

ENTREPRENEURIAL PERSONALITY FACTORS AND THE PERFORMANCE OF SMALL-SCALE ENTERPRISES IN OYO STATE, NIGERIA

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Abstract

The influence of small-scale enterprises (SSE) on job creation, poverty alleviation, economic growth and development is of great interest to global scholars, policymakers and other stakeholders. Despite enacting and implementing several financial and other policies, Oyo State has faced challenges in enhancing the performance of small-scale enterprises, resulting in outcomes that have not met expectations. In light of this, the study examined the influence of entrepreneurial personality factors on SSE performance in Oyo State, Nigeria. Primary data was used in this investigation. A structured questionnaire was used to collect data from the respondents. The population comprised 5,532 small-scale enterprise (SSE) owners in Oyo State. A multistage sampling procedure was utilized to select a sample size of 371 respondents for the study. The data gathered was analysed using multiple regression analysis at 0.005 p-value. The findings revealed that the entrepreneurial personality qualities taken together (71.7%) had a significant and positive impact on the performance of SSEs. The results demonstrated that the traits of risk-taking propensity (0.965), innovativeness (0.772), and locus of control (0.548) had a favourable and significant impact on the performance of SSEs. It was concluded that SSE performance in Oyo State, Nigeria could be influenced by entrepreneurial personality qualities. Based on the findings it was therefore recommended that entrepreneurs should encourage the idea of self-evaluation and make themselves available for training that would shape and reinforce their personality qualities that could promote their effective business operation for a sustainable SSE growth.

Keywords: Business growth, entrepreneurship, innovativeness, locus of control, risk-taking

Background to the Study

The crucial role of small-scale enterprises (SSEs) in the global economy is widely recognized, particularly for their contributions to job creation, poverty alleviation, and overall socio-economic development. SSEs represent the largest segment of the corporate sector in virtually every economy worldwide. As a result, governments around the globe are increasingly focusing on fostering the growth and expansion of SSEs as a key component of their national development strategies (Inyang, 2013). Unlike small and medium-sized enterprises (SMEs) which may have broader operational scopes and resources, SSEs are characterized by their limited size and capacity often resulting in unique challenges that affect their operational dynamics and overall sustainability. These challenges include limited access to finance, inadequate infrastructure, and heightened vulnerability to market fluctuations. Due to their nature as small enterprises, most firms across various nations are responsible for generating the majority of employment opportunities in their respective countries (Ratten & Tajeddini, 2017). Globalization has brought significant benefits to SSEs, and their positive impact on economic progress is widely acknowledged. Considering the substantial societal responsibilities

placed on SSE sector, their contribution to economic growth is strategically prioritized (Avasilcai, 2009).

However, the interplay between local market conditions and the broader economic environment must be acknowledged to fully understand the challenges SSEs face. In Oyo State, for instance, various policies and initiatives aimed at supporting SSEs, such as financial grants and entrepreneurship training, yet the performance and sustainability of these enterprises are historically low. Many SSEs in Oyo State, as well as in other parts of Nigeria, collapse within five years of establishment (Onajite & Popoola, 2022). Furthermore, Onajite and Popoola (2022) observed that the characteristics and actions of SSE founders and leaders are closely linked to the general performance of the enterprises. Entrepreneurs must possess certain unique attributes to determine company strategies, operational efficacy, and overall business success. However, while entrepreneurial traits are essential, they should not be viewed in isolation. External factors, such as infrastructure development, policy stability and access to finance, significantly influence SSE performance. The character attributes of entrepreneurs do influence how they manage challenges, seize opportunities and direct their companies toward growth and innovation. However, these intrinsic qualities must be understood within the context of a supportive business environment that facilitates their application. According to Ikegbunam and Onuoha (2023), the interplay between an entrepreneur's strategy in terms of individual traits and the external business environment has a significant impact on the performance of SSEs. The authors argue that the core competencies of an entrepreneur are often demonstrated by their capacity for strategic planning, efficient resource management, and quick response to market developments. While leveraging unique attributes allows entrepreneurs to better position their companies to capitalize on emerging trends, the importance of a robust external environment cannot be overlooked. Factors such as market access, competitive landscape and economic policies play equally vital roles in determining the performance outcomes and long-term viability of small enterprises. Across the globe, scholars, policymakers, and stakeholders have extensively recognized and demonstrated the critical role of SSEs in driving national economic growth and development (Onajite & Popoola, 2022).

In Oyo State, the government has introduced various initiatives such as financial grants, loans, entrepreneurship training, youth empowerment, and agricultural entrepreneurship programs aimed at boosting entrepreneurial performance. However, these measures have not translated into significant improvements in the performance, sustainability and growth of SSEs, indicating a disconnect between policy initiatives and local economic realities. Numerous academic studies have explored the influence of entrepreneurial personality traits on the performance of small-scale enterprises (SSEs). For instance, Onajite and Popoola (2022) investigated the impact of entrepreneurial traits on SSE performance in Ekiti State, Nigeria, while Ikegbunam and Onuoha (2023) examined the connection between business growth and entrepreneurial personality in SSEs located in Rivers State, Nigeria. Similarly, Kofi, Alexander and Antwi (2020) studied how entrepreneurial attributes affect the performance of SSEs in Accra, Ghana. In another study, Wekesa, Gathungu, and Wainaina (2016) analysed 314 SSEs across nine counties in Kenya. However, it becomes evident that there is a lack of

research specifically addressing the relationship between entrepreneurial personality traits and the performance of SSEs in Oyo State. Based on the existing gap in knowledge, this study investigated the effect of entrepreneurial personality traits on the performance of SSEs in Oyo State, Nigeria.

Research Questions

- i. what is the effect of the risk-taking propensity of the business owner on the performance of Small-Scale Enterprises (SSEs) in Oyo State?
- ii. How does innovativeness of the business owner influence the performance of Small-Scale Enterprises (SSEs) in Oyo State?
- iii. What is the effect of the business owner's locus of control on the performance of Small-Scale Enterprises (SSEs) in Oyo State?

Research Hypothesis

H₀₁: The performance of SSEs in Oyo State is not significantly influenced by entrepreneurial personality traits.

Literature Review

Entrepreneurship

Onajite and Popoola (2022) described entrepreneurship as the process of starting, developing, and managing new business ventures by employing creativity, taking risks, and proactively addressing problems. It involves identifying market opportunities and transforming them into products or services that can be produced profitably and satisfy consumer needs. In this process, a combination of resource acquisition, strategic planning, and the use of effective operational procedures are required to establish and preserve competitive advantages. Entrepreneurship is crucial to boosting the economy and producing jobs. For small-scale enterprises (SSEs) to perform effectively, business owners or entrepreneurs must generally possess the ability to adapt to evolving market conditions, make optimal use of scarce resources, and deliver distinctive value propositions. Successful entrepreneurship in SSEs requires a strong understanding of consumer preferences, market dynamics, and operational efficiency because these elements foster resilience and long-term business growth (Ibrahm, Odeyemi, & Jones, 2020).

Entrepreneurship is a means of realizing the dreams of individuals and even entire countries. It is the primary weapon employed in any country to combat poverty, unemployment, and underdevelopment. For this reason, it is crucial to people's and families' financial stability. A human mindset that is focused on developing profitable concepts is the foundation of entrepreneurship (Aina, 2018). In order to better society and earn a respectable living, entrepreneurs are creative, determined, and goal-oriented individuals or groups that concentrate on starting new businesses and growing them into profitable endeavours (Onajite and Popoola, 2022).

Entrepreneurial Personality

Greek ancestry highlights the way in which artists portray their appearance through the use of facial coverings. Being different from the person hiding behind the mask is essential (Abdulwahab & Al-

Damen, 2015). Individuals' personalities are characterized by a certain collection of thoughts, feelings, and behaviours that they repeatedly display across time and in a range of contexts. A person's capacity to communicate, comprehend their surroundings, and make decisions is influenced by a variety of traits, preferences, and dispositions (Ostergaard, 2014). Motivations, ambitions, and interpersonal relationships are mostly influenced by an individual's personality. Life experiences, genetic predispositions, and environmental factors all come together to shape it. Ikegbunam and Onuoha (2023) assert that research on personality provides insights into a range of aspects of human behaviour, including preferences, traits, weaknesses, and developmental potential.

A group of characteristics referred to as personality variables influence an individual's identity (Colombo & Delmastro, 2011). While most personality traits are beyond our control, they do play a big role in how we behave because they influence our attitudes, expectations, and preconceptions about other people and the world in general. Enddi, Surachman, and Djumilah (2014) describe personality factors as an individual's internal structures and tendencies that explain their traits, emotions, behaviour, and cognitive patterns. Therefore, personality variables are a dynamic process that is connected to the psychological growth of an individual. Significant progress has been made in our understanding of personality traits over the last 25 years. The traits, emotional cycles, and behavioural patterns of business owners reveal aspects of their personalities (Ibrahm, Odeyemi, & Jones, 2020).

Ostergaard (2014) defined entrepreneurial personality as the mindset, outlook, and behavioural tendencies an individual exhibit when establishing new ventures within a business environment. Jovanovic, Arsic, and Nikolic (2018) identified various traits, characteristics, and cognitive attributes that are commonly associated with individuals who exhibit entrepreneurial behaviour and participate in innovative ventures. These are known as entrepreneurial personality factors. These variables include a wide range of traits like a willingness to take risks, inventiveness, fortitude, initiative, and a strong sense of internal control. Other characteristics of an entrepreneurial personality include drive, tenacity, flexibility, and a readiness to question the status quo. People who possess a strong entrepreneurial attitude typically exhibit a high level of optimism, self-confidence, and a tendency to take advantage of possibilities when things are uncertain. Kofi et al. (2020) explain that these elements collectively shape entrepreneurs' mindsets and behaviours, enhancing their ability to identify, seize, and capitalize on business opportunities. Several elements have been found to be essential for entrepreneurs to operate their enterprises more successfully. In this study, the entrepreneurial personality factors that influence the performance of small-scale enterprises are defined as risk-taking propensity, being innovative, and having a locus of control (Boyer & Blazy, 2014).

Risk-Taking Propensity

The concept of risk-taking propensity is integral to understanding entrepreneurial personality factors, as it reflects an individual's willingness to engage in ventures with uncertain outcomes. Entrepreneurs with a high risk-taking propensity are more likely to pursue innovative opportunities, navigate challenges, and make bold decisions that can lead to business growth and success. To take a risk is to

venture into an uncharted business environment or engage in activities that require gutsy actions, measures, and the commitment of both personal and material resources. According to Adisa, Adeoye, and Okunbanjo (2016), taking risks includes risking a substantial amount of money, borrowing a lot, and/or going into the unknown while embarking on projects in unreliable conditions. It refers to the willingness and capability to commit resources, whether acquired through borrowing or ownership, to pursue market opportunities, even when there is a reasonable risk of financial loss. Adisa et al. (2016) point out that in commercial settings, taking controlled risks is preferable to taking severe or unmanageable ones.

Innovativeness

Building upon the concept of risk-taking propensity, innovativeness is another critical factor that significantly impacts entrepreneurial success. Innovativeness refers to the ability to generate new ideas, products, or processes that can enhance business operations and meet market demands. Entrepreneurs who embrace innovation are better positioned to differentiate their ventures, adapt to changing consumer preferences, and drive sustainable growth in a competitive landscape. Adisa et al. (2016) describe innovativeness as the readiness of an entrepreneur or company to experiment with new ideas and explore creative approaches in production processes, service delivery, and market research. Margaretha and Supartika (2016) view innovation as a fundamental inclination to break away from traditional practices or existing technologies to advance knowledge. Onajite and Popoola (2022) and Adisa et al. (2016) suggest that innovation can take various forms, such as adopting new ideas for product lines or marketing strategies, or making a concerted effort to become a leader in emerging technologies or products. While innovative organizations may approach things differently, they share a common outlook. Adisa et al. (2016) emphasize that it involves the ability to turn creative ideas into something tangible, unique, or novel.

Locus of Control

Continuing from the discussion of innovativeness, the concept of locus of control plays a vital role in shaping entrepreneurial behaviour. Locus of control refers to an individual's belief about the extent to which they can influence the events affecting them. Entrepreneurs with an internal locus of control tend to believe that their actions directly impact their success, leading to greater motivation and persistence in pursuing their goals. This mindset can significantly enhance their ability to navigate challenges and capitalize on opportunities, further contributing to the performance of their small-scale enterprises. Patel and Thatcher (2014) defined locus of control as the belief individuals hold regarding the extent of their control over the events that occur in their lives. Individuals with an internal locus of control, who are oriented inwardly, tend to believe that their successes and failures are primarily due to their own decisions, actions, and abilities. In contrast, those with an external locus of control, who are oriented outwardly, often attribute their outcomes to external factors such as luck, fate, or the influence of others.

Patel and Thatcher (2014) suggest that having an internal locus of control is typically linked to success in entrepreneurship. This is because entrepreneurs who possess this attitude are more likely to

take the initiative, stick with it through difficulties, and actively look for new and creative chances. They are more likely to actively mold their work environments to fit their objectives and aspirations and demonstrate a higher sense of self-efficacy. Entrepreneurs who have an external locus of control, on the other hand, could find it difficult to deal with the uncertainties and complexity of entrepreneurship because they are less likely to take chances, be creative, or accept responsibility for their company's performance. As a result, locus of control has a big impact on SSE performance curves and entrepreneurial behaviour, which shapes how well-equipped they are to survive, grow, and prosper in cutthroat marketplaces (Onajite & Popoola, 2022).

Small Scale Enterprises

For Nigeria, this concept can be used using the fixed coordinates of the national boundary. The National Policy on MSMEs has tackled the issues related to classifying micro, small, and medium-sized enterprises by defining the categories based on two factors: assets and employment, excluding land and buildings.

Classification of Small and Medium Enterprises

S/N	Size Category	Employment	Assets (Naira, million excluding land and building)
1	Small Enterprises	10 to 49	5 to less than 50
2	Medium Enterprises	50 to 199	50 to less than 500

Source: National Policy on SMEs Report, 2015

Yahaya, Geidam, and Usman (2016) define small-scale enterprises as businesses with 10 to 49 workers and assets between N5 million and N49.9 million, excluding land and buildings. In addition, the National SME Survey (2015) estimates that there are 68,168 small enterprises in Nigeria. Even though the bulk of them are sole proprietorships, the survey also reveals that a sizeable portion of them are incorporated businesses. 1.86 million workers, according to this study, were employed in this subsector.

SSE Performance

The success of a small-scale enterprise (SSE) in its competitive market may be influenced by its performance level. Performance is a crucial aspect that determines how well an SSE can thrive amid challenges and competition. Naelati, Tubastuvi, and Sobrotulimti (2014) defined performance as an entity's ability to produce outcomes according to a specified dimension, standard, or target. This definition underscores that performance is not merely about survival; it involves achieving specific goals and benchmarks that reflect the effectiveness and efficiency of the enterprise. In this study, sales growth serves as a primary metric for assessing performance, as it indicates the enterprise's ability to attract and retain customers while generating revenue. However, performance involves a broader range of factors beyond just sales growth. It includes profitability, market share, customer satisfaction, and operational efficiency.

Furthermore, the performance of SSEs can be influenced by both internal and external factors. Internally, the entrepreneurial traits of founders, Organisational culture, and management practices

can significantly impact performance outcomes. Externally, market conditions, economic stability, access to resources, and government policies play critical roles in shaping how effectively an SSE can operate and compete. Therefore, understanding SSE performance as a dependent variable requires a holistic approach that considers these multifaceted influences, emphasizing the importance of not only financial metrics like sales growth but also the overall sustainability and competitiveness of the enterprise in its market.

Empirical Review

The effect of entrepreneurial personality traits on small-scale enterprise (SSE) performance has long been a topic of discussion in the sector. This has inspired many scholars and researchers to conduct investigations that could provide insights into the issue. In this spirit, reviewing previous studies on the subject and filling in any knowledge gaps becomes essential for this research.

Ikegbunam and Onuoha (2023) conducted research on the relationship between entrepreneurial personality and the growth of small and medium-sized enterprises in Rivers State, Nigeria. They employed a survey methodology, utilizing structured personal interviews and questionnaires distributed to 200 SMEs in the study population. The gathered replies were analysed using Kendall's correlation coefficient and SPSS Version 23.0. The findings revealed a positive and statistically significant association between market share, profitability, and openness, as well as a significant correlation between conscientiousness and both profitability and market share among SMEs in Rivers State. While the study provides valuable insights, it primarily focuses on the correlation of specific personality traits without addressing the potential external factors influencing performance, such as market conditions and access to resources. This limits the understanding of the broader context affecting SSE performance in Rivers State.

Onajite and Popoola (2022) aimed to determine how entrepreneurial personality factors affected the performance of SMEs in Ekiti State, Nigeria. They utilized a survey design to gather data from a sample of 324 respondents selected through a multistage sampling approach from a population of 16,058 SME owners and operators. The study employed a structured questionnaire that achieved a reliability value of 0.82 through the Cronbach Alpha technique. The analysis included both descriptive and inferential statistics, revealing that SMEs in Ekiti State operated at an average performance level. Although this study provides a broad overview of the performance of SMEs in Ekiti State, it lacks an in-depth exploration of how specific entrepreneurial traits interact with external factors to influence performance. The average performance level reported may mask underlying variations among different sectors or types of SMEs, highlighting a need for more nuanced analysis.

Yakubu and Onuoha (2022) investigated the entrepreneurial spirits of small and medium-sized business owners in Rivers State and the success of their enterprises. They used a cross-sectional survey approach, identifying 212 owners and employees of SMEs, with a final sample size of 136 calculated using Krejcie and Morgan's (2002) techniques. Data were quantitatively analysed with SPSS version 21, utilizing the Pearson product moment correlation method. The study found a significant influence of the examined traits on the expansion and financial success of small and

medium-sized businesses. While the study effectively demonstrates the significance of entrepreneurial traits, it fails to consider how varying market conditions or support systems might impact the success of these traits. Additionally, the limited sample size may not fully represent the diverse SME landscape in Rivers State, calling for further research with a larger and more varied sample.

Lesi (2021) conducted research on the entrepreneurial traits and financial performance of small and medium-sized businesses in the Port Harcourt Metropolis. This investigation used a survey research design, gathering information through questionnaires from SME owners. A stratified random selection method was employed to choose 200 participants. The correlation coefficient and significance of the link between the variables were assessed using the Pearson Product Moment Correlation Coefficient. The findings indicated that higher levels of risk-taking, originality, competitive aggressiveness, and competency among SME owners positively influenced their organizations' performance. Although the study identifies key entrepreneurial traits that affect performance, it does not address the potential influence of external factors, such as regulatory frameworks or economic conditions, which could also play a significant role in determining SME success. Further research could benefit from exploring these external influences alongside personality traits.

Ibrahim, Odeyemi, and Jones (2020) focused on the traits of entrepreneurship and SME performance in Kwara State. They used a census approach, gathering data from 122 SME owners through questionnaires. Both inferential and descriptive statistics were employed in the analysis, using multiple regression analysis and ANOVA for inferential statistics. The results indicated that risk-taking inclination, inventiveness, and confidence were positively correlated with the growth in SME sales. This study highlights important entrepreneurial traits but lacks an exploration of how these traits might interact with contextual factors, such as access to finance or support from local government. Understanding this interaction could provide a more comprehensive view of the drivers of SME performance.

Kofi, Alexander, and Antwi (2020) investigated the relationship between entrepreneurial characteristics and small- and medium-sized business success in Greater Accra. Their study involved 330 SME owners with at least five years of business experience, with data analysed using Smart PLS 3.0 and partial least squares (PLS). The results indicated that conscientiousness significantly influenced a company's ability to expand and generate profits, while extraversion, agreeableness, and neuroticism also impacted growth success. While the study offers valuable insights into the influence of personality traits on performance, it does not consider how varying industry characteristics or local economic conditions may moderate these relationships. A more integrated approach that includes both internal traits and external factors would enrich the findings.

Theoretical Review

Trait theory serves as the foundation of this study, emphasizing the role of human behaviour and how intrinsic personality traits and characteristics impact individual actions and performance, particularly in the context of entrepreneurship (Kwabena, 2011). The theory posits that specific entrepreneurial traits, such as a willingness to take risks, innovativeness, adaptability, proactivity, and a strong

internal locus of control are key determinants of entrepreneurial success (Timmons & Spinelli, 2015). Entrepreneurs who exhibit these qualities are often better positioned to identify opportunities, overcome obstacles, and foster the long-term success of their businesses.

Nevertheless, internal traits alone do not fully explain entrepreneurial success. It is crucial to consider the interplay between these traits and external variables, such as market dynamics, industry developments, and economic shifts. For example, while a proactive entrepreneur with a strong internal locus of control may initiate bold actions, their outcomes can be affected by unforeseen market disruptions or changes in regulatory frameworks. Furthermore, cultural differences also shape how these traits are expressed, as varying cultural contexts may place different levels of importance on risk-taking and innovation, influencing how entrepreneurs navigate their business environments.

Addressing these external influences offers a more comprehensive understanding of entrepreneurial success, illustrating that personality traits by themselves are insufficient without accounting for the broader environmental context. Entrepreneurs who possess resilience, optimism, and self-confidence are better equipped to manage both personal challenges and the external market and cultural factors that can affect their ventures. By being able to adjust to both internal and external demands, these entrepreneurs can improve their adaptability, enhance competitiveness, and secure the long-term sustainability of their enterprises (Ramadani, Chevers, & Williams, 2017). Thus, the combination of personality traits and external circumstances is critical to achieving success and driving improved performance.

Methodology

The study adopted a descriptive survey research design, selected for its focus on observing the identified variables without altering them. The research was conducted across fifteen (15) local government areas in Oyo State, Nigeria. Oyo State was chosen because of its importance as a commercial hub with sufficient infrastructure and a high concentration of SSEs. This made the state an appropriate site for examining entrepreneurial performance and behaviour. The local governments included in the study, Akinyele, Egbeda, Ibadan North, Ibadan North-East, Ibadan North-West, Iseyin, Kajola, Ogbomoso North, Ogbomoso South, Ogo-Oluwa, Oluyole, Oyo East, Oyo West, Saki East, and Saki West, were selected due to their vibrant economies and high density of SSEs.

A multi-stage sampling approach was employed, combining stratified, purposive, and simple random sampling methods. This ensured a broad representation of SSE owners across manufacturing, trading, and service sectors, though purposive sampling posed potential bias. To mitigate these concerns, strategies were put in place to ensure fair representation across the strata. From a population of 5,532 SSE registered businesses with the Nigerian Association of Small and Medium Enterprises, Oyo State chapter, 382 participants were selected using the Krejcie and Morgan (2002) formula to ensure an accurate sample size.

The data collection instrument was a questionnaire structured into multiple dimensions, each containing five questions scored on a Likert scale of strongly agree-5, Agree-4, Undecided, 3,

Disagree-2 and strongly disagree-1. The questionnaire was developed in line with the research objectives, ensuring the questions were well-suited to measure the variables. The instrument was validated through expert input, and its reliability was determined indicating its reliability. Out of the 382 questionnaires distributed to the respondents for the study, 373 were returned which represent 97.6% response rate. Two questionnaires were excluded due to incomplete responses, leaving 371 valid responses for analysis. The data was analysed using multiple regression in SPSS version 23 to assess the relationships among the variables.

Estimation of Results

Socio-Economic Characteristics of the Participants

The analysis of the respondents' profiles from the study on entrepreneurial personality factors and the performance of small-scale enterprises in Oyo State, Nigeria, revealed that 59.6% of the respondents were male, while 40.4% were female, indicating a higher representation of men. In terms of age distribution, 26% of the respondents were under 25 years old, 49.6% fell within the 26 to 35 years age bracket, 19.4% were between 36 and 45 years old, and 5% were aged 46 or above. This suggests that the workforce is largely youthful, with the majority being between 26 and 45 years old, complemented by older entrepreneurs, contributing to the overall performance of the enterprises. The youthful nature of the respondents indicates a promising future for the entrepreneurial sector, as younger small-scale enterprise owners are likely to be more dynamic in executing and implementing business strategies and advancing the goals of their businesses.

When considering educational qualifications, 20% of the respondents held at least a bachelor's degree, while 5% possessed an MBA, ICAN, or other professional qualifications. Only 1% had an M.Sc or Ph.D., and the remaining 74% held either SSCE, OND, or HND certificates. This shows that the respondents were suitably educated to participate in the study. Regarding work experience, respondents had at least two years of experience with their enterprises. Specifically, 13.3% had less than five years of experience, 12.7% had between six and ten years, 39% had between eleven and fifteen years, and 35% had sixteen years or more. This breadth of experience reflects that respondents have gained substantial practical knowledge, which, when combined with their educational backgrounds, can contribute to improved performance and the development of key skills over time. The multiple regression analysis was used to analyse the data gathered at p-value of 0.005.

Testing of Hypothesis

Table 1: Results of the Multiple Regression Analysis Showing the Effect of Entrepreneurial Personality Factors on the Performance of SSEs in Oyo State, Nigeria

Model	R	R ²	Adjusted R ²	Durbin-Watson	Std error of the estimate	F-value
1	0.847	0.717	0.679	1.984	5.645	24.641
Explanatory variables	β	Std error	t-value	p-value	Remarks	
Constant	12.266	1.251	12.266	0.000		
Risk-taking Propensity	0.965	0.613	2.255**	0.000	S	
Innovativeness	0.772	0.558	1.812**	0.000	S	
Locus of Control	0.548	0.406	1.256**	0.000	S	

S= Sig S= Significant, **= Significant at 1% level

1. Predictors: (Constant), Risk-taking propensity, innovativeness, locus of control
2. Dependent Variable: Sales growth

Source: Field Survey, 2024

Discussion of Findings

Table 1 demonstrates that the entrepreneurial personality factors identified in the study collectively accounted for 71.7% ($R^2 = 0.717$) of the growth of small-scale enterprises (SSEs) in Oyo State, Nigeria, over the study period. This indicates a strong connection between these personality traits and SSE growth. The model's validity is confirmed by an F-value of 24.641, which is statistically significant at the 1% level, indicating that the model effectively captures the contributions of these entrepreneurial personality factors. This suggests that SSE owners' overall entrepreneurial personality traits significantly influence their ability to grow their businesses, with a one percent increase in these traits leading to a corresponding increase in company growth. Additionally, every entrepreneurial personality trait assessed in the study emerged as a reliable and independent predictor of SSE growth. The Durbin-Watson statistic of 1.984 indicates that the residuals in the model are nearly free from autocorrelation, as it is very close to the ideal value of 2. This suggests that the errors in the regression model are independent, meaning that the model's predictions are reliable without concerns about correlated errors. Thus, the findings support the importance of entrepreneurial personality traits in driving the growth of SSEs, with minimal issues related to residual autocorrelation.

Even in the absence of any other variables, it was discovered that the propensity for taking risks positively and significantly impacted the growth of small enterprises in the research area. It was discovered that a β of 0.965 may be explained by the risk-taking propensities of small business owners. At the 1% level of statistical significance, the t-value of 2.255 supported the validity of the model. This suggests that if the risk-taking propensity of SSE owners is somewhat increased, it could be able to sustain the growth in job creation in the study area and accelerate SSE expansion. Research by Yakubu and Onuoha (2022) and Lesi (2021) indicates that entrepreneurial traits impact business performance. The results of this study align with their conclusions. In other words, businesses that are

smaller and less experienced will perform better if they possess greater risk-taking, innovativeness, competitive aggressiveness, and competence.

Moreover, innovativeness was found to favorably promote SSE growth even in the absence of other characteristics. A substantial t-value of 1.812 at the 1% level supported the model's validation, and innovativeness was given a β of 0.772. It was found that in order to manage development and sustainability, small business owners are required to be highly innovative. Thus, this result provides support for the studies conducted by Yakubu and Onuoha (2022) and Ikegbunam and Onuoha (2023), which discovered that the entrepreneurial personality traits being examined significantly affected the growth and profitability of SMEs' commercial performance. Similarly, locus of control was found to have a significant and positive effect on the sustainability and growth of SSEs, even when other variables were controlled. This significance is highlighted by a t-value of 1.256, which is significant at the 1% level, and a β of 0.548. This suggests that a strong locus of control may assist SSE owners in maintaining effective business management for expansion, thus contributing to economic growth in the study area, provided it is properly recognized and managed. The findings of this study align with those of Ibrahim et al. (2020) and Kofi et al. (2020), who identified a positive correlation between the expansion of sales in small and medium-sized businesses and traits such as risk-taking, creativity, and self-confidence.

Conclusion and Recommendations

It was established that entrepreneurial personality traits positively and significantly affect SSE performance based on an empirical examination of the current study and a review of several other pertinent studies. According to the research, the three components of an entrepreneurial personality, risk-taking propensity, innovativeness, and locus of control, are essential for upholding business management, producing income, reducing poverty, and creating jobs in the area under study. The study's findings are consistent with the main predictors, which state that an SSE's performance in the study area will be positively impacted by its locus of control, inventiveness, and risk-taking propensity. The study's conclusion led to the recommendation that, in order to sustain and hasten the growth of SSEs, entrepreneurs should cultivate a practice of self-evaluation and make themselves accessible for training that will shape and improve their personality traits in terms of a stronger propensity for measured risk-taking, increased innovativeness, and a stronger locus of control. It was also recommended that SSE owners should strive to acknowledge the substantial and positive effects that entrepreneurial personality traits can have on business expansion and profitability.

Policy Implication and Gap Filled

The findings of the study have significant policy implications for the growth and sustainability of Small-Scale Enterprises (SSEs) in Oyo State, Nigeria. It revealed that entrepreneurial personality traits, specifically risk-taking propensity, innovativeness, and locus of control, play a crucial role in SSE operators' maximum performance. This insight addresses a gap in the literature by focusing on Oyo State, which has seen limited research in this area. Policymakers and other stakeholders should prioritize training programmes that enhance these personality traits among entrepreneurs. This

approach can lead to sustained business growth, improved job creation, and economic development in the State. By recognizing the influence of entrepreneurial attributes, policies aimed at fostering innovation, resilience, and proactive risk management can be developed to enhance the competitiveness and survival of SSEs.

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