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Influence of Entrepreneurial Characteristics (Risk Taking and Level of Innovation of SMEs) on Business Performance of SMEs in Ibadan Metropolis

Abidemi Opeyemi Bello^{1*}

¹ Department of Mass Communication and Media Technology, Lead City University, Ibadan, Oyo State, Nigeria

Email Address

belo.abidemi@lcu.edu.ng (Abidemi Opeyemi Bello)

*Correspondence: belo.abidemi@lcu.edu.ng

Abstract:

The role of Small and Medium Enterprises in national growth and development cannot be overemphasized. Furthermore, the growth and survival of SMEs are crucial to developing nations. The mortality rate of Small and Medium Scale Enterprises in Nigeria is very high and thus needs to be investigated. This study aims to examine the influence of entrepreneurial characteristics on the business performance of small and medium enterprises in Ibadan metropolis. The study is anchored on Social Cognitive Theory. Simple random sampling was deployed to select a sample size of 450 respondents. Data was collected through a validated questionnaire. Descriptive statistics were used to analyze data. Based on the finding of this study, risk-taking propensity affects the business performance of SMEs in Ibadan Metropolis. This study also discovered that innovativeness is a predictor of SMEs' business performance. This study concludes that entrepreneurial performance largely depends on entrepreneurs' risk-taking propensity and innovativeness. So, the higher the risk-taking, and innovativeness that small and medium business owners possess, the higher business performance. It was recommended that SMEs develop novel enhancements and innovations into their businesses. The risk-taking characteristics of entrepreneurs should be properly managed and integrated to fulfil business performance.

Keywords:

Entrepreneurial Characteristics, Risk-Taking, Innovation, Business Performance, SMEs

1. Introduction

In today's business world, driven by technology and intense competition, it might be difficult to certify a company's long-term organisational and sales effectiveness. The capability of Small and Medium Enterprises (SMEs) to implement appropriate entrepreneurial traits and marketing strategies has long been recognised as a critical strategic differentiator, as well as a means of achieving high and sustained performance and gaining leverage over competitors. It has been the case for several years. Understanding how entrepreneurs survive during uncertainty and what drives entrepreneurship during challenging times is important [10]. The pursuit of entrepreneurship often comes with high stress, multiple obstacles, and high level of uncertainty regarding outcomes. Entrepreneurs must continually keep up with changing contingencies by adjusting their goals and strategies [19]. A myriad of constraints, including uncertain business environments like competitive environment, consumer uncertainty, resource uncertainty, government uncertainty, lack of access to finance, lack of research and development, insufficient management capacity, and lack of value-added and poor entrepreneurial characteristics, hinders small and Medium Enterprises' growth.

The importance of SMEs in every nation's economy has continued to be crucial in diversifying the sources of national income, improving competitiveness and economic development and contributing to the flexibility and resilience of the economies of the world. It has also been argued that SMEs make up one of the largest business sectors in every world economy and contribute to the development of society through the redistribution of political power arising from the ownership of Small and Medium Scale industries by more people in a country [13].

The number of SMEs in Nigeria is increasing daily, making competition stiff within Small and Medium Scale enterprises. Product performance has not been effective compared to the last decade [14]. Most Small and Medium Enterprises have sharpened their competitive strategies to guarantee their business's future success. In addition, these classes of enterprises offer consumers a greater opportunity for choice by operating in fragmented or niche markets that larger firms either cannot economically enter or are reluctant to enter because of unattractive risk-return considerations [28].

Despite the economic importance of Small and medium-scale enterprises, there are many failed and collapsed Small and medium-scale enterprises in Nigeria due to low profitability, poor business decision, high cost of production, competition with foreign products and low market share. It is not yet determined if the low business and sales performance results from entrepreneurs' incapability or inability to take the calculated risk, to react sharply to the moves of the competition or to create new and acceptable ideas [6].

2. Statement of the Problem

Taking cognisance of the enormous roles of small and medium enterprises in the economy, successive governments have adopted different mechanisms to entrench the sector into the mainstream of the Nigerian economy. The government had accorded and prioritised them by introducing different policies, incentives, subsidies, programmes and agencies to provide favourable environments for businesses to flourish.

Given the potential of SMEs as the engine that reduces unemployment in society and adds to the growth and development of the nation, there are still steaming issues that make them fail within the first five years of operation.

Entrepreneurial characteristics are considered significant instruments to have more competitive advantage and survive the business industry. It provides establishments with several tactical advantages such as risk-taking, differentiation through new products and services development and increased service quality. The mortality rate of Small and Medium Scale Enterprises in Nigeria is very high. The causative factors of this premature extinction are not always the issue of the microeconomic situation or competition from the big firms but rather poor entrepreneurial characteristics. However, for Small and medium-scale enterprises in Nigeria, a high failure rate is usually recorded due to poor managerial and entrepreneurial characteristics necessary for achieving results. At the same time, the effect of entrepreneurial characteristics on the performance of small and medium-scale enterprises has been well documented in the literature. There is an inadequate study in developing countries of Africa like Nigeria and none about small and medium scale enterprises in Ibadan Metropolis; therefore, this study examined the influence of entrepreneurial characteristics on the performance of small and medium scale enterprises in Ibadan Metropolis.

2.1. Aim/Objectives of the Study

This study aims to examine the influence of entrepreneurial characteristics on the business performance of small and medium enterprises in Ibadan metropolis. The specific objectives are to;

- i. examine the extent to which risk-taking affects the business performance of SMEs in Ibadan Metropolis.
- ii. Ascertain how the level of innovation affects SMEs' business performance in the Ibadan Metropolis.

2.2. Research Questions

- i. To what extent does risk-taking affect the business performance of SMEs in Ibadan Metropolis?
- ii. To what extent does the innovation level affect SMEs' business performance in Ibadan Metropolis?

3. Literature Review

3.1. Concept of Entrepreneurship

The word entrepreneur was first used by Richard Cantillon (1955) in his paper titled "The Nature of Commerce". According to him, entrepreneurship buys factor services at a definite price to use them to produce a product and sell it at uncertain prices when he commits himself to his costs [11]. This definition connotes the willingness of the entrepreneur to accept risk. Some scholars relate the entrepreneur with different characteristics and behaviours such as innovation, risk-taking, building a small business and leading it to success. An entrepreneur is a person who is a risk-taker and has consistency with his goals and objectives in different situations. Entrepreneurs take a risk by creating or transforming thoughts into new ventures and making the new ventures penetrate the market. Thus, an entrepreneur is the individual that

identifies opportunities, gather necessary resources, creates and is ultimately responsible for the performance of the firm [1,23]. Moloi and Nkhahle-Rapita [18] described entrepreneurs as individuals who accept risks and are innovative in terms of their business management skills.

Entrepreneurship has led to the development and expansion of new and existing industries. Entrepreneurship is controlled and directed by entrepreneurs. Entrepreneurs take bold steps and giant strides to achieve their goals and objectives for their enterprises. Accordingly, a person with entrepreneurial skills can be distinguished from others by identifying specific personality traits such as risk-taking propensity and innovativeness [26,15,24].

3.2. Entrepreneurial Characteristics

Some characteristics have been identified to be necessary for entrepreneurs to perform better in their businesses. Using appropriate entrepreneurial characteristics can fuel firm performance in Small and Medium Enterprises. Such characteristics include risk-taking propensity and innovativeness;

Risk-Taking Propensity: In seizing opportunities in the marketplace, risk-taking concerns firms' tendency to take bold actions such as venturing into unknown markets, committing a substantial amount of resources to ventures with uncertain outcomes, as well as the tendency to borrow heavily, hoping to reap high returns [25]. It can also be associated with the willingness to commit a large number of resources to a project where the probable cost and chances of failure are high, that is, the possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets in which he is involved [25,12]. Risk-taking refers to the tendency to take bold actions, such as venturing into unknown new markets and committing a large portion of resources to ventures with uncertain outcomes [9]. However, some scholars believe that the risk-taking propensity should be well conceptualised and well-defined as a person's direction towards a decision-making situation [17].

For small and medium enterprises to be competitive in an intensified global competition, dynamic change and increasing uncertainty, the businesses must be ready to take a risk and be proactive. Although SMEs are increasingly looking towards expansion as a means of creating and sustaining competitive advantage, most firms avoid undertaking risky activities as they have severe resource constraints that cannot enable them to engage in entrepreneurship activities [22]. A recent study indicated that alertness to business ideas leads to a significantly higher level of autonomy, innovativeness, risk-taking, and pro-activeness resulting in higher levels of risk propensity [8]. On the other hand, when people have a low-risk propensity, the impact of awareness of business ideas on autonomy, innovativeness, and pro-activeness is relatively low. An entrepreneur as a change agent, an innovator who is also a risk taker, who exploits business opportunities in his environment and utilises resources effectively to develop new technologies, produces new products and services to maximise his profits and contributes significantly to society's development.

Innovativeness: Innovation and entrepreneurs are companion terms, and in fact, studies show that entrepreneurs are more creative, imaginative and innovative than non-entrepreneurs, that entrepreneurially inclined individuals are more innovative than non-entrepreneurially inclined individuals and that innovation can also separate entrepreneurs from managers. A comprehensive conceptualisation of innovation was described as the generation of a new idea and its implementation into a new product,

process or service, leading to the dynamic growth of the national economy and the increase of employment, as well as a creation of pure profit for the innovative business enterprise [21].

Innovation (in business) means novelty, new things being done, or old things being done in new ways to increase the performance in terms of sales, profitability and market shares in an organisation. It is an application of technological, institutional, and human resources and discoveries of productive processes, resulting in new practices, products, markets, institutions and organisations that need organisational improvement or performance in terms of sales, profitability and market shares. Innovativeness is the component of human personality which helps entrepreneurs foster innovations in their firms. Innovation in SMEs can be a product, process or marketing innovation adopted to increase enterprises' performance in terms of sales volume or otherwise. Small and medium enterprises are considered the machine of economic growth that drives and promotes equitable development of nations, which is achieved by adopting innovation principles. The role of Small and Medium Enterprises in the economic and social development of countries is well established when the concept of innovation is applied to SMEs. As a result, performance will improve substantially [29].

Business Performance: Overall, business performance is based on the idea that an organisation is a voluntary association of productive assets, including human, physical, and capital resources, to achieve a shared purpose. Performance is a concept subject to various connotations as it is somewhat an indefinite word when it functions as a placeholder in research. Currently, various definitions are attributed to the concept of performance due to its subjective nature.

The concept of performance is the capability of an entity to generate results on a dimension that has been affirmed beforehand concerning a set target and often relates to achievements and procedures that lead to some outcome. The result of the action is also generally included in the examination. It is clear from the above mentioned that performance can be intellectualised as a development or how the business owners or supervisors of SMEs achieve their functions and critical elements to improve the standard of their businesses. The performance also refers to the firm's success in the market, which may have different outcomes [28]. Conclusively, it can be stated that performance is the achievement of a specified assignment measured against presently known values of accuracy, comprehensiveness, price, and promptness.

4. Theoretical Framework

4.1. Social Cognitive Theory

The theory was founded by N. E Mille and J. Dollard in 1941, but Albert Bandura and R. H. Walters broadened the concept of the theory in 1963. This theory is concerned with personality and environmental factors incorporated into entrepreneurial characteristics and focuses on aspects of human motivation and behaviour as well as factors that influence the actions that can affect one's business. This model widely studies why individuals adopt certain behaviours [5]. It has been argued that SCT suggests that the utilisation of a specific innovation is legitimately impacted by the recognition that it will enable the person to accomplish constructive results. An individual's inspiration may be expanded on the off chance that they see that figuring out how to utilise a system will prompt a more elevated amount of

execution for their activity [7]. The theoretical underpinning is that individuals with higher work self-efficacy are more likely to look forward to and to be successful in business performance which is crucial to an organisation's survival. This theory is relevant to this study because it gives us an insight into the role played by entrepreneurial characteristics, such as resilience, innovation and risk-taking, as essential factors in determining the business performance of SMEs in Ibadan metropolis.

4.2. Empirical Review

A study investigated the effect of entrepreneurial characteristics on the performance of small and medium-scale enterprises using Lagos state's Yaba Local Government Area (LGA). The study's main objective was to determine if entrepreneurial characteristics have any significant relationship with SMEs' performance. The method adopted in carrying out this study was the survey design method used to obtain data from 250 SMEs, which were processed with SPSS using a descriptive statistical tools to answer the research questions. The self-designed questionnaire contains question items that provide answers to the research questions using a five-point Likert scale measure were used to know those entrepreneurial characteristics and the factors that influence their translation to optimize business performance in the small-scale industry. Questions were asked concerning Entrepreneur Characteristics such as personality, innovation, risk-taking, self-actualisation, innovation, financial control, resilience and demographic variable, technical/technological skill, entrepreneur orientation, and SMEs Performance. It was observed that entrepreneurial characteristics positively affect the performance of small and medium-scale businesses in Nigeria. It means that the success of a small-scale business depends on certain attributes of an entrepreneur, such as the ability to take the risk, be open-minded and being able to identify new opportunities/being innovative and resilient. The result also indicated that for an entrepreneur to be successful in the growth of his business, they must have the ability to achieve their set goals and objectives, be an open-minded person and a quick learner, prefer to focus on new opportunities for their business than on money, be willing to take the risk for the growth of their business and their competency level is crucial for the attainment of success in the business. The study concluded that the more of these entrepreneurship characteristics the entrepreneurs possess, the greater it is for their business to succeed [2].

Another study titled Entrepreneurial Characteristics and Performance of Small and Medium Scale Enterprises (SMEs) in Kwara State noted that entrepreneurial characteristics are the personal traits of the Entrepreneur. This research x-rays the effects of entrepreneurial characteristics on the performance of small and medium-scale enterprises in Kwara State. It aims to determine the extent to which entrepreneurial characteristics help SMEs' performance in Kwara State. The method used was a descriptive study of 120 respondents. The result shows that the R² value of 0.607 reveals that risk-taking propensity independently accounts for 60.7% of the variation in SME sales growth, thereby accepting the alternative hypothesis and rejecting the null hypothesis. It revealed that there is a significant relationship between risk-taking propensity and corporate sales growth. The R² value of 0.681 revealed that innovativeness independently accounts for 68.1% of the variation in profitability, thereby accepting the alternative hypothesis and rejecting the null hypothesis. It shows that innovation has a significant effect on corporate profitability. The study highlighted that self-confidence has a significant effect on corporate market

share. The study has contributed to our knowledge of the effects of entrepreneurial characteristics on SME performance. The study concluded that there is a significant effect of risk-taking propensity on the sales growth of an enterprise, likewise a significant relationship between innovativeness and profitability of an enterprise. Also, this study's findings revealed that self-confidence significantly positively affects market share [11].

Using quantitative research design, this exploration of Entrepreneurial Skills and SME's Business Performance: An Empirical Study of Culinary Business investigated the spatial relationship and the influence of entrepreneurial skill on business performance. The study assessed the gap to investigate entrepreneurial skills in producing business performance in a culinary business (Food and Beverage). A questionnaire was designed, which consisted of 39 items split between three instruments that each measured business performance and entrepreneurial skills (28-item). This study found that entrepreneurial skills affect SMEs' business performance. Still, the relationship between the two is weak, and weak managerial skills appreciate entrepreneurial skills but personal maturity skills are most appropriate. This finding opposed the works of literature that were earlier reviewed. The investigation concluded that the Entrepreneurial skills of the food and beverage sub-sector of SMEs still need guidance and assistance in terms of managerial and technical skills because appreciation is very weak. Also, it was established that managerial skills developed become more responsible as the marketing strategy plan was implemented. It was recommended that researchers in the future should develop follow-up, observing variables like entrepreneurial characteristics, entrepreneurship motivation, entrepreneurship orientation, market orientation, innovation and knowledge sharing as business performance predictions [4].

Kume, Kume, & Shahini [16], in their study, Entrepreneurial characteristics amongst University students in Albania, investigated the tendency toward entrepreneurship among university students in Albania. Specifically, it examines the relationship between the desire to have your own business and family business background in university students. The study was conducted on a random sample of fourth-year university students ($n= 519$) from three Albanian universities. The study reveals that prior exposure to entrepreneurship education positively affects students' attitudes toward a career in entrepreneurship and on perceived behavioural control or entrepreneurial self-efficacy.

Another study explored the characteristic entrepreneurial effect on business performance in the south and north local government areas of Ogbomoso, Oyo State. Primary data were employed in this study. The study population comprised all registered entrepreneurs in the south and north local government areas of Ogbomosho. Data were collected through a questionnaire administered on selected Fifty (50) registered entrepreneurs purposively selected in South and North Local Government areas of Ogbomoso. Ogbomosho South and north Local Government were first stratified into five (5) strata comprising Caretaker, Arowomole, Sabo, Oke-Elerinand Under-G divisions. Based on the findings, it was concluded that entrepreneurial characteristics enhance the effective management of a business enterprise through an interactive process in which entrepreneurial personal characteristics interact with human capital to influence decisions concerning venture creation, performance and growth. The results bolstered the significance of entrepreneurial characteristics on business performance. It was recommended that commercial banks should make funds available to small-scale entrepreneurs through soft loans, and entrepreneurs should

embrace structured training and other capacity-building programmes that can enhance entrepreneurship development [3].

5. Methodology

The study adopted a survey design. The instrument of data collection for the study was a self-designed questionnaire. The study area was the Ibadan metropolis with a total population of 6,131 SMEs, according to SMEDAN 2017. Simple random sampling was employed to select 450 SMEs in Ibadan metropolis. After the questionnaire administration, 369 copies of the questionnaire were returned, and 347 copies were found valid for analysis. Descriptive statistics were used to analyse data. The data generated were subjected to analysis by the researcher and presented below in simple percentage tables for easy understanding and simplicity.

5.1. Data Analysis and Interpretation

Table 1. Demographic Characteristics of the Respondents.

Variable	N=347	Percentage (100%)
Gender		
Male	205	59.1
Female	142	40.9
Total	347	100.0
Age (Years)		
18-25	7	2
26-32	40	11.5
33-39	100	38.8
40-47	150	43.2
48 and Above	50	14.4
Total	347	100.0
Education		
O' Level	5	1.4
NCE	21	6.1
OND	24	6.9
HND	141	40.6
Degree	102	29.4
Post Graduate	54	15.6
Total	347	100.0
Number of Years in Business		
0-5 years	50	14.4
6-10 years	180	51.9
11-15 years	87	25.1
16-20 years	20	5.8
20 years and above	10	2.9
Total	347	100.0

Source: Researcher's Fieldwork (2022).

Table 1 presents data collected on the demographic characteristics of the respondents. In terms of gender, the data presented indicate that 59.1% (205) of the respondents were males, while 40.9% (142) were females. It indicates that there are more male SME operators than female in the study area.

The researcher sought to know from the respondents their biological ages, and responses in that regard produced the following results; the available data revealed that 2% (7) of the respondents were between the ages of (18 - 25) years, while 11.5%

(40) of the respondents were between the ages of (26 - 32) years, 38.8% (100) of the respondents were between the ages of (33 - 39) years, 43.2% (150) of the respondents were between the ages of (40 - 47) years, and 14.4% (50) of the respondents were 48 years and above. It is clear from the above findings that the ages of most operators of SMEs are 40-47.

The result of the study has also established a previous submission that people of various ages undertake SMEs. Regarding educational status, all the respondents in this study have one academic qualification or the other. The available data shows that 1.4% (5) of the respondents have O' Level, 6.1% (21) of the respondents have NCE, 6.9% (24) of the respondents have OND, 40.6% (141) of the respondents are HND holders, 29.4% (102) of the respondents are Degree holders. In comparison, 15.6% (54) of the respondents have post-graduate degree. It indicates that the majority of the respondents are HND holders. An inimitable detection from the above extract is that all the respondents have one academic qualification. It has confirmed the researchers' prior submission that SME operators come from diverse academic qualifications. In addition, this shows that due to unemployment in the economy, people that are learned are veering into businesses. Furthermore, education has relations with the performance of business operators.

Moreover, 14.4% (50) of the respondents have used between 1-5 years in business, 51.9% (180) of the respondents have used 6-10 years, 25.1% (87) respondents have used between 11-15 years, 5.8% (20) have used between 16-20 years, while 2.9% (10) of the respondents have used 20 years and above. It shows that the majority of the respondents have used between 6-10 years in business. The outcomes prove that SMEs in the study have different years of experience in the operation of SMEs, with the least being one year which is the benchmark for this study. This submission avers that just a few businesses last to 10 years and above, which may be due to microeconomic situations and wrong marketing practices.

Research Question one: To what extent does risk-taking affect the business performance of SMEs in Ibadan Metropolis?

Table 2. Responses of Respondents on how risk Taking influence their Business Performance.

Statement	SA (%)	A (%)	D (%)	SD (%)	M	Std. D
Risk-Taking of SMEs						
I venture into a new markets to promote the performance of my business	149 (42.9)	198 (57.1)	0 (0)	0 (0)	3.17	0.38
I commit a large amount of money to high-risk projects, which have helped to improve the profitability of my business	47 (13.5)	80 (23.1)	200 (63.4)	0 (0)	2.50	0.72
I prefer high-risk projects since they promote high returns on sales	47 (13.5)	47 (13.5)	253 (72.9)	0 (0)	2.41	0.72
I take bold, aggressive action in my business to maximise profitability	132 (38.0)	215 (62.0)	0 (0)	0 (0)	3.38	0.49
I am willing to invest a significant amount of resources in opportunities which have led to increased market share	95 (27.4)	252 (72.6)	0 (0)	0 (0)	3.27	0.45

Source: Researcher's fieldwork (2022)

Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD)

Table 2 highlighted that 42.9% (149) of the respondents strongly agreed that they venture into new markets to promote their business performance, while 57.1% (198) of the respondents agreed. It revealed that the majority of the respondents agreed that they venture into new markets to promote the performance of their businesses.

Moreover, 13.5% (47) of the respondents strongly agreed that they venture into a new market to promote the performance of my business, 23.1% (80) of the respondents agreed, 63.4% (200) of the respondents disagreed, and none strongly disagreed. It implies that the majority of the respondents disagreed that they venture into new markets to promote the performance of their businesses. Also, 13.5% (47) of the respondents strongly agreed and agreed respectively that they prefer high-risk projects since they promote high return on sales, 72.9% (253) of the respondents disagreed. In contrast, none of the respondents strongly disagreed. It implies that the majority of the respondents disagreed that they prefer high-risk projects since they promote high returns on sales.

Furthermore, 38.0% (132) of the respondents strongly agreed that they take bold, aggressive action in their business to maximise profitability, 62% (215) of the respondents agreed. In contrast, none of the respondents disagreed or strongly disagreed. It implies that all the respondents agreed that they take bold, aggressive action in their businesses to maximise profitability. Also, 27.4% (95) of the respondents strongly agreed that they are willing to invest a significant amount of resources in opportunities which have led to increased market share, 72.6% (252) of the respondents agreed; none of the respondents is willing to invest a significant amount of resources to opportunities which have led to increased market share. It implies that all the respondents agreed that they are willing to invest a significant amount of resources in opportunities which have led to increased market share.

Research Question Two: To what extent does innovativeness affect the business performance of SMEs in Ibadan Metropolis?

Table 3. Responses of Respondents on how Being Innovative Influence their Business Performance.

Innovation Level of SMEs						
I can see new market opportunities for new products and services	74 (21.3)	273 (78.7)	0 (0)	0 (0)	3.21	0.41
I actively introduce improvements and innovations into my business, such as introducing new product lines or making changes to the existing product line	99 (28.5)	248 (71.5)	0 (0)	0 (0)	3.29	0.45
I employ new ways to do things through research and development of potential growth	261 (75.2)	86 (24.8)	0 (0)	0 (0)	3.75	0.43
My business is creative in its methods of operation	60 (17.3)	287 (82.7)	0 (0)	0 (0)	3.17	0.38
I employ new methods of production and marketing strategies	100 (28.8)	247 (71.2)	0 (0)	0 (0)	3.29	0.45

Source: Researcher's fieldwork (2022)

Key: Strongly Agree (SA), Agree (A), Disagree (D), Strongly Disagree (SD)

Table 3 revealed that 21.3% (74) of the respondents strongly agreed they can see new market opportunities for new products and services, 78.7% (273) of the respondents agreed. In contrast, none of the respondents disagreed or strongly disagreed. It infers that all the respondents agreed that they can see new market

opportunities for new products and services. Similarly, 28.5% (99) of the respondents strongly agreed that they actively introduce improvements and innovations into their business, such as introducing new product lines or making changes to the existing product lines, 71.5% (248) of the respondents agreed, none of the respondents actively introduce improvements and innovations into their businesses such as introducing new product lines or making changes to the existing product line. It implies that all the respondents agreed that they actively introduce improvements and innovations into their business, such as introducing new product lines or making changes to the existing product lines.

Again, 75.2% (261) of the respondents strongly agreed they employ new ways to do things through research and development potential growth, and 24.8% (86) of the respondents agreed. It implies that the majority of the respondents agreed that they employ new ways to do things through research and development potential growth. 17.3% (60) of the respondents strongly agreed that their business is creative in its methods of operation, 82.7% (287) of the respondents agreed, while none disagreed or strongly agreed. It implies that all of the respondents agreed that their business is creative in its methods of operation.

Likewise, 28.8% (100) of the respondents strongly agreed that they employ new production and marketing strategies, 71.2% (247) of the respondents agreed, and none disagreed or strongly disagreed. It implies that all the respondents agreed that they employ new methods of production and marketing strategies.

6. Discussion of Findings

The majority (66.3%) of SME operators agreed that they have a strong sense of vision to succeed that keeps them going. Regarding risk-taking of SME operators, most agreed (42.9%) and strongly agreed (57.1%) that they venture into new market to promote sales. Findings also revealed that the majority of the respondents (63.4%) do not agree that they would commit a large amount of money to high-risk projects. It implies that risk-taking propensity affects the business performance of SMEs in Ibadan Metropolis.

This result is in line with a study which revealed a significant relationship between risk-taking and sales growth. Based on the findings from the study, it was recommended that Entrepreneurial characteristics should be enhanced to nurture SMEs performance and long-term growth and survival [11]. In the same vein, another study based on its findings revealed that entrepreneurial characteristics enhance the effective management of a business enterprise through an interactive process in which personal entrepreneurship characteristics interact with human capital to influence decisions concerning venture creation, performance and growth [3]. Also corroborating the finding, studies have revealed a significant effect of risk-taking propensity on the sales growth of an enterprise [16]. In contrast to the findings, a study revealed that entrepreneurial skills affect SMEs' business performance. Still, the relationship between the two is weak, and weak managerial skills appreciate entrepreneurial skills but personal maturity skills are most appropriate [4].

Regarding SMEs' innovativeness, most respondents (78.7%) strongly agreed that they can see new market opportunities for new products and services. Furthermore, the majority of the respondents (87.6%) agreed that they establish and achieve goals and objectives in pursuit of opportunities; findings also revealed that the majority of the respondents (77.8%) and (62.8%) correspondingly have high returns on their

businesses yearly and have abilities to solve financial challenges. It implies that SMEs in Ibadan have self-will and are efficacious, which helps boost business performance. It is constant with previous findings that entrepreneurial characteristics such as innovativeness predicts business performance [2,6,20].

7. Conclusions

The study revealed that entrepreneurial characteristics are vital determinants of firm performance; this is because entrepreneur's reactions to business challenges are mainly driven by their traits. Given this, the study concludes that entrepreneurial performance largely depends on entrepreneurs' risk-taking propensity and innovativeness. So, the higher the risk-taking, and innovativeness that small and medium business owners possess, the higher business performance. The character of an entrepreneur is important thus, enables a firm to achieve the desired business outcome.

8. Recommendations

To facilitate the effective utilisation of entrepreneurial characteristics in the management of the business enterprise, the following recommendations are proffered:

Small and medium enterprises should depend on entrepreneurial characteristics concerning risk-taking, and innovation. They should develop novel enhancements and innovations in their businesses, such as introducing new product lines or making changes to existing product lines, employing new ways to do things through research and development.

Risk-taking characteristics of entrepreneurs should be properly managed and integrated to fulfil business performance. Innovative characteristics should be well-thought-out as values SMEs and structure training and capacity building programmes should be adopted to increase entrepreneur competencies and competitive strategies.

Conflicts of Interest

The author declares that there is no conflict of interest regarding the publication of this article.

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