					
5.	It would be very hard for me to leave my organisation right now, even if I wanted to.					
6.	Too much in my life would be disrupted if I decided to leave my organisation now.					

### Normative Commitment Scale Items

S/N	Description	SA	A	U	D	SD
7.	One of the major reasons I continue to work in this organisation is that I believe loyalty is important and therefore feel a sense of moral obligation to remain.					
8.	If I got another offer for a better job elsewhere I would not feel it was right to leave my organisation.					
9.	I was taught to believe in the value of remaining loyal to one organisation.					

## **BUSINESS PERFORMANCE**

### **Customers Satisfaction**

<b>S/N</b>	<b>Description</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
<b>1.</b>	Customers repeat purchase of your products or services is satisfactory.					
<b>2.</b>	Overall I am very satisfied with the way my customers respond to my product and services.					
<b>3.</b>	In our business we learn about customers, anticipate their needs, and create business opportunities					

### **Revenue improvement**

<b>S/N</b>	<b>Description</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
<b>4.</b>	Our business strategy increases the number of customers.					
<b>5.</b>	Our interaction with customers' increases the frequency of transactions per customer.					
<b>6.</b>	My business improves on price, standards and strategic advertisement to boost customer's interest.					

### **Market Share**

<b>S/N</b>	<b>Description</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
<b>7.</b>	The sales and spread of our products and services are on the increase compared to competitors.					
<b>8.</b>	Our brand name is becoming more popular and acceptable.					
<b>9.</b>	The size of our firm is becoming significant in the industry we belong					

### Employees' Satisfaction

S/N	Description	SA	A	U	D	SD
10.	Paying fair wages, enhancing labour condition and providing equal opportunities are part of our policy.					
11.	There is commensurate appreciation for workers if desired work/targets are accomplished					
12.	There is good communication between management and employees in this organisation.					

### Profit

S/N	Description	SA	A	U	D	SD
13.	My organisation is usually satisfied with return on sales.					
14.	My organisation is usually satisfied with net profit margin.					
15.	My organisation is usually satisfied with gross profit margin					

### PERSONALITY TRAIT

#### EXTRAVERSION

I see myself as someone who...

S/N	Description	SA	A	U	D	SD
1.	Is talkative.					
2.	Is outgoing, sociable.					
3.	Generate a lot of enthusiasm					

#### AGREEABLENESS

I see myself as someone who...

S/N	Description	SA	A	U	D	SD
4.	Is helpful and unselfish with others					
5.	Like to cooperate with others					
6.	Is considerate and kind to almost every one					

## CONSCIENTIOUSNESS

I see myself as someone who...

S/N	Description	SA	A	U	D	SD
7.	Does a thorough job					
8.	Persevere until the task is finished					
9.	Makes plan and follow through with them					

## NEUROTICISM

I see myself as someone who...

S/N	Description	SA	A	U	D	SD
10.	Worries a lot					
11.	Get nervous easily					
12.	Can be tensed					

## OPENNESS TO EXPERIENCE

I see myself as someone who...

S/N	Description	SA	A	U	D	SD
13.	Is original, comes up with new ideas					
14.	Is curious about many different things					
15.	Is ingenious, a deep thinker					