

INFLUENCE OF ENTREPRENEUR'S BEHAVIOUR AND COMPETENCE ON PERFORMANCE OF LANDSCAPING ARCHITECTURAL ENTERPRISES IN NIGERIA



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Abstract

The influence of entrepreneurial in economic development involves more than just increase in per-capital output and income, but also involves initiating and constituting changes in the structure of business, this changes is accompanied by growth and increase out. This study investigated the influence of the entrepreneur's behavior and competence on performance of landscape architectural enterprise in Nigeria. The research used descriptive survey design in which quantitative data was collected from 125 respondents all from the managers of architectural enterprise in the country. The finding shown that the age and years of experience of entrepreneurs influenced customer satisfaction, growth and return on asset of the enterprise respectively. Also, entrepreneurial behavior, technical and managerial skills had a significant positive relationship with customer relationship with enterprise profitability. Furthermore, all the variables studied had positive relationships with enterprise performance, but few relationships were significant. Finally, it is recommended that entrepreneurs of landscape architectural firms should invest more in technical skills and knowledge that will encourage the diversification of product and services for improve performance of the enterprises

Keywords: *Entrepreneur, Landscape Architecture, Enterprises, Performance, Profitability, Growth, Technical Skill.*

Background to the Study

Entrepreneurship is a catalyst for development and calls for the creation of conditions favorable to entrepreneurship education and renewing impediments to the establishment of businesses. Entrepreneurship has a ripple effect; by unlocking minds one can inspire changes. Business leaders build teams and instill confidence in their peers. They empower other people to pursue their dreams (Rinald, 2013). Entrepreneurial competencies had been presented as one way to contribute to the development of entrepreneurship within society and thus to address a growing range of contemporary socio - economic and political challenges (Mathy, 2005). Entrepreneurial competencies could be taken at various levels and this includes, entrepreneurial demographic. Characteristics (such as age, education and experience), Entrepreneurial behavior, entrepreneurship skills (Such as technical and managerial skills) and the age of the enterprise (Bosina, et al - 2010).

The entrepreneur's demographic characteristics have been identified as factors that influence the performance of micro and small enterprises (Aliyu, 2008). Studies have shown that entrepreneur's level of education is an important determinant of performance and growth of an enterprise. Likewise, Kolstad and wiig (2013) have identified education and training as factors that contribute to the growth and success of micro and small enterprises. It was widely believed that entrepreneurial competence contributes to the performance of landscape architectural enterprises. This was discovered by some authors who indicated that entrepreneurial competence is crucial to the growth and success of enterprises (Daroda, 2011) .These competencies includes positive behavior, technical skills, innovativeness and training experience. Also, these competencies leads to creating competitive advantage as well as enterprise development. According to Ryalnet (2009) the success of micro and small enterprises depends on the enterprise characteristics and the environment within which the enterprise operated.

The influence of entrepreneurial competencies in enterprise development involves more than just increasing per - capital output and income; it involves initiating and constituting change in the structure of business and society. This change is accompanied by growth which depicts innovation as the key, not only in developing new products or services for market but also in stimulating investment interest in the new venture being created (Rinald, 2013). Entrepreneurial competencies have greatly influenced the growth and development of landscape architectural enterprise in the developed nations (such as, United States of America, Europe and Italy) in which their growth and development was spontaneous (Ryalnet, 2009). Entrepreneurship in Nigeria is well developed since 65 of the revenue generation is received from existing small and medium enterprises in the other sectors of the economy, but little or no mention of landscape architectural enterprises (Uji , 2003). Record have shown that architectural micro and small enterprises have made a tremendous contribution to the development of building infrastructures and also helped in revenue generation of the country, but no evidence of any contribution of landscape architects as it was witnessed in other developed nations. Therefore, this study is to investigate the influence of entrepreneurial behavior and competence on the performance of micro and small enterprises in landscape Architecture in Nigerian.

Statement of the Problem

According to Ekweno (2011) landscape architecture is defined as a creative profession that understands the native of the earth or an environment and therefore tries to conserve (Manage) a place in its natural form for its value or changes the way place looks in the context of the prevailing ecology and culture for a desire effect and for effective utilization. Landscape architects bring knowledge of natural sciences, environmental laws and planning policies. They create delight protecting and enhancing most of our cherished landscapes and townscapes (Conper, 1003). Landscape architecture is one of the growing profession in most of the developed nations such as Europe, United State of America and Italy, Landscaping enterprise in these countries are making a significant contribution to the economic growth and development of their individual country (Ryalnet, 2009). According to American Institute of Landscape Architects (AILA, 2007) 80% of landscape Architects work in private sectors. With 50 are in landscape architectural firms and 30 are in Multi - disciplinary architectural or engineering firms. Therefore, this shows that landscape architecture is a profession that is entrepreneurially oriented.

Research conducted by the America Institute of Architects (AILA, 2008) on the prospect of landscape architectural enterprises in California. It was discovered that the rate of growth of these firms within California is spontaneous. The finding showed that in 2003 there were 43 landscaping MSE's by 2007 this number grown to 74 and by 2010, 118 landscaping enterprises were recorded in and outside California (Ekweno, 2011). This was attributed to the entrepreneurship training received by the founders of these enterprises. Arayela (2009) emphasized that landscape architectural MSE's in Nigeria are dieing as a result of poor leadership. Corruption and lack of capital. Despite the number of fully registered architects in Nigeria, still landscaping MSE's are declining an their performance toward economic and social development is silent while other landscape architectural enterprises in the developed economies that embrace entrepreneurship training performed better than those do not. Up to this time there is no empirical evidence on factors responsible for the decline and death of landscape architectural enterprises in Nigeria and this has necessitated this research to reveal the factors responsible for the folding up of these enterprises and why some are still in business. A major question that arises is "What are the determining factors responsible for the decline and dieing of landscape architectural enterprises in Nigeria. To answer this question, a research objective is set as follows:

“To investigate the factors responsible for the decline or failure of landscape architectural enterprises in Nigeria. Specifically, the study had the following objectives.

- i. To investigate the relationships between entrepreneurial demographic characteristic and performance of landscaping enterprises in Nigeria.
- ii. To investigate the relationship between entrepreneur's competencies and performance of landscape architectural enterprises in Nigeria.
- iii. To investigate the relationship between Age of an enterprise and performance of landscape architectural enterprises in Nigeria.

Methodology

The descriptive - correlation survey research design was used for the study because the design helped to establish relationship between the variables. Bello (2013) defined correlation as a statistical test to establish relationship between two or more variables. Quantitative data were collated using close ended and open-ended questions during the survey. The target population for this study comprised of all the formally registered architectural enterprises practicing in Nigeria. According to the data available obtained from architects registration council of Nigeria (ARCON. 2013) there are total of 640 registered architectural firms licensed to practice in the country.

In order to obtain a reliable data a sample of 148 architectural MSE's were selected using stratified proportional random sampling method. However, one hundred and twenty - five managers (125) were able to answer and returned the questionnaire dully completed. Data were compiled, sorted, edited and corded to ensure its quality, accuracy and completeness. Using statistical package for social sciences (SPSS) the data were analyzed.

Measuring the Performance Variables

Profitability, diversification for product I services, growth in number of employees and growth in size of the enterprise were calculated from the numeric data collected from respondents the number of years that their respective enterprises had been in operation. A five point Likert scale was used to measure the client's satisfaction. This is because Likert scale do not restrict the respondents to yes or no answers, but have the merit of allowing for degrees of opinions and also no opinions at all (Mc leod, 2010). The entrepreneurial skills of architectural entrepreneurs (Technical skills, behaviuor, and managerial skills) were reassured using five point Likert scale. This was in view that vesper (2011) also used Likert scale to measure; knowledge, attitude or behaviour, characteristics of the enterprise such as Age, education and employee's experience on the job were measured using open and close ended questions.

Finding and Discussion

1. Influence of Demographic Characteristics on Firm Performance

The demographic characteristics considered in this study were age of respondents, qualification and years of experience of the managers of these enterprises. Performance of the architectural enterprises was measured by, Return on Asset, Diversification of services, increase in number of employees and client's satisfactions.

Influence of Respondent's Age on Firm Performance

Majority of firm's owner's age is above 45years. The result from the correlation analysis between the age of firm owner's and the client's satisfaction showed a correlation coefficient of 0.216 (Table 1). This result is weak but has positive relationship. This implies that the more the entrepreneurs got older, the more their clients become satisfied with their products and services. This results contradicts the finding by Kabir (2009) who said that successful entrepreneurs were comparatively younger in terms of age. It is also at variance with that of

Vesper (2001) who emphasized that younger entrepreneurs have higher growth ambition, which also influences performance. Other firm's performance variables such as profitability, return on asset, growth in size of firm showed positive but insignificant correlation with the ages of respondent. Also diversification of services as a firm performance indicator shown a positive insignificant relationship with entrepreneur's age.

Table 1: Relationship between Architects Demographic Characteristic and Firm Performance

Variable	Test of Significant	Age of an Architect	Educational Level	Experience on the Job
Profitability	Pearson correlation	0.087	0.142	0.144
	Sign (2 tailed)	0.915	0.89	0.094
	N	125	125	125
Return on Asset	Pearson correlation		0.092	0.186
	Sign (2 tailed)		0.288	0.38
	N		125	125
Growth in size/employees	Pearson correlation	0.071	0.006	0.118
	Sign (2 tailed)	0.444	0.928	0.222
	N	125	125	125
Diversification of product/service	Pearson correlation	0.186	0.149	0.052
	Sign (2 tailed)	0.054	0.119	0.560
	N	125	125	125
Client's satisfaction	Pearson correlation	0.268	0.040	0.081
	Sign (2 tailed)	0.004	0.651	0.389
	N	125	125	125

Correlation is Significant at the 0.05 Level (2Tailed)

2. **Influence of Entrepreneur's Level of Education on Firm Performance**
The architect's level of education had positive but insignificant relationship with other various indicators of firm performance and service diversification and client's satisfaction. This study shows that the higher level of architect's education will not necessary result in higher performance of the enterprise. The finding shows mixed result. According to Adams (2010) he observed that managers of micro and small scale enterprise (MSE's) who are highly educated achieved lower growth rates than those not well educated. But Okoro (2009) emphasized that managers of landscaping firms with higher educational level performed much better in their organization. Also Sambo (2012) observed that the level of education of entrepreneurs had moderate positive influence on profitability of organization.

3. **Entrepreneurs Experience and Firm's Performance**
The entrepreneur's years of experience in a firm is an important factor in measuring the organizational performance. Managers who had been in business for more than five years formed 43% and those below 2years were 15.6% and

those above 10years 41.4%. The correlation analysis result showed a significant positive relationship between years of experience of managers have been in practice and return on asset ($r = 0.186$, $p = 0.038 < 0.05$) Table 1. Bosma, et'al (2010) also identified a positive relationship between the number of years of a manager on the job and the firm performance. Similarly, Ekweno (2011) emphasized that firm growth is positively influenced by previous managers experience especially those who have prior MSE experience on the other had there was no significant relationship between years of experience of the manager and other performance variables.

4. Influence of Entrepreneurs Competence and Firm Performance

This research work considered 4 (four) different competence indicators. These includes technical skills, behaviors toward work, start-up experience, training experience and managerial skills they have acquired over the years, to investigate, if there were significant relationship between these variables and the firm performance.

5. Influence of Technical Skills on Firm Performance

Table (2) shown clearly the results of the correlation analysis in which it indicated a positive relationship between technical skills of landscape architects and the profitability of their firms ($r = 0.239$, $p = 0.014 < 0.05$), diversification of products/services ($r = 0.235$, $p = 0.016 < 0.05$) and customer satisfaction ($r = 0.218$, $p = 0.017 < 0.05$). The findings imply that as technical skills of landscaping entrepreneur increase, profit of the business increases and the number of product or service also increases as well. According the research findings of Horniga (2010) found out that the higher the technical knowledge and skills of the entrepreneur; the greater the possibility of the enterprise become successful in its earlier years of operation. This includes that the higher the technical knowledge of landscape architects, the higher the profits a firm can make, and improve customer's satisfaction.

Table (2) Relation between Entrepreneurial Competence and Firm Performance.

Variable	Test of Significant	Managerial Skills	Entrepreneurs Behavior	Technical Skills
Profitability	Pearson correlation	0.256	0.042	0.239
	Sign (2 tailed)	0.009	0.668	0.014
	N	125	125	125
Return on Asset	Pearson correlation	0.086	0.240	0.123
	Sign (2 tailed)	0.0387	0.014	0.172
	N	125	125	125
Growth in size /employees	Pearson correlation	0.227	0.115	0.235
	Sign (2 tailed)	0.024	0.231	0.016
	N	125	125	125
Diversification of product/service	Pearson correlation	0.148	0.050	0.218
	Sign (2 tailed)	0.135	0.609	0.017
	N	125	125	125
Client's satisfaction	Pearson correlation	0.302	0.013	0.218
	Sign (2 tailed)	0.018	0.814	0.017
	N	125	125	125

Correlation is Significant at the 0.05 Level (2Tailed)

Influence of Managers Behavior on Firm Performance

The manager's behavior was measured in terms of innovation, risk taking, proactiveness, self-esteem and personal control as defined by Ekweno (2011). The manager's behavior towards work displayed a weak positive relationship on return assets ($r = 0.240$, $p = 0.014 < 0.05$). The result implies that as the managers of landscaping firms developed positive behavior towards their duties, there is possibility of positive return on asset and possibly profitability of their firms, and this also confirms the research of work of Wikland (2009) who emphasized that the behavior of an entrepreneur as an entrepreneurial orientation influences firm performance.

Influence of Managerial Skill on Firm Performance

The managerial skills of landscaping entrepreneurs were measured based on the skill listed by Bell (2012) these skills are, communication, leadership styles interpersonal, conceptual and analytical. These managerial skills showed positive relationship with profitability ($r = 0.256$, $p = 0.009 < 0.005$), growth in size and employees ($r = 0.227$, $p = 0.024 < 0.005$) and clients satisfaction ($r = 0.302$, $p = 0.018 < 0.005$). This indicates that the better the managerial skills of manager of landscaping firm the greater the possibility of the manager to experience increase in profitability and growth in size of the firm, and clients get more satisfaction with the service offered by the managers who display improved managerial skills

Influence of Enterprise Age on Firm Performance

In this study, a significant positive relationship was discovered between the Age of the firm and return on asset ($r = 0.296$, $p = 0.003 < 0.05$). This showed that the older an enterprise was, the greater the return on assets. This result is consistent with the observation that the longer the time of a business had been in operation was significantly related to firm performance (Quadir, 2010, Mazzarol, 2011).

Table 3; Correlation between Age of Firm and Enterprise Performance

Variable	Test of Significant	Age of an Enterprise
Profitability	Pearson correlation	0.128
	Sign (2 tailed)	0.220
	N	125
Return on Asset	Pearson correlation	0.296
	Sign (2 tailed)	0.003
	N	125
Growth in size/employees	Pearson correlation	0.116
	Sign (2 tailed)	1.140
	N	125
Diversification of product/service	Pearson correlation	0.016
	Sign (2 tailed)	0.814
	N	125
Client's satisfaction	Pearson correlation	0.066
	Sign (2 tailed)	0.542
	N	125

Correlation is Significant at the 0.05 Level (2Tailed)

Conclusion

The demographic characteristics of manager of architectural firm's studies was discovered that, the educational level had positive influence, but had insignificant relationship with other performance indicators. This implies that the educational level had no influence on the performance of the architectural firms, this may be due to the fact that majority of the architects have equal educational status. Also the age and years of experience of the architect was discovered to have a significant relationship with growth and Return on Asset of architectural firms. This clearly indicated that longer years at a position would lead to higher patronage. On competence variables of architect, technical skills had a significant relationship with customer satisfaction, profitability, diversification of services and growth in size and employees. Therefore, as the technical skills of architects increase there is the possibility that profitability will increase likewise, the size and number of employees will increase and finally the clients will be more satisfied with the services of the organization.

The age of an architectural firm indicated a significant relationship with growth and return on asset indicating that older firms over time turn to gain from higher patronage than those firms at younger age. The behavior of managers of architectural firms showed a positive significant relationship with return on asset of the enterprises, indicating that the better the behavior of an architect the more the patronage. Based on the findings, jobs satisfaction of the managers indicated significant relationship with profitability, growth in size or diversification of products services and client's satisfaction. This implies that as the manager is satisfied with the job, the will be able to make more profit as the business grows and clients will be more satisfied with services of such organization.

Recommendation

From the research work, the following were recommended in order to improve the architectural service industry in Nigeria:

1. Architects should endeavor to acquire more entrepreneurial skill form any relevant source to improve the delivery of landscape architectural services to it numerous client.
2. Architects should improve their technical skills including Information and Communication Technology (ICT) to improve their service delivery in Nigeria.
3. Architects should diversify in their products and services for improved profitability, growth and development of architectural profession in Nigeria.

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