

# Entrepreneurial Personality and Business Growth of Small and Medium Enterprises in Rivers State, Nigeria

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**Abstract:** *This study investigates the relationship between entrepreneurial personality and business growth of SMEs in Rivers State, Nigeria. The objectives of the study are to find out the effect of openness on market share and on the profitability of SMEs. It also tries to ascertain the extent to which conscientiousness as a personality trait affects the market share and profitability of SMEs. The study adopted the survey research design which involved the use of questionnaires, the choice for the use of survey approach is to empirically analyse responses to get result that can be attributable to the accessible population. Some research questions were formulated for the study and based on this, a research questionnaire was designed and Two Hundred (200) copies were distributed to selected SMEs in Rivers State who constituted the population of study. The researcher intentionally administered 10 copies each to Entrepreneurs, employees and selected customers of twenty (20) SMEs in Rivers State. A total of one hundred and sixty-nine (169) correctly filled copies of the distributed questionnaire were retrieved. From the responses gathered, the hypotheses were tested using the Kendal's Correlation Coefficient with the aid of Version 23.0 of SPSS. The results from our analysis revealed that; there is a positive and significant relationship between openness and market share, and between openness and profitability. It also revealed that there is a positive and significant relationship between conscientiousness and market share, and between conscientiousness and profitability among SMEs in Rivers State. It was recommended that entrepreneurs must have good entrepreneurial personality that will not only be open to improvements on personality traits but also be open to new ideas, be flexible and be curious about new ways to get things done professionally and in a timely manner so that the business can make progress. It was also recommended that other personality traits like extroversion, agreeableness and neuroticism must also be present among entrepreneurs to guarantee more value for their entrepreneurial personality and for long-term growth, profitability and sustainability of the enterprise.*

**Keywords:** *Entrepreneurial Personality, Business Growth, SME's, Openness, Conscientiousness, Profitability*

## 1.0 Introduction

Entrepreneurship is a vital aspect of the business world for economic development. It plays a pivotal role in the economic growth of any country. Researchers have provided an insight that entrepreneurship upraises the development of the entrepreneur, the enterprise and the country at large both industrially and economically by generating employment opportunities. Nowadays, the most crucial element of any nation is assumed to be economic stability and total well-being of her citizens. According to Boudreaux *et al.*, (2019) Entrepreneurs produce many jobs for the jobless to reduce the burden of unemployment. Today, most countries have advanced in entrepreneurship by creating links with other economically progressive countries to boost their economy and create entrepreneurial opportunities. As a way of providing entrepreneurial assistance, developing nations always improvise various awareness campaigns to ensure their citizens and generations to come secure their future in a very convenient way. Yan and Guan, (2019), asserted that an entrepreneur is an individual who establishes a new business by bringing innovation, bearing most of the risks,

and then enjoying rewards. Put in a similar way, Roundy, (2017), posited that the entrepreneur is one who seeks to take risks to generate profit and achieve an end goal. Putting all these together therefore we can say that the process of setting up a new business is called entrepreneurship. In a similar context, entrepreneurial businesses and the initiators behind these undertakings are seen everywhere. Rivers state for instance is sprouting new breed of entrepreneurs and accelerators and introducing diverse programs to attract innovative talent. Developing countries are also quite active, with nations experimenting in new ways to foster new enterprise formation. Despite the contribution of SMEs and all of the government's support programs, SMEs struggle to grow and, in many cases, unable to survive within the required time frames set by government. SME growth has been connected to the personality of the entrepreneur i.e. the owner of the business. The significance of the OCEAN test also referred to as the big five personality traits to small and medium-sized company growth and decision-making processes cannot be overlooked. The five factors that shape personality and make up the acronym OCEAN; are openness, conscientiousness, extraversion, agreeableness and neuroticism. According to Baum and Locke (2004), the growth, profitability and survival of small and medium scale enterprises are linked to the presence of these personality traits among entrepreneurs. Ciavarella *et al.*, (2004) in their study, asserted that overconfidence and the perspectives of entrepreneurs are regarded to have an impact in the performance and growth of SMEs. Entrepreneurial personalities, traits, talents, motivation, and other external related factors all contribute to performance of SMEs. Several studies on entrepreneurship growth and development have revealed that more than 40 unique traits, and abilities are associated to an entrepreneur's success, but the most indispensable among them are risk, tolerance, improvement and the will to succeed. According to Barricks *et al.*, (2003). To be successful, SME's owners must possess the skills required to improve the company's growth by effectively competing in both internal and external markets. Studies on entrepreneurship and personality traits are not new. Literatures dating back to the 18th century explores what motivates entrepreneurs and whether their personality trait would be a major consideration for the outcomes and success of their business. Some of these literatures now spans across multiple concepts and methods related to the analysis of entrepreneurial personality characteristics and how it affects the growth of businesses. Detailed efforts will be made to ascertain the ways in which entrepreneurial personality affects the growth of small and medium scale enterprises in Rivers State of Nigeria.

### **1.1 Statement of the Problem**

Several studies have acknowledged the critical role of SMEs in trying to boost economic activities and increase the level of employment by forming new enterprises. These studies have considered the “traits of entrepreneurs” or the “traits that make entrepreneurs successful. In Nigeria today, there is high demand for entrepreneurial personality with need for achievement, self-confidence, imitateness, creativity, innovativeness, opportunity oriented and persistent problem-solving traits. But not every person can be an entrepreneur because; these individuals’ personality traits predict someone’s competence as entrepreneurial that affects entrepreneurship performance and growth. Scarborough, (2011), asserted that the possession of certain personal traits enables entrepreneurs to perform their roles well, whereas the absence of certain traits may disable an individual from emerging as a successful entrepreneur. Entrepreneurial personality is very essential in the growth and overall turnaround of small and medium scale enterprises, unfortunately, most small businesses fail during their first few years of operation. According to Miles (2011), some SMEs fail during the first three years of business. In the past few decades more

and more research has continued to investigate individual traits that prompt people to become entrepreneurs, as well as personal motivations and preferences that keep them on their chosen path. These studies have often focused on firms financed by loans sourced from government programs specifically designed to support the growth of SMEs. Even with these incentives, some entrepreneurs still face a very high probability of their business failing, a very small probability of positive outcomes, and a low average return to the money and time they have invested into their businesses. Irrespective of previous research studies that have been carried out in this area of study, we do not know how the personality trait of entrepreneurs affect the growth and performance of small and medium scale enterprises. This study therefore tries to investigate entrepreneurial personality and business growth of small and medium enterprises in Rivers State, Nigeria.

### **1.2 Aim and Objectives of the Study**

The main objective of this study is to find out how entrepreneurial personality affect the business growth of small and medium enterprises in Rivers State. Specifically, the objectives of the study include:

- i. To examine the relationship between openness and market share among SMEs in Rivers State.
- ii. To examine the relationship between openness and long-term profitability
- iii. To determine the extent to which conscientiousness affects the market share of SMEs
- iv. To determine the extent to which conscientiousness affects the profitability of SMEs in Rivers State.

### **1.3 Research Questions**

As part of effort to achieve the objectives of this study, the researcher seeks to proffer answers to the following research questions;

- i. To what extent does openness affect the market share of SMEs in Rivers State?
- ii. How does openness affect the profitability of SMEs in Rivers State?
- iii. To what extent does conscientiousness affect the market share of SMEs in Rivers State?
- iv. How does conscientiousness impact on the profitability of SMEs in Rivers State?

### **1.4 Research Hypotheses**

The following hypothesis serves as tentative answer to our research questions;

- H<sub>01</sub>: There is no positive and significant relationship between openness and market share among SMEs in Rivers State.
- H<sub>02</sub>: There is no positive and significant relationship between openness and profitability among SMEs in Rivers State.
- H<sub>03</sub>: There is no positive and significant relationship between conscientiousness and market share among SMEs in Rivers State.
- H<sub>04</sub>: There is no positive and significant relationship between conscientiousness and profitability among SMEs in Rivers State.

## **2.0 Literature Review**

### **2.1 Concept of Entrepreneurial Personality**

Ideally, an entrepreneurial personality sees opportunities and exploits them by creating value for themselves and others, sustainably. The concept of Entrepreneurial Personality are qualities that are linked to entrepreneurial business performance and growth. These ideas have emerged as a critical aspect that motivates entrepreneurs to succeed. This is because the owner-manager's personality attributes will have an impact on the company's strategy (Peterson *et al.*, 2003). An entrepreneur's Personality predicts his behaviour, and variances in his personality lead to behavioural disparities (Nave *et al.*, 2017). An entrepreneur is one who uses his manipulating power, gives his opinion without being asked and creates a vision and a novel idea for a competitive advantage over a long period of time. An entrepreneur is also focused as he shows conscientiousness and likes to organise and manage things till, they are executed according to set objectives. He has an open mind with different perceptions and sees problems as an opportunity. Criticism is his friend and he does well around others because he always wants to be seen as a leader his subordinates can rely on, at the same time he knows how to make others passionate in carrying out their task. Most importantly, he is at his best when things are running smoothly and orderly as expected and he constantly thinks about the goals and his entrepreneurial strategies. Ostergaard (2014), stated that entrepreneurial personality refers to a person's entrepreneurial perspective, mental state, and behaviour patterns when they establish new values in a business setting. In this regard, personal skills and behaviour, including confidence and drive are recognised as factors that influence a company performance.

Similarly, Yusuf (1995), asserted that the desire for goal achievement, internal locus of control, tenacity, risk taking, and self-reliance are among the personality traits characterized as stable internal qualities affecting behaviour to which personality is linked. Experienced entrepreneurs in successful organizations were privileged to have entrepreneurial fathers who taught them in business, which provided them a broader knowledge and early start-up expertise, and they also had confidence that they would be successful entrepreneurs. According to Duchesneau and Gartner (1990). Successful entrepreneurs also worked long hours, put their own resources into the company, and had excellent communication skills. These skills and the right personality traits enable them to put things right so that the predetermined goals and objectives of their enterprise are achieved as planned.

### **2.2 Dimensions of Entrepreneurial Personality**

#### **2.2.1 Openness**

Openness is the degree to which a person is open to new ideas and experiences, and covers flexibility, curiosity, and imagination. Entrepreneurs who score highly on this find it easy to adapt to new working practices and ideas. Several studies have shown the impact of the big five personality traits have on the performance of entrepreneurs' Big Five personality traits can help entrepreneurs predict their entrepreneurial intention and entrepreneurial performance Zhao *et al.*, (2010), posited that amongst these traits, openness to experience appears to be the strongest predictor of entrepreneurial performance. According to Piedmont, 1998), openness to experience is defined as "proactive seeking and appreciation of experience for its own sake, and as toleration for and exploration of the unfamiliar. People that are high on openness can be described as "creative, innovative, imaginative, reflective, and untraditional" (Zhao & Seibert, 2006). In a similar assertion, Schilpzand *et al.*, (2011), indicated that the openness of individuals and teams is

positively correlated with creativity. For entrepreneurs with a very high level of openness, their creative ability has a positive linear relationship with accomplishments (King *et al.*, 1996). Similarly, for entrepreneurs, creating innovative products it is very important to capture the market and grow their business. Therefore, entrepreneurial openness can positively predict their entrepreneurial performance and the growth of their enterprise. Again, openness is closely related to opportunity recognition. Most studies have shown that inherent factors can largely explain the variance in opportunity recognition by influencing the probability that people are open to experience. Researchers in this area of study have also noted that recognizing good opportunities is the beginning of the foundation of a new business. The small and medium-sized enterprises with high opportunity recognition ability tend to achieve higher business growth through the innovation of their businesses. In a leadership theory study, Cannella and Monroe (1997) posited that top managers' field of vision, selective perception of information, and interpretation of information are affected by their values, cognitions, and personality. In a similar vein, entrepreneurs that are high on openness can be characterized as intellectually curious and tending to seek novel ideas and embrace new experiences (Zhao & Seibert, 2006). According to the information-seeking theory of openness, people with higher openness and intelligence show general sensitivity to any type of new information. They are more sensitive to the rewarding value of information and are more motivated to seek out information that helps in decision-making process thereby, paving way for the growth and accomplishment of the business objectives.

### **2.2.2 Conscientiousness**

Conscientiousness is the tendency to be organized and dependable. On one end of the scale, a conscientious person is a highly organized and efficient person, on the other -there are carefree and easy-going people who get discourage even before end result of a business pursuit will surface. The two widely accepted facets of the conscientiousness trait are industriousness and orderliness. As is the case with most non-artistic professional environments, a high degree of conscientiousness is important for long-term success as an entrepreneur. Unconscientious founders tend to abandon projects as their level of enthusiasm wanes or to get buried in confusion if they are not systematic enough to deal with their to-do list competently enough. Conscientiousness evaluates the extent to which someone is organized, hard-working, and gets their job done right. Entrepreneurs with a very high level of conscientiousness are driven to do a good job, and are meticulous, and professional in all their business dealings. According to Barrick, *et al.*, (2001), the most important personality attribute that influences work performance in all jobs is conscientiousness. It covers the adoption and application of standard conduct that allows an entrepreneur to focus on achieving their goals by being persistent, diligent, and having the capacity to control impulsive behaviour (Hermann & Nadkani, 2010). According to Judge *et al.* (2002), a conscientious personality is able to coordinate, he is hardworking, and has the inclination to turn a hypothetical scenario into reality. Entrepreneurs with conscientious characteristics work hard because they are constantly associated with achievement, are trustworthy, responsible, and ambitious (Barrick & Mount, 1991). Conscientiousness is one of the most common personality traits that is closely linked to organizational performance and transformation. A conscientious entrepreneur acknowledges and support change in their company and examines the conditions in order to improve the company's performance by implementing new techniques or experimenting with new ideas (Myszkowski *et al.*, 2015). In a similar study, Ratten and Tajeddini, (2017), were of the opinion that individuals with a conscientious personality can tolerate challenges, improbability, and perplexing circumstances and have a tendency to learn new knowledge and share ideas in order to address the problem. This personality feature of entrepreneurs is very important in improving a firm's growth and promotion strategy in today's



dynamic business environment. In a study carried out by Ciavarella *et al.* (2004), it was noted that a high conscientiousness trait among entrepreneurs has a favourable association with company survival and long-term growth.

### **2.3 Concept of Business Growth**

Managing the growth process of a new business is complex (Hellmann *et al.* 2016). Most of the time, this process requires a match between an entrepreneur with a brilliant business idea and external partners who believe in that idea and can offer various resources and assistance to ensure the new idea works. Even with these, achieving such a match is not an easy task. This is because entrepreneurs are usually not willing to expand their business through opening their company to partners because of the fear of losing control, facing partners with conflicting goals/visions, and being accountable to others (McKenna & Oritt, 1981). On the other hand, it is extremely risky for partners to invest in a new company because of low transparency issues and moral hazard (Burchardt *et al.* 2016). The concept of business growth is defined differently in different nations, depending on the kind of business involved. Some researchers define it in terms of the number of employees, while others use the total money generated as a yardstick for measuring success. The growth of a business in terms of performance refers to a company's market success, which may have a variety of outcomes. In business research, a company performance is a crucial concept, because it is a complicated and multidimensional idea. Growth may be defined as a company's ability to create acceptable results and activities for the firm over a long and period of time. SMEs play an important role in national economies across the globe, producing employment and contributing to innovation. Sustainability in or environment and more equitable growth are accomplished through SMEs. In many counties for instance, SMEs account for a large portion of overall job growth, they also provide a significant portion of the growth in Gross Domestic Product (GDP) in such nations, whereas bigger businesses seem to be at a standstill. The performance of a company is a complex term that is difficult to define (Sanchez & Marin, 2015). According to some studies, both quantitative and qualitative metrics have limits, and therefore they should be used interchangeably. Qualitative growth indicators are indicators that cannot be quantified, i.e., these are the type of growth indicators that are not measured in numbers. Examples are customer satisfaction, customer loyalty, good business reputation, good customers' reviews, etc. are some of the key qualitative growth indicators of businesses. These metrics are very crucial as they help measure how well the business is doing and the business' growth potential. Positive, honest reviews from your customers help recognize how well your business is also doing. Quantitative growth indicators are measured in numbers. The quantitative business growth indicators are the most concentrated on due to their popularity. Examples are Sales growth, cost of production, gross profit growth rate, customer retention rate, inventory level, labour turnover rate, improving cash flow, operational performance and assets efficiency rate, etc. These variables are some of the key quantitative business growth indicators. And can be summed up under productivity, profitability and good market share over a considerable period of time. Business growth assessment approaches in small and medium firms often employ a combination of financial and nonfinancial approach, however challenges occur when entrepreneurs or managers of SMEs are unwilling or unable to provide the desired information about their performance statistics (Beal, 2016). With the significance and role of SMEs to the economy of most countries in mind, policymakers throughout the world have moved to promote SMEs at all stages of growth, particularly in an attempt to eliminate the global phenomenon of poverty and unemployment in most countries of the world.

## **2.4 Measures of Business Growth**

### **2.4.1 Market Share**

There is a very important relationship between market share and business growth and this continues to be a critical research issue among businesses and management scholars across the world. There is growing burden to make the right decisions quickly and one of the challenges facing managers is how to increase business profits in the competitive business world of today. To do this, managers need to understand the factors that increase profitability. A number of previous studies have linked market share with growth and profitability Buzzel *et al.* (1975); Rumelt (1991) and McGahan and Porter (1997), all stated that though the correlation between market share and profitability has been sustained over the years, but it still remains a generalization which has been over-extended and accepted without acknowledgement of all the nitty-gritty and attributes of market share. The general question has always been whether establishing a high market share would ensure greater profits. Academicians and researchers who have investigated this question have not succeeded in resolving this dilemma and as a result, the question remains. The close association between market share and business growth is strongly acknowledged by managers and management scholars as a basic premise of business strategy. Given the high cost and high risk associated with building a substantial market share, it is necessary that managers have clearer evidences of the benefits and chances of success for such obligations and it is sufficiently necessary to introduce a market share strategy to enhance profitability and growth among serious-minded entrepreneurs that want to move their enterprise to the next level.

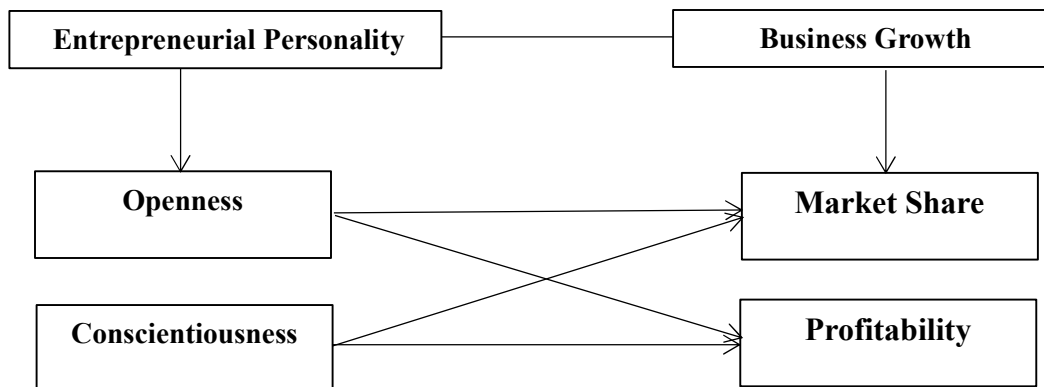
### **2.4.2 Profitability**

Profitability is one of the most important terms in business and accounting that can be used to determine and describe a business's long-term success. Achieving profitability is essential to all businesses, as it allows them to grow. Understanding the concept and what determines profitability can also help a manager develop better business strategies. Profitability is a measure of an organization's profit relative to its expenses. Organizations that are more efficient will realize more profit as a percentage of its expenses than a less-efficient organization, which must spend more to generate the same profit. Profitability is a situation in which an entity is generating a profit. In other words, it's an organisation's ability to generate income by using available resources such as people, time and equipment. Profitability arises when the aggregate amount of revenue is greater than the aggregate amount of expenses in a reporting period. If an entity is recording its business transactions under the accrual basis of accounting, it is quite possible that the profitability condition will not be matched by the cash flows generated by the organization, since some accrual-basis transactions (such as depreciation) do not involve cash flows. Profitability can be attained in the short term through the sale of assets that garner immediate gains. However, this type of profitability is not sustainable. An organization must have a business model that permits its ongoing operations to generate a profit, or else it will eventually fail. Profitability is one of the measures that can be used to derive the valuation of a business, usually as a measure of the annual amount of profitability. The primary mission of a business is long-term profitability not just revenue growth. As a result, profitability can therefore be seen is a measurement of efficiency. It is ultimately the deciding factor in the success or failure of a business. It is expressed as a relative and not an absolute amount generated over a specified period of time. Profitability measures the

capacity of a business to produce a return on an investment based on its resources in comparison to an alternative investment outlay.

## 2.5 Conceptual Framework

In order to achieve the objectives of this study, we adopted the use of the dimensions of the independent variables and the dependent variables. Dimensions are characteristic aspects to be assessed by the evaluation, such as in the expression "the dimensions of a problem". They are the standards on which the evaluation is based. Therefore, the researcher adopted two dimensions of Entrepreneurial Personality; Openness and Conscientiousness and two dimensions of Business Growth, namely Market Share and Profitability.



**Fig. 2.1** *Conceptual Framework on the Relationship between Entrepreneurial*

*Personality and business Growth of Small and Medium Scale Enterprises in Rivers State*

**Source:** *Researcher's Conceptualization from Review of Related Literature, 2023*

## 3.0 Methodology

The study used the survey method as the primary source of data collection. This was achieved by the design and administration of targeted survey instruments to entrepreneurs in selected Small and Medium Scale Enterprises (SMEs) in Rivers State being our target population for the study. Formal questionnaires were developed, duplicated severally and were administered to respondents for structural data collection. The survey items include a range of questions intended to gather necessary information about the entrepreneurs and their personality traits. Structural personal interviews were also conducted using the questionnaires so that responses can be gathered from respondents in their offices. The questionnaire was designed into two sections, the first is about the personal information of the respondents while the second section is designed to get responses that are directly related to Entrepreneurial Personality and Business Growth of SMEs in Rivers State, Nigeria. The itemised 5-point Likert scale was used and the respondents had to indicate the extent to which one variable impact or influences the other. In order to achieve the objectives of this study, the Kendall's correlation coefficient statistics was used in analysing the data collected



from respondents for the purpose of this study. This was made possible with the aid of version 23.0 of Statistical Package for Social Sciences (SPSS).

#### 4.0 Results and Discussions

The two dimensions of entrepreneurial personality were correlated against the measures of the dependent variable which is Business Growth (market share and profitability). The aim was to ascertain if there is a positive and significant relationship between dimensions of entrepreneurial personality and that of business growth of SMEs and the kind of relationship that exist between the variables under investigation. The Kendall's correlation coefficient statistics was used in analysing the data collected for the purpose of this study, this was done with the use of version 23.0 of Statistical Package for Social Sciences (SPSS)

##### Hypothesis One

Ho<sub>1</sub>: There is no positive and significant relationship between openness and market share among SMEs in Rivers State.

##### Statistical Analysis for Hypothesis One

**Table 4.1: Correlation Coefficient Result for Hypothesis One**

		Openness	Market Share
Kendall's tau_b	Correlation Coefficient	1.000	.823
	Openness		
	Sig. (2-tailed)	.	.018
	N	169	169
	Market Share		
	Sig. (2-tailed)	.018	.
	N	169	169

**Source:** Research Desk, 2023

From the result of the above table, the correlation coefficient ( $r = 0.823$ ) between openness and market share revealed the existence of a strong and positive relationship. The coefficient of determination ( $r = 0.677$ ) indicated that only 68% of markets share is explained by openness as an entrepreneurial personality trait. The significant value of 0.018 ( $p < 0.05$ ) revealed that the relationship between openness and market share is significant. Based on the outcome of the analysis above, we thus conclude that there is a positive and significant relationship between openness and market share among SMEs in Rivers State.

### **Hypothesis Two**

Ho<sub>2</sub>: There is no positive and significant relationship between openness and profitability among SMEs in Rivers State.

### **Statistical Analysis for Hypothesis Two**

**Table 4.2: Correlation Coefficient Result for Hypothesis Two**

		Openness	Profitability
Kendall's tau_b	Correlation Coefficient	1.000	.861
	Openness Sig. (2-tailed)	.	.045
	N	169	169
	Correlation Coefficient	.861	1.000
	Profitability Sig. (2-tailed)	.045	.
	N	169	169

**Source:** Research Desk, 2023

From the result of the above table, the correlation coefficient ( $r = 0.861$ ) between openness and profitability revealed the existence of a strong and positive relationship. The coefficient of determination ( $r^2 = 0.741$ ) indicated that 74.1% of profitability is explained by openness as an entrepreneurial personality trait. The significant value of 0.045 ( $p < 0.05$ ) revealed the existence of a significant relationship between the variables. Based on the above, the null hypothesis 2 was rejected and the alternative accepted. We therefore conclude that there is a positive and significant relationship between openness and profitability among SMEs in Rivers State

### **Hypothesis Three**

Ho<sub>3</sub>: There is no positive and significant relationship between conscientiousness and market share among SMEs in Rivers State.

### **Statistical Analysis for Hypothesis Three**

**Table 4.3: Correlation Coefficient Result for Hypothesis Three**

		Conscientiousness	Market Share
Kendall's tau_b	Correlation Coefficient	1.000	.886
	Conscientiousness Sig. (2-tailed)	.	.020
	N	169	169
	Correlation Coefficient	.886	1.000
	Market Share Sig. (2-tailed)	.020	.
	N	169	169

**Source:** Research Desk, 2023

From the result of the above table, the correlation coefficient ( $r = 0.886$ ) between conscientiousness and market share revealed a strong positive relationship. The coefficient of determination ( $r^2 = 0.785$ ) indicated that 78.5% of market share is explained by conscientiousness as an entrepreneurial personality trait. The significant value of 0.020 ( $p < 0.05$ ) also revealed the existence of a significant relationship. Based on the result above, the null hypothesis was rejected and the alternative accepted. Therefore, there is no positive and significant relationship between conscientiousness and market share among SMEs in Rivers State.

#### **Hypothesis Four**

Ho4: There is no positive and significant relationship between conscientiousness and profitability among SMEs in Rivers State.

#### **Statistical Analysis for Hypothesis Four**

**Table 4.4: Correlation Coefficient Result for Hypothesis Four**

			Conscientiousness	Profitability
Kendall's tau_b	Correlation Coefficient		1.000	.914
	Conscientiousness	Sig. (2-tailed)	.	.017
		N	169	169
	Correlation Coefficient		.914	1.000
	Profitability	Sig. (2-tailed)	.017	.
		N	169	169

**Source:** Research Desk, 2023

From the result of the above table, the correlation coefficient ( $r = 0.914$ ) between conscientiousness and profitability showed a strong positive relationship. The coefficient of determination ( $r^2 = 0.835$ ) indicated that 83.5% of profitability is explained by conscientiousness as an entrepreneurial personality trait. Also, the significant value of 0.017 ( $p < 0.05$ ) revealed the existence of a significant relationship. Based on the above, the null hypothesis was rejected and the alternative accepted. Therefore, there is a positive and significant relationship between conscientiousness and profitability among SMEs in Rivers State.

## **5.0 Summary, Conclusion and Recommendations**

### **5.1 Summary**

From the result of the analysis the correlation coefficient ( $r=0.823$ ) and ( $r= 0.861$ ), was tested at a 0.05 level of significance, the outcome revealed that there is a positive and significant correlation between openness and market share and also openness and profitability. Therefore, entrepreneurs must continue to develop good personality traits that will effectively aid in the growth of their businesses and also attract more businesses that will bring in good market share and long-term profitability.

Our analysis on the second dimension of the independent variable (conscientiousness) with the correlation coefficient ( $r=0.886$ ) and ( $r= 0.914$ ) was tested at a 0.05 level of significance. The outcome revealed that there is a positive and significant correlation between conscientiousness and market share and also between conscientiousness and profitability. Entrepreneurs who are owners

of SMEs can learn from the outcome of this analysis by improving on conscientiousness and other entrepreneurial personality trait. These traits will help in these SMEs to experience consistent increase in their market share and favourable positioning for long-term growth and profitability of their businesses.

## **5.2 Conclusion**

Based on the finding revealed in the study, the following conclusions are made:

- i. A positive and significant relationship exists between openness and market share among SMEs in Rivers State.
- ii. A positive and significant relationship exists between openness and profitability among SMEs in Rivers State.
- iii. There is a positive and significant relationship between conscientiousness and market share among SMEs in Rivers State.
- iv. There is a positive and significant relationship between conscientiousness and profitability among SMEs in Rivers State. Meaning that conscientiousness as a personality trait encourages long-term growth and profitability.

## **5.3 Recommendations**

- i. In line with the conclusions above, the researcher therefore recommends that: entrepreneurs in Rivers State and Nigeria at large must continue to improve on their entrepreneurial personality meaning that they must strive to improve on favourable personality traits and techniques that would help to position their business for long term growth and profitability. There should also be a deliberate policy put in place to ensure that these personality traits are continuously improved upon for better business outcomes.
- ii. Entrepreneurs who are owners of SMEs must hold openness and conscientiousness as some of the most important personality traits they need to have that will boost the level of confidence that all their stakeholders (employees, customers, suppliers etc.) have in them. They must be open to new ideas and experiences, be flexible and curious about new ways that will move their business to the next level. They must also be organised, hardworking and ensure they get important jobs done at the right time and in a professional manner. Other personality traits like extroversion, agreeableness and neuroticism must also be present among entrepreneurs. All these will help to create more value for their entrepreneurial personality and for the long-term growth and sustainability of their business.

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