

Entrepreneurial Traits as a Growth Determinant of Women owned Manufacturing Micro-enterprises in Kaduna Metropolis, Nigeria

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Abstract

Micro enterprises are a vital economic base for any economy like that of Nigeria where the economic base is weakened consistently as a result of an unhealthy economy that is generally unplanned and mismanaged at the micro level. A micro enterprise is a business that is characterized by micro practices and form, processes and systems that are simple in nature. These entities employed only one to five persons and are averagely between one to ten years old. Though micro enterprises play a very crucial part in the reduction of poverty and the provision of employment to the teeming unemployed youths the ability of women owned manufacturing micro enterprises in Nigeria to experience rapid growth is constrained by a number of internal and external factors. Secondly a number of initiatives have been taken by governments, donors and non- government organizations (NGOs), both local and international to increase the growth of women micro and small enterprises in Nigeria. However, women enterprises are still predominantly micro and small, with very few women having growth orientated enterprises. The failure of many of these women to exploit fully their entrepreneurial attributes to influence growth may be attributed to the minimal growth observed among women owned enterprises. This study examined growth determinants of women-owned micro manufacturing enterprises at Kaduna in Nigeria. Literature review indicates that concepts, theories, and factors influencing growth featured in this study are largely developed from studies in Western countries, particularly United States and Europe, but their applicability to micro-enterprises in Sub-Saharan Africa is contestable. The existing research gap shows that there has been no study on growth determinants of women owned manufacturing micro-enterprises growth at Kaduna. A survey research design was employed to collect primary data and out of a total of 1244 and 31 types of micro enterprises, a sample 384 women owned manufacturing micro enterprises was used. The stratified systematic research method was used. Only 277 questionnaires were returned. Content analysis was employed with frequencies and averages. The results from the study shows that

entrepreneurial traits does not significantly influence the growth of micro enterprises in the study area. It is recommended that stakeholders put in place the necessary agencies to train women to sharpen their entrepreneurial traits.

Keywords: *Growth, Microenterprises, Entrepreneurial Traits, Determinants, and Manufacturing*

Background to the Study

This study analyses the growth determinants of women owned manufacturing industries in Nigeria. Despite all these efforts by government to enhance the growth of SMEs in Nigeria, microenterprises and especially female owned manufacturing businesses are beset with a myriad of growth and developmental challenges. Empirical studies show that majority of women who owned micro enterprises are in sub sectors that are low in productivity and performance, such as in retail and service sectors (Adeyemi, 2011; Agaje, 2008, Kithae et al. 2012; Gakure, 2004; GEM, 2010.) and they tend to experience sluggish growth (GEM, 2012, ILO, 2008). The factors that determine the growth of female owned micro enterprises in Nigeria is therefore the subject of this study.

Statement of the Problem

Though micro enterprises play a very crucial part in the reduction of poverty and the provision of employment to the teeming unemployed youths the ability of women owned manufacturing micro enterprises in Nigeria to experience rapid growth is constrained by a number of internal and external factors. Secondly a number of initiatives have been taken by governments, donors and non- government organizations (NGOs), both local and international to increase the growth of women micro and small enterprises in Nigeria (Adegbite et al., 2006) However, women enterprises are still predominantly micro and small, with very few women having growth orientated enterprises. The failure of many of these women to exploit fully their entrepreneurial attributes may be attributed to the minimal growth observed among women owned enterprises in Kaduna metropolis.

Research Question

Do entrepreneurial characteristics influence growth of women owned manufacturing micro enterprises in Kaduna metropolis, Nigeria?

Methodology

A survey research design was employed to collect primary data and out of a total of 1244 and 31 types of micro enterprises, a sample 384 women owned manufacturing micro enterprises was used. The stratified systematic research method was used. Only 277 questionnaires were returned. Content analysis was employed with frequencies and averages.

Results and Discussion

The 'big five' model advocated for by Johnson (1990) is widely used as a robust indicator of personality traits. These big five factors that are generally agreed as personality traits or characteristics include: extraversion, emotional stability, agreeableness, conscientiousness and openness to experience. Based on the big five model, researchers have further classified entrepreneurial personality traits in to five categories: need for achievement, locus of control, motivation, risk-taking propensity, and self-efficacy. These traits are important psychological factors that would influence the growth of microenterprises (Garoma,2002). The collected data in this research was analysed and presented based on the conceptual model in chapter two and the 'Big Five model' or personality traits in entrepreneurship.

This section presents the integrated descriptive statistics for the entire sub-variables (Risk taking propensity, Need for Achievement, Innovative, Locus of Control and Proactive) that make up the first independent variable, Entrepreneurial Characteristics and the independent variable, growth (measured by product output, employment rate and sales output).

The question was asked what entrepreneurial characteristics would you say that the owner/manager possesses. Table 1 shows that the majority, eighty six (86) respondents or almost one third (31%) of the respondents stated that they possessed all the entrepreneurial traits (Risk-taking propensity, Need of achievement, Innovative, internal Locus of control and proactive). Those who considered themselves as just risk takers was the next most common, accounting for sixty seven (67) or (24%). Followed by respondents who stated that they considered themselves to possess two out of the five traits (Risk-taking propensity and Innovative), these accounted for forty nine(49) or (17.8%). While respondents possessing risk-taking propensity and locus of control accounted for twenty seven(27)or(9.8%) and lastly the respondents possessing risk taking and proactiveness accounted for seventeen(17)or (6.1%).

Similarly, the question was asked whether these traits aided the growth of their micro enterprises and the respondents who possessed all the five traits, eighty six (86) or (31%) only forty seven(47) or (17%) agreed that the entrepreneurial traits influenced the growth of their micro enterprises. The overall picture presented by the data showed a general low (31%) in terms of the influence of entrepreneurial traits on the growth of micro enterprises in the study area. The respondents were then asked to indicate how these entrepreneurial traits have aided in the growth of the enterprise over the years and the following responses were given. The majority or (27%) of the respondents stated that it aided only at the start up, while(26%) stated the traits only aided in the achievement of desired goals and objectives(26%), and aided in sales output (16%). Lastly, it helped in the management of resources (5%) in austere periods.

The respondents who stated that their entrepreneurial traits did not influence the growth were asked to indicate the effect on the growth of the enterprise and the following were the responses. The majority, sixty two percent (62%) stated that it did not have any significant negative effect on their enterprise; while (25%) stated that it negatively affected demand of products and thirteen percent (13%) stated that it hindered access to resources. It can therefore be deduced that out of the five entrepreneurial traits considered only innovativeness had a significant influence on growth of micro enterprises(because it had a p-value of 0.000 which is lower than the sig. level of 0.05) in the study area. The other four personality traits do not significantly influence growth of micro enterprises in the study area because their p- values are each higher than the sig. level of 0.05(Risk taking propensity-0.694,Locus of control-0.608, N-Ach-0.014 and Proactive-0.012). Also, as low as (13%) only agree that these traits were significant for growth of their enterprises (Table 1). The implication of these results is that in the sample surveyed, entrepreneurial characteristics of these women do not significantly influence the growth of their businesses. What is clear here is that there are other external factors that could possibly greatly influence growth of enterprises. However, this is unlikely to mean that the business owner's entrepreneurial traits are not necessary for the growth of the business.

Table. 1 Entrepreneurial Traits

Responses	Frequency	Percentage
Risk Taking Propensity	67	24%
Need of Achievement	2	0.4%
Innovative	3	1.2%
Locus of control	2	0.8%
Proactive	1	0.4%
Possession of all the traits above	86	31.0%
Risk Taking Propensity/Innovative	49	17.8%
Risk Taking Propensity/Innovative/Locus of Control	1	9.4%
Need Of Achievement/Innovative	3	1.2%
Risk Taking Propensity/Need of Achievement	5	2.0%
Risk Taking Propensity/Need of Achievement/Innovative	2	0.8%
Innovative/Locus of Control	1	0.4%
Risk Taking Propensity/Locus of Control	27	9.8%
Risk Taking Propensity/Proactive	17	6.1%
Risk Taking Propensity/Locus of Control/Proactive	10	4.0%
NO RESPONSE	1	0.4%
Total	277	100%

Table 2. Entrepreneurial Traits and their Influence on the Growth of Enterprises

	Yes	No
Risk taking propensity	5%	42%
Need for achievement	59%	41%
Innovativeness	45%	55%
Internal Locus of control	05%	95%
Proactive	1%	99%
All of the above	17%	83%

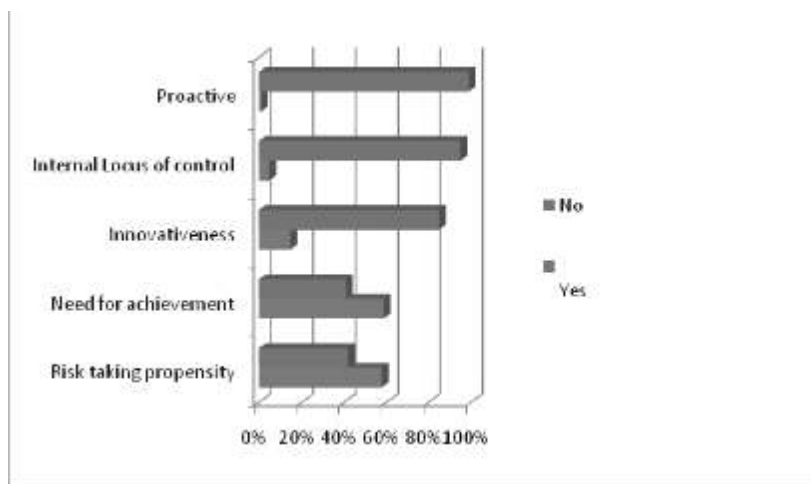


Fig 1. Entrepreneurial Characteristics and its Influence on Enterprise Growth

Discussion

This general findings are consistent with Kyewalabye (2003) and Garoma (2012) but does not seem to lend much support to theories advocating for these factors, at least based on the data. In Kyewalabye (2003) results reveal that, there is no significant relationship between entrepreneurial attributes and growth among women owned enterprises in Uganda. The study findings are also in conformity with (Van Uxem en Bais, 1996) who observed that women rate their own entrepreneurial attributes lower especially with regard to risk taking, achievement orientation, innovation, industry knowledge and technological knowledge. Garoma(2012) in his study in Addis Ababa revealed that generally, his study found out that personality traits are less plausible determinants of success for Ethiopian microenterprise operators. It was observed that personal backgrounds such as migration status, ethnicity and overall experience of the operator are key determinants of success from individual dimension. This is not consistent with the theoretical framework for advanced countries, where personality traits such as achievement motivation and risk taking propensity are most important determinants of small business success.

Multi Regression Result for Entrepreneurial Characteristics and Growth

Regression analysis was carried out in order to determine whether the independent variable, entrepreneurial characteristics can be relied on in explaining the change in the dependent variable, the growth of women owned micro manufacturing enterprises in Kaduna metropolis. The coefficients obtained indicate that the correlation coefficient (R) between the independent variable and the growth of micro enterprises was 0.475 which is a positive correlation relationship. Table 3 shows a coefficient of determination (R^2) of .226, which means that this variable alone can explain up to 22.6% of the variations in the dependent variable, growth of micro manufacturing enterprises in Kaduna.

Table 3 Model Summary for Entrepreneurial Characteristics

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.475 ^a	.226	.212	14.08348

a. Predictors: (Constant), Proactive, Locus of control, Risk taking propensity, Innovation, Need for Achievement

Table 4 Anova for Entrepreneurial Characteristics

Model	Sum of Squares	df	Mean Square	F
1. Regression	15793.043	5	3158.609	15.925
Residual	54148.018	273	198.344	
Total	69941.061	278		

a. Predictors: (Constant), Proactive, Locus of Control, Risk taking propensity, Innovation, need for Achievement

b. Dependent Variable: Growth

The result obtained after carrying out the analysis reveals that entrepreneurial characteristics has a very weak positive relationship with enterprise growth (4.5%) since the Pearson correlation was 0.045 as shown in Table 5. The unstandardized coefficient was 0.005 at a significance level of 0.458. While the t test was 0.449, demonstrating that entrepreneurial characteristics is not statistically significant in predicting the change in the dependent variable. Table 5 also indicates that enterprise growth is not statistically significant since its p-value is more than .05 (p -value = .458).

Table 5 Coefficients of Entrepreneurial Characteristics

Model	unstandardized Coefficient	std. error	t	Pearson corr.	Sig (2-tailed test)
Constant	7.118		8.563		0.000
Entrep. Characteristics	0.005	8.31	0.449	0.045	0.458

This means that the Null hypothesis (H_0) is accepted and a conclusion reached that, at 5% level of significance and the 95% confidence level, there exist no significant relationship between entrepreneurial characteristics and the growth of manufacturing micro-enterprises owned by women in Kaduna metropolis.

Table 6 Parsons Correlation Coefficients for Entrepreneurial Characteristics

		Enterprise growth	Entrepreneurial Characteristics
Enterprise growth	Pearson correlation	1	.045
	sig. (2-tailed)	-	.458
	N	277	277
Entrepreneurial Characteristics	Pearson correlation	.045	1
	Sig. (2-tailed)	.458	-
	N	277	277

The linear regression model of entrepreneurial characteristics therefore is

$Y = + X_i - v$ can be fitted as follows:
 $Y = 7.118 + 0.045X$

Discussion

This result is consistent with findings enunciated in the following authors (Garoma, 2012; Shiferaw, 2007; Hardling, Soderbom & Teal, 2004; Kyewalabye, 2003; Oroko, 2002; Mead & Liedholm, 1998; and Karimi, 1998) who found that entrepreneurial traits do not have positive significant relationship with the growth of enterprises. This result also agrees with studies that link entrepreneurial traits to exogenous factors.

Conclusion

The study concludes that growth of enterprises are a complex phenomena influenced by a number of factors and that growth rates of women owned manufacturing enterprises at this micro level in the study area is sluggish. That entrepreneurial traits do not significantly influence the growth of micro enterprises owned by women in the study area.

Recommendations

Results should significantly influence policy, practice, research, and development partners' initiatives on the stride towards achievement of long term goals such as UN Millennium Development Goals 2015 and Nigeria Vision 2020. For the actualization of short term goals at this micro level the following recommendations are suggested: The immediate establishment of unit to cater specifically for women in Small and Medium Enterprises Development Agency to cater specifically for the intervention needs of these women at the micro level. The creation of a data bank to update the records of the census conducted in 2004 by UNIDO. Door-to-door sensitization of women in this sector using established educational institutions and social networks.

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