



## **Moderating Effects of Individual Entrepreneur and Enterprise Characteristics on the Relationship between Business Environmental Scanning Behaviour and Entrepreneurial Performance**

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### **Abstract**

*The turbulence in the Benue State business environment has recently been increased by acts of corruption, the global financial crisis, communal/religious crisis, competition, and the expectations of customers and the workforce. However, in the face of these environmental perturbations, the trade sector has witnessed increases and expansions. Consequently, owing to the fact that Individual Entrepreneur/Enterprise Characteristics (IEC/ETC) enhance the relationship between Business Environmental Scanning (BES) behaviour- Degree of Interest (DOI) and Frequency of Scanning (FOS), and Entrepreneurial Performance (ENP), this study examined the moderating effects of IEC/ETC on the relationship between DOI/FOS and ENP among micropreneurs in the trade sector. The study adopted cross-sectional research design using questionnaire, while multi-stage sampling technique was used to select the elements that completed the study questionnaire. The sampling techniques employed in the multi-stage sampling are purposive, criterion and systematic sampling techniques. The generated data were analyzed using regression statistical method through SPSS procedure. The results revealed that IEC/ETC moderates the relationship between DOI/FOS and ENP. Thus, micropreneurs should be encouraged to increase their DOI/FOS through training and entrepreneurial learning, improve on their IEC/ETC, and frequently scan the environmental factors that affect their ENP.*

**Keywords:** Individual Entrepreneur Characteristics, Enterprise Characteristics, BES Behaviour, Entrepreneurial Performance

## 1. Introduction

Business organizations today are immersed in a competitive and constantly changing environment (Rouibah, 2003). These changes are basically the trickle down effects that are occasioned by changes in the environmental factors. These factors are: the general, task and internal environmental factors. More recently and specifically too, these changes have been aggravated by acts of terrorism, communal/religious crisis, corruption and the global financial crisis. This therefore suggests, as noted by Ottih (2008) that environmental factors play a decisive role in determining the success, failure and even, the continued existence of business organizations.

Most of the previous studies dealing with the conditions of successful business have focused on large companies more than Small and Medium Scale Enterprises (SMEs) (Pelham, 2000; Gosh & Kwan, 1996). Undoubtedly, changes in the environment cause more uncertainty in SMEs than in large companies. Owing to the fact that SMEs have limited resources to acquire information about the market and consequently changing the course of the enterprise, the response to environmental changes between the large companies and the SMEs are different (Chen & Hambrick, 1995). More so, past empirical studies have alluded to the fact that individual entrepreneur and enterprise characteristics influence entrepreneurial performance (Shane, 2003; Gatewood et al., 2004; Wiklund & Shepherd, 2005; Hashim, 2005; Kiganane et al., 2012; Sarwoko et al., 2013).

Consequently, aside good managerial skills, every organization, from the micro enterprises to the large multinational enterprises, whether public or private sector based, ought ideally to continually monitor its environment in order to identify potential changes in the enterprises' environment. The outcomes of such monitoring activity or environmental scanning are usually timely and current information which enhances the enterprises' ability to adopt/adapt new strategies in the operation of their organization. Based on the foregoing, it is pertinent to state that for business enterprises to enhance their entrepreneurial performance through business environmental scanning, they need to maintain a steady degree of interest and frequency in the scanning of their business environment. However, since organizational size is not a determinant of scanning systems effectiveness (Beal, 2000; Yassai-Aredekani & Nystrom, 1993), small enterprises owners/managers still scan their business environment to enhance their performance (Venkataraman & Prescott, 1990; Zhang et al., 2011).

Thus, this study seeks to determine the moderating effect of individual entrepreneur and enterprise characteristics on the relationship between business environmental scanning behaviour (i.e., degree of interest and frequency of scanning) and entrepreneurial performance among micropreneurs in Benue State, Nigeria. This is owing to the fact that since 2008, the trade sector in the Benue State business environment has witnessed increases and expansions in spite of the environmental perturbations which has maintained an upward trend. This unprecedented increase in the environmental turbulence in the State has been occasioned by acts of corruption, the global financial crisis, communal/religious crisis, competition, and the expectations of customers and the workforce.

### 1.1. Research Hypotheses

**H<sub>01</sub>:** The relationship between the degree of interest and entrepreneurial performance is not moderated by individual entrepreneur characteristics.

- H<sub>02</sub>:** The relationship between frequency of scanning and entrepreneurial performance is not moderated by individual entrepreneur characteristics.
- H<sub>03</sub>:** The relationship between the degree of interest and entrepreneurial performance is not moderated by enterprise characteristics.
- H<sub>04</sub>:** The relationship between the frequency of scanning and entrepreneurial performance is not moderated by enterprise characteristics.

## **2. Resource-Based View**

The Resource-Based View (hereafter referred to as RBV) was theorized by Wernerfelt in 1984 based on the earlier works of Selznick (1957), Penrose (1959) and Ricardo (1966). The RBV holds that firms are bundles of productive resources with different firms possessing different bundles of these resources that are either very costly to copy or inelastic in supply (Bear & Sumner, 2004; Runyan et al., 2006; Ferreira et al., 2011; Ichrakie, 2013). The foci of RBV are competitive advantages generated by the firm from its unique set of resources (Barney, 1991; Peteraf, 1993; Chuang, 2004). According to Barney, the importance of RBV lies in the study of a firm's internal strengths and weaknesses. This therefore, makes RBV a very useful approach in understanding the impact of a firm's environment on growth and performance.

Recently, there has been a reinforced interest in the role of firm resources as foundation for firm strategy (Grant, 1991; Miller & Shamsie, 1996). For a firm to achieve high levels of performance and sustained competitive advantage, it needs to acquire heterogeneous resources that are difficult to create, to substitute or imitate by other firms (Ferrira et al., 2011). Therefore, the main strategy for firms' growth and performance can be found inside the firms, that is, firms with resources and superior capabilities will build up a basis for gaining and sustaining competitive advantage (Peteraf, 1993).

Some authors (Barney, 1991; Grant, 1991; Mahoney & Pandian, 1992; Chandler & Hanks, 1994; Day, 1994) asserted that resources are by themselves insufficient for obtaining a sustained competitive advantage and a high performance as well. This is possible only if the firms are able to transform resources into capabilities, and consequently into positive performance (Mahoney & Pandian, 1992). Firms achieve superior performance not only because they have more or better resources, but because of their distinctive competences (those activities that a firm do better than other competing firms) (Penrose, 1959). Despite the wide diversity of resources, they are classified thus: (1) tangible and intangible resources; (2) strategic resources; (3) human resources; (4) social resources; (5) organizational resources; (6) technological resources; (7) location resources; (8) assets; and (9) capabilities (Penrose, 1959; Barney, 1991; Hall, 1992; Amit & Schoemaker, 1993; Day, 1994; Bogaert et al., 1994; Greene et al., 1997).

There is a key distinction between resources and capabilities. Resources are inputs into the production process – they are the basic units of analysis (Grant, 1991; Bear & Sumner, 2004). The individual resources of the firm include items of capital equipment, intellectual assets, patents and brand names. A capability is the capacity of a team to use resources to perform some task or activity (Hitt et al., 2003), while resources are the source of a firm's capabilities (Ferreira et al., 2011). Capabilities are many times developed either in functional areas or in combination of physical, human or technological resources, controlled by the firm (Amit & Schoemaker, 1993). Thus, RBV is expressed as a strategic approach with two different views, namely the tendency to look at capabilities together with other resources as the core competences of a firm's strategy formulation and therefore constitute the firm's identity (Grant,

1991; Barney et al., 2001), and the advice to firms to focus on more efficient utilization of resources (Collins & Montgomery, 1998).

In addition, some authors (Grant, 1991; Grantstrand et al., 1997) give special attention to technological competences as an important factor to influence, not only the sales' growth, but also the businesses' diversification and performance. However, another capability which business owners must combine with their firm's resources so as to ensure appropriate strategy formulation, effectiveness and efficiency in the use of other resources and capabilities, and above all enhanced business performance is Business Environmental Scanning (BES).

## **2.1. Business Environmental Scanning Behaviour**

Environmental uncertainty arises when: an organization is unable to predict the factors that characterize its environment (Milliken, 1987); there is a difference between available information and required information; there is lack of confidence or understanding in the major events or trends happening in the external environment; the decision makers are unable to accurately assign probabilities to the likelihood that particular events and/or changes will occur (Milliken, 1987); and organization's decision-makers perceive unpredictability in their environment (Milliken, 1987; Buchko, 1994). Therefore understanding managerial cognition and its effect is critical for gaining insight into organizational actions and performance. One way through which owners/managers acquire environmental information and by extension enhance their actions and performance is Business Environmental Scanning (BES). More so, the two most commonly used categories of environmental information in strategic management literature are opportunities and threats (Dutton & Jackson, 1987; Jennings & Lumpkin, 1992).

Three dimensions differentiate opportunity and threat labels: (1) whether decision makers evaluate an issue in positive or negative terms; (2) whether they see it as representing potential gain or loss for their organization; and (3) whether they see it as controllable or uncontrollable (Jackson & Dutton, 1988). Thus, opportunities may be described as "positive situations in which gain is likely and over which one has a fair amount of control" and threats as "a negative situation in which loss is likely and over which one has relatively little control" (Dutton & Jackson, 1987). Due to bounded rationality, not all environmental information may be categorized in the same manner by all organization. The same issue could be categorized by one organization as an opportunity and by another as a threat. Opportunity and threat are like two ends of a continuum and they may coexist in reality. The differences among manager's environmental perceptions are the varying perceived magnitudes of opportunities versus threats. That is, more perceived environmental threats may mean less perceived environmental opportunities (He et al., 2012).

Weick (1969) asserted that managers respond to what they perceive and such perception may or may not correspond to objective reality. Perceived or enacted environment according to Weick is also known as created environment. Choo (1999) affirmed that managers who perceive the environment to be more uncertain will tend to scan more, as perceived environmental uncertainty is a good predictor of the amount and intensity of scanning. The accuracy with which management perceives the degrees of complexity, stability and uncertainty existing in the external environments, enhances the probability of appropriate organization response and adaptation. On the other hand, unrealistic enacted environment (either through managerial myopia, lack of expertise, insufficient time, or whatever) could have substantial negative effects on organizational performance.

The real question concerning perception of environmental states is which cues are picked up by organizational decision makers? Managers both as individuals and as a group often exhibit certain response biases concerning what they see or how they see it. When these perceptions are in error, or when only part of the relevant cues are received from the environment, decisions concerning appropriate responses are made on the basis of the distorted or incomplete information, such behaviour can severely constrain the quality and utility of organizational response (Ottih, n.d.). However, uncertainty by itself will not lead to scanning unless the external components are perceived to be important to organizational performance.

Business Environmental Scanning (BES) is the acquisition and use of information about events, trends and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action (Aguilar, 1967; Auster & Choo, 1993). Organizations scan the environment in order to understand external forces of change so that they may develop effective responses which will secure or improve their position in the future (Choo, 1999). Similarly, Hough & White (2004) viewed BES as a sequence of procedures of identifying, collecting, processing and translating information about external influences into useful decisions and plans. Albright (2004) defined BES as the internal communication of external information about issues that may potentially influence an organization's decision-making process.

Business owners/managers learn about the environment by scanning it directly or by learning from others in the industry. They may increase or decrease the degree of interest to scan and frequency of scanning. These two dimensions which were first used by Hambrick (1982) constitute BES behaviour. The degree of interest to scan is the degree to which the executives made it a point to stay abreast of information from each sector. Frequency of scanning on the other hand is the number of time managers receive data about the environment or the frequency of collecting information about each environmental sector (Temtime, 2001; Zhang et al., 2011). Ideally, increase in the degree of interest to scan should lead to frequent scanning, and more frequent environmental scanning should lead to better organizational performance, as scanning could help decision-makers to overcome their perceived uncertainty, to formulate and implement adaptive strategies, and hence enable the organization to achieve harmony with the external environment (Daft et al., 1988; Ahituv et al., 1998).

Researchers and authorities in strategic management have alluded to the fact that the operations and activities of businesses are affected by external, task and internal environmental factors. Thus, these factors constitute environments which owners/managers scan for strategic information. Duncan (1972) defined business external environment as all the factors outside an organization that are taken into consideration by the organization in its decision making. Business external environment has been classified as being "stable" when it does not show any changes, "unstable" when it shows relative changes and "dynamic" when it shows changes continuously (Aguilar, 1967). Worthington & Britton (2009) classified these factors as political, economic, socio-cultural, technological, legal and ethical influences (i.e., PESTLE or PESTEL factors). The task (intermediate or specific or direct-action) environment include those quasi external factors which are more specific to each organization or group of organizations, and which influence task and goal related activities. The task environmental factors include suppliers, customers, competitors, creditors, trade unions, trade associations and the host communities (Ottih, 2008). The internal environment refers to factors within the firm. These factors are within the control of the firm as opposed to the factors in the general environment and those in the intermediate environment. However, the internal environment of a business firm can

be divided into four major components as follows: organizational resources, technical competencies, management systems and organizational culture (Ottih, 2008). Ottih further stated that when the components of internal environment are available in sufficient and effective ways, the firm is said to have strengths, when they are insufficient and/or ineffective, the firm is said to have weaknesses.

## **2.2 Individual Entrepreneur Characteristics**

Individual entrepreneur characteristics are entrepreneurship personality characteristics-need for achievement, locus of control, risk taking propensity, tolerance for ambiguity, innovativeness and self confidence (Gurol & Atsan, 2006). It has also been described as significant in identifying opportunities, and achieving profit and growth in the face of risk, uncertainty and challenging business environment (Zimmerer & Scarborough, 2003). Locke & Collins (2003) identified the factors that influence entrepreneurial process as need for achievement, risk taking, tolerance for ambiguity, locus of control, self efficacy and goal setting. Hashim (2005) added that entrepreneurial characteristics include need for achievement, motivation, knowledge, skills and locus of control. To Machirori & Fatoki (2013) entrepreneur's characteristics include gender, age and education.

Islam et al. (2011) noted that individual entrepreneur characteristics include demographic characteristic (i.e., age, gender), individual characteristics (i.e., education, former work experience), personal trait (i.e., self confidence, perseverance), entrepreneurial orientation (i.e., autonomy, innovativeness, risk taking, pro-activeness, competitiveness, aggressiveness and motivation), and entrepreneur readiness (also known as self-efficacy). Duchesneau & Gartner (1990) asserted that lead entrepreneurs in successful firms were more likely to have been raised by entrepreneurial parents, have had a broader business experience, more prior start-up experience, and have had less control of their success in business than unsuccessful entrepreneurs. Education and prior experience in business have been seen as critical success factors for small firms (Yusuf, 1995; Wijewardena & Coorary, 1996). Researchers have argued that success in business is driven by entrepreneurial orientation (Lumpkin & Dess, 2001; Wiklund & Shepherd, 2005). Also, self-efficacy is a person's belief in his or her capability to perform a given task. Cromie (2000) stated that self-efficacy affects a person's beliefs regarding whether or not certain business goals may be attained. Pajares (2000) opined that unless people believe that their actions can produce the outcomes they desire, they have little incentives to act or to persevere in the face of adversities. Kristiansen et al. (2012) noted that entrepreneurial readiness is significantly linked to business success. Additionally, entrepreneurial characteristics also called personal and psychological factors affect entrepreneurial performance (Lawal, 2005; Ogundele, 2007). The characteristics of the entrepreneur according to Kiganane et al. (2012) are quite crucial and could tremendously affect the overall success of a firm. Blackman (2003) asserted that individual entrepreneur's characteristics have direct effect on firm performance.

## **2.3. Enterprise Characteristics**

An enterprise is a controlled system consisting of a detector, a selector and an effector. The detector acquires information about its environment, which is then used as the basis for the

selection of a behavioural response by the selector. Finally, the behaviour is executed by the effector (Islam et al., 2011). According to Hashim (2005), firm characteristics seem to play a vital role in determining the performances of the firm and can further determine how well the entrepreneurship have been developed in the country. Machirori & Fatoki (2013) identified firm characteristics as SME size, legal status and industry. Islam et al. (2011) asserted that the characteristics of SMEs include origin of the enterprise, length of time in operation and sources of capital. Kristiansen et al. (2003) found that the length of time in operation was significantly linked to business success. Wiklund & Shepherd (2005) summarized the characteristics of an entrepreneurial firm as the one that engage in product market, innovation, undertakes somewhat risky ventures, and is proactive.

Furthermore, according to Wiklund & Shepherd (2005), firms that are able to align firm attributes with the characteristics of the environment outperform other firms. The process of entrepreneurial growth and performance results from a combination of three basic components which are: (1) the characteristics of the entrepreneur (e.g., level of education, access to sources of strategic information and commitment); (2) the characteristics of the small firm (e.g., availability of information gadget within the organization, trade credit and collaboration with regulatory agencies); and (3) the development (or growth and performance) strategies of the firm (e.g., in the present study, the focus is BES). These three components are not mutually exclusive and they influence the growth and performance of small firms in a combined way (Storey, 1994; Ferreira et al., 2011).

## **2.4. Entrepreneurial Performance**

Business performance is a phenomenon of multiple aspects that is difficult to quantify (Aragon-Sanchez & Sanchez-Marin, 2005). This is owing to the large number of interrelated factors that influence performance (Audet & Gerald, n.d.). Entrepreneurial performance (business performance or business success as it is variously referred to) is the rate of growth and level of profit (Audet & Gerald, n.d.). It is also viewed as the level of sales, level of profit, rate of return on capital, rate of turnover and gained market (Jauch & Glueck, 1998).

Performance is a measure of how well a firm has achieved its goals (organizational and financial goals). Thus, performance is generally associated with expectation for success (Penrose, 1959).

More so, a variety of literature have shown that both quantitative indicators (e.g., return on investment, profit and sales volume) and qualitative indicators (e.g., knowledge, business experience, ability to manage and work in groups, labour productivity, ability to offer quality products/services, capacity to develop new processes and products, and corporate social responsibility) when used separately have limitations (Sarwoko et al., 2013). Thus, it is very important to adopt both financial and non-financial indicators in measuring entrepreneurial performance since it offers a broad perspective in measuring it and in clarifying the relationship between the financial and non-financial aspects of the firm performance under investigation (Venkataraman & Ramanujam, 1986; Panigyraskis et al., 2007). The use of financial and non-financial methods gives better result, and it is important to entrepreneurs/small firms (Murphy, 1996; Alam, 2009).

## **2.5. Moderating Effect of Individual Entrepreneur Characteristics on the Relationship between BES Behaviour and Entrepreneurial Performance**

Entrepreneurs have varying characteristics and practices. Hence, it is important to understand the relationship between the characteristics of the entrepreneur/the enterprise and entrepreneurial performance (Sarwoko et al., 2013). Street & Cameron (2007) have reported that business performance or business success is determined by several factors, namely; individual characteristics and organizational characteristics. Zoysa & Herath (2007) noted that there is a relationship between the mental ability of business owner/manager and performance at different stages of business growth. Nimalathasan (2008) further noted that there is a positive relationship between the characteristics of the owner/manager and business performance. Sarwoko et al. (2013) found that entrepreneurial competencies mediate the relationship between entrepreneurial characteristics and business performance. The research conducted by Olsen & Johannessen (1994) also revealed that the experiences and competence levels of SME owners are important factors influencing SMEs' growth performance.

Additionally, according to Zoysa & Herath (2007), owners/managers who are more entrepreneurially minded in the introductory and decline stages of their SMEs growth, tend to perform higher. The result is the same for the growth and maturity stages when the owners/managers are more administratively minded. Lee & Tsang (2001) also reported that the experience, job network development activities, the number of business partners and the desire of the owners/managers have positive impact on business growth. Yahaya et al. (2011) found that high entrepreneurial success was associated with high business operating skills, skills to obtain market share that suits their size and capability, and skills to offer more special services. According to Tambunan (1994), small business owners/managers who have entrepreneurial values such as creativity, integrity and achievement were more likely to have superior performance in managing organizations than owners/managers without these values.

## **2.6 Moderating Effect of Enterprise Characteristics on the Relationship between BES Behaviour and Entrepreneurial Performance**

Interest in the performance of small, medium and in particular Micro Enterprises (MEs) has continued to grow around the globe, fuelled mainly by the notion that small business development is a critical ingredient for the creation of new employment and for addressing high unemployment rates. There are a range of factors that have been associated with both successful and poor performance among small enterprises and in particular MEs. Rankhumise & Rugimbana (2010) found that funding, crime and government regulations affect MEs performance in general.

SME owners' ability to use their employee's skills and utilize their resources fruitfully would lead to expansion of their business and does not halt their chances to be successful (Ferdows 1980). Thus, according to Penrose (1959), the conduct of management plays an important role in SMEs' growth performance. Oghojafor et al. (2011) found that environmental scanning was significantly related to the success of the firm's performance. Kam (1994) indicated that the ability to solve problems and the level of technical sophistication of SMEs' have a major influence on the growth of SMEs' performance.

## **3. Research Methodology**

The research adopted cross-sectional survey. The sampling techniques employed in the study are purposive, criterion and systematic sampling techniques. Purposive sampling technique



was employed to identify the trade micropreneurs, while criterion sampling technique was employed to select the specific elements which satisfied some predetermined criteria (Patton, 2002; Emaikwu, 2011). To ensure that all the business owners that met the predetermined criteria had equal chances of being selected, systematic sampling technique was employed by the research assistants to administer the questionnaire on the business owners after every 5 shops on all the main lines and the lines transversing the main lines in the respective markets. The criteria for selection of respondents in this study were: (i) the business must have been in existence before 2008 as the turbulence in the Benue State business environment became unprecedented from 2008; (ii) the micropreneur is actively involved in the running of the business; (iii) the business does not have more than 10 employees/trainees; (iv) the labour cost and working capital is not worth more than 1.5 million naira; (v) the existence of the business and the entrepreneurial experience of the micropreneur is not less than 5 years; and (vi) the micropreneur is a member of a trade association.

The degree of interest was measured as the degree to which each micropreneur made it a point to stay abreast of information from each sector of the environment. This variable was measured on a 4-point Likert scale that ranged from very high (4) to very low (1). Frequency of scanning was measured as number of times the micropreneur scanned each sector of the environment for information. This variable was measured on a 4-point Likert scale that ranged from most frequently (4) to infrequently (1). Entrepreneurial performance was measured using financial performance, customer satisfaction, internal business process, business growth, and employee/trainee satisfaction.

The sample size was computed using the Krejcie & Morgan (1970) sample size determination method; the individual sample sizes for each of the markets were obtained using the Bourley (1964) individual sample size determination method. The population size of micropreneurs in the seven selected markets for the study as at the time of the study was 5,938. The sample size for the study is 361 micropreneurs. According to Nickels et al. (1999), an entrepreneur who owns a business that remains small and maintains a balanced lifestyle is known as a micropreneur. The Nigerian National Council of Industry in its 2001 council meeting defined microenterprise as an enterprise with a labour size of not more than ten (10) workers, or a total cost of not more than 1.5 million, including working capital but excluding cost of land (Ebiringa, 2011). Thus, this study focused on the trade micropreneurs in the seven markets who are registered with the respective market associations and who carry on their trading activities in shops or stores within the markets. These markets are Modern Market, High Level Market, Wadata Market, Wurukum Market, North Bank Market, Gboko Central Market and Otukpo Main Market. The choice of these markets was because they are bigger and the most organized markets in the State. Also, the trade sector which is the sector that was surveyed in this study is the biggest section in the State.

Chi-Square “goodness-of-fit” test was employed to confirm that our data were drawn from a normally distributed population. The validity of the research instrument was assessed using Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett’s Test of Sphericity with the aid of SPSS (Version 21.0 for Windows). The result of the KMO (0.824) and the Bartlett’s Test of Sphericity (1382.288,  $df = 120$ ,  $Sig. = 0.000$ ) indicated that the test was significant. Thus, the constructs and their contents were appropriate and therefore measured what they were supposed to measure (Hair et al., 2001). The reliability test was done using Cronbach alpha test through the SPSS (Version 21.0 for Windows) procedure. Principal components extraction method and varimax rotation were applied to produce a nine-component solution.

Based on Stevens (2001) recommendations, one item statement below the 0.70 threshold was eliminated. Rerunning the factor analysis with the remaining 32 item statements resulted in a nine-factor structure of items that had Cronbach's alpha values that were greater than the minimum threshold of 0.70 required for reliability. Thus, the factor analysis was appropriate for the study. The 32 items were also retained and considered reliable for the study (Hair et al., 2001; Mertler & Vannatta, 2002; Neuman, 2006). Out of the three hundred and sixty one (361) copies of the questionnaire that were administered, 334 were retrieved, while only 302 were usable. Thus, giving rise to a response rate of 83.7%. These data were analysed using linear and multiple regression statistical methods through SPSS (Version 21.0 for Windows) at 0.05 level of significance.

#### 4. Test of Hypotheses

H0<sub>1</sub>: The relationship between the degree of interest and entrepreneurial performance is not moderated by individual entrepreneur characteristics

The linear regression between DOI and ENP in Table 1 gave an adjusted R<sup>2</sup> of .280. The multiple regression involving DOI, IEC and ENP which is shown in Table 2 depicts that DOI and IEC significantly influenced ENP as DOI and IEC accounted for 35.5% (adjusted R<sup>2</sup> = .355) of the total variance in ENP. This significant influence is occasioned by the inclusion of the moderator variable, IEC, and the positive relationship between DOI and IEC as depicted by Fisher's coefficient [F (2, 299) = 4.839, P = .007]. Thus, IEC is a significant moderator since the  $\Delta$  adjusted R<sup>2</sup> = .075 [i.e., the difference in Tables 2(.355) and 1(.280) adjusted R<sup>2</sup> values] is positive. Therefore, we reject H0<sub>1</sub> and infer that the relationship between DOI and ENP is moderated by IEC.

Table 1: Regression Result of the Relationship between DOI and ENP

Model	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	3.175	.121		26.169	.000
DOI	.107	.350	.276	3.097	.002

Dependent Variable: ENP

Note: R = .176, R<sup>2</sup> = .310, adjusted R<sup>2</sup> = .280, Std. Error = .577, DOI = Degree of Interest, ENP = Entrepreneurial Performance, N = 302

Source: Field Survey, 2014/SPSS (Version 21.0 for Windows) Output

Table 2: Regression Result for the Moderating Effect of IEC on the Relationship between DOI and ENP

Model	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	3.115	.215		14.504	.000
DOI	.124	.350	.309	3.109	.002
IEC	.136	.372	.325	3.216	.008

Predictors: (constant), DOI, IEC

Dependent Variable: ENP

Note:  $R = .197$ ,  $R^2 = .362$ , adjusted  $R^2 = .355$ ,  $\Delta$  adjusted  $R^2$  ( $.355 - .280$ ) =  $.075$ , Std. Error =  $.578$ ,  $F(2, 299) = 4.839$ ,  $P = .007$ , DOI = Degree of Interest, IEC = Individual Entrepreneurial Characteristics,  $N = 302$

Source: Field Survey, 2014/SPSS (Version 21.0 for Windows) Output

H0<sub>2</sub>: The relationship between frequency of scanning and entrepreneurial performance is not moderated by individual entrepreneur characteristics

The linear regression result shown in Table 3 revealed that adjusted  $R^2 = .200$ . The result of the multiple regression is shown in Table 4. Table 4 revealed that the introduction of the moderator variable, IEC, gave rise to a multiple regression involving FOS, IEC and ENP. FOS and IEC significantly influenced ENP as FOS and IEC accounted for 26.2% (adjusted  $R^2 = .262$ ) of the total variance in ENP. Also, Fisher's coefficient [ $F(2, 299) = 5.739$ ,  $P = .009$ ] depicts that the relationship between FOS and IEC is significant ( $P < .05$ ). The positive  $\Delta$  adjusted  $R^2 = .062$  (i.e., the difference between the adjusted  $R^2 = .262$  for FOS and IEC and adjusted  $R^2 = .200$  for FOS in Tables 4 and 3 respectively) showed that IEC is a moderator. Thus, we reject H0<sub>2</sub>. This means that the relationship between FOS and ENP is moderated by IEC.

Table 3: Regression Result for the Relationship between FOS and ENP

Model	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	3.564	.064		55.702	.000
FOS	.180	.350	.300	5.516	.006

Dependent Variable: ENP

Note:  $R = .300$ ,  $R^2 = .100$ , adjusted  $R^2 = .200$ , Std. Error =  $.586$ , FOS = Frequency of Scanning, ENP = Entrepreneurial Performance,  $N = 302$

Source: Field Survey, 2014/SPSS (Version 21.0 for Windows) Output

Table 4: Regression Result for the Moderating Effect of IEC on the Relationship between FOS and ENP

Model	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	3.597	.183		19.642	.000
FOS	.219	.366	.341	5.380	.044
IEC	.243	.375	.379	5.562	.014

Predictors: (constant), FOS, IEC

Dependent Variable: ENP

Note:  $R = .322$ ,  $R^2 = .182$ , adjusted  $R^2 = .262$ ,  $\Delta$  adjusted  $R^2$  ( $.262 - .200$ ) =  $.062$ , Std. Error =  $.587$ ,  $F(2, 299) = 5.739$ ,  $P = .009$ , DOI = Degree of Interest, IEC = Individual Entrepreneurial Characteristics,  $N = 302$

Source: Field Survey, 2014/SPSS (Version 21.0 for Windows) Output

H0<sub>3</sub>: The relationship between the degree of interest and entrepreneurial performance is not moderated by enterprise characteristics

Table 5 depicts that the inclusion of the moderator variable, ETC, gave rise to a multiple regression involving DOI, ETC and ENP. DOI and ETC significantly influenced ENP as DOI and ETC explained 34.1% (adjusted  $R^2 = .341$ ) of the total variance in ENP. Also, Fisher's coefficient [ $F(2, 299) = 6.454, P = .033$ ] depicts that the relationship between DOI and IEC is significant ( $P < .05$ ). Since the  $\Delta$  adjusted  $R^2 = .061$  [i.e., the difference in the adjusted  $R^2$  values (.341 - .280) in Tables 5 and 1 respectively] is positive, we reject H0<sub>3</sub> and infer that the relationship between DOI and ENP is moderated by ETC.

Table 5: Regression Result for the Moderating Effect of ETC on the Relationship between DOI and ENP

Model	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	3.612	.123		29.281	.000
DOI	.243	.411	.298	3.102	.019
ETC	.221	.402	.257	3.007	.026

Predictors: (constant), DOI, IEC

Dependent Variable: ENP

Note:  $R = .155, R^2 = .330, \text{adjusted } R^2 = .341, \Delta \text{ adjusted } R^2 (.341 - .280) = .061, \text{Std. Error} = .586, [F(2, 299) = 6.454, P = .033], \text{DOI} = \text{Degree of Interest}, \text{ETC} = \text{Enterprise Characteristics}, N = 302$

Source: Field Survey, 2014/SPSS (Version 21.0 for Windows) Output

H0<sub>4</sub>: The relationship between the frequency of scanning and entrepreneurial performance is not moderated by enterprise characteristics

Table 6 showed that the inclusion of the moderator variable, ETC, gave rise to a multiple regression involving FOS, ETC and ENP. FOS and ETC significantly influenced ENP as FOS and ETC explained 26.4% (adjusted  $R^2 = .264$ ) of the total variance in ENP. Also, Fisher's coefficient [ $F(2, 299) = 4.839, P = .018$ ] depicts that the relationship between FOS and ETC is significant ( $P < .05$ ). Since the  $\Delta$  adjusted  $R^2 = .064$  [i.e., the difference in the adjusted  $R^2$  values (.264 - .200) in Tables 6 and 3 respectively] is positive, we therefore reject H0<sub>4</sub> and infer that the relationship between FOS and ENP is moderated by ETC.

Table 6: Regression Result for the Moderating Effect of ETC on the Relationship between FOS and ENP.

Model	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1(Constant)	3.494	.143		24.351	.000
FOS	.215	.368	.385	3.294	.039
ETC	.229	.377	.388	3.488	.021

Predictors: (constant), FOS, ETC

Dependent Variable: ENP

Note:  $R = .251$ ,  $R^2 = .210$ , adjusted  $R^2 = .264$ ,  $\Delta$  adjusted  $R^2$  ( $.264 - .200$ ) =  $.064$ , Std. Error =  $.587$ ,  $F(2, 299) = 4.839$ ,  $P = .018$ , FOS = Frequency of Scanning, ETC = Enterprise Characteristics,  $N = 302$

Source: Field Survey, 2014/SPSS (Version 21.0 for Windows) Output

## 5. Discussion of Findings

The study investigated the moderating effects of Individual Entrepreneur Characteristics (IEC) on the relationship between DOI and ENP, and on the relationship between FOS and ENP. Also, the study examined the moderating effects of Enterprise Characteristics (ETC) on the relationship between DOI and ENP, and on the relationship between FOS and ENP. It was found that IEC and ETC moderated all the relationships in the hypotheses. These results are somewhat in tandem with the findings of Richter & Kemter (2005), Zoysa & Herath (2007), Olanrewaju (2009) and Sarwoko et al. (2013). Sarwoko et al. concluded that the more powerful entrepreneurial characteristics will lead to increased competence of the SME owners and business performances. Richter & Kemter noted that the more successful business owners paid special attention to quality and design of their products or services and established cooperation with similar companies. According to Zoysa & Herath, when owners/managers of SMEs are entrepreneurially minded in the introductory and decline stages of growth, their performances tend to be higher. Olanrewaju found that entrepreneurial characteristics have strong impact on the entrepreneurial performance of small scale businesses.

The consistency in results between this study and previous studies could be linked to the fact that previous studies have shown that entrepreneurial characteristics (i.e., age, gender, family background, creativity, education, experience and access to information) influences business performance (Delmar & Davisson, 2000; Runyan et al., 2005; Hamidi et al., 2008; Watson, 2011), and availability of information infrastructure, financial management and product range in the shop enhances the performance of micro/small enterprises (Correia & Wilson, 2001; Salman, 2009; Rankhumise & Rugimbana, 2010).

More so, since DOI enhances exposure to information, the frequency of opportunities of contact with well-informed people, information-rich context and frequency of scanning (Hambrick, 1982; Ebrahimi, 2000; Coreia & Wilson, 2001; Zhang et al., 2011), the frequency of environmental scanning is directly related to the strategic uncertainty and organisational performance (Ebrahimi, 2000). However, the identification and exploitation of entrepreneurial opportunity for business start-up or diversification, and subsequent performance depends on the individual attributes of the entrepreneurs and the business environment (Shane, 2003), and the enterprise characteristics (Kiganane et al., 2012). If all the requisite entrepreneurial characteristics are acquired either by the entrepreneurs themselves or by the managers of the enterprises, the entrepreneurs/managers can translate these skills/resources to entrepreneurial performance (William, 2009).

## 6. Conclusion

This study has affirmed that the relationship between DOI and ENP, and between FOS and ENP are moderated by IEC and ETC. The DOI and FOS are mechanisms through which micropreneurs gather information on the events and trends which can influence their decisions and the operations of their businesses. Micropreneurs perceive these events/trends differently.

These perceptions could be categorised as either opportunities or threats. Even though micropreneurs are constrained by capability and resources to carry out BES, they need to maintain a high degree of interest and by extension scan frequently the business environmental sector that poses the highest uncertainty to their businesses.

## **7. Recommendations**

Based on the findings of the study, the following are recommended:

- i. micropreneurs in the trade sector should be encouraged to increase their degree of interest in scanning and frequency of scanning. This can be done through entrepreneurial learning - making the would-be traders go through a socially interactive learning process as trainees;
- ii. micropreneurs are advised to employ and exploit the advantages offered by their ages, gender, entrepreneurial family background, creativity, level of education, and to keep improving their business experience, level of education, creativity and access to information so as to maintain a steady positive improvement in their individual entrepreneur characteristics; and
- iii. micropreneurs should be encouraged to make available in their shops information gadgets like radio to ensure information- consciousness and good information climate, display assorted goods in such a way that they are attractive and appealing to customers, and maintain good financial/stock records.

## **8. Limitations of the Study and Suggestions for further Study**

Obviously, there is no study without limitations. Therefore, the results of this study were interpreted in the light of three limitations. First, the study surveyed a single sector – trade. This implies that the findings from this study will only be limited to the trade sector. Second, the study adopted micropreneurs as the single informants. Third, the study was conducted in a problematic environment like that of Benue State, which may limit the findings of the study. Thus, further studies in BES behaviour should be conducted on a wider scope both in context and location so as to validate the generalization of the findings. More so, further studies can examine the contributions of each of the individual entrepreneurial and enterprise characteristics to the degree of interest and frequency of scanning. Also, further studies can explore the moderating effects of location and culture on the relationships between degree of interest and entrepreneurial performance, and between frequency of scanning and entrepreneurial performance.

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