



ENTREPRENEURIAL CHARACTERISTICS AND NEW VENTURE CREATION: A STUDY OF SMEs IN KWARA STATE

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Abstract

The creation of new venture and its nurturing to a full blown business firm such as Small and Medium Scale Enterprises (SMEs) is often seen as source of innovation and change. It is therefore imperative that answers are provided to the question of why, how and what are the possible courses of failure that often led to the early extinction of majority of firms few years after creation. The creation of many agencies and institutions to regulate and boost the growth and development of SMEs notwithstanding, SMEs still witnessed a low growth rate as entrepreneurs start businesses but are unable to turn them into sustainable enterprises. Therefore, this study seeks to determine whether or not entrepreneurial characteristics play any role in the creation of SMEs in Kwara State. Other objectives of the study are to: examine the influence of entrepreneurial characteristics on the creation of SMEs and determine the level of relationship that exists between/among entrepreneurial characteristics metrics and innovativeness of entrepreneurs in Kwara State. Questionnaire was served to 144 out of 226 registered SMEs owners in Kwara State through simple random sampling technique. Only 137 were duly filled and returned giving 95% response rate. The two hypotheses formulated were tested through regression and correlation analysis. Findings of the study revealed that entrepreneurial characteristics have significant influence on the creation and eventual development of SMEs ($r^2=0.740$, $p\text{-value}<0.05$) and that strong relationship exist between/among Entrepreneurial characteristics and innovation ($P\text{-value}<0.05$). The study therefore recommends that owners and managers of SMEs should embark on rigorous training and retraining of business entrepreneurs since some of these characteristics are learnable, encourage membership synergy through information sharing about the existing market, product and services.

INTRODUCTION

Entrepreneurs and entrepreneurial activity represent a major source of innovation and economic strength for any country. The conception, creation, development and growth of small-medium enterprises has gained wider interest of government, academia and researcher as stimulator of job creation and booster of growth and economic development of every economies be it developed and developing ones. Innovation and other entrepreneurial characteristics is seen to have the capability of leading an entrepreneur to the creation of better products and services and as such, creating an understanding of the features that support entrepreneurial activity is important for both individual entrepreneur as well as for the country.

Researches into small and medium scale enterprises (SMEs) have grown during the last two decades with a general position that majority of firms worldwide are SMEs and hence play a considerable role in the economic development of every nation. Therefore, the performance of SMEs sector is closely associated with economic and general performance of every nation, including the developing economies of Africa.

In Nigeria, just like any other developing economies and even in developed ones, SMEs account for a large proportion of the total establishments in various sectors. The secret of this success has long fascinated people, though most of the studies have focused on large companies. This fact notwithstanding, some SMEs have been growing and are successful, others have witnessed continuous decline, sometimes remain stagnant or even go on extinction few years after takeoff.

In order to cope with the constant changes in business environment, having a well-versed nascent entrepreneur/business manager with distinctive personal characteristics is vital to all the organization most especially the SMEs with limited resources and operational latitude constrained by funding and other impediments. Obviously, SMEs stimulate private ownership, entrepreneurial skills, generate employment, help diversify economic activity, and make a significant contribution to exports and trade. More so, in the developed market economies SMEs account for a large share in output and employment.

Despite the significant contributions of SMEs towards economic development in Nigeria, the personal characteristics of their owner or managers constituted a major challenge identified as inhibiting the ideation, creation, take off, development as well as growth of SMEs from birth to eventual extinction in Nigeria, Kwara State Inclusive. That is, entrepreneurial characteristics are among those factors which can positively or negatively influence the creation and growth of SMEs. Entrepreneurial characteristics as used in this study are; need for achievement, risk-taking propensity, creativity, self reliance and ability to adapt, Self confidence, locus of control, tolerance of ambiguity and innovativeness.

On the basis of the above, it will suffice to stress that if business owners and managers posses and exhibit the right personal characteristics, their businesses will do extremely well from the point of creation to maturity. For SMEs to survive and succeed in their business operations, it is pertinent that its owners or managers possess certain entrepreneurial characteristics that positively influence their business practices and personal life strategies. Hence, an increase in the creation and growth rate of SME will result in sustainable job creation, poverty reduction and improved standards of living. Therefore, this paper seeks to determine whether or not entrepreneurial characteristics play a significant role in opportunity identification, creation and development of business firms with particular reference to SMEs in Kwara State.

Statement of problem

The act of building a new business is a complex task which essentially involves intensive research modeling and planning. Although literatures generally points to a lack of resources and capability as a key reason for start-up failure, the same cannot be said in all cases. Even where there are sufficient resources and available capability to assist in the success of the start-up. There are, however, specific perceptions of the entrepreneurs themselves embedded in the decision-making process which could act as barriers and influence the individual's confidence in whether to establish a new venture or not.

Industry regulations, statutory provisions, legislation and tax policies can often be a landmine for the unwary, not only for compliance purposes but also for access to decision-making information. Some of these entrepreneurs operate in highly regulated markets (e.g. food technology and production) which are not conducive to large market demand fluctuations or disruptive technologies, making the decision-making process for entrepreneurs onerous and subject to bureaucratic compliance.

Besides, SMEs also faces miscellaneous problems which in some instances may affect their profitability, growth and survival. Therefore, in order to cope with the rapid changes in the business environment, having a well versed, innovative, focused and achievement tasty entrepreneur is vital to the creation, development and eventual success of business organization in today's volatile business environment.

Research Objectives

The main objective of this study is to examine the impact of entrepreneurial characteristics on the creation and development of SMEs in Kwara State. Other Specific objectives are to:

- i. examine the influence of entrepreneurial characteristics on new business creation and development of SMEs in Kwara State.
- ii. determine the level of relationship that exist between/among entrepreneurial characteristic metrics and innovation

Research Hypotheses

The following research hypotheses were developed for the purpose of this study:

H₀₁: Entrepreneurial characteristics has no significant influence on the creation and development of SMEs in Kwara State

H₀₂: There is no significant relationship between entrepreneurial characteristic metrics and innovation

LITERATURE REVIEW

Concept of Entrepreneurs

Generally, there are no single universally accepted definition for entrepreneur which means that no single definition is generally accepted as correct since the range of meanings encapsulates everything from starting a business to the application of enterprising skills and abilities in almost every perspective (Henry, Hills & Leitch, 2003).

In the word of Zimmerer and Scarborough (2005), an entrepreneur is perceived as one who establishes a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by discovering significant opportunities and putting together the necessary resources needed to exploit them. This definition suggest that an average entrepreneur to be a risk taker in the face of glaring uncertainty and volatile business environment.

To Schumpeter (1934), an entrepreneur is seen as an innovators and one who uses new business conception as a means of developing invention. By this position, an entrepreneur is a person with strong innovative ideas. Similarly, Bolton and Thompson (2004) argued that an entrepreneur is an individual who normally creates, innovates and build something of recognized values around identified opportunities. Therefore, an entrepreneur is a person with good sense of creativity. According to O'Connor and Fiol (2002) an entrepreneur is a familiar term used in describing people who are innovative, creative and open to change as well as having the ability to identify opportunities and organize resources to achieve their goals. By this, an entrepreneur can be referred to as a person who possesses some characteristics expected of an entrepreneur towards achieving his desire for business success.

For the purpose of this paper an entrepreneur is defined as being a founder/owner, risk taker, an innovator, a person with high sense of creativity and appreciable level of confidence and one who possesses all the competences needed to attain his need for achievement business wise.

Entrepreneurial characteristics and new venture creation

Entrepreneurship can be studied from many different perspectives. Scholars such as Koh (1996), Shane (2003), Yan (2010), Nystron (2012) and very recently Gunu and Tsado (2017) have studied entrepreneurship from the psychological perspective and found that entrepreneurs tend to have common personal characteristics which can influence the creation as well as outcome of business success. According to these scholars, the psychological-based factors which this study aligned with includes: the Need for achievement, Risk –taking propensity, Creativity, self reliance and ability to adapt, Self-confidence, Locus of control, Tolerance for ambiguity and innovativeness.

Need for achievement

The need for achievement is a characteristic long associated with the concept of entrepreneurship. This psychological characteristic has been extensively investigated by David McClelland. In his study of the successful entrepreneurs' characteristics, McClelland asserted that preference for challenge, acceptance of personal responsibility for outcomes, and innovativeness are all qualities that reflect the need for achievement, and this characteristic acts as the main driving force to new venture creation (Shaver & Scott, 1991). According to McClelland (1987) the three main attributes of the "need for achievement" characteristic are: (i) individual responsibility for solving problems, setting goals and reaching these goals through their own effort, (ii) moderate risk taking as a function of skill, not chance, and (iii) knowledge of results of decisions or tasks accomplishment.

Tolerance for Ambiguity

Tolerance for ambiguity has to do with the capacity of an individual to handle stressful situation created by ambiguity. Okhomia (2006) posits that: The person with low tolerance of ambiguity experiences stress, reacts prematurely, and avoids ambiguous stimuli. On the other hand, a person with high tolerance of ambiguity perceives ambiguous situations/stimuli as desirable, challenging, and interesting and neither denies nor distorts their complexity of incongruity.

Risk-taking Propensity

Another way to understand the relationship between an entrepreneur's actions and his environment can also be explained from his attitude towards risks. According to Brockhaus (1980) risk taking propensity refers to the perceived probability of receiving rewards associated with the success of a situation that is required by the individual before he will subject himself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequences than the proposed situation. Entrepreneurs are very calculative risk takers. That is, when they decide to participate in a venture they do it in a very calculated, careful manner by ensuring that they have measured the pros and cons to avoid taking unnecessary risks (Kuratko, 2009).

Creativity, self-reliance and ability to adapt

Creativity, self-reliance, and flexibility refer to an entrepreneur's capacity to be open-minded, learn quickly, and develop new capabilities and perspectives (Collura & Applegate, 2000). Devanna and Tichy (1990) asserted that creativity is very important for the success of organisations. Thus, encouraging creativity is a strategic choice which firms should take into consideration, since it creates a significant contribution to organizational innovation (Amabile, 1996).

Locus of Control

Locus of control (whether external or internal) reflects an individual's belief that the result of events are within or not in their ability to influence or control. In other words, it is an individual acceptance of self-responsibility for the results of his/her abilities and efforts, or attributing the cause of events to chance (Širec & Močnik, 2010). The distinction between internal and external locus of control according to Rauch and Frese (2000) is that people with high level of internal locus of control believe that they are in control of their destiny, on the other hand, those with high level of external locus of control hold the belief that their destiny is in control of others, chance or events. Virtanen (1997) argues that even if internal locus of control does not distinguish entrepreneurs from the ordinary persons, it will distinguish the successful entrepreneurs from the unsuccessful ones.

Self-confidence

Self-confidence is an essential entrepreneurial characteristic that is related to other psychological characteristics. Self-confidence is a necessary requirement for successful entrepreneurship, since entrepreneurs have a higher degree of self-confidence relative to non-entrepreneurs (Robinson *et al.*, 1991, Ho & Koh, 1992 and 1996). Entrepreneurs that display self-confidence, base their feelings on the fact that they can conquer all necessary challenges on their path to success and still attain their desired goal (Good, 2003).

Innovativeness

Robinson, Stimpson, Huefner, and Hunt (1991), sees innovativeness as perceiving and acting on business activities in new and unique ways. Innovation refers to the creation or adoption of an idea or behavior that is so new to the organisation (Damanpour, 1996). Innovation is the characteristic tool of entrepreneurs as it is a means of exploiting change to

accomplish different businesses or services (Mirela, 2008) and also an important factor in a firm's creation, development and business success (Utterback, 1996).

Entrepreneurial characteristics and Innovation

Innovation is a process by which entrepreneurs convert opportunities into marketable ideas; therefore, potential entrepreneurs must always be alert to the opportunities that lie in the external and internal environments in which they live. This alertness will allow an entrepreneur to create an idea from what others simply cannot recognize.

An entrepreneur needs an innovative personality in order to adapt with changes in the environment. The use of the term innovativeness to describe an entrepreneurial characteristic was coined from Joseph Schumpeter in 1934, who defined it as "the creative destruction that develops the economy while the entrepreneur performs the function of the change creator", (Sledzik, 2013). He further divided the characteristic of innovativeness into five manifestations of innovation which are: launch of a new product or a new species of already known product; application of new methods of production or sales of a product (not yet proven in the industry); opening of a new market (the market for which a branch of the industry was not yet represented); acquiring of new sources of supply of raw material or semi-finished goods; and new industry structure such as the creation or destruction of a monopoly position. Hisrich, Peters and Shepherd (2008) relate innovativeness to entrepreneurship, where an entrepreneur acts as an innovator and an individual who develops something unique

Bezzina (2010) as cited in Gunu and Tsado (2017), sees entrepreneurs as people who are full of creative ideas and are also able to combine ideas with the available resources so as to create additional value. This attributes of entrepreneur as given by the psychological theorists is linked with the economic theory. Thus, many scholars have made reference to the work of Joseph Schumpeter. Lumpkin and Dess (1996) reported that Schumpeter was among the first scholars that emphasized on the role of innovation in the entrepreneurial process.

New Venture Creation

Opportunity identification is central to the domain of entrepreneurship. It revolves around the question of why, when and how opportunities for the creation of goods and services in the future arise in an economy. It has been argued that understanding the opportunity identification process is one of the primary challenges within the domain of entrepreneurship research. Kuratko (2009) identified two approaches to opportunity identification that often leads to new business creation by entrepreneurs as the creative pursuit of ideas and innovation. These two major approaches are key to understanding opportunity and its development for entrepreneurs.

According to Kuratko (2009) the first step for any entrepreneur is the identification of a good idea. However, the search for good ideas is never easy. Thus, the study examines the sources that can be used in this search and how an entrepreneur can work toward the discovery of a good idea. The possible sources of innovative ideas as identified are; Trends (i.e. shifts in the current paradigm (or thinking) of the major population which could be Societal, Technological, Economic and even Governmental in nature; Unexpected Occurrences (i.e. Successes or failures that, because they were unanticipated or unplanned, often prove to be a major innovative surprise to everyone); Incongruities (which occurs

when a gap or differences exists between expectations and reality; Process Needs (which occur when an answer to a particular need is required); Industry and Market Changes (i.e. continual shifts in the market place caused by developments such as consumer attitudes, advancements in technology, and industry growth); Demographic Changes (i.e. trend changes in population, age, education, occupation, geographic locations and similar factors); Perceptual Changes (i.e. changes that occur in people's interpretation of facts and concepts. Perceptual changes are intangible but meaningful); Knowledge-Based Concepts (i.e form the basis for the creation or development of something brand new. Inventions are knowledge based; they are the product of new thinking, new methods and new knowledge).

The Nature of Creative Process

Creative process involved seeing a relationship among things that others have not seen (Kuratko, 2009). The creative process has four commonly agreed-on phases or steps. Most experts agree on the general nature and relationships among these phases, although they refer to them by a variety of names. This study tends to examine these four processes using the most typical structural development.

Phase 1: Background or Knowledge Accumulation

Successful creation are generally preceded by investigation and information gathering .This usually involves extensive reading, conversations with others working in the field, attendance at professional meetings and workshops, and a general absorption of information relative to the problem or issue under study.

Phase 2: The Incubation Process

Creative individuals allow their subconscious to mull over tremendous amount of information they gather during the preparation phase. This incubation process often occurs while they are engaged in activities totally unrelated to the subject or problem. It happens even when they are sleeping. This accounts for the advice frequently given to a person who is frustrated by what appears to be an unsolvable problem. Some of the helpful steps to induce incubation are to: engage in routine, mindless activities, exercise regularly, play games, think about the project or problem before falling asleep, meditate or practice self-hypnosis and sit back and relax on a regular basis.

Phase 3: The Idea Experience

This phase of the creative process is often the most exciting, because it is when the idea or solution the individual is seeking is discovered. Sometimes, referred to as the "eureka factor" this phase is also the one where the average person incorrectly perceives as the only component of creativity. As with the incubation process, the new and innovative ideas often emerge while the person is busy doing something unrelated to the enterprise, venture or investigation.

Phase 4: Evaluation and Implementation

This is the most difficult step of a creative endeavour and requires a great deal of courage, self discipline, and perseverance. Successful entrepreneurs can identify ideas that are workable and that they have the skills to implements. More importantly, they do not give up when they run in to temporary obstacles. Often they will fail several times before they

successfully develop their best ideas. In some cases, entrepreneurs will take the idea in an entirely different direction or will discover a new or and more workable idea while struggling to implement the original one (Kuratko, 2009).

Barriers to new venture creation

According to Cornelissen and Clarke (2010) as cited in Kirkley (2016) the act of building a new business is a complex task which essentially involves intensive research modeling and planning. There are, however, specific perceptions of the entrepreneurs themselves embedded in the decision-making process which could act as barriers and influence the individual's confidence in whether to establish a new venture. Specifically, these were:

- **Crowded market space:** In an economy with a proliferation of small business the crowded nature of the market place always inhibits their ability to gain access to accurate and verifiable information about market needs and problems.
- **Compliance:** Industry regulations, statutory provisions, legislation and tax policies can often be a landmine for the unwary, not only for compliance purposes but also for access to decision-making information.
- **Market conditions:** Apart from the abovementioned points, wider economic market conditions can delay or prevent the establishment of a new venture. In a downturn economy, it is unlikely that entrepreneurs will pursue new venture creation, preferring instead to wait until conditions are more favourable.

Business Creation and SMEs

Small and medium scale enterprise is seen in this study as an enterprise whose total assets (excluding land and buildings) are above five million naira but not exceeding five hundred million naira with a total workforce of 11 to 200 employees (BOI, 2017).

Business creation and its eventual success means that the business is established, continues to operate as a self-sustaining activity, is effective in achieving profitability, effective in attracting resources, and is tailored properly to the environment (Chrisman, Bauerschmidt and Hofer, 1998). The question of why some businesses succeed and others fail or go in to extinction few years after their birth remain the key attracting issue in the study of entrepreneurship. Existing literatures shows that SMEs business success aside from other notable factors identified several characteristics and features of business owner /manager to be the key determinants of SME's growth from ideation, birth to extinction Cooper (1993).

THEORETICAL REVIEW

Theory of Planned Behaviour

The theory of planned behavior (TPB) was proposed by Icek Ajzen in 1985 to improve on the predictive power of the theory of reasoned action which was proposed by Martin Fishbein in 1980 by including perceived behavioural control. It has been applied to studies of the relationship among beliefs, attitudes, behavioral intentions and behaviors in various fields. The theory states that attitude toward behavior, subjective norms, and perceived behavioral control, together shape an individual's behavioral intentions and behaviors. Outcomes of past studies have shown the influence of circumstantial limitations on behavioral intention

and actual behavior, since behavioral intention cannot be the exclusive determinant of behavior where an individual's control over the behavior is incomplete. The Theory of Planned Behaviour (TPB) is also applicable to entrepreneurial intention to create a new venture and how such intention metamorphoses into the eventual birth of the intended firm. That is, TPB can be used to predict the circumstances under which a particular behaviour will occur, given that such behaviour is intentional. The theory is built on the assumptions that intention is influenced by three factors including a person's attitude toward specific behaviours, subjective norms and perceived behavioural control (Gunu & Tsado, 2017).

Self – Efficacy Theory

Self-efficacy was proposed by Bandura in 1977, which came from social cognitive theory. According to Bandura, expectations such as motivation, performance, and feelings of frustration associated with repeated failures determine effect and behavioral reactions. Bandura separated expectations into two distinct types: self-efficacy and outcome expectancy. He defined self-efficacy as the conviction that one can successfully execute the behavior required to produce the outcomes. The outcome expectancy refers to a person's estimation that a given behavior will lead to certain outcomes. He states that self-efficacy is the most important precondition for behavioral change, since it determines the initiation of coping behavior. Previous investigations have shown that peoples' behavior is strongly influenced by their confidence in their ability to perform that behavior. As the self-efficacy theory contributes to explaining various relationships between beliefs, attitudes, intentions, and behavior. In short, self – efficacy theory refers to self-evaluation in terms of capacity to perform a specific task (Robbins, Judge, & Vohra, 2013). Therefore, this paper will be anchored on the two theories as presented.

Empirical Review

Koh (1996) Investigates if entrepreneurial inclination is significantly associated with the following psychological characteristics: need for achievement, locus of control, propensity to take risk, tolerance of ambiguity, self-confidence and innovativeness. A self-administered, fixed-alternative questionnaire is administered to 100 MBA students in Hong Kong, yielding a usable response rate of 54 per cent. χ^2 tests of independence show that those who are entrepreneurially inclined and those who are not are homogeneous with respect to demographic and family characteristics. T-test results and logit analysis indicate that those who are entrepreneurially inclined have greater innovativeness, more tolerance of ambiguity and higher propensity to take risk as compared with those who are not entrepreneurially inclined. The logit model has an overall holdout accuracy rate of 87.4 per cent. Although not statistically significant, descriptive statistics suggest that the entrepreneurially inclined also possess a higher need for achievement, greater (internal) locus of control and more self-confidence.

Yan (2010) investigate the link between entrepreneurial personality traits and perception of new venture opportunity in a sample of 207 respondents. Four entrepreneurial personality traits were included to predict respondents' perception of new venture opportunity. They are: achievement motivation, locus of control, risk propensity, and proactivity. The results of multiple regression analysis show that three of the four entrepreneurial personality traits locus of control, risk propensity, and proactivity related

significantly to perception of new venture opportunity in expected directions. Among the three personality traits, proactivity was found to have the strongest influence over entrepreneurial perception. No significant relationship was found between achievement motivation and perception of new venture opportunity. Among six control variables, only work experience was found to influence perception of new venture opportunity. This study explored links between entrepreneurial personalities and cognition and its results suggest that a combination of trait and cognition approaches contributes to a better understanding of entrepreneurial decision-making process.

Karunanithy and Jeyaraman (2013) investigated the impact of entrepreneurial characteristics on organizational development of small business Entrepreneurs through a well structured questionnaire distributed to 105 entrepreneurs in Kandy District of Sri Lanka selected through stratified random sampling techniques. The 105 entrepreneurs are selected from the population of 1052 registered small business owners, (business registration record book at Kandy divisional secretariat office) being the sample that fits the requirement of 10% of the total population. The data collected was analysed through the use of regression and correlation analysis. The study revealed that entrepreneurial characteristics significantly influenced and have positive relationship with organizational development of small businesses in Kandy district.

Olekamma (2016) investigated the influence of entrepreneurial characteristics on SMEs accessibility to debt financing in Nigeria with particular focus on SMEs operating in Lagos and Anambra state through the use of well structured questionnaire administered to SMEs operators in Nigeria with a sample population of 150 from which 110 respondents completely filled and return their questionnaire. The study adopted descriptive, Pearson correlation and logistic regression analysis. The study revealed that entrepreneurial characteristics influences business owners/manager access to debt financing from banks in Nigeria. The author was silent on sampling methods adopted for the study and the fact that he used only Lagos and Anambra state to capture all SMEs in Nigeria looks too restrictive.

Gap in Literature

Past studies reviewed on entrepreneurial characteristics and new venture creation and growth or development of SMEs are done outside the shore of Nigeria and as such the outcome of their research will be difficult to apply in Nigeria with attendant social cultural, political and economic differences with the country where their study was carried out. Besides, the study reviewed dwelled mostly on few entrepreneurial characteristics that has good bearing on entrepreneur perception about new venture creation while this study tends to open or extends the number of entrepreneur personal trait or characteristics that has heavy bearing or influence on entrepreneur's willingness to create new venture.

Methodology

The study adopted survey research design to inquire the impact of entrepreneurial characteristics on new venture creation with reference to conception, birth and development of SMEs in Kwara State by administering a well structured questionnaire to 144 owners of Small and Medium Scale businesses from the total population of registered 226 SMEs in Kwara State (SMEDAN, 2013) through the use of Taro Yamani (1976) sample size determination formula. Out of 144 copies of questionnaire administered only 137 were adequately filled and returned which brings the response rates to 95%. Simple Random

Sampling techniques were adopted for the distribution of the questionnaire. Correlation and multiple regression analysis were used to test the stated hypotheses with the aid of statistical packages for social science (SPSS) software.

Data Presentation and Analysis

Test of Hypotheses

H_{01} : Entrepreneurial characteristics have no significant influence on the creation and development of SMEs in Kwara State.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.0.860 ^a	.740	.726	.69849

a. Predictors: (Constant), Innovativeness, Creativity, self-reliance and ability to adapt, Tolerance of ambiguity, Need for achievement, Self-confidence, Risk taking propensity, Locus of control.

The table 1 above is a model summary for the tested hypothesis where correlation coefficient of 0.860 signifies that entrepreneurial characteristic variables are strong, positive and jointly related to the creation and development of SMEs in Kwara State. Also, it reveals that the R-square of 0.740 which suggests that entrepreneurial characteristic variables jointly accounted for 74% when determining creation and development of SMEs while the remaining 26% was accounted for by the exogenous variable not considered by the model.

Table 2: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.417	.576		.724	.470
Need for Achievement	.005	.048	.005	.098	.922
Tolerance for Ambiguity	.256	.085	.249	3.027	.003
Risk taking propensity	.399	.101	.370	3.936	.000
1 Creativity, Self-reliance & ability to adapt	.435	.137	.206	3.181	.002
Locus of Control	.262	.126	.300	2.081	.039
Self-confidence	1.015	.084	1.209	12.075	.000
Innovativeness	0.249	.079	.229	3.161	.002

a. Dependent Variable: New Venture creation and SMEs development

The table 2 above reveals the coefficient values of the independent variable where all the variables to entrepreneurial characteristic were positive and significantly influence the creation of new venture and SMEs development in Kwara State except the need for achievement with P-value greater than 0.05. More so, the overall p-value is less than 0.05 which led to the rejection of the null hypothesis and acceptance of alternative hypothesis which states that entrepreneurial characteristics have significant influence on the creation and development of SMEs in Kwara State. Therefore, Null hypothesis is rejected and Alternative hypothesis is accepted. Also, the outcome of this result as per the need for achievement is in line with the findings of Yan (2010) where he posited that no significant relationship was found between achievement motivation and perception of new venture opportunity.

H₀₂: There is no significant relationship between/among entrepreneurial characteristic metrics and innovation.

Table 3: Correlation matrix of Entrepreneurial characteristics and innovation

		Creativity, self-reliance and ability to adapt	Tolerance for Ambiguity	Risk taking propensity	Need for achievement	Locus of control	innovativeness	Self-Confidence	Innovation
Need for achievement	Pearson Correlation	.377**	.352**	.505**	1	.362**	.181*	.342**	.438**
	Sig. (2-tailed)	.000	.000	.000		.000	.034	.000	.000
	N	137	137	137	137	137	137	137	137
Tolerance for Ambiguity	Pearson Correlation	.360**	1	.761**	.352**	.786**	.455**	.242**	.685**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.004	.000
	N	137	137	137	137	137	137	137	137
Risk taking propensity	Pearson Correlation	.568**	.761**	1	.505**	.846**	.604**	.371**	.767**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	137	137	137	137	137	137	137	137
Creativity, self-reliance and ability to adapt	Pearson Correlation	1	.360**	.568**	.377**	.624**	.508**	.588**	.621**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	137	137	137	137	137	137	137	137
Locus of control	Pearson Correlation	.624**	.786**	.846**	.362**	1	.702**	.527**	.864**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	137	137	137	137	137	137	137	137
Innovativeness	Pearson Correlation	.508**	.455**	.604**	.181*	.702**	1	.370**	.482**
	Sig. (2-tailed)	.000	.000	.000	.034	.000		.000	.000
	N	137	137	137	137	137	137	137	137
Self-Confidence	Pearson Correlation	.588**	.242**	.371**	.342**	.527**	.370**	1	.735**
	Sig. (2-tailed)	.000	.004	.000	.000	.000	.000		.000
	N	137	137	137	137	137	137	137	137
Innovation	Pearson Correlation	.621**	.685**	.767**	.438**	.864**	.482**	.735**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	137	137	137	137	137	137	137	137

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

The correlation matrix table (table 3) above revealed the nature of relationship between/among entrepreneurial characteristic metrics and innovation. All the dimensional variables are positively interrelated to one another. Noticeable, Locus of control, risk taking propensity and self-confidence among others were observed to have a strong relationship with entrepreneurial innovation. With this, it is suffice to say that relationship exists between entrepreneurial characteristic metrics and entrepreneurial innovation of owners of SMEs in Kwara State. Therefore, Null hypothesis is rejected and Alternative hypothesis is accepted. This outcome is in tandem with that of Koh (1996), Karunanithy and Jeyaraman (2013) and that of Olekemma (2016)

CONCLUSION

The study based on the findings above concluded that entrepreneurial characteristics has great and significance influence on the ideation, creation and development of SMEs and that there is strong interrelatedness among the entrepreneurial characteristics metrics and innovation. By implication therefore, business managers should watch it from the point of creation of the business venture and as it grows while exhibiting these personal characteristics if his or her business is to survive the turbulent or volatile business environment and strategically play above others.

RECOMMEDATIONS

Nascent entrepreneur should demonstrate appreciable level of personal characteristics identified in this study from point of business ideation, conception, creation and development of SMEs so that he doesn't bow to the pressure of inconsistent Government policies through its various agencies most especially those responsible for the growth and development of SMEs.

Based on this, entrepreneurs and policy makers could work together while devising policies that concerns SMEs with the aim of getting the appropriate support needed from the owners of SMEs at different stages of development in order to facilitate successful creation and growth of new venture and that intensive planning, research and development effort is required during new venture creation process. Although the literature generally points to a lack of resources and capability as a key reason for start-up failure, the same cannot be said in all cases. Even where there are sufficient resources and available capability to assist in the success of the start-up. There is, however, the need for entrepreneurs to be creative and innovative and seek for useful information in the course of conceiving, creating and nurturing their business venture.

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