

Entrepreneurial Characteristics and Sustainability of Small Firms in a Developing Economy

Victor Ogheniyerovwome Iki^{1,*}, Esther Ejobosele Otoghile²

¹Therapies Department, University Hospital Southampton NHS Foundation Trust, Southampton, United Kingdom

²Department of Management and Accounting, Obafemi Awolowo University, Ile-Ife, Nigeria

Email address:

Victor_iki@yahoo.com (Victor Ogheniyerovwome Iki), esther.otoghile@gmail.com (Esther Ejobosele Otoghile)

*Corresponding author

To cite this article:

Victor Ogheniyerovwome Iki, Esther Ejobosele Otoghile. Entrepreneurial Characteristics and Sustainability of Small Firms in a Developing Economy. *Science Journal of Business and Management*. Vol. 11, No. 4, 2023, pp. 141-148. doi: 10.11648/j.sjbm.20231104.11

Received: August 28, 2023; **Accepted:** September 12, 2023; **Published:** October 9, 2023

Abstract: Small firms in a developing economy like Nigeria have been supported with funds, training, and enabling environment for success due to their role in economic growth. Despite these efforts to improve entrepreneurial characteristics and performance of firms, most small firms operate in the informal sector of the economy and do not have policies on sustainability practices. This study ascertains the personal entrepreneurial characteristics predominant in owners of small firms; and identifies the sustainability practices of small firms. All these were with the view to investigate the relationship between entrepreneurial characteristics of owners of small firms and sustainability practices of firms. A purposive sampling technique was used to select 94 respondents who are owners of small firms in Lagos State, Nigeria that responded to questions like the personal entrepreneurial characteristics predominant in owners of small firms; and the sustainability practices of small firms. Data were summarised using descriptive statistics and regression analysis to test the dependability of sustainability practices of small firms on the personal entrepreneurial characteristics of their owners. The results of this survey showed that majority of the owners of small firms possess entrepreneurial characteristics like opportunity seeking and initiative, risk taking propensity, demand for efficiency and product quality, innovation, creativity and persistence, commitment to the work contract, information seeking, proactiveness and goal setting, systematic planning and monitoring, networking and persuasion, independence, and self-confidence. It was also deduced from the survey that small firms do not fully implement sustainability practices in Nigeria (especially in the dimension of environmental conservation). The overall result shows that there is no significant relationship between entrepreneurial characteristics of owners of small firms and sustainability of small firms. In conclusion, entrepreneurial characteristics has no significant relationship with sustainability practices of firms.

Keywords: Efficiency, Entrepreneurship, Environment, Inclusion, Innovation, Policy, Sustainability

1. Introduction

Countries all over the world have acknowledged the place of entrepreneurship in nation building. It is a well-known fact that private businesses contribute hugely to the Gross Domestic Product (GDP) of America, Canada, The United Kingdom, and Germany and represent the highest employers of labour [1, 2]. The same is the case in a developing economy like Nigeria and it has been displayed by the government's support for the growth of small businesses in Nigeria in form of provision of support funds, training, and enabling environment [3, 4]. The Bank of Industry (BOI),

Bank of Agriculture (BOA), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), Agric Small and Medium Enterprises Investment Scheme (AGSMEIS), several institutes of entrepreneurship development amongst others help Micro, Small and Medium Enterprises (MSMEs) development in Nigeria.

Despite these, over 80% of private firms in Nigeria are small scale and do not contribute to the GDP of Nigeria [5]. Most of them are in the informal sector of the economy and do not have policies on corporate social responsibility, good labour practice, and environmental sustainability. In Africa, and Nigeria in particular, corporate sustainability practices are rarely discussed.

Sustainability practices in its real sense is barely practiced by most small firms in Nigeria [6, 7]. Entrepreneurship cannot bring about the economic development of Nigeria if firms do not engage in sustainability practices. This could be an explanation for failed businesses all over Nigeria. A business should not be too profit oriented to practice business in a way that will affect future generations [8-10].

Entrepreneurial characteristics are distinctive traits that make entrepreneurs who they are and keep them in business. These characteristics are what makes entrepreneurs drive economic growth through their innovative products or services [5]. Well-developed entrepreneurial characteristics can be attained through the entrepreneurial training and development opportunities put in place by the Federal Government of Nigeria (FGN). It has been shown that entrepreneurial characteristics have positive influence on the performance of firms [11] and scholars have also suggested knowledge transfer and commercialization of research results from institutions involved in training, research, and development [5]. The relationship between entrepreneurial characteristics and the sustainability of firms is yet to be documented especially in Nigeria. This study evaluates the association between entrepreneurial skills and the sustainability of firms.

Literatures have shown the relationship between entrepreneurial characteristics and performance of firms. It has also been documented that firms do business without a balance between profit, people, and planet. Making profit at the detriment of future generations is unethical and should be discouraged [12, 13]. There is lack of enforcement of policies on environmental sustainability, corporate social responsibility, and labour practices especially among small firms in Nigeria [14, 15]. This study assesses the entrepreneurial characteristics predominant in small firm owners, the sustainability practices in small firms, and how entrepreneurial characteristics affect the sustainability practices in the small firms. This study dealt with relevant questions arising from the statement of the problems above:

- i. What are the entrepreneurial characteristics predominant in small firms' owners?
- ii. What are the sustainability practices in small firms?
- iii. What is the relationship between entrepreneurial characteristics and the sustainability practices in small firms?

This study will be useful to entrepreneurs, teachers, business experts, policy makers, students and scholars of management sciences and researchers in this field of study. The study will help reveal the entrepreneurial characteristics predominant in small firms' owners, the sustainability practices of small firms, and to analyse the various effects of entrepreneurial characteristics on sustainability practices in the small firms to proffer workable solution and formulate viable and meaningful policies for the growth, stability, and development in entrepreneurship in the economy at large.

2. Methodology

This study was carried out in the premises of small firms in Lagos State, Nigeria. Lagos state is a cosmopolitan located in south-west Nigeria that is known as the commercial capital of Nigeria. It was selected due to the large number of small firms and ease of meeting the proposed sample size of 100 owners of small firms. The data collection methods for obtaining important information for this research project was strictly a questionnaire which was directed at Entrepreneurial Characteristics and Sustainability of Firms. A purposive sampling technique was used to recruit 100 consented small firm owners in Lagos State, Nigeria as respondents for this study. This is a probability sampling technique used on each of the mutually exclusive departments to select a particular number which is proportional to the stratum share of the entire population. The questionnaire was administered to owners of small firms in Lagos State, Nigeria by mail, internet, phone calls, and in person.

A questionnaire on Personal Entrepreneurial Characteristics [5] was modified and used as the research instrument. The research instrument used is a 78-item-questionnaire to measure the personal entrepreneurial characteristics (PEC) of entrepreneurs (anchored by Never, Rarely, Sometimes, Usually, and Always) and sustainability practices of firms (anchored by Not at all, Rarely, Sometimes, Usually, and Fully Implemented). A pilot test was done on the questionnaire among 10 small scale firm owners in Lagos State who were not part of the actual study. This was done to remove and appropriately reframe redundant and ambiguous items. The questionnaire was observed to be internally consistent with Cronbach's alpha value of 0.896.

The scale of measurement of the variables are nominal scale and likert scale. The nominal scale was used to collect data on demography of respondents and likert scale was used to investigate the response of respondents to questions pertaining to personal entrepreneurial characteristics and sustainability practices. The variables involved in this study thus helped to determine the Entrepreneurial Characteristics and Sustainability of Firms. Entrepreneurial Characteristics, which are the independent variable, is the way and manner by which strategies incurred can encourage and improve Sustainability of Firms (variable of primary interest). The investigators concerning the questionnaire method assume that the respondents would voluntarily and honestly complete the questionnaire, and that the responses would be relevant to meeting the objectives of the study.

Data obtained from the survey were analysed using descriptive and inferential statistics with the aid of Statistical Packages for Social Scientists (SPSS). Regression analysis was also used to test the effect of entrepreneurial characteristics on sustainability practices of firms.

3. Result

This presents the entrepreneurial characteristics predominant in small firm owners, the sustainability practices

in small firms, and how entrepreneurial characteristics affect the sustainability practices in the small firms. Descriptive analysis was used to describe the relevant aspects of the phenomena under consideration and provide detailed information about each relevant variable. 100 questionnaires were distributed to small firm owners in Lagos State, Nigeria but 4 were not returned and 2 were improperly filled thereby making the sample size of this study 94. This represents 94% of the administered questionnaire.

3.1. Demography of Respondents

All the respondents of the questionnaire are small firm owners in Lagos State, Nigeria. The respondents' demography is presented in Table 1 below. The result shows that 48.90% of respondents are below 30 years of age, 22.30% are of ages 30-39 years, 24.50% are of ages 40-49 years, and 4.30% are 50 years and above. 61.70% of respondents are male and 38.30% are female. 56.40% are single and 43.60% are married. The highest educational qualification of respondents is Ordinary level 19.10%, NCE/Diploma 14.90%, Degree 51.10%, and Postgraduate 14.90%. The distribution of size of firms (measured by number employees) of respondents in Lagos State are less than 10 employees 75.50%, 21.30% 10-49 employees, and those with 100 employees and above 3.20%. Majority of the small firms in Lagos State are sole proprietorship, 29.80% are partnership, and 7.40% are limited liability companies. 45.70% are less than 5 years in operation, 37.20% have been in operation between 5 and 9 years, 6.40% 10-14 years, 4.30% 15-19 years, and 6.40% of the small firms have been in operation for 20 years or more. 39.40% are in the servicing industry, 27.70% manufacturing, 5.30% are into wholesale business, 27.70% are into retails, and none of the SMEs in Lagos State is into construction.

Table 1. Demography of Respondents.

Variables	Frequency	Percentage
Gender		
Male	58	61.70
Female	36	38.30
Age		
Below 30 years	46	48.90
30-39 years	21	22.30
40-49 years	23	25.50
50 years and above	4	4.30
Marital Status		
Single	53	56.40
Married	41	43.60
Widowed	-	-
Level of Formal Education		
Ordinary Level	18	19.10
Diploma/NCE	14	14.90
Degree	48	51.10
Postgraduate	14	14.90
Others	-	-
Size of Firm		
Less than 10 employees	71	75.50
10-49 employees	20	21.30
50-99 employees	-	-
100 employees and above	3	3.20
Legal Status of Firm		
Sole Proprietorship	59	62.80

Variables	Frequency	Percentage
Partnership	28	29.80
Limited Liability Company	7	7.40
Age of Firm		
Less than 5 years	43	45.70
5-9 years	35	37.20
10-14 years	6	6.40
15-19 years	4	4.30
20 years and above	6	6.40
Industry Type		
Service	37	39.40
Manufacturing	26	27.20
Construction	-	-
Wholesale	5	5.30
Retail	26	27.70

3.2. Entrepreneurial Characteristics Predominant in Small Firm Owners

The respondents were asked their level of agreement to the personal entrepreneurial characteristics predominant in them and their responses are presented in table 2 below. Majority of the owners of small firms possess 'opportunity seeking and initiative' characteristic as shown in their responses in items like; I look for things that need to be done, I do things that need to be done before being asked to by others, I like challenges and new opportunities, I prefer activities that I know well and with which I am comfortable, and I try things that are very new and different from what I have done before. The same is the case for 'persistence', seen in their responses to: when faced with a difficult problem, I spend a lot of time trying to find a solution, I try several times to get people to do what I would like them to do, I keep on trying to accomplish what I want even when something gets in the way of what I am trying to do, I quickly go on to other things when faced with major difficulties, and I try several ways to overcome things that get in the way of reaching my goals. The responses of owners of small firms in items like I complete my work on time, I keep the promises I make, I am happy to do someone else's work if necessary to get the job done on time, I make a special effort to make sure the person is happy with my work when I am doing a job for someone, and my family and personal life are more important to me than work deadlines I set for myself shows high level of commitment to the work contract. 'Demand for efficiency and product quality' was also a predominant characteristics among owners of small firms as observed in items like; it bothers me when things are not done well, it bothers me when my time is wasted, I always think there must be a better way because I'm never entirely happy with the way in which things are done, and I find ways to complete tasks faster at work and at home. 'Risk taking' was also predominant based on findings from the following items: I prefer situations in which I can control the outcomes as much as possible, I do not try something new without making sure I will succeed, I weigh my chances of succeeding or failing before I decide to do something, I do things that are risky, and I do things that others consider risky. They also possess 'Goal Setting' characteristics as seen in I like to think about the future, it is a waste of time to worry about what to do with your life, 'the more specific I can be about what I want out of

life, the more chance I have to succeed', I have a very clear plan for my life, and I am as concerned about meeting my weekly goals as I am for my yearly goals. 'Information seeking' was a predominant entrepreneurial characteristics seen from: I gather a great deal of information before going ahead when starting a new task or project, I seek the advice of people who know a lot about the tasks I am working on, I take action without wasting time gathering information, When working on a project for some time, I ask many questions to be sure I understand what that person wants, and I go to several different sources to get information to get help with tasks or projects. 'Systematic Planning and Monitoring' was also well displayed from the response of small business owners to; I plan a large project by breaking it down into small tasks, I think about the advantages and disadvantages of different ways of accomplishing things, I try to think of all the problems I may encounter and plan what to do if each problem occurs,

and I think of another approach to solve a problem if one does not work. 'Persuasion and Networking' was also a predominant entrepreneurial characteristics as shown from the analysed survey (I get others to support my recommendations, I do not spend much time thinking about how to influence others, I get important people to help me accomplish my goals, I think of solutions that benefits everyone involved in a problem in order to reach my goals, and I am able to get people who have strong opinions and ideas to change their minds). Responses to the items like I feel confident that I will succeed at whatever I try to do, I change my mind if others disagree strongly with me, I feel confident that I will succeed when trying something difficult or challenging, I deal with problems as they arise rather than spending time anticipating them, and I stick with my decisions even if others disagree strongly with me have also shown that owners of small firms are highly independent and self-confident.

Table 2. Level of Agreement of Respondents to Entrepreneurial Characteristics Predominant in Small Firm Owners (%) $n=94$.

STATEMENT	Never	Rarely	Sometimes	Usually	Always
I look for things that need to be done	-	3.20	9.60	50.00	32.00
When faced with a difficult problem, I spend a lot of time trying to find a solution	-	-	44.70	40.40	14.90
I complete my work on time	-	12.80	36.20	22.30	28.70
It bothers me when things are not done well	-	4.30	21.30	38.30	36.20
I prefer situations in which I can control the outcomes at much as possible	-	8.50	13.80	30.90	46.80
I like to think about the future	-	6.40	13.80	17.00	62.80
When starting a new task or project, I gather a great deal of information before going ahead	-	11.70	22.30	24.50	41.50
I plan a large project by breaking it down into smaller tasks	-	8.50	22.30	38.30	30.90
I get others to support my recommendations	-	27.70	25.50	39.40	7.40
I feel confident that I will succeed at whatever I try to do	-	7.40	6.40	45.70	40.40
No matter who I'm talking to, I'm a good listener	-	11.70	31.90	31.90	24.50
I do things that need to be done before being asked to by others	-	18.10	26.60	37.20	18.10
I try several times to get people to do what I would like them to do	-	12.80	51.10	7.40	28.70
I keep the promises I make	-	7.40	18.10	55.30	19.10
My own work is better than that of other people I work with	-	11.70	39.40	34.00	14.90
I do not try something new without making sure I will succeed	4.30	16.00	42.60	31.90	5.30
It is a waste of time to worry about what to do with your life	31.90	16.00	26.60	8.50	17.00
I seek the advice of people who know a lot about the tasks I am working on	-	3.20	23.40	31.90	41.50
I think about the advantages and disadvantages of different ways of accomplishing things	-	11.70	16.00	28.70	43.60
I do not spend much time thinking about how to influence others	9.60	6.40	40.40	35.10	8.50
I change my mind if others disagree strongly with me	18.10	34.00	24.50	14.90	8.50
I feel resentful when I do not get my way	10.60	5.30	51.10	30.90	2.10
I like challenges and new opportunities	-	13.80	12.80	31.90	41.50
When something gets in the way of what I am trying to do, I keep on trying to accomplish what I want	-	4.30	25.50	40.40	29.80
I am happy to do someone else's work if necessary to get the job done on time	-	4.30	47.90	23.40	24.50
It bothers me when my time is wasted	-	10.60	21.30	40.40	27.70
I weigh my chances of succeeding or failing before I decide to do something	4.30	6.40	33.00	29.80	26.60
The more specific I can be about what I want out of life, the more chance I have to succeed	-	4.30	33.00	37.20	25.50
I take action without wasting time gathering information	25.50	16.00	29.80	24.50	4.30
I try to think of all the problems I may encounter and plan what to do if each problem occurs	4.30	18.10	25.50	20.20	31.90
I get important people to help me accomplish my goals	-	25.50	41.50	24.50	8.50
When trying something difficult or challenging, I feel confident that I will succeed	4.30	13.80	21.30	34.00	26.60
In the past, I have had failures	-	17.00	41.50	33.00	8.50
I prefer activities that I know well and with which I am comfortable	-	19.10	33.00	27.70	20.20
When faced with major difficulties, I quickly go on to other things	10.60	20.20	44.70	13.80	10.60
When I am doing a job for someone, I make a special effort to make sure the person is happy with my work	-	22.30	18.10	21.30	38.30
I'm never entirely happy with the way in which things are done; I always think there must be a better way	-	10.60	48.90	28.70	11.70
I do things that are risky	-	23.40	23.40	29.80	23.40
I have a very clear plan for my life	-	10.60	22.30	27.70	39.40
When working on a project for some time, I ask many questions to be sure I understand what that person wants	-	7.40	11.70	39.40	41.50

STATEMENT	Never	Rarely	Sometimes	Usually	Always
I deal with problems as they arise, rather than spend time trying to anticipate them	4.30	26.60	-	36.20	33.00
In order to reach my goals, I think of solutions that benefit everyone involved in a problem	-	19.10	20.20	33.00	27.70
I do very good work	-	7.40	29.80	40.40	22.30
There have been occasions when I took advantage of someone	4.30	22.30	19.10	40.40	13.80
I try things that are very new and different from what I have done before	-	7.40	31.90	34.00	26.60
I try several ways to overcome things that get in the way of reaching my goals	-	7.40	28.70	50.00	13.80
My family and personal life are more important to me than work deadlines I set for myself	-	22.30	22.30	29.80	25.50
I find ways to complete tasks faster at work and at home	-	3.20	20.20	37.20	39.40
I do things that others consider risky	-	3.20	23.40	51.10	22.30
I am as concerned about meeting my weekly goals as I am for my yearly goals	-	13.80	24.50	25.50	36.20
I go to several different sources to get information to get help with tasks or projects	-	3.20	24.50	44.70	27.70
If one approach to a problem does not work, I think of another approach	-	2.10	19.10	54.30	24.50
I am able to get people who have strong opinions or ideas to change their minds	-	10.60	40.40	26.60	22.30
I stick with my decisions even if others disagree strongly with me	-	16.00	45.70	9.60	28.70
When I don't know something, I don't mind admitting it	-	11.70	20.20	37.20	30.90

3.3. Sustainability Practices Predominant in Small Firms

The respondents were asked their level of agreement to the sustainability practices of their firms and their responses are presented in table 3 below. 25.50% of the small firms do not have a regulated overtime wage policy at all, 14.90% rarely implement overtime wage policy, 21.30% sometimes, 20.20% usually, while only 18.10% have fully implemented overtime wage policy. When asked about a healthy and safe working environment; 4.30% of small firms have not implemented it at all, 7.40% rarely, 20.20% sometimes, 29.80% usually, and 38.30% have fully implemented it. Only 19.10% of small firms have fully implemented inclusion policy (e.g., women and minorities), 22.30% usually observe inclusion policy, 22.30% sometimes, 13.80% rarely, and 22.30% do not at all. Two third of small firms ensure the basic safety of their products/services for customers, a quarter sometimes, while the rest either rarely (6.40%) or do not (4.30%). More than two third of small firms do not policy on use child, forced, or sweatshop labour serious as only 42.60% either usually implement it or have it fully implemented. More than half of

small firms allow their employees to exercise freedom of association, 13.80% rarely, and 4.30% does not at all. Majority of the small firms have an employee performance appraisal system, although 25.50% only implement it sometimes, 11.70% rarely, and 8.50% do not at all. Majority of their products/services are designed to avoid or reduce use of hazardous materials, as only 21.20% either do not or rarely do so. A quarter of the small firms are not committed to recycling all categories of wastes while 26.60% sometimes. Only a few of the small firms minimize the use of fossil fuels in favour of alternative energy sources. On if their properties, plants, and equipment are energy-efficient, their responses were 17.10% fully implemented, 19.10% usually, 41.50% sometimes, 3.20% rarely, and 19.10% not at all. Majority of small firms are committed to minimising the use of packaging. Majority do not use recycled materials to produce their goods or services. Majority of small firms are committed to financial transparency as only 12.80% either do not at all or rarely.

About half of the firms surveyed have a community development service policy.

Table 3. Level of Agreement of Respondents to Sustainability Practices of Small Firms (%) n=94.

STATEMENT	Not at all	Rarely	Sometimes	Usually	Fully Implemented
My firm has a regulated overtime wage policy	25.50	14.90	21.30	20.20	18.10
We have a healthy and safe working environment	4.30	7.40	20.20	29.80	38.30
My firm has an inclusion policy (e.g. women and minorities)	22.30	13.80	22.30	22.30	19.10
Ensured the basic safety of our products/services for customers	4.30	6.40	23.40	22.30	43.60
We do not use child, forced, or sweatshop labour	25.50	6.40	25.50	12.80	29.80
My employees are allowed to exercise freedom of association	4.30	13.80	27.70	17.00	37.20
We have an employee performance appraisal system	8.50	11.70	25.50	24.50	29.80
Our products/services are designed to avoid or reduce use of hazardous materials	13.80	7.40	18.10	25.50	35.10
My firm is committed to recycling all categories of wastes	24.50	4.30	26.60	26.60	18.10
We minimize the use of fossil fuels in favour of alternative energy sources	25.50	19.10	13.80	23.40	18.10
Our properties, plants, and equipment are energy-efficient	19.10	3.20	41.50	19.10	17.00
We are committed to minimising the use of packaging	17.00	11.70	31.90	14.90	24.50
We use recycled materials to produce goods or services	33.00	13.80	39.40	7.40	6.40
My firm is committed to financial transparency	8.50	4.30	25.50	27.70	34.00
My firm has a community development service policy	20.20	14.90	37.20	5.30	22.30

3.4. Relationship Between Entrepreneurial Characteristics and Sustainability Practices of Small Firms

Table 6 reveals that 0.30% of the variance in sustainability

practices of small firms in a developing economy can be accounted for by the personal entrepreneurial characteristics of their owners. In addition, table 7 indicates that the independent variable (entrepreneurial characteristics) does not statistically influence the dependent variable

(sustainability practices), $F(1, 92) = 0.255, p > .05$. Thus, the regression model is a good fit of the data. The table further reveals that the personal entrepreneurial characteristics of owners of small firms ($\beta = 0.25, t = 4.398, p > .05$) does not have significant effect on the sustainability practices of these firms.

Table 4. Descriptive Statistics.

	Mean	Standard Deviation	N
Sustainability Practices	49.1596	11.27878	94
Entrepreneurial Characteristics	201.9043	23.79440	94

Table 5. Correlations.

		Sustainability Practices	Entrepreneurial Characteristics
Pearson Correlation	Sustainability Practices	1.000	.053
	Entrepreneurial Characteristics	.053	1.000
Sig. (1-tailed)	Sustainability Practices	.	.307
	Entrepreneurial Characteristics	.307	.
N	Sustainability Practices	94	94
	Entrepreneurial Characteristics	94	94

Table 6. Model Summary^b.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.053 ^a	.003	-.008	11.32422

a. Predictors: (Constant), Entrepreneurial Characteristics

b. Dependent Variable: Sustainability Practices

Table 7. ANOVA^b.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	32.713	1	32.713	.255	.615 ^a
	Residual	11797.893	92	128.238		
	Total	11830.606	93			

a. Predictors: (Constant), Entrepreneurial Characteristics

b. Dependent Variable: Sustainability Practices

Table 8. Coefficients^a.

Model	Unstandardised Coefficients		Standardised Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	44.127	10.032		4.398	.000
Entrepreneurial Characteristics	.025	.049	.053	.505	.615

a. Dependent Variable: Sustainability practice

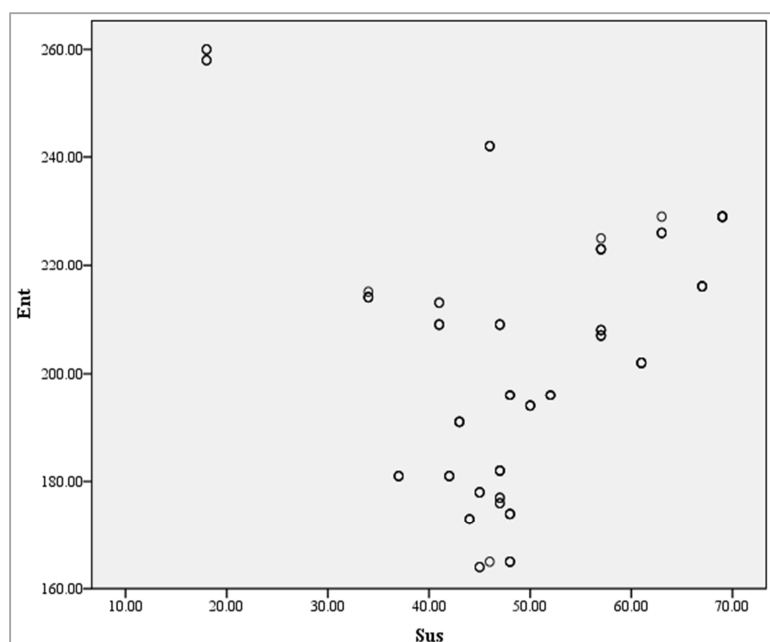


Figure 1. Relationship between Entrepreneurial Characteristics (Ent) of Owners of Small Firms and Sustainability Practices (Sus) of Small Firms.

3.5. Reliability of Research Instrument

Table 9 below shows that the properties of measurement scales and the items that compose the scale is reliable based on the average of inter-item correlation.

Table 9. Reliability Statistics.

Cronbach's Alpha	N of Items
.896	78

4. Discussion

This study shows the relationship between entrepreneurial characteristics of owners of small firms and their sustainability practices; ascertains the personal entrepreneurial characteristics predominant in owners of small firms; and identifies the sustainability practices of small firms. Methodology adopted was a survey that used a purposive sampling technique to select 100 consented owners of small firms in Lagos State, Nigeria for the study. 100 copies of the questionnaire were administered, 94 copies of those returned were found adequately completed after screening and used for the analysis. Data obtained from the survey were summarised using descriptive statistics and regression analysis to test the dependability of sustainability practices of small firms on the personal entrepreneurial characteristics of their owners.

Analysis of the survey indicates that the owners of small firms in Lagos State, Nigeria are majorly active, single men possessing a degree. Majority of the owners of small firms have been in business for less than 10 years, has less than 10 employees on their payroll, are sole proprietors, and are into servicing, manufacturing, and retail.

The findings of this study show that most of the owners of small firms possess entrepreneurial characteristics like opportunity seeking and initiative, risk taking propensity, demand for efficiency and product quality, innovation, creativity and persistence, commitment to the work contract, information seeking, proactiveness and goal setting, systematic planning and monitoring, networking and persuasion, independence, and self-confidence. This is in line with the works of [5, 16-18]. Small firms do not fully implement sustainability practices in Nigeria as the survey shows (especially the dimension of environmental conservation). There is no significant relationship between entrepreneurial characteristics and the sustainability of small firms. This contradicts the conclusions of [16, 18, 19] that entrepreneurial characteristics significantly affect the performance of small firms.

5. Conclusion

From the study, it can be concluded that owners of small firms in Lagos State, Nigeria have good personal entrepreneurial characteristics, but this does not have significant effect on the sustainability practices of small firms.

Sustainability practice is a management function that aims to profitably improve the way of doing business without detrimentally affecting the people, planet, and profit in an arena of business competition.

The overall objective of sustainability practices should be enabling persons to profitably engage in meaningful and purposeful activities towards meeting organisational objectives with consideration on the environment and people. This objective can only be achieved when there is strict adherence to bespoke management and policies. Owners of small firms in developing economies must be aware of the need for sustainability practice and the enormous benefits associated with strict adherence to it. This is a competitive strategy that can attract and retain highly motivated and goal-oriented employees to the organisation which on the long run will reduce employees' turnover, attract, and retain customers, and increase overall productivity of the firm.

Possessing good entrepreneurial characteristics and making profit is not enough but it must be rightly channeled to bespoke management activities for posterity's sake.

Acknowledgments

Special thanks to the entrepreneurs that responded to this survey; Dr Omoneye O. Olasanmi; staff members of the department of management and accounting, OAU, Ile-Ife, Nigeria; and family and friends.

References

- [1] United Nations (2007). Report of the World Social Situation 2007. New York: United Nations.
- [2] Statista Research Department (2023). U. S. Share of Value Added to GDP 2022, by Industry. Online: <https://www.statista.com/statistics/248004/percentage-added-to-the-us-gdp-by-industry/>
- [3] Basil Anthony Ngwu Onugu. (2005). Small and Medium Enterprises (SMEs) in Nigeria: Problems and Prospects. Small Business Journal.
- [4] Muritala Taiwo, Awolaja M. Ayodeji & B. A. Yusuf. (2019). Impact of Small and Medium Enterprises on Economic Growth and Development. American Journal of Business and Management, 1 (1), 18–22. doi: 10.11634/21679606170644.
- [5] Stephen Adegbite, Matthew Olugbemiga Ilori, I. A. Irefin, Isaac Oluwajoba Abereijo & Helen Olubunmi Aderemi. (2007). Evaluation of the Impact of Entrepreneurial Characteristics on the Performance of Small Scale Manufacturing Industries in Nigeria. Journal of Asia Entrepreneurship and Sustainability, III (1), 1–22.
- [6] Yunus Adeleke Dauda, Waidi Adeniyi Akingbade & Hamed Babatunde Akinlabi. (2010). Strategic management practice and corporate performance of selected small business enterprises in Lagos metropolis. International journal of Business and Management, 5 (11), 97.

- [7] Geoffrey I. Nwaka. (2011). The urban informal sector in Nigeria: towards economic development, environmental health, and social harmony." *Global Urban Development Magazine*, 1 (1), 1-11.
- [8] Alamo Alexandre da Silva Baptista & Antonio Carlos de Francisco. (2018). Organizational Sustainability Practices: A Study of the Firms Listed by the Corporate Sustainability Index. *Sustainability*, 10 (1), 226. doi: 10.3390/su10010226.
- [9] Eva Collins, Juliet Roper & Stewart Lawrence. (2010). Sustainability Practices: Trends in New Zealand Businesses. *Business Strategy and The Environment*, 19 (8), 479–494. doi: 10.1002/bse.653.
- [10] Gro Harlem Brundtland. (1987). *Our Common Future* World Commission on Environment and Development.
- [11] Murad Husni Abdulwahab & Rula Ali Al-damen. (2015). The Impact of Entrepreneurs' Characteristics on Small Business Success at Medical Instruments Supplies Organizations in Jordan. *International Journal of Business and Social Science*, 6 (8), 164–175.
- [12] Wolfgang Bronner, Heiko Gebauer, Claudio Lamprecht & Felix Wortmann. (2021). Sustainable AIoT: How Artificial Intelligence and the Internet of Things Affect Profit, People, and Planet. In: Oliver Gassmann & Fabrizio Ferrandina (eds) *Connected Business*. Springer, Cham. doi: 10.1007/978-3-030-76897-3_8.
- [13] Bob Doherty, Helen Haugh, Erinch Sahan, Tom Wills & Simon Croft. (2020). Creating the New Economy: Business models that put people and planet first. Online: <https://eprints.whiterose.ac.uk/155977/>
- [14] Kenneth Amaeshi, Emmanuel Adegbite, Chris Ogbachie, Uwafiokun Idemudia, Konan Anderson Seny Kan, Mabumba Issa & Obianuju I. A. Anakwue. (2016). Corporate Social Responsibility in SMEs: A Shift from Philanthropy to Institutional Work? *Journal of Business Ethics*, 138, 385-400. doi: 10.1007/s10551-015-2633-1.
- [15] Judy N. Muthuri. (2013). Corporate Social Responsibility in Africa. In: Terri Lituchy, Betty Jane Punnett & Bill Buenar (eds) *Management in Africa: Macro and Micro Perspectives*. Routledge.
- [16] Maimuna Shika Aliyu. (2017). Entrepreneurial Competencies and the Performance of Small and Medium Enterprises (SMEs) in Zaria Local Government Area of Kaduna State. *International Journal of Entrepreneurial Development, Education and Science Research*, 4 (2) 116-138.
- [17] Justin L. Davis, Greg R. Bell, Tyge G. Payne & Patrick M. Kreiser. (2010). Entrepreneurial Orientation and Firm Performance: The Moderating Role of Managerial Power. *American Journal of Business*, 25 (2), 41–54. doi: 10.1108/19355181201000009.
- [18] Benjamin James Iyang & Rebecca Oliver Enuoh. (2009). Entrepreneurial competencies: the missing links to successful entrepreneurship in Nigeria. *International Business Research*, 2 (2), 62-71.
- [19] Gloria Mothibi. (2015). The Effects of Entrepreneurial and Firm Characteristics on Performance of Small and Medium Enterprises IN PRETORIA. *International Journal of Economics, Commerce and Management*, III (3), 1–8.