

Socio-demographic Factors and Resilience as Predictors of Entrepreneurial Failure among artisans and petty traders in Ibadan

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Entrepreneurship is a key factor for economic development, thereby public, private and non-governmental organizations are taking various measures to promote entrepreneurship in different countries mostly developing ones. In a developing country like Nigeria with so many inadequate infrastructural facilities or inadequacies, the role of entrepreneurship development is more important than that in developed countries so far as the creation of self-employment opportunities and reduction of unemployment situations are concerned. Entrepreneurship and entrepreneurs have altered the path ways of economies and markets, they have developed new products and services, and they have equally given way to innovations and creativity, which serves as a vital tool for economic development and prosperity. Since the economists have capitalized on the imperative role of entrepreneurs in economic and social growth, the entrepreneur was considered the mechanism for transforming and improving the economy (Hisrich and Brush, 1985). According to Thompson and Scott (2010) entrepreneurship symbolizes innovation and a dynamic economy.

There are many challenges in the current business environment including heightened competition, lack of time, continuous technological development, conflicting demands from Organizational Stake holders (Edwards, 1992; increased use of participatory management and computerization (Johnson, 1999; Murray & Forbes, 1986) and greater uncertainty. In addition to these challenges, several researchers report that entrepreneurs are more likely to experience higher levels of stress due to the heavy workload associated with having to cope with the risk related to their business activities and operations (Akanke, 1994; Dewe & Guest, 1990; Haris, Saltstone, & Fraboni, 1999). Furthermore, it has been found that anxiety levels have increased as the pressure surrounding the entire business increase, including managing the cash flow, recruiting, recruiting and retraining staff, meeting targets, dealing with red tape and Juggling the work-life balance (Robertson, 2004; Rytkonen & Strandvik, 2005). According to Robertson (2004) the experience of stress among entrepreneurs is much higher compared to other Job occupations. While resilience on the other hand has emerged as a factor that projects entrepreneurs against the threats posed by challenges and changes in the business environment (Chen & Yang, 2009; Karra et al; 2008). Resilience can be thought of a set of qualities" rather than a specific characteristics in entrepreneurial (Cooper, Estes, & Allen, 2004).As such, this construct is asserted to be an amalgamation of a range of personal and behavioral qualities including self-efficacy, need for achievement and aspiration, creativity and innovation, flexibility and knowledge seeking (Chen & Yang, 2009; Karra et al, 2008).

Resilience is an increasingly important measure of a person capacity to manage the dynamic process of "positive adversity" arising from stress, challenges and risks (Luthar, Cickhetti, & Becker, 2000). In this context, the idea of resilience has been linked to self-efficacy, need for achievement and aspiration, creativity and knowledge seeking. Each of these constructs and their relationship to entrepreneurship are described below: These characteristics, self-efficacy is believed to be a potentially limited protective factor that has received limited attention in research studies of entrepreneurs. Bandura (1986; Bandura, 1997) conceptualized self-efficacy as individuals beliefs in their capabilities to mobilize the motivation, cognitive resources, and agency to exert control over a given event (Bandura, Caprara, Barbaranelli, Gerbino, & Pastorelli, 2003; Bandura, Caprara, Barbaranelli, Pastorelli and Regalia, 2001). When facing adverse events, those who retain the belief that they will be able to exert control over their thoughts are more likely to persevere in their efforts, those who are self-efficacious are also more likely to reject negative thought about themselves or their abilities than those with a sense of personal inefficacy (Bandura et al., 2002; Bandura et al, 2001).

The need for achievement theory of McClelland (McClelland, 1986) has been widely used to explain entrepreneurial behavior. According to its traditional definition, the need for achievement is the impetus that forces the person to struggle for success and perfection. (Sagie & Elizur, 1999). Individuals who have a strong need to achieve want to solve problems, set targets and strive to achieve these targets through their own efforts, demonstrate a higher performance in challenging tasks and are innovative in the sense of looking for new and better ways to improve their performance. McClelland first established the importance of this construct in relation to entrepreneurship by positing that a high need for achievement predisposes a person to seek out an entrepreneurial position to satisfy this need (McClelland, 1961). Innovation and creativity has been defined in the

entrepreneurship literature as the drive to create new products, methods of production, markets, supply chains, Organizations or business structures (Sorensen & Sorenson, 2003; Yu, 2001). Innovativeness is suggested as a behavior that characteristic entrepreneurship and entrepreneurial orientation (Entrialgo, Fernaldez, & Valzquez, 2000) in that entrepreneurs are always looking for new opportunities (Zacharakis, 1997). For example, Utsch and Rauch (Utsch & Rauch, 2000) claims that innovation is the major tool of entrepreneurship they refers to innovation as a systematic search for opportunities for new markets, products or ideas (Utsch & Rauch, 2000). Stewart, et al (2003) argue that innovation is inherent in the role of entrepreneurship and it can separate "entrepreneurs" from "Managers" and others have found that there is a close relationship between innovativeness and venture performance (Utsch & Rauch, 2000). In short, innovativeness has been taken as a major characteristics in defining the entrepreneurship profile (Thomas & Mueller, 2000)

London (1993) claims that the resilience also related to the construct of flexibility. Flexibility is demonstrated when individuals show a high tolerance for ambiguity, they are adaptable to changing circumstances and welcome rather than resist change. According to Lodon (1993) a resilient person is a flexible person who view changes as a manageable process, feels empowered by transitions, embraces change and looks forward to new and different situations. Flexibility is viewed as an important characteristics of entrepreneurs (Haywards, Forster, Sarasvathy, & Fredrickson, 2009; St Jean & Audet, 2009).

Socio-demographic factors is a term that refers to a group defined by its sociological and demographic characteristics. It can be age, sex, religion, educational level, marital status etc but of all sociological characteristics are more objective traits because it goes a long way in predicting entrepreneurial failures in the society. Resilience can be described as a concept or factor that protects entrepreneurs against the threats posed by challenges and changes in the business environment. The advantages of socio-demographic factors to the entrepreneur such as gender, ethnicity or socio-economic status goes a long way to identify target markets for specific products or services in this situation, the entrepreneur's attention is on the people who are most likely to buy a product this is good from entrepreneurial standpoint because it means the entrepreneur does not waste money trying to get people who have the interest in his/her product. Socio-demographic factors also provides specific information about different populations, once an entrepreneur has this data, the entrepreneur can develop well-defined strategies about how to reach each population, that is, it tells entrepreneurs exactly how to market and develop their brands so people in the demographic environment will respond.

Within this contextual background researchers have begun to explore why some entrepreneurs have overcome such problems and successfully start new ventures and manage it well (Akande, 1994; Johnson 1999), while others have not; and how socio-demographic factors and resilience has motivated entrepreneurial failures among artisans/businessmen most especially in Ibadan.

The following hypotheses were generated and tested in this study

1. Male participants will score significantly higher on the measures of entrepreneurial failure than their female counterparts among petty traders in Ibadan.
2. Petty traders with low level of resilience will score significantly higher on the measures of entrepreneurial failure than petty traders with high level of resilience among petty traders in Ibadan.

Methods

Design

This study adopted a cross-sectional survey using ex-post facto design.

Setting

The research was carried out among artisans and entrepreneurial businessmen in Ibadan. The choice of Ibadan was based on the availability of artisans and entrepreneurial businessmen comprising different people from virtually all ethnic groups in Nigeria

Population of study

The potential participants for this study were artisans and business men in Ibadan. However, only consented ones were included in the study.

Participants

The participants were 201 in population; there were 106 (52.7%) males and 95 (47.3%) females. The age brackets were: 21-30 years 70 (34.9%), 31-40 years = 69 (34.3%) while 41-50 years = 62 (30.8%).

Marital status of the participants are as follows: single 71 (35.3%), married = 97 (48.3%), separated = 16 (8.0%), divorced were 8 (4.0%) while widow/widower were 9 (4.47%).

The participants' academic qualifications were recorded as: 20 (10.0%) were without formal education; 13 (6.5%) were primary school, SSCE holders were 76 (37.8%), OND/NCE were 49 (24.4%) and HND/BSc were 43 (21.4%).

The descriptive statistics of the tribe were: Hausa 11 (5.5%), Igbo were 67 (33.3%), Yoruba were 106 (52.7%) while others were 17 (8.5%)

Instruments

Instruments

Section A; This includes socio-demographic information of sex, age, marital status, academic qualification and tribe.

Entrepreneurial Failure: This was measured with a 21-item entrepreneurial belief scale developed by Li, Li, & Wan, (2010). Participants were expected to express their degree of agreement or disagreement with each of the statement on a 5-point Likert format ranging from 1 (strongly disagree) to 5 (strongly agree). Sample of the items includes “; if the entrepreneurship fails, I will face it bravely, I like to meet the challenges, I keep an optimistic attitude towards life”. The authors of the scale reported internal consistency reliability estimates of 0.9. In this study internal consistency reliability of .86 was obtained

Resilience: Resilience was assessed using 25-item CD-RISC scale developed by Connor and Davidson, (2003) Resilience is considered as the capacity to overcome adversity. The CD-RISC contains 25 items, all of which carry a 5-point range of responses, as follows: not true at all (0), rarely true (1), sometimes true (2), often true (3), and true nearly all of the time (4). The scale is rated based on how the subject has felt over the past month. The total score ranges from 0–100, with higher scores reflecting greater resilience. Sample of the items includes, ‘Able to adapt to change. Close and secure relationships. Sometimes fate or God can help. The authors reported test-retest reliability coefficient of 0.87 among the general population. The scale has internal consistency reliability estimates of 0.89 in this study.

Procedure

The city of Ibadan comprised five local government areas. Two local government areas were randomly selected by simple balloting. Ibadan North and Ibadan South West were selected. The researcher with the help of two trained research assistants went through the commercial area of this two local government areas intimating small business owners and artisans about the study. Participants who were willing and gave their consent to participate in the study were given battery of questionnaires to fill. The objectives of the study had earlier been explained to them. Instructions on how to fill the questionnaire was given. Confidential treatment of information was assured. It took an average of 15 minutes to fill in each questionnaire. One hundred and fifty questionnaires were distributed in each local government making three hundred out of which two hundred and one questionnaires were retrieved for data analysis. The study covered the period of twelve weeks. The returned questionnaires considered adequate for data analysis were coded, stored and entered for data analysis using the SPSS 20.0 version of computer software package.

Results

1. Male participants will score significantly higher on the measures of entrepreneurial failure than their female counterparts. The hypothesis was tested with t-test for the independent samples and result is presented.

Summary of t-test for the independent samples showing the influence sex on entrepreneurial failure

	Sex	N	Mean	S.D	df	t	P
Entrepreneurial failure	Female	105	17.13	3.35	198	-.245	>.01
	Male	95	17.22	2.86			

Results indicate that female participants did not score significantly higher on entrepreneurial failure than their male counterparts among entrepreneurial businessmen. However, female participants' recorded a mean of

(17.13) and male participants recorded a mean score of (17.22). This result implies that there is no significant difference in the sex of participants on the measures of entrepreneurial failure among the study sample. Therefore, the result did not confirm the stated hypothesis and it is rejected in this study.

2. Participants with low level of resilience will score significantly higher on the measures of entrepreneurial failure. The hypothesis was tested with t-test for the independent samples and result is presented below

Summary of t-test for the independent samples showing the influence level of resilience on entrepreneurial failure

	Resilience	N	Mean	S.D	df	t	P
Entrepreneurial failure	Low	165	18.06	2.19	199	10.835	<.01
	High	35	13.05	3.54			

Results indicate that artisans and entrepreneurial businessmen with low level of resilience scored significantly higher on entrepreneurial failure than entrepreneurial businessmen with high level of resilience ($t(199) = 10.835$; $P < .01$). However, entrepreneurial businessmen with low level of resilience recorded a mean of (18.06) and entrepreneurial businessmen with high level of resilience recorded a mean score of (13.05). This result implies that there is significant difference in level of resilience among entrepreneurial businessmen. Hence, the result confirmed the stated hypothesis and it is accepted in this study.

Discussion

Hypothesis one result which stated that male participants will score significantly higher on the measures of entrepreneurial failure than their female counterparts was not confirmed giving the impression that there is no significant difference in sex of participants on the measures of entrepreneurial failure, therefore the result was rejected. This implies that male or female could fail on entrepreneurial business and that failure of the entrepreneurs on small businesses does not hang on sex differences.

Hypothesis two that states that entrepreneurial businessmen with low level of resilience will score significantly higher on the measures of entrepreneurial failure than entrepreneurial businessmen with high level of resilience was confirmed. Resilience is considered as the capacity to overcome adversity, this result implies that those who are low in resilience find it difficult coping with challenges of entrepreneurship and they can easily give up if there is any problem they perceived stronger than their ability and can give up easily. This could be responsible for the collapse of entrepreneurial businesses in developing nations. Resilience can be thought of "a set of qualities rather than a specific character" in entrepreneurial (Cooper, Estes, & Allen, 2004). As such is asserted to be an amalgamation of a range of personal and behavioral qualities including self-efficacy, need for achievement and aspiration, creativity and innovation, flexibility and knowledge (Chen & Yaug, 2009; Karra et al, 2008).

Conclusion

Based on the findings of this study; "the following conclusions reached were summarized as follows;

1. The result indicates that there is no significant difference in the sex of participants on the measures of entrepreneurial failure
2. The result implies that petty traders with low level of resilience scored significantly higher on the measures of entrepreneurial failure

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