

ASSESSMENT OF PERSONAL CHARACTERISTICS NEEDED TO BECOME SUCCESSFUL ENTREPRENEURS BY MANAGERS OF SMALL & MEDIUM ENTERPRISES IN ANAMBRA AND ENUGU STATES, NIGERIA

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Abstract

This study seeks to determine the personal characteristics that are important for entrepreneurs to become successful as a guide to practicing and prospective entrepreneurs. One research question and three null hypotheses tested at 0.05 level of significance are used for the study. The descriptive survey research design is adopted and the study area is Anambra and Enugu states of Nigeria. Population and sample of the study consists of 149 managers of viable SMEs in the area comprising males and females of different educational attainments and working experience. A validated questionnaire with reliability coefficient of 0.87 was used for data collection. Mean, standard deviation, t-test and ANOVA were used for data analysis to answer the research questions and test the hypotheses. Results show that the respondents assessed the twelve listed personal characteristics as highly important for successful entrepreneurship. Gender, educational attainment and experience have significant effect on the opinions of the respondents. The researchers conclude that all entrepreneurs highly need the important personal characteristics to become successful and recommend, among others, that government should create awareness of the important personal characteristics among entrepreneurs and that tertiary institutions should highlight them in their entrepreneurship education curricula.

Keywords: assessment, personal characteristics, entrepreneurs, managers, SMEs.

INTRODUCTION

The global protests and demonstrations witnessed within 2011 and 2013 amongst citizens of many nations triggered by economic recession indicate that the entire world is in economic distress. It is indeed an indication that globally, the economies of nations are gradually sliding, sinking and getting submerged in all kinds of catastrophic failures as well as social vices such as poverty, corruption, bribery, terrorism, theft and natural disaster (Uzoagulu, 2012). The hydra of unemployment and poverty have assumed such a high level in developing nations of Africa generally and Nigeria in particular to warrant concerted efforts of individuals and governments at all levels on a rescue mission for the nation and her people.

Consequently, individual Nigerians are realizing that no government can provide jobs for her teeming productive citizens especially the youth and are taking up entrepreneurship as a vital option. The challenges of poverty and unemployment have motivated individuals and groups to float their own business enterprises in order to achieve better living conditions. These enterprises are expected to create wealth for their owners, improve the well being of other individuals and communities as well as contribute to national development by creating employment opportunities and alleviating poverty but research evidence and actual observations have proved otherwise. While several factors such as political instability, government policies, infrastructural inadequacy, etc., are implicated on the high failure rate of Nigerian entrepreneurs, non possession of relevant personal characteristics and other skills tops the list. Government, at both federal and state levels, is doing its part by providing information, start-up loans, equipment

and other facilities to foster entrepreneurship development in the country as a key driver towards individual and national economic growth and self-reliance. The federal government took a giant stride in 2006 by introducing entrepreneurship education as an institution-wide course in all her tertiary institutions in order to equip the graduates with skills and competencies to become successful entrepreneurs and create employment opportunities and wealth. This study is motivated by the fact that despite the efforts of the government towards entrepreneurship development in Nigeria in order to reduce unemployment and eradicate poverty and their associated crimes, practicing entrepreneurs do not seem to possess essential characteristics and skills to become successful as their high failure rate indicates. This study is, therefore, significant as it will reveal the important personal characteristics for practicing and prospective entrepreneurs to become successful as well as help the government and the nation to achieve sustainable development by reducing unemployment and poverty through individual self-reliance.

Concept and Relevance of Entrepreneurship

Entrepreneurship has been defined in many ways. According to Falkang and Alberti (2000), entrepreneurship refers to people with entrepreneurship spirit. Hisrich and Peters (2002) defined entrepreneurship as the process of creating something new with value by devoting the necessary resources and efforts as well as assuming the accompanying financial, psychic and social risks while receiving the resultant rewards of monetary and personal satisfaction and independence. To Izuakor (2010), entrepreneurship is an independent business activity which reflects the state of

behavior rather than the ownership of a particular business. It is a function of seeking investment and production opportunities, organizing an enterprise to undertake new production processes, raising capital, hiring labour, arranging resources as well as introducing new ventures. In entrepreneurship, non-insurable risks are borne, human and material resources are directed and economic, social and financial goals are achieved (Uzoagulu, 2013).

Okoye (2007), Nwafor (2007) and Ihekwoaba (2007) all agree that entrepreneurship connotes a situation where people are genuinely using their knowledge and skills to exhibit their ingenuity in the management of affairs that could create possible means of livelihood by exploring existing conditions in their environments to discover deficiencies and innovate ideas to make up for them. Entrepreneurship is also a willingness and ability of an individual to identify and successfully take advantage of investment opportunities in the environment (Dikeocha, Ugochukwu & Aginah, 2012). Akhuemonkhan in Cyril, Akiang, Asinde, Ofem and Ashi (2010) summarized entrepreneurship as the personal quality that assists people to start a new business or vigorously and innovatively expand an existing business in order to effectively contribute to the growth of an economy. According to Wikipedia, an online free encyclopaedia (2012), entrepreneurship can be oriented towards different ways of realizing opportunities and one approach is to promote innovation or introduce new products or services. In recognition of the contributions of entrepreneurship businesses to job and wealth creation which translates to poverty and unemployment reduction as well as individual and national development, entrepreneurship education is the current focus in different nations of the world including Nigeria (Okoro, 2002 & Ezenwafor, 2009 & 2010). Rufai (2011) affirmed the relevance of entrepreneurship education in Nigeria by stating that the best way to solve her current problem of unemployment and poverty is by ensuring that students in institutions of higher learning undertake compulsory entrepreneurship study to inculcate personal characteristics and acquire other competencies to become successful entrepreneurs on graduation.

Deakins (1996) defined an entrepreneur as the pivot of the economy and a catalyst for economic change and development. Robinson and Davidson (2001) stated that an entrepreneur is someone who engages in business enterprises often with some personal financial risks. Also Okoye (2007) posited that an entrepreneur is an individual who organizes a commercial enterprise which involves the risk of devising means of making the enterprise survive and grow adding that the entrepreneur is the kingpin of any business enterprise whose efforts boosts the economic and industrial growth of any nation. Cooray (undated) observed that the entrepreneur is characterized by alertness for opportunities which others have not seen or have ignored but which are almost always accompanied by some profit.

Akinola in Cyril, et al (2010) asserted that effective entrepreneurship is the panacea to the challenge of

poverty in developing nations. The author noted that countries that have depended on foreign aid for their national survival are now being admonished to build a culture of enterprise in their citizens. This is the major thrust of the United Nations Millennium Development Goals (MDGs), the Nigerian National Poverty Alleviation Programme and the National Economic Empowerment and Development Strategy (NEEDS). This paper, therefore, is concerned mainly with the need for practicing and prospective entrepreneurs in Nigeria and other nations of Africa and the world to achieve success since being an entrepreneur means managing oneself, people, materials and the environment. To handle these tasks, the entrepreneur needs extensive skills and personal attributes to be successful.

Personal characteristics of successful entrepreneurs

Authors and researchers such as Cooray (undated), Tobak (2013) and Ezenwafor (2013) have catalogued personal characteristics of successful entrepreneurs to include being optimistic, visionary, disciplined, persistent, resilient, flexible, passionate, focused, willing to learn, ethical, hard-working and having initiative, drive, risk tolerance, integrity, self-confidence as well as giving back. Nigerian entrepreneurs should know these characteristics and seek to nurture and manifest them in order to achieve success. They should examine their personal characteristics such as knowledge and experience in the line of business, values, beliefs, etc. to ascertain whether they have the mindset that is typical of successful entrepreneurs as a vital step towards personal growth and effective contribution to sustainable development of the nation.

Patricio and Neyland (2013) outlined the following personal characteristics of successful entrepreneurs – goal oriented, commitment to the business, pro-active, thriving in uncertainty, continuously looking for opportunities to improve, being creative and innovative, passionate, optimistic, willing to take risks, to listen and learn. The authors affirmed that only very few people are fortunate to be born with all the personal characteristics that lead to successful entrepreneurship but that the good news is that they can all be learned. Today there are webinars, seminars and books people can sign up for to learn the rules of being a successful entrepreneur.

Haden (undated) affirmed that what separates the best from everyone else is not the money. The author stated that good entrepreneurs make money, great entrepreneurs make serious money but remarkable entrepreneurs do more than make money; they are the few who possess qualities that do not appear on balance sheets but do make significant impact on the lives of their employees, industries and communities. The author listed attributes of remarkable (successful) entrepreneurs to include finding happiness in the success of others, relentlessly seeking new experiences, not thinking work/life balance but just thinking life, being incredibly empathetic, having something to prove to themselves rather than to others, regarding money as responsibility and not reward and knowing that success is fleeting but dignity and respect last for ever.

PROBLEM OF THE STUDY

Waziri (2004) had expressed doubts in the ability of Nigerian entrepreneurs to significantly contribute to sustainable national development. This doubt has been validated by the high rate at which Nigerian entrepreneurs are folding up their businesses and leaving their employees jobless and poor and their customers without essential products and services for better living conditions. Although several extrinsic factors such as political and economic climate, government policies, etc. are involved in successful entrepreneurship, actual observation and research reports implicate intrinsic factors such as lack of relevant personal characteristics and other entrepreneurship skills as major causes for the high failure rate of entrepreneurships in the country. Experts have catalogued the personal characteristics that help entrepreneurs to become successful. However, many Nigerian practicing entrepreneurs are not aware of these personal characteristics and how important each of them is which will serve as a guide in their efforts to inculcate them in order to become successful. This leaves a gap in knowledge which this study seeks to fill.

LIMITATIONS OF THE STUDY

Due to time constraint, the researchers did not include managers of all SMEs (viable and non-viable) in the area of the study which could have revealed the contrast between the two groups of managers. However, this did not, in any way, negate the objective of the study or the validity of the findings.

RELEVANCE OF THE PAPER TO THE CONFERENCE THEME

Entrepreneurship development is a sure way to achieve sustainable development in any nation and human capacity building involves equipping individuals with personal characteristics and competencies they need to become successful in their chosen career so as to effectively contribute to national development. Since the focus of this paper is entrepreneurship development and personal characteristics needed by entrepreneurs to become successful, it is significant and relevant to the conference themes of sustainable development and human capacity building.

RESEARCH QUESTION

What are the important personal characteristics entrepreneurs need to become successful?

Null Hypotheses

1. Gender has no significant effect in the mean ratings of respondents on the important personal characteristics entrepreneurs need to become successful.
2. There is no significant difference in the mean ratings of respondents on the important personal characteristics entrepreneurs need to become successful based on respondents' educational attainment (SSC/GCE, diploma/first degree, higher degree)
3. There is no significant difference in the mean ratings of respondents on the important personal characteristics entrepreneurs need to become successful based on respondents' working experience (0-5 years/6-10 years/11 years and above).

METHOD

The descriptive survey research design was adopted for the study. The study was carried out in Anambra and Enugu states of Nigeria. The states are among the five states in the south east zone. The people of the area are very enterprising in nature, they speak the same language and are predominantly Christians. Population of the study consists of managers of 149 viable small and medium enterprises (SMEs) in the two states. Information obtained from the SME centre in the states show that there are more than 300 registered small and medium enterprises out of which the greater number are not viable. The choice of the population was informed by the fact that they must have learnt the secrets of success and contributed to the success of their enterprises to meaningfully give good judgment about the important personal characteristics an entrepreneur needs to be successful. The population was studied in entirety without sampling because the number was not too large.

The instrument for data collection was a validated questionnaire with a reliability coefficient value of 0.87. Copies of the instrument were administered personally on the respondents in their offices by the researchers and their trained assistants. Some respondents, despite their busy schedule, were kind enough to respond on the spot but majority could not and were re-visited (some two or three times) to retrieve their responses. This facilitated a high response rate as 122 copies (representing 82 percent) were recovered and used for the study.

The arithmetic mean and standard deviation were used to analyze data to answer the research question and establish the homogeneity or otherwise of the respondents' means while t-test and analysis of variance were used to test the hypotheses at 0.05 level of significance. A personal characteristic that has a mean rating of 3.00 and above is highly important while the one with mean score below 3.00 is unimportant. A hypothesis will be upheld if the calculated value is less than the significant level of 0.05 and rejected if the calculated value is equal or greater than the significant level of 0.05.

RESULTS

Research Question

What are the important personal characteristics entrepreneurs need to become successful?

Table 1: Respondents' mean and standard deviation on important personal characteristics for entrepreneurs to become successful N = 122

S/N	Personal characteristics	Mean	SD	Result
1.	Optimism	4.46	0.63	HI
2.	Originality	4.66	0.55	HI
3.	Visionary	4.76	0.50	HI
4.	Discipline	4.12	0.98	HI
5.	Endurance	4.50	0.67	HI
6.	Initiative	4.64	0.63	HI
7.	Self-confidence	4.47	0.61	HI
8.	Motivation	4.45	0.66	HI
9.	Courageous	4.66	0.61	HI
10.	Flexibility	4.53	0.65	HI
11.	Willingness to learn	4.47	0.61	HI
12.	Creativity	4.52	0.81	HI
Grand Mean		4.52	0.66	HI

Data in Table 1 show that all the twelve personal characteristics have mean ratings ranging from 4.12 to 4.76. This shows that the respondents assessed each of them as highly important for entrepreneurs to become successful. The grand mean of 4.52 attests to the importance of personal characteristics for entrepreneurs to achieve success. Also the standard deviation ranging between 0.55 to 0.98 indicate that the respondents are homogeneous in their opinions.

Hypothesis 1: Gender has no significant effect in the mean ratings of respondents on the important personal characteristics entrepreneurs need to become successful.

Table 2: t-test result of respondents' mean ratings on important personal characteristics for entrepreneurs to become successful based on gender

Gender	No	Mean	SD	t-calc	t-crit	Result
Male	86	4.57	0.31	0.35	2.14	S
Female	36	4.41	0.49			

Data in Table 2 show that the calculated t-value of 0.35 is greater than the significance value of 0.05 which means that gender has significant effect on respondents' mean ratings on personal characteristics that are important for success of entrepreneurs. The hypothesis is, therefore, rejected.

Hypothesis 2: There is no significant difference in the mean ratings of respondents on the important personal characteristics entrepreneurs need to become successful based on respondents' educational attainment (SSC/GCE, Diploma/first degree, higher degree)

Data in Table 3 show that the calculated f value of 6.428 is greater than the significance value of 0.05 which shows that educational attainment has a significant effect on respondents' mean ratings on personal characteristics that are important for success of entrepreneurs. The second hypothesis is, therefore, also rejected.

Table 3: Analysis of variance (ANOVA) on respondents' mean ratings of personal characteristics that are important for entrepreneurs to become successful based on educational attainment.

Source of variation	Sum of squares	df	Mean square	F	Result
Between groups	1.681	2	.840	6.428	S
Within groups	15.559	119	.131		
Total	17.240	121			

Hypothesis 3: There is no significant difference in the mean ratings of respondents on the important personal characteristics entrepreneurs need to become successful based on respondents' working experience (0-5 years/6-10 years/11 years and above).

Table 4: Analysis of variance (ANOVA) on respondents' mean ratings of personal characteristics that are important for entrepreneurs to become successful based on working experience.

Source of variation	Sum of squares	df	Mean square	F	Result
Between groups	.208	2	.104	.726	S
Within groups	17.032	119	.143		
Total	17.240	121			

Data in Table 4 show that the calculated f value of 6.428 is greater than the significance value of 0.05 which shows that working experience has a significant effect on respondents' mean ratings on personal characteristics that are important for success of entrepreneurs. Hypothesis 3 is, therefore, equally rejected.

DISCUSSION OF RESULTS

Results of the study showed that the respondents assessed all the twelve personal characteristics as highly important for entrepreneurs to become successful. This agrees with the views of Tobak (2013), Ezenwafor (2013) and Patricio and Neyland (2013) regarding the characteristics of successful entrepreneurs. As posited by Patricio and Neyland, people that have all the characteristics are hard to find. However, the good news is that all the personal characteristics can be learned and the easy access to information through technology in the current knowledge and information age leaves both practicing and prospective entrepreneurs with opportunity to learn and develop them in order to become successful and remarkable.

Nigeria needs remarkable entrepreneurs who do more than make money and whose qualities do not show only on balance sheets as observed by Haden (undated). The Nigerian nation needs remarkable entrepreneurs who are incredibly empathetic, find happiness in the success of others (their employees, competitors, the country and her citizens), who are ethical in their practices knowing that it is not all about personal success which is fleeting but more about dignity and respect which are long lasting.

CONCLUSION

Based on the findings of the study, the researchers conclude that inculcation and development of the personal characteristics is a major need of practicing and prospective entrepreneurs.

RECOMMENDATIONS

Based on the findings of the study and conclusion, the following recommendations are made:

1. Government should create awareness of the importance of the twelve personal characteristics covered in the study as well as others among practicing entrepreneurs as a guide to them.
2. Government should motivate practicing entrepreneurs to utilize educational opportunities in the country to learn the important personal characteristics for their success.
3. Tertiary institutions offering entrepreneurship education should highlight the important

personal characteristics in the to help graduate entrepreneurs to become successful.

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