

ENTREPRENEURS' BEHAVIOUR AND THE PERFORMANCE SMALL AND MEDIUM SCALE ENTERPRISES (SMES) IN BENUE STATE

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Abstract

This study examined the effects of entrepreneurs' behaviour on performance of Small and Medium Scale Enterprises in Benue State. This study used survey research design with questionnaires as a tool for data collection. The population of 260 were sample and questionnaires were administered to the respondents. Regression method of analysis was adopted to test the hypotheses. The findings revealed that risk taking has a weak positive effect on profitability but competitive aggressiveness and innovativeness have a strong positive effect on sales growth of SMEs in Benue State. The study recommended that entrepreneurs operating in Benue State need to be mindful of the risk they take in order to improve their business performance in terms of sales growth and profitability. Entrepreneurs need to develop new business ideas to enhance innovativeness and creativity so as to achieve increase in both financial and non-financial performance.

Keywords: Risk taking; competitive aggressiveness; innovativeness; profitability; sales growth

Introduction

Across the globe, it has been established that the activities of Small and Medium Enterprises (SMEs) are critical for the economic growth and development of a country. Singh, Pathak, Shee, Kazmi and Parker (2013) stressed that SMEs are the greatest profit opportunity in European markets. In Nigeria, SMEs accounted for about 80% of the industrial sector in terms of number and employees (Oyeniyi & Adeniji, 2010). Regardless of this, there is also high number of failed and collapsed SMEs in Nigeria due to low sales and profitability, poor business decision, high cost of production, competition with foreign products and low market share (Idowua, Olusola, & Olawale, 2016). It is not yet determined if the low profitability and sales are as result of entrepreneurs' incapability or inability to take calculated risk, to react sharply to the moves of the competition or to create new and acceptable ideas. Entrepreneurship has become one of the major topics of discussion in the literature as it continues to grow both as a distinct academic discipline and recognized career. The development of entrepreneurs is a major contributor to economic development of the society (Hilmi, Ramayah, Mustapha & Pawanchik, 2010). Entrepreneurship is a major means which a society can meet up with its current economic challenges as it provides avenues for alternate failing or malfunctioning of enterprises in developing economies. Entrepreneurship is a means of job creation and empowering the deprived fraction of a population. Entrepreneurs have become the heroes of economic development and contemporary enterprises (Sathe, 2003). Entrepreneurial orientation is a commonly used measure in the literature (Morris & Kuratko, 2002). This concept is the presence of organizational-level entrepreneurship (Wiklund & Shepherd, 2005).

Entrepreneurial behaviour is a subset of entrepreneurial activities concerned with understanding, predicting and influencing individual behaviour in entrepreneurial settings. Accordingly, entrepreneurial behaviour is directly concerned with the understanding, prediction and control of human behaviour in enterprises. (McAdam & Cunningham, 2019). Entrepreneurs' Behaviour has becoming a popular term currently, since all of entrepreneurs can succeed in entrepreneurial business. Li and Jia, (2015). They need specific behaviour to enable them to success. Performance measures are use for assessing entrepreneurial success. Some entrepreneurial researchers have attempted to define success in terms of growth, sustainability and turnover, while others have examined entrepreneurial behaviour and traits contributing to success and the indicators of success (Simpson, Padmore & Newman 2012).

Performance measurement is generally defined as regular measurement of outcomes and results, which generates reliable data on the effectiveness and efficiency of programs. Performance measurement has been viewed as an important requirement of a cybernetic model of control that also includes stated objectives or goals, a predictive model and a tool to facilitate the choice of alternative actions (Henri, 2004, Financial measures the yardstick for assessing performance of for-profit organizations. Since the early 1980s, however, there has been a growing understanding that, given the increased complexity of organizations and the markets in which they compete, it is no longer appropriate to use financial measures as the sole criteria for assessing success (Kennerley & Neely, 2002)

Small and medium-sized enterprises (SMEs) are viewed widely as the bedrock of economic development according to Robson, Haugh and Obeng (2009). Because of the role SMEs play in national economic development of any nation, countries have been searching

for ways to stimulate their economic growth through more and better SMEs development (OlyNdubisi & Iftikhar, 2012). SMEs performance in Nigeria has been viewed in terms of sales growth, competitive advantage, expansion and profitability. Business performance can be viewed from financial perspective and non-financial perspective. Also, according to Ebiringa (2011), SMEs perform a major function in economic development of several countries in the world. He, therefore, said that SMEs contribute immensely to the achievement of general economic development, which most times lead to GDP growth, improvement in the standard of living and generate employment; thereby reducing unemployment (Abdul, 2018). Therefore, SMEs performance can be judged based on several different dimensions such sales growth, capital, increase in employment, increase in production line and others. In the same vein, SMEs performance is seen from the angle of financial perspective and it is assessed as sale growth and profitability

Statement of the Problem

Increment or reductions in the number of SMEs in an economy will have great effect on any developing economy. In Nigeria, it has been emphasized in the studies of Oyeniyi & Adeniji, (2010), that SMEs account for about 80% of the industrial sector in terms of number and employees. Benue State economy has witnessed increased in the number of SMEs operators according to the State Ministry of Commerce (Adegbite 2007). Regardless of this, there is also high number of failed and collapsed SMEs in Benue State due to low profitability, poor business decision, high cost of production, competition with foreign products and low market incapability or inability to take calculated risk, to react sharply to the moves of the competition or to create new and acceptable ideas. The profitability and growth of SMEs could be attached to the behaviour displayed by the entrepreneurs at a competitive business environment. Many SMEs might have failed as a result of entrepreneur's not showing enough care or enthusiasm in controlling and coordinating the business. The burden of this study is to copiously review the effect of entrepreneurship behaviour and the performance of small and medium enterprises in Nigeria, using selected SMEs in Makurdi metropolis in Benue State as a case study.

Objectives of the Study

This study is set to achieve the following objectives:

1. to Find out the Effect of entrepreneurs' behaviour in the profitability of SMEs in Benue State
2. to Determine the Effect of entrepreneurship behaviour in the growth of SMEs in Benue State

Research Hypotheses

1. Entrepreneur's behaviour has no significant effect on the profitability of SMEs in Benue State
2. Entrepreneur's behaviour has no significant effects on the growth of SMEs in Benue State.

Literature Review

Concept Entrepreneurship/Entrepreneurs

Entrepreneurship is been controlled and directed by entrepreneurs. Entrepreneurs take bold steps and giant stride to achieve their goals and objectives for the enterprises. Entrepreneurs take risk by creating or transforming thoughts into new ventures and to make the new ventures penetrate the market. Thus, an entrepreneur is the individual that identifies opportunities, gather necessary resources, creates and is ultimately responsible for the performance of the firm (Adegbite, 2007; Oyeniya & Adeniji, 2010). Schumpeter (1934) as cited in Murad and Al-Damen (2015) defined entrepreneur as the person who creates something new and innovation in existing economy.

Entrepreneur is a risk-taker and has been consistent with his business goals and objectives in singular circumstances. Moloi and Nkhahle-Rapita (2014) said entrepreneurs are individuals who accept risks and who are innovative in terms of their business management skills. Entrepreneur is defined as the people who create, manage and lead their own business to success, and being responsible for their decisions and consequent results (Murad & Al-Damen, 2015) Moreover the researchers can define entrepreneurship as a process of creating, establishing, organizing and managing new venture in the way that lead them to succeed. Entrepreneurship has led to the growth of new firms as well as the existing firms and businesses.

Entrepreneurship is also the ability and willingness of individuals both on their own and within an organization to perceive and create new economic opportunities (new products, new production method, new organization schemes and new product-market combinations). They introduce their idea in the market, in the face of uncertainty and other obstacles by making decision on location form and the use of resources and institutions to compete with others for a share of that market (Thurik & Wnnker 1999).

This therefore seems to vindicate the classical economists in introducing entrepreneurship as the fourth factor of productions to affect production. Being a factor of production there stresses the role played by the creativity of the human mind applied to existing production lines rather than having to do with business start-ups; needless to say it does not however preclude this fact. One major of an entrepreneur is the distribution of resources, either to enhance production or to end the production process. This includes the distribution of resources to both the rich (who may not have effective demands) and the poor (who may have effective demand). What differentiates these two groups of individuals lies in their ability to pay for these goods and services of course, consumption does not always comes with purchases but sometimes grants as well. Hence, in society where social well- being advocated as opposed to individual well- being the onus lies on entrepreneurs to ensure equitable distribution of resources in order to bridge the gap between the rich and the poor.

Concept Entrepreneurs behaviour

Entrepreneurs need to exhibit specific behaviours in order to succeed in the entrepreneurial business. Entrepreneurs' behaviours are personal traits and skills which constitute competency of the entrepreneur which are needed to for venture success (Murad & Al-Damen, 2015). This study sees entrepreneurs 'behaviours as the individuality of

entrepreneurs in terms of risk-taking, innovativeness and competitive aggressiveness towards achieving the business goals.

The strengthening of entrepreneurship is important for any type of enterprise for developing its responsiveness to a globalised and changing environment (Aloulou & Fayolle, 2005); and Entrepreneurial Orientation is considered a key element for a firm's success (Wang, 2008). The form of leadership behaviour being practiced by leaders has implications for the level of entrepreneurship in a firm (Morris 2007). In SMEs, the entrepreneur behaviour of the top achievers can have a strong positive impact on the innovativeness and the performance of the firm (Matzler, Schwarz, Deutinger & Harms, 2008). As business becomes globally competitive, SMEs require a new vision and set of directions to help them to become more competitive and to be able to sustain their business.

RiskTaking

Risk taking encompasses taking courageous steps, measures and commitment of financial and nonfinancial resources by gambling into an uncertain business environment or activities. Adisa, Adeoye and Okunbanjo (2016) opined that risk-taking involves taking bold actions by venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments. It is the willingness and readiness to commit resources (own or borrowed) to pursue identified market opportunities that have a reasonable possibility of losses. Risk taking in business environments as it is noted by Adisa et al. is not about taking extreme or uncontrollable risks but taking moderate and calculated risk. According to Keh, Nguyen and Ng (2007) and Wiklund and Shepherd, (2005) as contained in Taylor (2013), risk taking refers to a tendency of an SME to take bold steps such as entering unknown new markets, committing a large portion of the firm's resources to undertakings with uncertain outcomes and/or borrowing heavily. Past studies such as Marfo-Yiadom and Yeboah (2012), Arshada, Raslib, Arshadc and Zainc (2013) revealed that risk taking has positive relationship and significant effect on business performance. Avlonitis and Salavou (2007) put it that firms with strong entrepreneurial behavior are attracted to projects of higher level of risk to get higher level of return. On the divergent view, a risk-averse firm or entrepreneurs will not engage on activities or avoid venture that its outcome is unsure especially in a changing environment. This behavior will result in weaker performance as the firm is not willing to capture market opportunities (Hughes & Morgan, 2007). Adisa et al. concluded that there is no positive association with entrepreneurs' financial compensation. Based on this, the hypothesis is therefore formulated that risk taking has no positive effect on SME profitability.

Competitive Aggressiveness

Competitive aggressiveness is the behaviour, actions or steps taken or displayed by an entrepreneur to out maneuver his competitors. It is important for entrepreneurs to possess this uniqueness so as to have large market share in the industry they are operating. Competitive aggressiveness requires intense action that is aimed at outperforming industry rivals (Bleeker, 2011). An entrepreneur can outsmart his rivals either by upgrading current product or service or by doing things in a way that is different from others. According to Lumpkin and Dess (2005); competitive aggressiveness refers to a firm's propensity to directly and intensely challenge its competitors to achieve entry or

improve position to outperform industry rivals in the marketplace. Entrepreneurs must be responsive to competitors' moves. The studies of Arshada, Raslib, Arshadc, Zainc (2014), Baker and Sinkula, (2009), concluded that competitive aggressiveness has positive and significant effect on organizational performance. It is on this trail that the hypothesis is stated that competitive aggressiveness has positive effect on SMEs sales growth

Innovativeness

Innovativeness is the willingness of the entrepreneurs or firms to engage in creativity of ideas in terms of production process and product and service delivery and trialing the new ideas in the market (Adisa et al. 2016). According to Baker and Sinkula, (2009), innovativeness reflects a fundamental willingness to depart from existing technologies or practices and venture beyond the current state of the art. Lumpkin and Dess (2005); Adisa et al. (2016) stated that innovativeness may take several forms ranging from a willingness to try a new product line or experiment with a new advertising medium, to a focused effort to master the latest products or technological advances. Innovative organizations see things the way others see them but do things differently. It is the ability to translate creative ideas into something concrete, unique, or novel (Adisa et al., 2016). Innovativeness is a vital tool for entrepreneurs and organization to use to penetrate in the operating industry. It is important for start-up entrepreneurs to be innovative if they want to stand up against the industry competition. Thus, it is hypothesized that innovativeness does not have positive effect on SMEs sales growth

Concept of Performance

Performance is defined as the extent to which a company, as a social system with certain resources, is able to fulfill its goals without being obliged to incapacitate its resources and means or putting excessive strain on its employees. Hashem (2015) Performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives. According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment); (b) product market performance (sales, market share); and (c) shareholder return (total shareholder return, economic value added). The term Organizational effectiveness is broader.

Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: Business performance is a multidimensional construct. Islam, Khan and Obaidullah (2011) see firm performance as the firm's success in the market, which may have different outcomes. And also, they opined that performance can be characterized as the firm's ability to create acceptable outcomes and actions. Several literatures have seen business performance in many ways, but this study see business performance in terms of sales growth and profitability of a business firm. Financial performance (such as shareholder return), Customer service social responsibility (such as corporate citizenship, community outreach, Employee stewardship Organizational performance, Performance measurement systems, Performance improvement,

Organizational engineering, Pluralistic stakeholder values. The performance factors of SMEs include growth and profitability.

Growth

Labour productivity and economic growth are the key factors to maintain and improve the competitiveness of countries at global market, (Emsina, 2014). To operationalize productivity in SME, the relation of total output to total input is very handy. The total output is sales revenue from all the products of the enterprise. Total input is the naira value of all the factors of production for that year which include land, labour, capital. This measure of productivity has the advantage that it aggregates the effectiveness of the use of the factors of production of the SME to produce goods and services. It draws attention to the fact that a good integration of resources, physical and human, will yield higher output shown by the result of total output/total input being greater than one. ILO, (2011) concludes that the issues of descent employment and poverty throughout regions may be overcome through productivity growth, improving the industries' competitiveness and increasing the number of decent employments.

Profitability

Profitability is the primary goal of all business ventures. Without profitability, the business will not survive in the long run. Profitability is measured with income and expenses and normally divided into gross profit and net profit. Gross profit as a marketing metric refers to the profit generated by a firm (Pandey, 2005). It is calculated as the total sales minus the cost of those sales. The net profit is a financial metric that is equally important to the marketing manager. It is synonymous with bottom line and indicates whether, after all the expenses of the firm have been taken into consideration, the company is still making profit. The net profit margin is the marketing metric that represent the ultimate profitability of the firm expressed in percentage and it is useful in comparing one period against another or comparing one company with another.

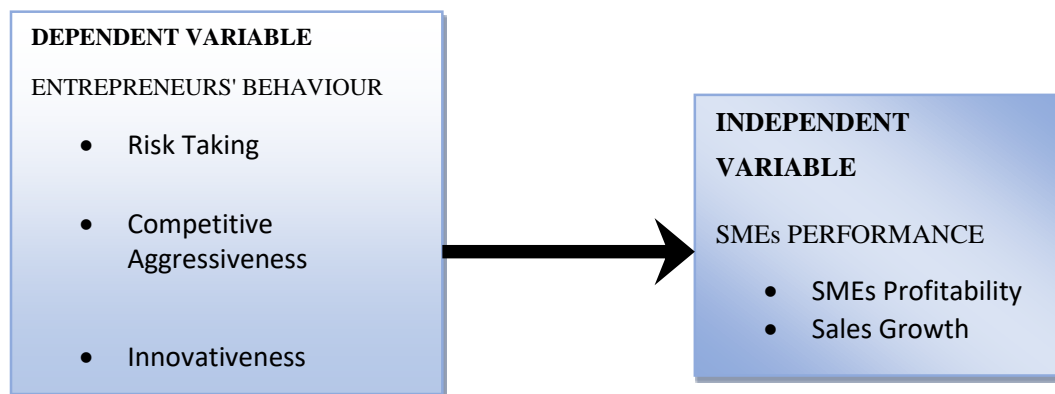
Return on assets provides a measure for assessing the overall efficiency with which the assets are used to produce net income from operations. It also is indicative of management's effectiveness in deploying capital, because it is certainly possible to be efficient and yet poorly positioned in terms of how capital is being utilized. Return on assets, is calculated by dividing profit after tax (PAT) and interest by total assets which can be interpreted as a ratio of income to its total assets. Return on assets is probably the single best overall measure of operating performance. It ties together the results of operations with the resources used to produce those results. It is also relatively easy to interpret (Pandey, 2005).

Entrepreneur behaviour and Performance

Dess and Lumpkin (2005) conceptualized Entrepreneurial behaviour as a frame of mind and perspective about entrepreneurship that are reflected in a firm's ongoing processes and corporate culture. Further, Miller (2011) clarifies that Entrepreneurial behaviour encompassed a process or a way in which entrepreneurs behave in creating their new entry be that entry a new firm, a new product or technology, or a new market. Clearly, Entrepreneurial behaviour has its roots in the strategy-making process literature, and has been described as 'the strategy making processes that provide organizations with a basis

for entrepreneurial decisions and actions' (Rauch et al 2009). Thus, Entrepreneurial behaviour encompasses those policies and practices that provide a basis for entrepreneurial decisions and actions, and comprises of strategy-making practices and processes aimed at developing venture opportunities for the firm (Rauch et al. 2009).

Rauch et al. (2009) describes how the five dimensions of EB relate to entrepreneurial behaviour within a firm. The risk taking dimension explains the ability of a firm to take bold actions through venturing into the unknown, borrowing heavily, and/or committing significant resources to ventures in uncertain environments. Innovativeness encompasses the tendency to engage in creativity and experimentation through the introduction of new products/services as well as technological leadership via R&D in new processes. The pro-activeness dimension focuses on the opportunity-seeking, forward looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand. Competitive aggressiveness refers to the intensity of a firm's effort to outperform rivals and is characterized by a strong offensive posture or aggressive responses to competitive threats.



Theoretical Framework

This part of this study highlights the theory that back the objectives of the study

Personality Based Model

Both personality- and human capital models are examples of character-based model. The foundation of the drive to increase goal attainment across the board is the human capital model of business, which began with the research of (Gary 1962), the model suggests that increasing goal attainment causes increased prosperity by endowing students with increased skills.

According to personality based model, entrepreneurs' posses certain traits and these specific traits are expected to produce a strong impact on planning the business and on the choice of strategies and actions during the launching phase, which will in turn determine the entrepreneur's eventual success in the undertaking. In particular psychological but also economic research has analyzed in detail which personality characteristics are fundamental for entrepreneurial success. The following traits have been defined as useful in explaining the past success and in predicting the future development of a newly founded business: motivational traits, such as need for achievement, internal locus

of control, and need for autonomy, cognitive skills such as problem-solving orientation, tolerance of ambiguity, creativity and risk-taking propensity, affective personality traits, such as stress resistance, emotional stability, and level of arousal, and social skills, such as interpersonal reactivity and assertiveness (Caliendo & Kritikos, 2007).

These traits are crucial to entrepreneurial success. Personal based model is useful in explaining the past success and in predicting the future development of a newly founded business (Oyeku, Oduyoye, Asikhia, Kabuoh & Elemo, 2014) and existing business. This theory backs the objectives of this study.

Empirical Studies

Wekesa, Gathungu and Wainaina (2016) carried out a study covering 314 small and medium enterprises in nine counties in Kenya. The coefficient of determination, statistic, and the t-value and their significance levels were used in presenting the relationship between entrepreneurial characteristics and firms' performance. The results showed that that firm performance is significantly affected by entrepreneurial characteristics of age, managerial skills, industry experience and social skills. Thus, it was concluded that entrepreneurial characteristics and performance of non-timber forest products, small and medium enterprises are empirically related. Firms run by relatively young, well-experienced and skilled entrepreneurs register better performance. It is necessary, therefore, that the non-timber forest products small and medium enterprises match their strategic decisions with characteristics of owners/managers to enhance their competitiveness and performance.

Najim, Naser and Mohamed (2014) examined how entrepreneurial attributes affect business performance in Jordanian institutions. Data obtained concerned entrepreneurial attributes and performance in Jordanian private and public institutions based on a survey questionnaire. To arrive at statistically significant conclusions, the authors used regression and correlation analysis. The results indicated that entrepreneurial characteristics (personal, managerial and organizational) have a statistically significant impact on performance profitability, ability to meet obligations, ability to expand, reputation, and relationships with stakeholders).The study was limited to respondent's point of view in Jordanian institutions, while there were some similarities with managers in Arab institutions; caution should be exercised when generalizing results of this study to other Arabian countries. The study provided useful information and impartial advice for entrepreneurship institutions in Jordan. It also revealed the need for new entrepreneur's practices that should be adopted. The study attempted to fill gaps in the literature on practice of Arabian entrepreneurs. This was one of the few studies that examine the Jordanian environment with regard to identifying the nature of the relationship between entrepreneurs' attributes and organizational performance in Jordanian institutions. The paper's findings and recommendations were expected to benefit decision makers in their dealings with different Jordanian entrepreneurs' institutions.

Okunbanjo, Adewale and Akinsulire (2017) used survey research designed via administering questionnaires to the entrepreneurs' of SMEs in Lagos State. Two hundred and sixty (260) questionnaires were administered to the respondents and 231 were retrieved. Regression method of analysis was employed to test the stated hypotheses and the findings revealed that risk taking has a weak positive effect on profitability, but competitive aggressiveness and innovativeness have a strong positive effect on sales growth of SMEs in Lagos State. The study recommended that entrepreneurs operating in

Lagos State need to be very mindful of the risk they take in order to improve their business performance in terms of sales growth and profitability. Entrepreneurs need to develop new business ideas to enhance innovativeness and creativity so as to achieve increase in both financial and non-financial performance.

Oyong (2019) research on *The Effect of Entrepreneurial Behavior and Organizational Innovation on MSMEs Performance*, the study aims at analyze the influence of entrepreneurial behavior and organizational innovation simultaneously and partially on the performance of MSMEs organization in Lumajang Regency, as well as to analyze the dominant variable affecting organizational performance. The sample in this research is 40 MSMEs with questionnaire as the data collection method. The analysis technique used in this research is multiple regression analysis. The result of the analysis shows that entrepreneurship behavior and organizational innovation influence simultaneously and partially influence organizational performance. Organizational innovation has a dominant influence on organizational performance.

Azra, Salfiya & Ummah (2019) research on *impact of entrepreneurs' behaviour on growth of small and medium enterprises (SMEs)*, The main objective of the study was to identify the relationship between entrepreneurs' behaviour and growth of SMEs. Entrepreneurs' behaviour was operationalized as need for achievement, self-confidence, initiative, risk taking, independence and experience. The study adopted the survey method. 91 respondents were considered as sample size using simple random sampling techniques for analysing the data. Validity test, reliability test, descriptive analysis, correlation analysis and regression analysis were performed using Statistical Package for Social Science (SPSS) version 23. The study revealed that there is a significant impact of entrepreneur's behaviours other than initiative on business growth of SMEs in Udunuwara Division. The study recommends that SMEs should improve the entrepreneur's behaviours such as need for achievement, self-confidence, risk taking, independence and experience other than initiative to generate profit in the SMEs.

Iolanda & Florea (2019), research on *Impact of Personality Traits and Entrepreneurship Education on Entrepreneurial Intentions of Business and Engineering Students*. The aim of this article is to verify what relations are between locus of control, need for achievement and entrepreneurial intention of youth, following a cognitive approach and how much entrepreneurial education consolidates entrepreneurial skills and informs the young that entrepreneurship is a career option. To analyse entrepreneurial intentions, locus of control, need for achievement and entrepreneurial education in the context of Romania, this research used a quantitative design based on the answers to the questionnaire conducted during March 2017 to October 2017 on a sample of 270 students from two important Romanian universities. From the methodological point of view, several hypotheses have been developed and tested using multivariate logistic regression estimates, frequency analysis, internal consistency reliability of the constructs and moderating effects. The results illustrate that locus of control, need for achievement and entrepreneurial education proved to be important determinants for venture creation among young students, both independently and under the action of control variables

Murad and Rula (2015) aimed to investigate the impact of the entrepreneurs' characteristics on small business success at Medical Instruments Supplies Organizations in Jordan. The population was small business of Medical Instruments Supplies Organizations in Jordan Amman. The study surveyed the owners and managers working at these

organizations which consist of 66 organizations. Data were collected by developed questionnaire. Statistical techniques such as descriptive statistics, t-test, ANOVA test, correlation, multiple regressions employed to test the hypotheses. The result showed that there is an impact of the entrepreneurs' characteristics on the small business success, which indicated that small business success was related to the entrepreneurs' characteristics. The study recommended carrying out similar studies on other industries in Jordan and other countries.

Abdullahi Mahadalle and Kaplan (2017) aimed at assessing the effect of entrepreneurial competencies and entrepreneur's demographic and personal characteristics on business performance among initial stage entrepreneurs. Further, it also aims at spotting the main challenges encountered by the women entrepreneurs involved in Small business in Somalia. The study adopted extensive relevant literature reviews on the studied variables and drawing conclusions based on the conducted reviews. The reviewed studies showed that entrepreneurial characteristics and entrepreneurial competencies are positively related to overall business performance. The study also supported the claim that Somali women entrepreneurs make significant contributions to the small-scale businesses in Somalia but faced several challenges that must be treated as urgency.

Research Method

Survey research design was employed. Primary source of data collection was utilized via administering questionnaire to 260 entrepreneurs operating SMEs as target respondents in Makurdi metropolis randomly. Questions for entrepreneurs behaviouristics were adopted from Adisa et al., (2016) and Covin and Slevin (1989). Questionnaire on SMEs performance were adopted from Makinde (2015). A total of 231 questionnaires were found useful for this study. The questions were ranked in 6-point scale ranging from strongly agree, agree, partially agree, partially disagree, disagree and strongly disagree. Multiple regression and descriptive statistics were used to analyse the data that were run on SPSS version 21. The reliability test and the validity test were also considered to ascertain the internal consistency of the responses and if the questions measured what they tend to measure.

Results and interpretations

Demographic Details of the Respondents

The responses on demographic details of the respondents revealed that 62 (26.8%) of the respondents were within the ages of 18-30, 80 (34.6%), and 89 (38.5%) were within the ages of 31-43, 45-57 and 45-57 respectively. The responses on the experience of the SMEs entrepreneurs showed that 67 (29%) had been in the business from 0-4 years, 75 (32.5%) had been in the business from 5-9 years, 76 (32.9%) had been SMEs operators from 10-14 years and just 13 which is about 5.6% had been operating SMEs from 20 years and above. 81 (35.1%) of the entrepreneurs possess diploma certificate, 73 (31.6%) of the entrepreneurs were universities and polytechnic graduates, 54 (23.4%) possess secondary degree certificates, just 3 (1.3%) possess doctoral degree and 20 possess other qualifications such as professionals, O'level certificate etc.

Reliability and Validity Result

Table4.1: Reliability and Validity of the Data

Variables	Reliability	Validity	No of items
Risk Taking	.714	.659	5
Innovativeness	.754	.750	5
Competitive Aggressiveness	.794	.737	5
SalesGrowth	.761	.782	7
Profitability	.634	.744	5

The internal consistency and measurement of validity of the responses on all variables employed were tested using Cronbach Alpha and KMO test respectively. The results showed that the values of reliability test of all the variables are above 0.70 except the value of profitability. In the same vein, the validity values of the variables are above 0.60 which means that the research questions measured what they are supposed to measure

Test of the hypotheses

Table4.2 Table for Summary of the Results

UNSTANDARDIZED COEFFICIENTS						
	R-SQUARE	B	STANDARD ERROR	F-VALUE	P-VALUE	N
Hypothesis1	.303	.174	.154	0.996	.320	231
Hypothesis2	.420	3.76	1.29	6.586	.044	231
Hypothesis3	.441	3.51	1.07	5.393	.039	231

The regression result on hypothesis one that risk taking has no positive effect on SME profitability shows that 30.3% of risk taking explains the variation in SMEs profitability in Benue State. The result also showed that there is weak but positive effect of risk taking on the profits of SMEs operators in Benue State with value of .174. Therefore, this study failed to accept the null hypothesis that risk taking has no positive effect on SMEs profitability. From the result on hypothesis two that competitive aggressiveness has a positive effect on SMEs sales growth, the R-square result shows 42% of the variation in SMEs sales growth is explained by competitive aggressiveness. The result further indicated competitive aggressiveness has high positive effect on SMEs sales growth with the value of 3.76. Hence, this study rejected the hypothesis that competitive aggressiveness has no positive effect on SMEs sales growth.

The regression results in table 4.2 reveals that the R-Square of hypothesis three that innovativeness does not have positive effect on SMEs sales growth is 0.441 which is about 44.1% of SMEs sales growth is controlled by innovativeness. Thus, the coefficient value of 3.51 revealed that there is a positive effect of innovativeness on the sales growth of SMEs in Benue State. This study did not accept the null hypothesis that innovativeness does not have positive effect on sales growth

Discussions of Findings

The result of hypothesis one indicated that any risk taken by an entrepreneur will increase the profitability of the enterprise by 0.174; this shows a slight positive effect. The result is consistent with Arshada, et al., (2013); Boohene, et al., (2012) but inconsistent with the findings of Adisa et al., (2016). Hypothesis two results revealed that the more entrepreneurs are competitively aggressive, the more the growth in the sales of their products by 3.76. This signifies strong positive effect. And this result is consistent with the study of Adisa et al., (2016); Arshada, et al., (2013); Boohene, et al., (2012). Also, the more entrepreneurs are innovative, the more the increment in the sales of products by 3.51.

Conclusion

The regression results showed that among the behaviours of entrepreneurs considered in this study, innovativeness has high effect with SMEs performance in Makurdi Metropolis while competitive aggressiveness has the highest coefficient value and the higher positive effect on SMEs performance. Thus, entrepreneurs operating in Makurdi Metropolis need to be very mindful of the risk they take in order to take their business to the next level. Entrepreneurs need to react more sharply to the moves; tactic and strategies of their competition in order to maintain and increase their market share or share of shelf in the market. Entrepreneurs must avoid imitation of their product, that is, entrepreneurs need to create and develop new sophisticated ideas that will be difficult to imitate by adding unique features in all facets of the production line or business. This will aid them to maintain and attract new customers which will automatically increase the sales performance of their products.

Recommendations

In view of the findings of this study, the following recommendations would be helpful to the selected SMES and other organizations in Nigeria, to redress some of the challenges facing them, especially in the area entrepreneurial characteristic and general management of people at work.

Firstly, that entrepreneurs operating in Benue State need to be mindful of the risk they take in order to improve their business performance in terms sales growth and profitability. Entrepreneurs need to develop new business ideas to enhance innovativeness and creativity so as to achieve increase in both financial and non-financial performance.

Secondly, aside from the academic qualification and seniority, workers should be rewarded more on the basis of performance. Since this research work has shown that performance-related pay spurs employees to greater performance, it is strongly recommended that worker's salaries be based more on performance than other parameters. In other words, performance appraisal should play a greater role in the promotion process. And every level of responsibility and result achieved must be with a corresponding of remuneration.

Moreover, on performance, it is strongly recommended that workers should be periodically promoted or upgraded within a period of not more than four years. While this serves as recognition of their good work, it provides a larger scale for measuring their benefits. This brings satisfaction to the employee and encourages him/her to improve in performance

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- ENTREPRENEURS' BEHAVIOUR AND THE PERFORMANCE SMALL AND MEDIUM SCALE ENTERPRISES (SMES) IN BENUE STATE
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