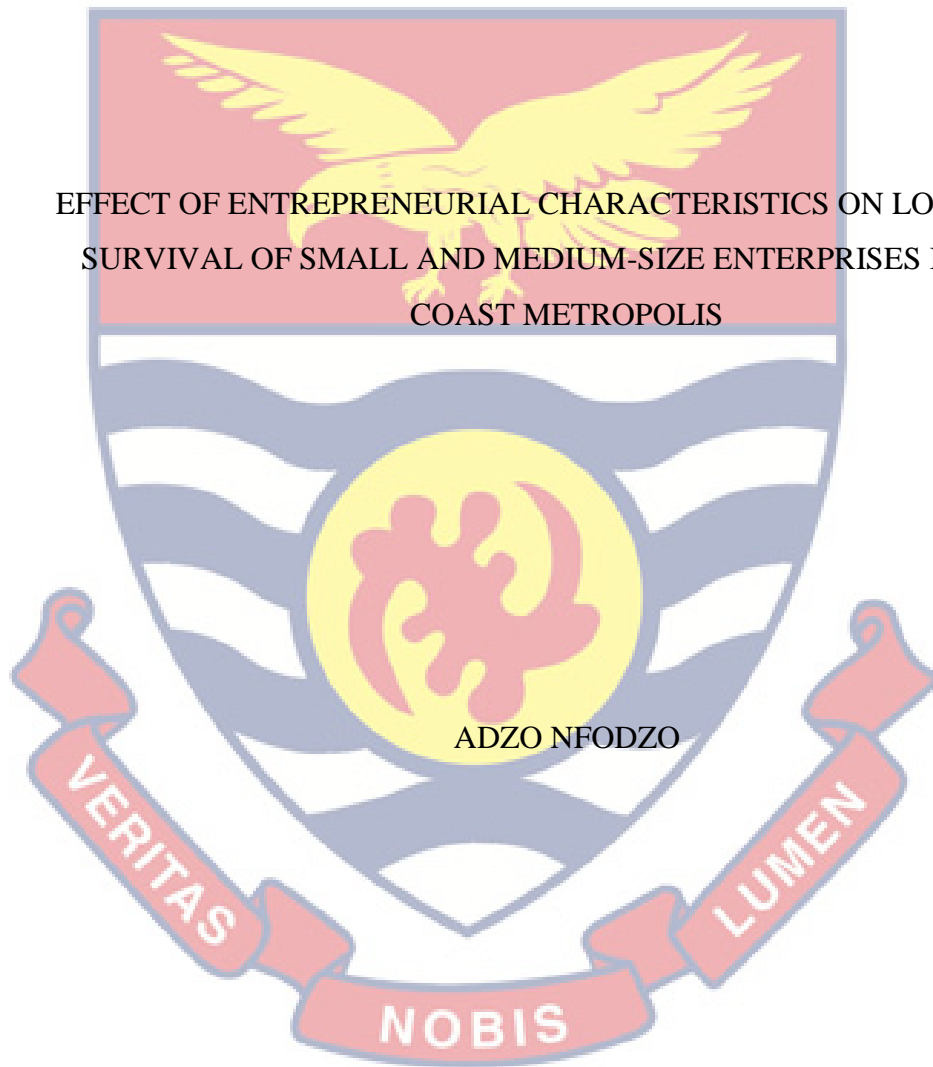


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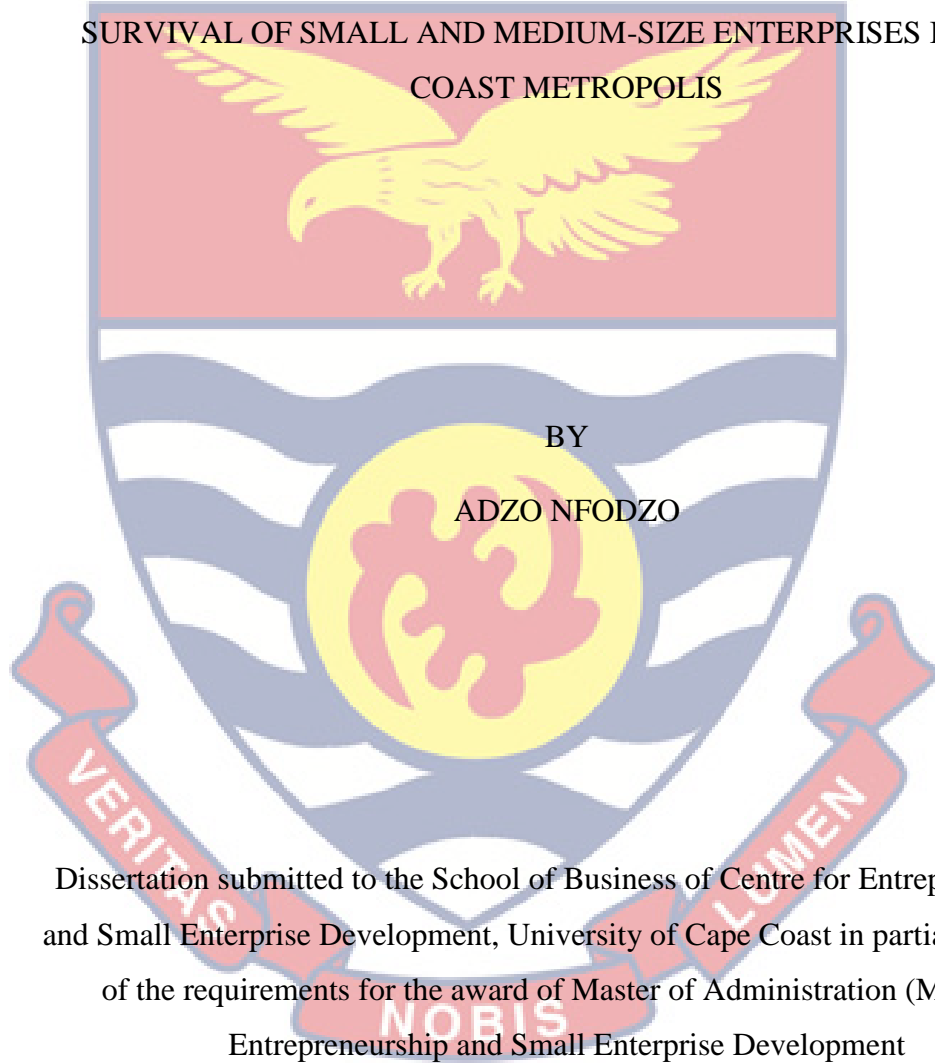
EFFECT OF ENTREPRENEURIAL CHARACTERISTICS ON LONG TERM
SURVIVAL OF SMALL AND MEDIUM-SIZE ENTERPRISES IN CAPE
COAST METROPOLIS



2022

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COAST METROPOLIS



BY

ADZO NFODZO

Dissertation submitted to the School of Business of Centre for Entrepreneurship
and Small Enterprise Development, University of Cape Coast in partial fulfilment
of the requirements for the award of Master of Administration (MBA) in
Entrepreneurship and Small Enterprise Development

SEPTEMBER 2022

DECLARATION

Candidate's Declaration

I therefore declare that this dissertation is the result of my own independent work and that no portion of it was submitted for another degree to this university or elsewhere.

Candidate's Signature Date

Name: Adzo Nfodzo

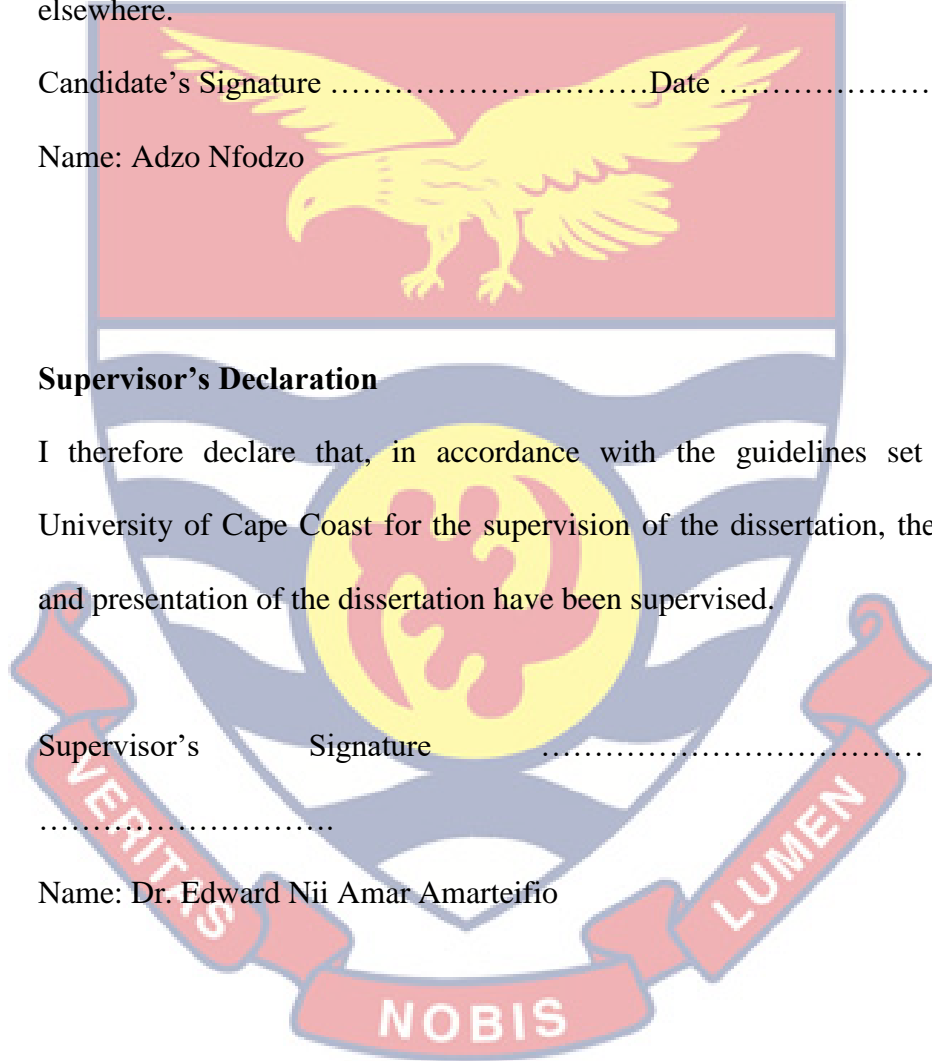
Supervisor's Declaration

I therefore declare that, in accordance with the guidelines set out by the University of Cape Coast for the supervision of the dissertation, the preparation and presentation of the dissertation have been supervised.

Supervisor's Signature Date

.....

Name: Dr. Edward Nii Amar Amarteifio



ABSTRACT

Given the importance and contribution of small and medium enterprises to the economy, multiple empirical studies show that the majority of SMEs fail to expand, with some closing their doors within the first few years of existence. This study looked at the key entrepreneurial characteristics, determinants of long-term survival and the relationship between entrepreneurial characteristics and the long-term survival of SMEs in Cape Coast Metropolis. The principle of entrepreneurship characteristics and SME long-term survival evaluation formed part of the theoretical and conceptual analysis. The thesis adopted the theory of positivism and the descriptive design discussed in a quantitative approach to science. In all, 200 SMEs in the Cape Coast Metropolis were included in the study and the research employed a questionnaire to elicit the required data for the study. The study employed frequency tables and regression analysis to examine the level of entrepreneurship characteristics and SME long-term survival in Cape Coast Metropolis. Based on the discoveries of the research, the study conclude that the sampled entrepreneurship characteristics have effects on SME long-term survival. Moreover, it was recommended that managers of small and medium size enterprises should improve the entrepreneur's level of education and business knowledge skills through simplified training programmes and courses.

KEYWORDS

Entrepreneurial Characteristics

Long-Term Survival

Small and Medium Enterprise

Entrepreneur



ACKNOWLEDGMENTS

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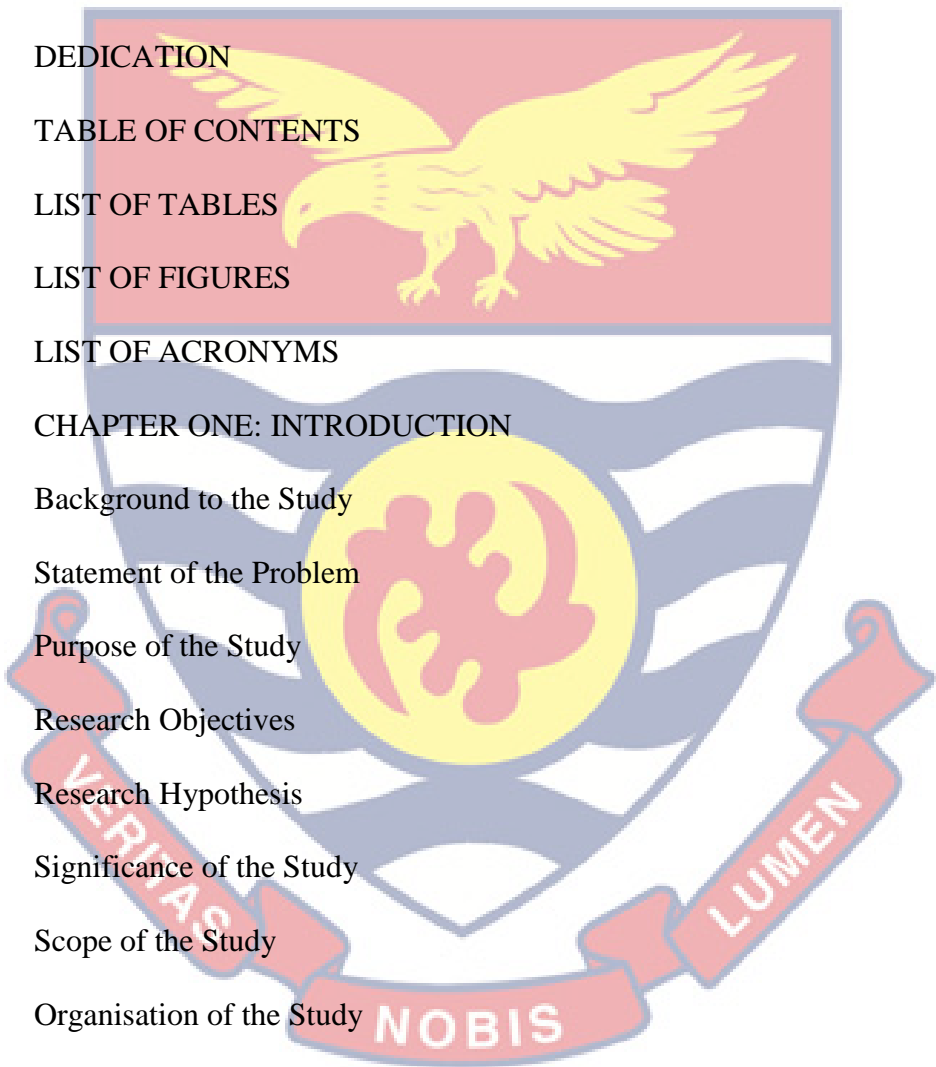
DEDICATION

To my family



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LIST OF ACRONYMS

- BEI** Behaviour Event Interview
- SMEs** Small and Medium Enterprises
- nAch** Need for Achievement
- OECD** Organisation for Economic Co-operation on Development

UK United Kingdom

USA United State of America



CHAPTER ONE

INTRODUCTION

The purpose of this study was to determine how entrepreneurial traits affect long-term survival. For this study, small and medium-sized businesses in Cape Coast Metropolis, Ghana, were chosen. Small and medium-sized family businesses play an important role in the economy and the private sector since they create jobs for people and significantly increase GDP. Small and medium-sized businesses in Ghana, however, have historically underperformed in terms of long-term survival. One of the factors contributing to this issue is the lack of entrepreneurial qualities exhibited by small- and medium-sized business management. This claim serves as the impetus for this study's attempt to establish a link between entrepreneurial traits and the long-term survival of small and medium-sized businesses in Cape Coast Metropolis.

Background to the Study

Researchers began associating personality traits and entrepreneurship in the 1950s by researching personality traits that could predict who would be more likely to become a successful entrepreneur (Lorna & O'Regan 2019). For example, Ibrahim and Ellis (2018) claimed that entrepreneurs have different personality traits than non-entrepreneurs. Maalu, McCormick, K'Obonyo, and Machuki, (2019) on the other hand, stated that the only difference between entrepreneurs and non-entrepreneurs is that entrepreneurs want to be in charge of their own destiny. This control is symbolic of the fact that "there is no set of

behavioral qualities that allows us to distinguish entrepreneurs from non-entrepreneurs."

Darkori (2018) and Iglai (2019) revealed that everyone who wants to be successful must achieve, and that all aspects of success can be found in entrepreneurs as well as in all successful people. "It is not a personality feature; anyone who can stand up to decision making may learn to be an entrepreneur and to behave entrepreneurially," says Drucker (2017). Furthermore, entrepreneurship literature portrays successful entrepreneurs as persons who possess a personal trait that allows them to make decisions with far-reaching consequences in the face of uncertainty. Some people can learn to make these kinds of decisions through training, while others are born with it.

In the 1980s and 1990s, researchers studied the personality traits and socio-cultural backgrounds of successful entrepreneurs (Byers et al., 2017). Other research focused on defining entrepreneurial characteristics, and a controversy arose over whether these traits are innate or can be developed (Gorman, Hanlon & King, 2017; Rasheed & Rasheed, 2019). Studies on the characteristics of entrepreneurs in the twenty-first century have included a range of elements such as psychological qualities, personality, attitudes, and the entrepreneur's behavior (Rasheed and Rasheed, 2016). However, Timmons and Spinelli (2019) found a consensus around six general characteristics (commitment and determinations; leadership; opportunity obsession; tolerance of risk, ambiguity, and uncertainty; creativity, self-reliance, and ability to adapt; and motivation to excel) in an analysis of more than 50 studies on entrepreneurial characteristics.

In the philosophy of sustaining entrepreneurship, the long-term survival of SMEs is critical, because it can lead to permanent employment creation, particularly in developing nations (Nkondola, 2019). Entrepreneurial qualities, according to Miller and Breton-Miller (2019) and Poza (2017), explain why people start their own firms, but whether or not these businesses succeed depends on how well they are integrated with a variety of other elements. Barringer, Jones, and Neubaum (2018) suggest that, while entrepreneurial characteristics are vital for a business' success and survival, other critical business practices, when combined with entrepreneurial characteristics, will improve SMEs' success and survival. According to Pasanen (2019), owner-managers believe that the long-term survival of SMEs is equal to or a higher share of the firm's success.

In Ghana, the number of SME failures in year 5 ranges from 50% to 95% (Willemse, 2017), and approximately 75% of new SMEs fail to become established enterprises, which is one of the highest rates in the world. According to Von and Smith (2018), the likelihood of a new SME surviving for more than 42 months in South Africa is lower than in any other GEM studied country. According to GEM (2018), only 2.3 percent of South African-owned SMEs have been in operation for more than 3.5 years, with South Africa ranking 41st out of 43 nations in terms of established firm owner-manager survival rates. This indicates that start-ups have a high failure rate. It is important to stress, however, that this condition is not unique to South Africa, but is widespread around the world (Hess, 2019).

When looking at the global trends of SMEs, it is clear that they are a crucial vehicle for addressing the concerns of job creation, economic growth, and equitable income distribution (Franz, 2018). Failure of SMEs, on the other hand, results in a decrease in a country's per capita income, poverty, an unfavorable trade and payment balance, increased job losses, and unemployment. As a result, it is vital to brag about each country's economic success through supporting entrepreneurial activities that result in the formation and survival of surviving SMEs. Creating these surviving SMEs necessitates a complete reliance on entrepreneurship, as well as the requirement for entrepreneurs (both potential and present) to have good entrepreneurial traits that will enable them to create long-term SMEs. As a result, in order to encourage the long-term survival of SMEs, all of the many types of entrepreneurial traits must be properly addressed.

Statement of the Problem

Small enterprises in the SME sector are more likely to fail all over the world due to the unique characteristics of the businesses, their owners, and managers (Adjei, 2019). Research by the National Board for Small Scale Institutions (2018) revealed that as low as 20 percent of small enterprises established in Ghana from 2015 to 2017 survived the tested of time. According to the Ghana Job Statistics report (2019), most small enterprises in Ghana are unable to survive in the long-term due to lack of finance/funding, entrepreneurial characteristics and orientation. In addition, the majority of new SMEs in Ghana do not go from the initial stage (existence) to the subsequent stages of survival, success, take-off, and resource maturity (Ghana Enterprise Agency, 2021).

Entrepreneurial initiatives have a low survival rate in Ghana, since entrepreneurs establish businesses but are unable to develop them into long-term enterprises (NBSSI, 2018).

Several features and criteria have been recognized by previous literature such as Deniz and Suarez (2018) and Ibrahim, Soufani, and Lam (2019) as major predictors of SME survival around the world, including in Ghana, albeit with insufficient empirical data. With the global survival rate of SMEs being so low, it's critical to have a better knowledge of essential entrepreneurial characteristics and business practices that can aid in the understanding and promotion of SMEs' long-term survival (Harvie, 2019). It is claimed that if business owners and managers are good at managing their companies, they would do exceptionally well in terms of maintaining their companies' long-term survival. As a result, in order for SMEs to survive and thrive in their operations, its owners or managers must possess certain entrepreneurial characteristics and engage in specific business activities (Choi & Williams, 2016).

SMEs require greater attention in this regard, particularly in terms of entrepreneurial qualities, which are frequently established as part of the entrepreneur's personal life strategy. These commercial methods and personal life techniques are employed to make a living, and they are heavily impacted by the entrepreneur's personality traits (Baker & Sinkula, 2019). Furthermore, given that entrepreneurial traits can influence both the type of firm that is formed and the method in which it is managed, however, not much studies have been done about which of these characteristics affects the long-term survival of SMEs and how

much of an impact they have within the local context of the Ghanaian SMEs (Adjei, 2019). Hence, an investigation into this area will become necessary with regards to the long-term survival of SMEs in Cape Coast Metropolis.

Nuryakin and Retnawati (2017), Morgan (2019), and Covin and Slevin (2019) found a significant relationship between long-term survival of small enterprises and entrepreneurial characteristics. These researches focused agency theory and stewardship theory to underpin their studies. These studies sparked interest in more research in many settings. Due to the fact that entrepreneurial characteristics evolves through time, it is necessary to determine if further advancements in this area of entrepreneurial characteristics will continue to have an impact on long-term survival of small enterprises in various jurisdictions.

However, based on the assertion above, this study investigated whether critical entrepreneurial attributes might influence the long-term survival and sustainability of SMEs based on the gaps discovered. Entrepreneurs in the SME sector will be able to comprehend and focus on executing essential business practices and adopting key entrepreneurial qualities that will help their company survive for the long run. This will help to reduce the high failure rates of small businesses and boost their long-term survival.

Purpose of the Study

The study's overall goal is to investigate which entrepreneurial characteristics have a bigger influence on the long-term survival of SMEs, and the extent to which they do so.

Research Objectives

1. Examine the effect of higher need for achievement on the long-term survival of SMEs in Cape Coast Metropolis.
2. Evaluate the effect of locus of control on the long-term survival of SMEs in Cape Coast Metropolis.
3. Assess the effect of risk-taking propensity on the long-term survival of SMEs in Cape Coast Metropolis.
4. Determine the effect of experience on the long-term survival of SMEs in Cape Coast Metropolis.
5. Identify the effect of innovativeness on the long-term survival of SMEs in Cape Coast Metropolis.

Research Hypothesis

H¹: Higher need for achievement has a positive effect on long-term survival of SMEs in Cape Coast Metropolis.

H²: Locus of control has a positive impact on long-term survival of SMEs in Cape Coast Metropolis.

H³: Risk taking propensity has a positive impact on long-term survival of SMEs in Cape Coast Metropolis.

H⁴: Experience has a positive impact on long-term survival of SMEs in Cape Coast Metropolis.

H⁵: Innovativeness has a positive impact on long-term survival of SMEs in Cape Coast Metropolis.

Significance of the Study

To begin, this research aimed to identify the kind of entrepreneurial characteristics that an entrepreneur will need to cultivate and/or grow in order to successfully advance his or her venture. Furthermore, the research's findings would be critical to the Ghanaian economy, even if they were not necessary for SMEs' long-term survival. Basic educational programs can or would be designed to address the demand as inputs into entrepreneurial education once the discovery is done.

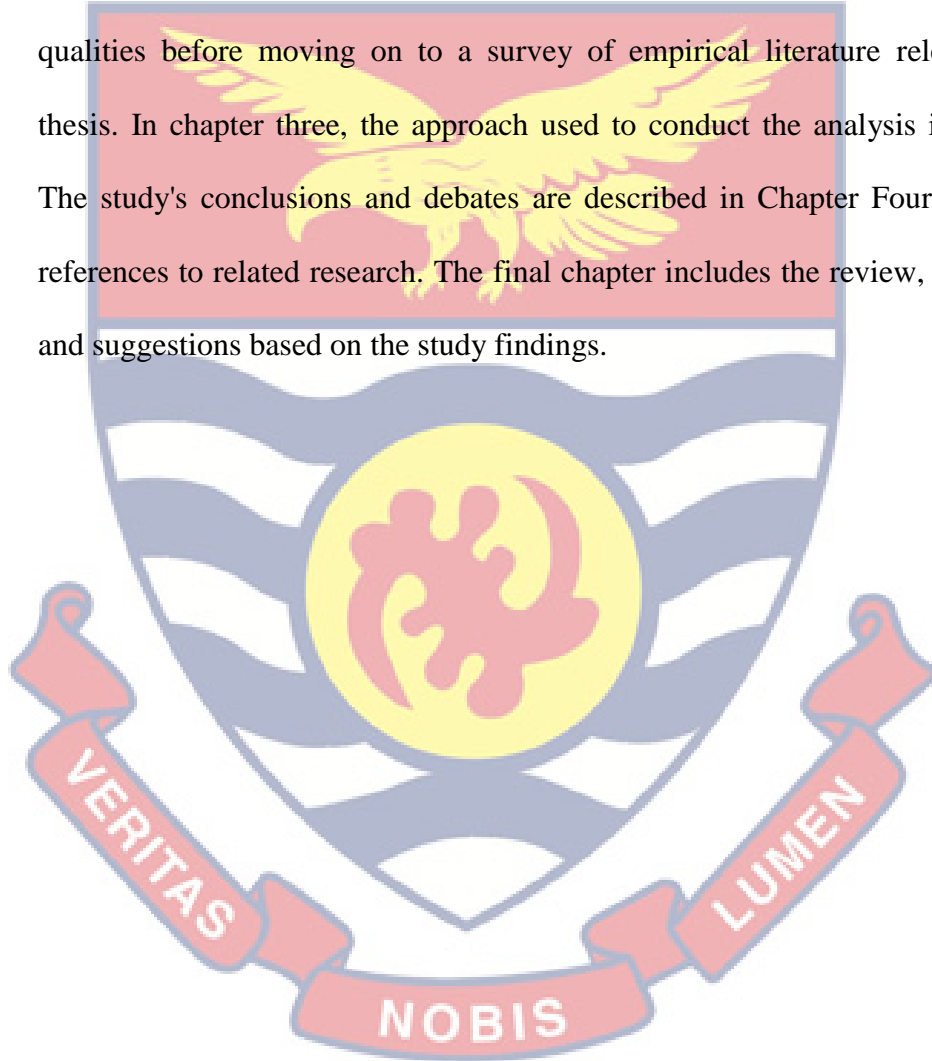
Furthermore, banks and institutions could utilize the results to anticipate SMEs' success in terms of loans and other support activities, as well as allowing investors to assess the management balance of the enterprises to which they are asked to commit. This research would also contribute to the ongoing and vast collection of reliable and accurate information about Ghanaian entrepreneurs. As a result, it would provide sound advice on the mix of entrepreneurial traits that make some entrepreneurs more successful than others.

Scope of the Study

This study was limited to SMEs operating in the Cape Coast Metropolis, such as barbershops, carpenters, and plumbers. Furthermore, the research focused on only four aspects of entrepreneurial qualities: learnable traits, attained characteristics, attributed characteristics, and demand and requirement characteristics. The study examined the degree of entrepreneurial qualities among SMEs and the impact of several dimensions of entrepreneurial characteristics on their survival.

Organisation of the Study

This study is divided into five components. The study of the backdrop, statement of the problem, objectives of the investigation, as well as the significance and scope of the study are all covered in section one, which is the introduction chapter. Chapter Two introduces the concept of entrepreneurial qualities before moving on to a survey of empirical literature relevant to the thesis. In chapter three, the approach used to conduct the analysis is described. The study's conclusions and debates are described in Chapter Four, along with references to related research. The final chapter includes the review, conclusions, and suggestions based on the study findings.



CHAPTER TWO

LITERATURE REVIEW

Introduction

This section showed a conceptual review of relevant literature for this study. The study examined the concept of entrepreneurial qualities and the measurement of long-term survival as part of the conceptual assessment. A conceptual framework on entrepreneurial qualities and long-term survival was also included in this chapter. The chapter summary concluded Chapter Two.

Theoretical Review

Resource Based View Theory

Expounded by Barney (1991) in his article titled “Firm Resources and Sustained Competitive Advantage”, the resource-based model sees strategic resources as key to superior firm performance. In other words, strategic resources are the main determinants of firm performance. The theory provides four metrics for differentiating strategic resource from ordinary resources. The first being value. Value refers to the power to create or leverage opportunity or minimize threat. Examples include an in-house manufacturing process that provide product specifications at less cost than competitors, strong brand that support premium pricing. The second metric is rarity.

Rarity refers to the uniqueness of the resources of a company, according to Barney (2001). The third metric is that the resource should be difficult to imitate. The final metric is sustainability. How long can the resource continue to support superior performance? The theory classifies resources into two categorized,

namely: tangible and intangible. Tangible resources as the name connotes, refers to assets that can readily be seen, touched, and measured. In comparison, impalpable resources are difficult to see, to hold, or to measure.

It involves employee knowledge and ability, the credibility of a business, and the culture of a company. The firm can own the resources directly or can be accessed by it from a third party (Platts & Bourne, 2003). Over the decades, several empirical works have examined how resources affect firm performance (Kiyabo, & Isaga, 2020; Omer & Shu, 2016; Keh & Na, 2007; Platts & Bourne, 2003). In this study were expand the concept of firm resources to include entrepreneurial characteristics. According to Kiyabo and Isaga, (2020), entrepreneurial characteristics is a form of intangible capital that can help a firm have competitive advantage since it leads to new entry.

Theory of Firm Growth

The theory of firm growth, proposed by Edith Penrose in 1959, led to the beginning of the Firm's Resource Based View, which is the prevailing view in today's tactical management study. According to the theory, firm growth or performance is a dynamic process resulting from the interaction between management and resources owned or accessible to the business. A company is defined by Penrose as 'a collection of physical and human resources (productive). It is 'an administrative planning unit, the activities of which are interrelated and are coordinated by policies which are framed in the light of their effect on the enterprise as a whole”.

Penrose also distinguished two types of assets: physical and human resources. The physical assets are bundles of assertions that can be seen and potential services can be produced. Example is the size of a firm. Whereas human capital includes managers' abilities and level of knowledge. As part of the human resources without which the continued growth of a company is precluded, she identified 'enterprising managers.' Alternatively, more generally speaking, the existing human resources of a company provide both an incentive to expand and a limit to the growth rate. From a knowledge point of view, the growth rate of a company is limited by the growth of knowledge within it, but the size of a company by the extent to which its expanding limits can continue to be reached by administrative efficiency.

Conceptual Review

Entrepreneurs and Entrepreneurial Characteristics

The fact that there is still no commonly agreed definition of entrepreneurship has complicated the task of recognizing an entrepreneur (Chell, Haworth & Brearley, 2018). As a result, it is not unexpected that there are numerous definitions of entrepreneurship and entrepreneur in the literature (Henry et al., 2018). According to Ahmad and Seymour (2017), there is no consensus on how to define entrepreneurs, and no description can adequately capture today's entrepreneur profile.

However, it is often believed that certain personal attributes and qualifications are necessary for success as an entrepreneur (Markman & Baron, 2017). "I am frequently asked what it means to be an 'entrepreneur,' and there is

no simple answer,” (Branson, 2018). Successful entrepreneurs are undeniably important for a strong, lively, and competitive economy. If you look around you, you will see that the majority of Britain's largest firms are founded on the tenacity of one or two people with a vision to make it a reality. Many people forget that some of the late twentieth century's blue-chip names, such as Marks & Spencers, Sainsbury's Food, and Tate and Lyle, began as lone traders in the late nineteenth century” (Henry et al., 2019).

People that are imaginative, creative, and open to change, as well as having the capacity to spot possibilities and manage resources to achieve their goals, are described as entrepreneurs (O'Connor and Fiol, 2018). “To be entrepreneurial, an enterprise must have special features over and above being new,” according to Drucker (2019). Characteristics are defined as a common feature or attribute that someone or something has, according to the Oxford Advanced Learner's Dictionary (Wehmeier & Ashby, 2019).

To ensure that dormant partners are excluded from the analysis, this study uses three criteria to define entrepreneurs: being a founder/owner who is a key decision-maker in the business, ownership, and the indication of an ability to identify and exploit at least an opportunity for creating or purchasing a business. Entrepreneurial traits will also be recognized as a common feature or attribute that someone or something possesses, such as being innovative, creative, and open to change, as well as the capacity to see possibilities and achieve specified objectives.

Understanding the Entrepreneurial Process

Several research have been undertaken in order to better understand the characteristics of entrepreneurs and to explain how they work. These studies have identified five key techniques to studying entrepreneur characteristics: trait approach, demographic/social approach, behavioral/managerial approach, economic approach, and human capital approach (Field, 2017; Ucbasaran, 2004). These approaches are described in further depth.

Economic Approach

In recent years, economists have become interested in entrepreneurship, which they see as a role performed by a businessperson in the economy, and as a result, numerous schools of thought about the entrepreneur have evolved (Chell et al., 2019).

Cantillon (2016) was the first known Frenchman researcher to coin the term entrepreneur, which became known as the French school of thought. He connected risk and uncertainty to entrepreneurs' administrative decision-making processes (Binks & Vale, 2019). Entrepreneurial uncertainties are of the “unknowable” variety, implying that entrepreneurs are unable to evaluate the risk involved in making a decision. It is also expected that even if the entrepreneur were penniless, he or she would risk something, which is the opportunity cost of pursuing an entrepreneurial initiative rather than a safe venture (Chell et al., 2017). This research also raised a number of issues, including the nature of risk and uncertainty faced by entrepreneurs when making decisions, the role of capitalists and entrepreneurs in an economy, and the entrepreneur's innovative

function, all of which were deemed critical to a modern understanding of the role of entrepreneurs (Chell et al., 2017). According to Cantillon, the responsibility of the entrepreneur, rather than being an inventor, is to be aware of the amount of demand and supply (the entrepreneur is not expected to create a demand).

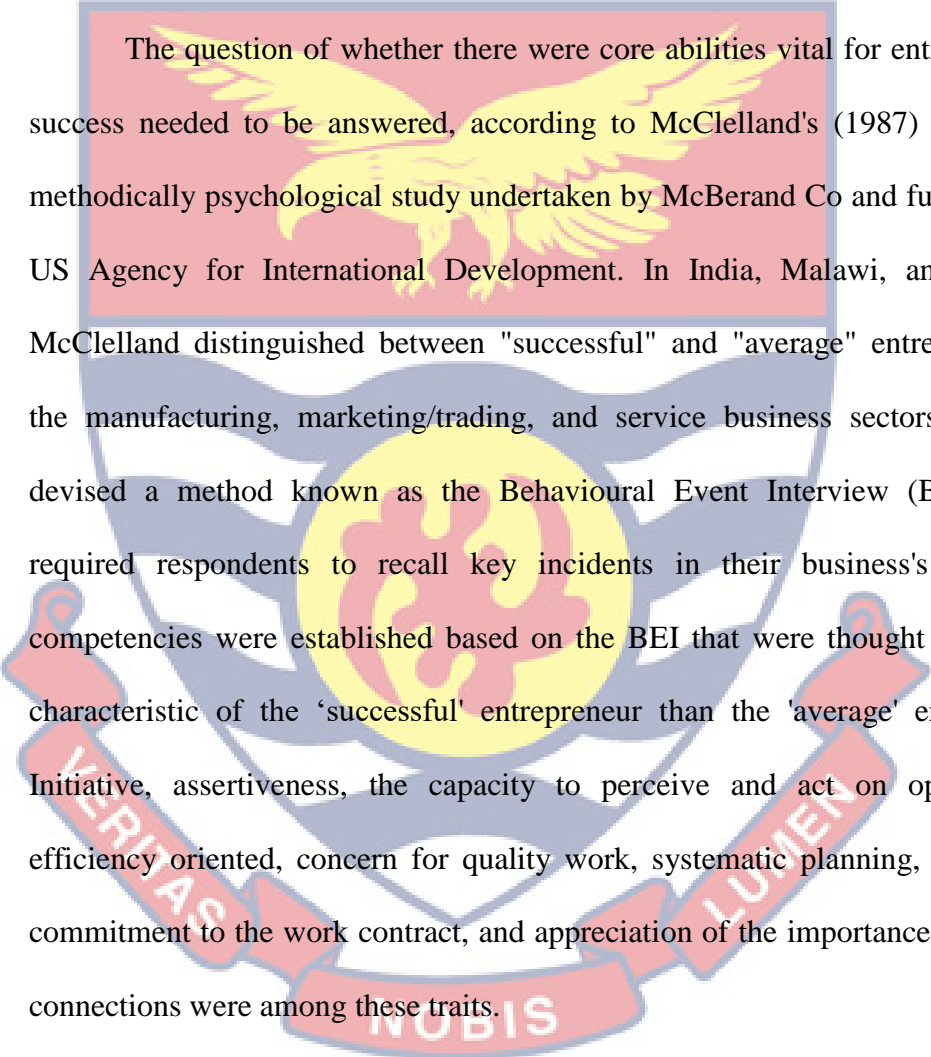
As a result, according to Binks and Vale (1990), Schumpeter analysis allowed for certain predictions regarding entrepreneurial behavior and various tactics that an individual could apply in the face of ambiguity and insufficient information. They also identified three types of entrepreneurs in their efforts to summarize and bring agreed goals on entrepreneur qualities, which include:

- The first category of entrepreneurs consisted of those who may be classified as "reactive" (those who react to market signals and therefore disseminate and ease the market process).
- The second type of entrepreneur is one who contributes to economic progress by presenting and inventing ideas that reorganize the allocation of sources of production.
- The final group of entrepreneurs are those who, via their managerial efforts, gradually improve available items and methods (Binks and Vale, 1990).

Trait/Psychological Approach

Perhaps the most well represented area in the literature studies is the psychological or trait approach to entrepreneurship. Individuals' personal dispositions and traits are the emphasis of the trait approach (Nandram & Samsom, 2017). Individuals with traits such as social, nervous, and active were

assumed to exist within those to whom they were applied (Chell, Haworth, & Brearley, 2017), as well as distinguishing entrepreneurs from other groups of people (Westhead and Wright, 2019). This is because entrepreneurs were seen to be a stable state of being, a species that could be described and shown in a field guide.

The logo of the University of Cape Coast is a watermark in the background. It features a central yellow sun with rays, surrounded by a blue shield-like shape. Below the shield is a red banner with the Latin motto 'VERITAS LIBERABIT VOS' and 'NOBIS' at the bottom. The entire logo is semi-transparent.

The question of whether there were core abilities vital for entrepreneurial success needed to be answered, according to McClelland's (1987) report on a methodically psychological study undertaken by McBerand Co and funded by the US Agency for International Development. In India, Malawi, and Ecuador, McClelland distinguished between "successful" and "average" entrepreneurs in the manufacturing, marketing/trading, and service business sectors, and later devised a method known as the Behavioural Event Interview (BEI), which required respondents to recall key incidents in their business's life. Nine competencies were established based on the BEI that were thought to be more characteristic of the 'successful' entrepreneur than the 'average' entrepreneur. Initiative, assertiveness, the capacity to perceive and act on opportunities, efficiency oriented, concern for quality work, systematic planning, monitoring, commitment to the work contract, and appreciation of the importance of business connections were among these traits.

Furthermore, researchers (Timmons & Spinelli, 2008; Mino, 2009; Caird, 2019) highlighted qualities such as the demand for achievement, locus of control, and risk-taking propensity in their study on the attributes entrepreneurs possess. As characteristics of successful entrepreneurs, they include commitment and

determination, leadership, opportunity obsession, tolerance of risk, ambiguity and uncertainty, creativity, self-reliance and ability to adapt, motivation to excel, need for power, need for affiliation, resourcefulness, creativity, visionary, independent thinker, hard worker, and optimism. Self-confidence, tenacity, persuasion, use of influence methods, knowledge, and informative seeking were not more traits of effective than typical owner managers, according to McClelland.

Despite its widespread use, academics (Eysenck, 2004; McCarthy, 2000; Carver & Scheier, 2010) have uncovered numerous flaws in the characteristic method, which has sparked significant controversy in the entrepreneurship field. The first objection stems from definitional and methodological concerns, as numerous research use diverse definitions of entrepreneur, with only a few using the same definition. The second group of opponents argued that people behave consistently in diverse settings (Eysenck, 2012) and that the trait method had little to say about personality variables, their impact on entrepreneur behavior, and how people move from trait to actions (Carver & Scheier, 2017).

Despite the fact that these researchers criticized the trait approach and advocated against its complete abandonment, Chell et al. (2011) offered potential revisions to personality psychology. These included modifying instruments for evaluating situational factors in order to investigate the relationship between entrepreneurial characteristics and relevant contexts. It also includes new methods of thinking about entrepreneurial traits, revisions to the instruments used to measure entrepreneurial attributes, and the creation of entrepreneurial process models. This was due to the belief that the trait-based approach to analyzing

entrepreneurship still has room for improvement. As a result of these criticisms of the characteristic method, the demographic or social approach was adopted.

Demographic/Social Approach

The demographics of an entrepreneur are frequently cited as one of the most critical elements affecting SMEs' performance and competitiveness (Man, Lau & Chan, 2002). The demographic method assumes that persons with comparable backgrounds have similar underlying stable features that can be used to create an entrepreneur's profile (Kanungo, 2015). Entrepreneurs are viewed as a product of the external environment, whose influencing variables are beyond the individual's control, according to this perspective (Field, 2016). According to Henry et al. (2017), study into the demographic/social approach concentrated on the influence of the entrepreneur's educational attainment, work experience, culture and religion, and finally the entrepreneurs' age at the time of business start-up. The demographic approach suggests that an individual's social milieu, such as familial and ethnic background, gender, education, and past employment experience, impact goals and career choices, according to Ucbasaran (2011). He went on to say that, numerous techniques have been tried to explain an individual's decision to become an entrepreneur, including (social development model of entrepreneurship, psychodynamic/social marginality models, and effect of networks theory).

Other academics have criticized Ucbasaran (2011) for pointing out some of the flaws in the demographic approach. To begin, Bowen and Hisrich (2009) suggested that entrepreneurs react to a unique situation rather than a set of

demographic qualities, and that these demographics are utilized as surrogates for personality traits. Similarly, Amit, Glosten, and Muller (2012) rejected the claim that the social development model of entrepreneurship claims to account for the importance of early experiences in forming traits, but that the model is primarily 'situational,' as it appears to lose sight of a person by linking behavior solely to social factors. Furthermore, Amit et al. (2017) suggested that, as compared to simple personality-based (trait) theories, network theory explained the entrepreneurial process in the context of wide social dynamics, which is completer and more dynamic. Robinson et al. (2009) similarly concluded that the demographic approach is constrained due to its static character. Despite its flaws, the demographic approach shows a link between an individual's social and economic circumstances and the subsequent entrepreneurial decisions. The entrepreneur's unit of analysis is also expanded to include both the entrepreneur and the environment (Ucbasaran, 2011).

Behavioural/Managerial Approach

The behavioral approach to entrepreneurship focuses on what entrepreneurs do rather than who they are (Henry et al., 2013). According to McCarthy (2010), the behavioural approach focuses on the entrepreneur's relationship with the environment, which both shapes and is shaped by the entrepreneur. Researchers who take this method concentrate on figuring out how attitude, behavior, managerial abilities, and expertise all play a role in determining entrepreneurial success (Henry et al., 2013). This is because both the trait and demographic approaches primarily focused on attempting to distinguish

entrepreneurs from non-entrepreneurs, assuming that these entrepreneurs possessed unique personality characteristics that could be identified without linking them to entrepreneurial actions (Shook, Priem, & McGee, 2003), while also failing to provide a clear picture of an entrepreneur (Shook, Priem, & McGee, 2003). “The aim of study on entrepreneurial behavior is about exploring „how various actions conducted by people develop into organizations,” according to Gartner and Carter (2003). This is because, while differences in individual attributes and goals are interesting, they are more likely to be related with differences in individual behaviors, and it is this behavior that produces the organization. However, according to Gartner and Carter (2003), there is no specific sequence of behaviors associated with entrepreneurial success. Similarly, Carter, Gartner, and Reynolds (1996) found that a high level of entrepreneurial activity among aspiring entrepreneurs is linked to success.

Some authors (Venkataraman, 2008; Shane & Venkataraman, 2010) pointed out some of the behavioural approach's flaws. Only a few studies on the behavioral method, according to these experts, have directly studied the relationship between entrepreneurial cognition, opportunity recognition, and exploitation. As a result, they emphasize that the issue of identifying and exploiting opportunities should define the topic of entrepreneurship study. Although popular behavioural study methods such as direct observation and diary recording are more effective than trait and demographic approaches, Lau and Chan (2010) argue that they are not always cost effective or accurate data gathering methods.

Regardless, the cognitive approach is thought to be more effective than other approaches in identifying entrepreneurs from other groups of people, leading to the coining of the term entrepreneurial cognition. This method has progressed from the trait approach's "state of being" premise to cognition as a predictor of some characteristics of behavior (Shook et al., 2003). On the other hand, Cope (2001) conveys his views by arguing that, while certain entrepreneurial characteristics are required, entrepreneurs' "behaviours is dynamic."

Human Capital Approach

The origins of the human capital theory can be traced back to macroeconomic development theory (Schultz, 2018). The OECD (2001) as "individual knowledge, skills, abilities, and traits that promote the production of personal, societal, and economic well-being" defines human capital. Human capital, according to Schultz (1993), is a critical component for enhancing a firm's assets and personnel in order to raise productivity and maintain a competitive advantage. According to researchers (Schultz, 2017; Becker, 2016), the human capital approach supports the belief that knowledge improves people's cognitive capacities, making them more productive and efficient.

This is based on Shane's (2009) notion that the entrepreneur's capacity to discover opportunities is influenced by prior knowledge (a component of human capital). The qualities of entrepreneurs were classified into general and specific human capital based on the findings of these scholars. The attainment of a broad formal education and training that is reasonably transferrable across enterprises

and industries is referred to as general human capital (Carrera, Gutierrez & Carmona, 2003). General human capital is measured in the context of entrepreneurs using the entrepreneur's age, educational qualifications (undergraduate and postgraduate degrees), and total years of working experience (Colombo & Delmastro, 2001), because entrepreneurs with higher levels of human capital are better able to identify and exploit opportunities. This does not imply that entrepreneurs with a high degree of general knowledge and experience will be able to build high-performing businesses.

This is due to the fact that most people who are older than the average age are starting families and are often unwilling to take hazardous decisions in order to ensure the company's expansion to bigger dimensions, preferring instead to maintain a consistent level of performance (Ganotakis & Battisti, 2006). Specific human capital, on the other hand, refers to talents that are specific to a certain job (or position) and have no bearing on the productivity of employees in other companies (not transferable to other occupations). Individuals developing specialized human capital must participate in/within the business's training programs and obtain specific employment experiences, according to Mincer (2011), which may enable them to obtain promotions and tenure, as well as providing them with few incentives to quit the firm.

According to the research reviewed above, there are a variety of approaches to studying the characteristics of entrepreneurs. Researchers (McClelland, 2011; Rotter, 2010; Caird, 2018) determined that the innate

psychological/trait characteristics of entrepreneurs constitute a strong dimension to the study of entrepreneurship after analyzing four of these approaches.

Characteristics of Entrepreneurs

Many studies have looked at the qualities of successful entrepreneurs in an attempt to build a typical personality profile that identifies the essential features of successful entrepreneurs. Almost all of these studies seem to highlight some of these qualities (Nandram and Samson, 2000; Nieuwenhuizen and Kroon, 2002; Littunen, 2000). “We do not believe there is any unique set of attributes that every entrepreneur must have for every venture opportunity,” Timmons, Smollen, and Dingee (2009) wrote. Not one of the growth-oriented entrepreneurs with whom we worked held all of the highly desirable attributes... to a high degree” (Chell et al., 1991:47).

The researchers' thesis is based on the notion that an individual's chances of success may be enhanced, and that entrepreneurial abilities and behavior can be nurtured, developed, and acquired. According to other studies (Nieuwenhuizen, 2004; Nieman and Bennett, 2002:59; Nieman, et al., 2003:30), entrepreneurial qualities might be developed through birth, life events, or entrepreneurial procedures. They emphasize that all entrepreneurs, regardless of where they reside or where they came from, because the lack of any one of them can lead to a fundamental deficit in an individual's capacity to operate entrepreneurially, should share these characteristics. Furthermore, studies by Kourilsky (2011), Kourilsky & Walstad (2012), and Walstad & Kourilsky (2009) believe that entrepreneurial characteristics are universal and ageless, and that they can be

nourished and developed at a younger age. Rasheed and Rasheed (2006) argue that these common features should be recognized and developed at a younger age in order to improve entrepreneurial abilities.

Ascribed features, attained characteristics, learnable characteristics, and necessary attributes of being a successful entrepreneur are all individual characteristics of entrepreneurs. Ascribed attributes are traits that are given to you at birth and that you have done nothing to earn. Age, race, ethnicity, gender, and socioeconomic origin of the entrepreneur are characteristics that people have from birth, develop over time, or possess without their own efforts. Achieved traits include one's degree of education, occupation, and job experiences, which are obtained by a combination of personal decisions, efforts, and abilities (Ferrante, 2008). Learnable attributes are characteristics that entrepreneurs seek in people with whom they wish to surround themselves in order to establish a high-potential firm (Good, 2003).

Learnable Characteristics

Learnable attributes are characteristics that entrepreneurs seek in people with whom they wish to surround themselves in order to establish a high-potential firm (Good, 2003). Some of these entrepreneurial characteristics, as mentioned above, can be learned, while others may be more difficult to attain. More information about these features can be found here:

Need for Achievement (nAch)

All of the psychological characteristics linked to entrepreneurship have a lengthy history, but the urge for achievement has the most (Shaver and Scott,

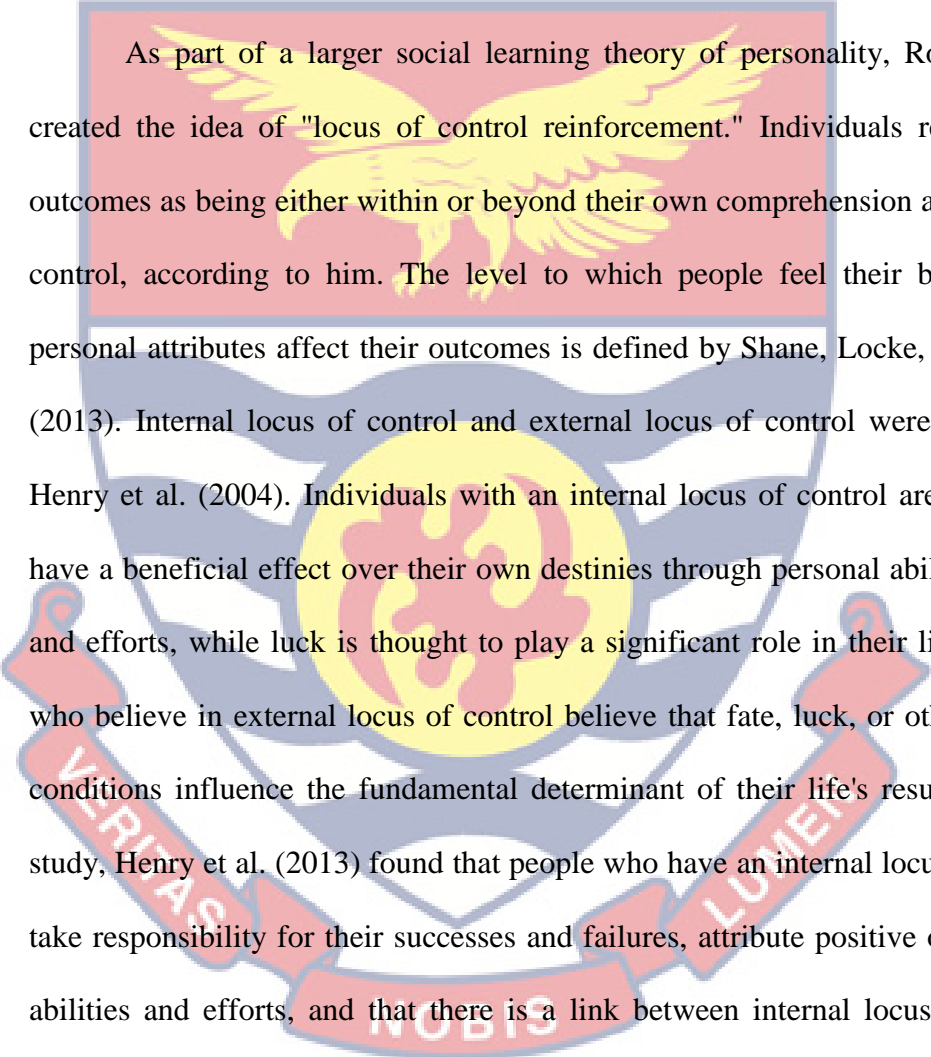
1991). “A measurable factor in organizations and people measured by coding an individual's spontaneous thoughts for the frequency with which he thinks about competing with a standard of excellence or accomplishing something better than before,” writes McClelland (2010). Individuals with a high demand for achievement have five key characteristics, according to him: (individual responsibility; moderate risk taker; understanding of decision results; unique instrumental activities; and finally, the anticipation of future events). Furthermore, according to Chell et al. (2011), these individuals avoid what they consider to be “extremely easy or very tough tasks” and despise achieving by accident, preferring instead to strive for goals, resulting in a sense of valuable efforts, satisfaction, and completion.

Maslow's need for self-actualization and "goal accomplishment," which is seen as a crucial driving element in the personality of successful entrepreneurs, is linked to the need for achievement (Darroch & Clover, 2005). This feature is not just inherent, but it can also be taught and practiced, making it a capacity as well as a trait (Wickham, 2016). The need to achieve, according to Chell, Haworth, and Brearley (2015), is a desire to excel, to reach a goal in relation to a set of norms. Mullin (2002:) employed the Thematic Apperception (TAT) as a method to measure an individual's level of motivation in his study, according to Kirby (2005), and identified four traits held by people with a strong drive for achievement, which include the following:

- The need for feedback on how well they are performing.
- Higher achievers prefer to work independently than in teams.

- Such individuals are open to new ideas and are innovative.
- A preference for moderate task difficulty and goals as an achievement incentive, which goes to show that higher achievers never give up, until they achieve their stated goals.

Locus of Control

The logo of the University of Cape Coast is a watermark in the background. It features a shield with a yellow eagle with spread wings at the top. Below the eagle is a yellow circle containing a red stylized figure. At the bottom of the shield is a red banner with the Latin motto "VERITAS NOBIS LUMEN".

As part of a larger social learning theory of personality, Rotter (1966) created the idea of "locus of control reinforcement." Individuals regard event outcomes as being either within or beyond their own comprehension and personal control, according to him. The level to which people feel their behaviors or personal attributes affect their outcomes is defined by Shane, Locke, and Collins (2013). Internal locus of control and external locus of control were defined by Henry et al. (2004). Individuals with an internal locus of control are thought to have a beneficial effect over their own destinies through personal abilities, skills, and efforts, while luck is thought to play a significant role in their lives. People who believe in external locus of control believe that fate, luck, or other external conditions influence the fundamental determinant of their life's results. In their study, Henry et al. (2013) found that people who have an internal locus of control take responsibility for their successes and failures, attribute positive outcomes to abilities and efforts, and that there is a link between internal locus of control, achievement, autonomy, independence, and initiative.

The relationship between need for achievement (nAch) and locus of control is another avenue of inquiry that has been investigated. Individuals with a high demand for achievement believe in their own power to control the outcome

of their efforts, according to Rotter (2012), who discovered a positive association between them. According to McCarthy (2010), entrepreneurs who have experienced a crisis are more likely to have a higher locus of control, especially if they have emerged stronger from the crisis. Chen, et al. (2007) discovered that entrepreneurs had a much higher locus of control than managers in their study of well-established entrepreneurs and managers. Additional research (Chen, et al., 2009; Littunen, 2011; Luthans, Stakovic, & Ibrayeva, 2000) looked at the relationship between the internal locus of control and an entrepreneur's level of self-efficacy, and found that, in addition to having a high internal locus of control, prospective entrepreneurs should also develop a strong sense of self-efficacy that will enable them to succeed.

Leadership

Greenberg and Baron (2010) defined leadership as a process in which people exert influence over others in order to attain specific goals. Entrepreneurial leadership entails developing an entrepreneurial vision and inspiring a team to carry it out in high-pressure, uncertain situations. Entrepreneurial ventures require strong leadership to survive and succeed (Moore & Buttner, 2011).

The three primary approaches to the study of leadership, according to Henry et al. (2013), are trait, behavioural, and contingency approaches. The trait approach holds that "leaders are born, not manufactured," and that effective leaders have a set of characteristics that set them apart from ineffective leaders. The behavioral approach backs up the idea that good leaders have certain personal traits, but that "what they do" in the context of their leadership style is just as

significant to the company. The contingency approach, on the other hand, believes that “no single leadership style is effective in all situations,” and instead attempts to distinguish between the conditions and factors that determine “whether, and to what extent,” leaders improve their subordinates' performance and satisfaction (Greenberg & Baron, 2000).

Innovativeness

Innovativeness is defined as the “ability and tendency to think creatively, develop novel and useful ideas in opportunity recognition, resource utilization, and problem solving” (Chen, 2007), which is a distinguishing characteristic that separates entrepreneurs from those who simply want to work for themselves (Okudan and Rzasa, 2006). Risk taking is defined by Sitkin and Pablo (2015) as “the decision maker's predisposition to take or avoid risk.”

Risk-Taking

The perceived probability of receiving rewards associated with the success of a situation that is required by the individual before he/she will subject himself/herself to the consequences associated with failure, with the alternative situation providing less reward and less severe consequences than the proposed situation” is how risk-taking propensity is defined (Brockhaus, 2019). These people, according to Longenecker *et al.*, (2016), are risk takers, risk minimizers, and have a high tolerance for uncertainty. They can also manage with the stress that comes with working in such an atmosphere, increasing their chances of survival and success (Cunningham & O'Gorman, 2017). Individuals with a high

internal locus of control, according to Rotter (2012), attain their own goals depending on their own behavior or individual qualities.

Furthermore, numerous research suggests that taking risks is the most important aspect in determining the entrepreneurial character and function. For example, Chell *et al.*, (2017) demonstrated that entrepreneurs' risk taking is moderate and calculated, in that the risk of losing is neither too small (to be considered a sure thing) nor too large (to be considered gambling), but that these entrepreneurs are willing to take some measurable and predetermined risk to some extent. Entrepreneurs, according to Kuratko (2009), take calculated risk when they decide to participate in a business venture in a "highly planned, carefully thought-out manner," ensuring that the odds are in their favor and that they do not incur needless risks.

Their solutions include enlisting the help of other investors, suppliers, and business partners to share the financial and business risk they face. As a result, according to Kolakowski (2011), a risk averse individual would rather be a low-paid employee with a sense of job stability than a self-employed entrepreneur with the potential to earn a huge quantity of money. In a similar vein, Hyrsky and Tuunanen (2011) state that entrepreneurs will be more willing to take chances in fields where they believe they are experts and more risk adverse in areas where they believe they lack knowledge, in order to estimate projections for various outcomes.

Achieved Characteristics

Achieved traits include one's degree of education, occupation, and job experiences, which are obtained by a combination of personal decisions, efforts, and abilities (Ferrante, 2008:200). These traits are discussed in further depth.

Experience

Entrepreneurs may benefit or suffer as a result of their experience (Janssen, 2013). This is because previous experience can either assist the management prevent difficulties or rapidly handle problems that have already occurred. Entrepreneurs' originality and adaptability might be hampered by experience, which encourages them to stick to tried-and-true methods. Early marketing experience, according to Storey (2004), increases SMEs' growth and thus survival. Dahlqvist, Davidsson, and Wiklund (2008) investigated the role of experience in the formation of businesses and discovered that experience had a beneficial impact on growth.

On the other hand, Lee and Tsang (2001) said that most literature research supported a beneficial association between an entrepreneur's prior experience and their business's longevity. Similarly, job experience is regarded as a key factor in achieving entrepreneurial success, particularly if the experience is in the planned business's industry sector (Henry *et al.*, 2003). A study by Brush and Changati (2017), on the other hand, does not support the impact of previous functional experience on growth, nor does a study by Siegel, Siegel, and MacMillan (2011), which found that the number of years of professional experience in a broad sense is not of decisive importance for the growth and survival of SMEs.

Demand and Requirement Characteristics

Timmons (1989) highlighted four primary needs and requirements for being a successful entrepreneur, which he considered to be self-evident: knowledge, business experience, teamwork, and innovation. They are as follows:

- Commitment to the venture: Chell *et al.* (2001) emphasize the importance of entrepreneurs being completely dedicated and giving their all to ensure the success of their firms, especially in the early stages.
- Emphasize the cost of lodging: Entrepreneurs must strike a balance between attaining their objectives under pressure in the short term while also being able to relax and unwind when necessary.
- Economic and professional values: Entrepreneurs must completely engage in the sharing of the private enterprise system's core principles.
- Honesty and ethical dealings: In order to secure long-term success, entrepreneurs must always maintain a reputation for integrity and ethical transactions.

Thompson (1999) based a closing remark on the synthesis of significant results about the many types of entrepreneurial qualities discussed in the previous section. These findings demonstrate that not every entrepreneur succeeds. There are failed entrepreneurs, some of whom vanish and reap reappearances with new ideas and ventures. To this, Henry *et al.* (2003) found that “attributes that help the entrepreneur navigate his or her new firm through the development period into the growth stage may be the very same characteristics that ultimately contribute to his or her own self-elimination.” As a result, there are specific types of traits that are

critical to the long-term survival of SMEs, which our current study aims to highlight. The next section will construct a conceptual framework in an attempt to link some of these traits to SMEs' long-term survival.

SMEs Long -Term Survival

The term "survival" refers to a firm that continues to run as a self-sustaining activity, is profitable, effective at attracting resources, and is suitably fitted to the environment (Chrisman, Bauerschmidt & Hofer, 2018). Despite the fact that organizational survival has been researched for some years, study on the subject exploded in the late 1970s and 1980s, owing to an uptick in corporate failures, bankruptcies, and hostile takeovers (Kalleberg & Leicht, 2011). According to Cooper (2011), the topic of why some businesses survives while others do not is still at the forefront of entrepreneurship research. Several studies on the survival of SMEs have been conducted in the United Kingdom (UK) and the United States of America (USA) (Bruderl, Preisendorfer, & Ziegler 1992, Mata & Portugal 1994, Strotmann, 2007), with several studies constantly differing.

Several features and criteria have been identified as major predictors of SME survival, despite the lack of empirical evidence (Caliendo, Fossen and Kritikos, 2008; Cressy, 1996; Headd, 2003). Differences in survival and success, according to Kalleberg and Leicht (2016), are dependent on an organization's ability to adjust its internal structures to the variables associated with its technology or work environment. According to Geroski (2016), studies on survival have linked a firm's proclivity for survival to both firm and industry-

specific variables. While Baldwin (2017) stated that the length of survival is a function of industry characteristics such as efficiency, concentration, ownership, and asset structure.

McPherson (2017) stated that little is known about the elements that influence the duration of a firm's life when it comes to the specific characteristics of SMEs that may affect their survival. According to López-Garca and Puente (2016), one of the most essential qualities for the survival of SMEs is the start-up size. Mata, Portugal, and Guimaraes (2015), as well as Geroski, Mata, and Portugal (2013), emphasize that not just the firm's start-up size, but also its current size, should be considered. According to Audretsch (2001), a company's survival rate rises with age. Additional research on hazard modeling on SMEs in Africa by McPherson (2016) identified specific characteristics of SMEs that are most likely to survive.

His research found that SMEs that hired more employees were more likely to survive than those that stayed the same size as when they started. This study also revealed that SMEs in the retail or wholesale sectors have a higher chance of survival than those in the industrial sector. Research and development activities had an impact on business survival, according to Liua and Pangb (2016), and SMEs in inner and remote locations were more likely to survive, whereas SMEs in coastal areas were more likely to grow. Similarly, Liedholm (2018) looked at the factors that influence SMEs' survival and expansion in Africa and Latin America, and found that enterprises in urban and commercial regions are more likely to survive.

Macroeconomic conditions and firm-level characteristics such as size, age resource-based arguments, and ability to obtain external finance to start and expand, as well as stabilize production and operational processes, were highlighted by Liua and Pangb (2016) as being critical in explaining SMEs' long-term survival and growth. Further research revealed that both initial short-term and long-term debt had a substantial impact on the firm's early financial features' survivability (López-Garca & Puente, 2006). According to Irastorza (2016), businesses founded by two or more entrepreneurs have a better chance of surviving than those founded by a single entrepreneur. Abouzeedan (2011), in a similar vein, hypothesized that survival may be relied on historical growth rates.

In summary, the preceding research has presented an in-depth explanation of survival and its drivers, which range from SMEs' unique features to industry-specific characteristics to human capital characteristics. Survival in the worldwide economic system necessitates continuous updating of information, skills, abilities, and the adoption of new knowledge throughout the business's working life (urkovi, 2009). Age, number of employees, net profit, equipment/assets, business location, and office number will be evaluated as predictors for long-term survival of SMEs for the purposes of this study. This is because the researchers believe that a business that has lasted should have seen an increase in some or all of these elements over the course of its existence.

Linking Entrepreneurship Characteristics to Long-Term Survival of SMEs

Entrepreneurial traits, according to the previous talks and explanations, have an impact on SMEs' performance, growth, and success. However, present

research has not looked at how some or all of these traits influence SMEs' long-term survival. The fact that entrepreneurial characteristics essential for SMEs' success are frequently not required for SMEs' growth or to manage and expand a business is also demonstrated (Acharya, Rajan & Schoar, 2017). More importantly, there are some personal attributes and qualifications for being an entrepreneur (Markman & Baron, 2013).

This study hypothesizes that SMEs and entrepreneurs have specific qualities that relate to their long-term survival in order to establish a link between entrepreneurial characteristics and SMEs' long-term survival. Some of these traits will be put to the test to see how much they affect SMEs' long-term survival.

Conceptual Framework

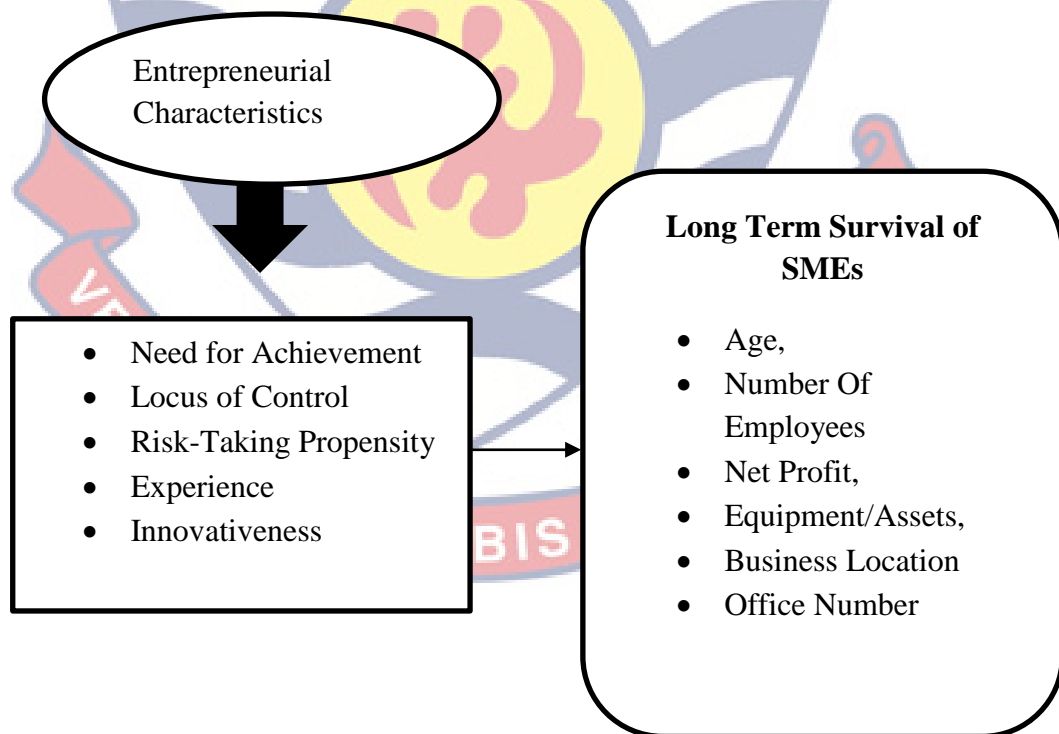


Figure 1: Conceptual framework

Source: Author's construct (2022)

Figure 1 depicts the study's use of a mix of learnable, attained, attributed, and demand and necessity characteristics of entrepreneurs. Because most studies have not particularly looked at how some or all of these qualities influence the long-term survival of SMEs, these characteristics were chosen. Furthermore, these qualities have gained the most attention in the research on entrepreneurship and are frequently used to distinguish entrepreneurs from non-entrepreneurs (Shaver & Scott, 2019; Robinson, Stimpson, Huefner & Hunt, 2011; Koh, 2012).

Chapter Summary

The literature review for this study was presented in this part. The literature review for this study was divided into three sections conceptual review, empirical review, and conceptual framework. The conceptual review defined and discussed the different terms that were employed in this investigation. The literature on entrepreneurial characteristics and business survival was reviewed in this chapter. It also includes a summary of Ghana's economy, the SME sector and conceptual concerns. The proxies chosen for the dependent and independent variables are also described in the chapter. The conceptual framework, which explains how the many variables employed in this study are linked, was provided and discussed towards the end of the chapter.

CHAPTER THREE

RESEARCH METHODS

Introduction

This section explained how the research was conducted. It offered an explicit description of the study concept and approach, sampling technique, and, lastly, the estimation methodologies used for data processing and analysis.

Research Design

The positivist philosophy underpins this study's research philosophy. The positivists believe that authenticity is constant and can be discovered, characterized, and measured objectively without the use of prepared spectacles (Saunders, Lewis & Thornhill, 2016). As a result, the positivist school dismisses the possibility of developing information and theories from a variety of sources, including personal experiences and opinions (Rubin & Rubin, 2012). Instead of focusing on these beliefs, pragmatism focused on the study problem and used all available approaches to understand the problem (Creswell & Creswell, 2018). Instead of sticking to one style of thinking, pragmatists argue for using quantitative approaches to examine a phenomenon (Creswell, 2009; Moon & Blackman, 2014).

Plonsky (2017) defines a study design as "the overall technique used by the researcher to answer and elicit responses to the study's research objectives." The success of any study is determined by the research design used, therefore determining the type of data, the technique of data collecting, and the type of sampling to be used in a study is critical. The researchers used an explanatory

research design to analyze the impact of entrepreneurial characteristics on the long-term survival of SMEs in an attempt to quantify these sizes in the general population.

The decision to adopt explanatory research design, according to Cresswell (2017), might be based on how explanatory research design help establish some form of relationships among variables rather than describing an event or phenomenon. That is, utilizing a explanatory research design and a sample of respondents who agreed to participate in the study, a researcher can identify specific elements of the population.

Research Approach

One of the most important aspects to consider while conducting scientific research is the research approach. This study employs a quantitative research strategy. Comparative research, according to Bell and Bryman (2007), entails gathering absolute data, such as numerical data, in order to be assessed as objectively as feasible (Mason & Bramble, 1997). Quantitative research eliminates the bias of the investigator, allowing assumptions to be made about the study's findings. Furthermore, quantitative analysis will be used due to the manner data is collected and processed. Almost all of the data in this study will be quantitative, hence the quantitative method is employed.

Study Area

The research was performed in the Central Region of Ghana's Cape Coast Metropolis. The populace is about 169,894, which makes up 7.7 percent of the total population of the city, according to the 2010 population and housing census.

Not only is Cape Coast Metro numbered among the few (six) Metropolis in Ghana but is also the only Metropolis in Cape Coast. The dominant form of employment within the region is the service industry. It employs over 35 percent of the total population. This is followed by the craft and trade industry which also employees over 13 percent of the total work force in the district.

Population of the Study

A study population has been described as “including all elements within the reach of this survey and from which the study selects a representative sample (Cooper & Schindler, 2011; Dadi-Klutse, 2016; Kazerooni, 2001). Sometimes, a research population is defined by a combination of geography and demography (Babin & Anderson, 2010; Kumar, 2008; Saunders et al, 2007). As a result, the current study's target population consists of owner-managers of all manufacturing and trading SMEs in the Cape Coast Metropolis who are registered with the National Board for Small Scale Industries (NBSSI) as of August 2020.

Also, the study recognized all bodies under the NBSSI including Ghana Hairdressers and Beauticians Association, Ghana National Tailors and Dressmakers Association, Upholstery and Furniture Association, Ghana Electronics Servicing Technicians, Ghana Professional Photographers Union, and Ghana are the individual SSEs in the population. Ghana Wood Workers Union, Ghana National Garage Societies, and Air Condition Repairs and National Refrigerators. The total number of SMEs recorded in the NBSSI's by location in the Metropolis was 4,500.

Sample and Sampling Procedure

Leedy and Ormrod (2010) described sampling as a method of selecting a few respondents from a broader population in order to estimate the prevalence of data of interest to oneself. The population size, available resources, degree of homogeneity or heterogeneity, and sampling procedure are all factors that influence the size of a sample. According to Garson (2012), sampling is critical because it is nearly impossible to sample all members of a population in almost all instances. According to Arnold and Randall (2010), respondents are chosen in such a way that they represent as much of the overall population as possible through sampling.

Using a sample allows the researcher to save time and money, gain more accurate data, and obtain knowledge that would otherwise be unavailable (Bluman, 2009; Teddlie & Tashakkori, 2008). The sampling technique for this research study was based on the chance sample methodology. This is primarily concerned with the gathering of samples based on objective criteria (Saunders et al., 2016). The parametric statistical test that was conducted to assess the effect of one variable on the other, as well as to generalize the results, necessitated the use of the basic random sampling technique in this study. As a result, Taro Yamane's sample size formula was employed.

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = sample size

N = Population size

e = Allowable errors

Therefore:

$$N = 4500$$

$$1 + 4500 (0.05)^2 = 1 + 4500 (0.0025) = 1 + 11.25$$

$$= 12.25$$

$$n = \frac{4500}{12.25} = 367.34 = 367$$

Based on above calculation, the sample size is 367. This implies that the study was based on three hundred and sixty-seven (367) derived as the research sample size.

Data Collection Instruments

In order to analyse the objectives, this study collected and used primary data. A self-administered questionnaire was utilized to collect data, which was distributed to the target group and collected after four weeks. A questionnaire is a set of questions with a specific aim that are planned to be administered by a specified group of people in a specific time frame. Questionnaires, according to Plano and Badiie (2010), ensure great efficiency in data collecting and good generalizability of findings when compared to more intense study designs. However, surveys lack adaptability, according to Creswell, Plano, and Vicki (2011), because it is difficult to change the categories of data collected once a questionnaire has been prepared and delivered. The questionnaire was used for this study because it is a self-reported measure that guarantees confidentiality and hence is more likely to elicit honest responses from respondents about the information required.

The questionnaire was prepared and organized by the researcher from scratch by the help of the supervisor. The reliability and validity of the questionnaire were tested using the Cronbach's alpha coefficient and the Reliability composite index. The study instrument was divided into sections to aid in the achievement of the study's goals. Closed-ended questions were used in the survey to guarantee that respondents choose from a set of possibilities provided by the researcher. Closed-ended questions featured Likert's five-point scale, which is more useful when behaviours, attitudes, or other phenomena of concern need to be examined in a continuum, and multi-option questions, in which multiple responses were available to pick from (Brace, 2018).

Reliability and Validity of the Developed Questionnaire

When evaluating the quality of a research instrument, reliability and validity are two important factors to consider. According to, the degree to which a measuring instrument gives reliable, consistent results is defined as reliability, whereas validity examines the amount to which an instrument measures what it was intended to measure. To that goal, the researcher conducted a thorough empirical assessment of the questionnaire's many constructs. The Cronbach's alpha coefficient and the Reliability composite index were also calculated to determine the measuring instrument's validity. The Cronbach's alpha coefficient test requires that the coefficient be at least 0.7.

Table 1: Cronbach’s Alpha Test on the Reliability of Entrepreneurial Characteristics

Variables	No. of items	Cronbach’s Alpha(α)	Reliable Items	Reliability
Need for achievement	4	0.81	81%	High internal consistency
Locus of control	4	0.72	72%	High internal consistency
Risk taking propensity	3	0.73	73%	High internal consistency
Self-Confidence	3	0.87	87%	High internal consistency
Innovativeness	4	0.87	87%	High internal consistency

Source: Field survey (2022)

Table 1 showed that the test results on the reliability for the variables that make up entrepreneurial characteristics. Each characteristic was determined using a 5-point Likert scale with 3 to 4 items. No. of Items indicates the number of items used to determine the variable for each variable. From the Cronbach’s alpha test, it was found that all the entrepreneurial characteristics have a high internal consistency rate and thus all the data is considered reliable, with the lowest alpha value being 0.72 and the highest being 0.93. Therefore, the entire test conducted using entrepreneurial characteristics are considered valid.

Data Collection Procedure

The purpose of the study was explained to the participants. The data for the study was obtained via a self-administered questionnaire to achieve a high response rate. All of the responders were asked the identical set of questions. Return questionnaires were altered to collect and arrange material in a way that was adequate and utilized to complete the necessary analysis in order to rectify probable errors and to sort out misconceptions and misunderstandings to assure the research's credibility. Respondents were instructed on how to complete the questionnaire and urged to answer as many questions as possible.

Data Processing and Analysis

To guarantee successful data processing and analysis, data acquired from the field was processed prior to analysis, data was evaluated, and inaccurate data was repaired. The statistical Package for Social Sciences (SPSS) version 24 was used in data coding, entry, and cleaning for 14 days, following which the researcher continued with the other data management tasks to guarantee that the dependent and independent variables were well recorded and entered accurately.

Data analysis guarantees that data collected over the course of the study was interpreted in a logical order to meet the study's goals. Before moving on to the actual analysis, the study established a high retrieval rate and data cleaning. The researchers took the opportunity to double-check the accuracy of the responses to the questionnaire items. It was used to screen data and elicit field results in order to discover missing values and outliers.

Frequencies and percentages, Chi-square analysis, and the one-way Anova model are the estimation approaches employed in this work. The study examined the demographic characteristics of respondents among SMEs in Cape Coast Metropolis using frequency/percentages tables and Chi-square analysis. The one-way Anova model was used to examine the impact of several entrepreneurial characteristics' aspects on long-term survival. The SPSS statistical software was used to process the data (Version 24.0).

Ethical Considerations

This study is a social experiment in which humans were employed as participants. As a result, some ethical norms were followed, such as voluntary involvement, informed consent, and secrecy. The consent of respondents was asked before they were allowed to answer the questionnaires, in accordance with the principle of informed consent. To avoid deception, the researcher communicated the study's objectives and purpose to all potential participants so that they could choose whether or not to participate. The researcher followed the principle of secrecy, ensuring that no names or information provided could be linked to a single responder.

Chapter Summary

The goal of this chapter was to outline the procedures employed to accomplish the study's goal. As a quantitative approach of data collection, the researcher used a structured questionnaire. The reliability and validity of the measurement and structural models were assessed using Smart PLS, and descriptive statistics were generated using Statistical Package for Social Sciences

(Version 24.0). (3.0). The researcher filed a written document to the Heads of Department and the Office of Deans of Graduate Studies for approval before beginning data collecting, according to the study's ethical review.



CHAPTER FOUR
RESULTS AND DISCUSSION

Introduction

This section showed and discussed the outcomes of the analysis. Beginning with the descriptive statistical outcomes, the chapter presented and discussed further, the results of the correlation analysis. The OLS regression estimation was carried out to explain the connection between entrepreneurial characteristics and the survival of SMEs in Cape Coast Metropolis. The chapter ends with the summary.

Response Rate

A total number of 367 questionnaires were administered to respondents as obtained by the sample size calculation. Out of the administered questionnaires, 218 were received but the respondents amounting to 56.7% response rate filled 200 completely. According to Lee, Yuan and Kan (2017), a response rate of at least 50% is recommended.

Table 2: Response Rate

Response Rate	Frequency	Percentage
Filled	200	84.4
Not filled	167	15.6
Total	367	100.00

Source: Field survey (2022)

Gender of the Respondents

Table 3: Gender of the Respondents

Gender	Frequency	Percentage
Male	113	56.5
Female	87	43.5
Total	200	100.0

Source: Field survey (2022)

From Table 3, the result indicates that there are 113 (56.5%) of males owned and managed SMEs, while only 87 (43.5%) of female own SMEs in the Cape Coast Metropolis, thus providing a good representation from each population group in the survey. The data reveal how the two sexes view SME's reputation on the relationship between corporate social responsibility and financial performance. This was necessary for the poll to get a balanced representation of the respondents' views.

Table 4: Gender Distribution of Entrepreneurs across Various Industry Sectors

Various Industry	Males	Females
Agriculture	89 (44.4%)	111 (55.6%)
Technology	129 (64.3%)	71 (35.7%)
Wholesale/Retail	115 (57.6%)	85 (42.4%)
Manufacturing	127 (63.6%)	73 (36.4%)
Financial Services	67 (33.3%)	133 (66.7%)
Accommodation/Hospitality	93 (46.4%)	107 (53.6%)

Property and Real Estate	138 (68.8%)	62 (31.2%)
Business Service	114 (57.1%)	86 (42.9%)
Consumer Service	128 (64%)	72 (36%)

Source: Field survey (2022)

From Table 4, it was observed that out of the nine industrial sectors from which the respondents came from, the males dominated in six of the sectors (technology; wholesale, motor vehicle and repairs; manufacturing; property and real estate; business services & consultants and retailing & consumer services). Whiles the females dominated in only three of the sectors (agriculture, financial services and accommodation and hospitality). A possible explanation for this phenomenon is that the rate of male owned business is twice that of female owned business in the informal sector, because most males engage in more lucrative businesses according to Velia and Valodia (2009).

Age Distribution of the Respondent

A number of studies have tried to establish a relationship between an entrepreneur’s age and the performance of the venture in which they are involved (Reynolds, Hay and Camp, 1999; Peters, Cressy and Storey, 1999; Hatch and Zweig, 2000).

Table 5: Age Distribution of the Respondent

Age Distribution	Frequency	Percentage
Less than 20 years	24	12
Between 21 to 30 years	51	25.5
Between 31 to 40 years	50	25

Between 41 to 50 years	46	23
Above 50 years	29	14.5
Total	200	100

Source: Field survey (2022)

Table 5 showed the average age of entrepreneurs lie between 21 to 30 and 31 to 40, with percentages 25.5% and 25% respectively. This is in line with the study by Kumar (2008), where it was established that the ideal entrepreneurial age lies somewhere between the late 20s and early 40s, which is when there is a trade-off between confidences, usually characterised by youth, and wisdom based on years of experience.

Age of the Business Currently

Many arguments have been raised on whether the age of the business either increases or decreases its odd of survival. For example, Gorski (2005) affirms that firms face a “liability of newness” effect, that is, a greater risk of failure as compared to older ones. Fehmarn and Leventhal (2001) found that the probability of exit might increase with age.

Table 6: Age of the Business Currently

Business Years	Frequency	Percentage
Less than 1 years	28	14
Between 1 to 3 years	52	26
Between 3 to 5 years	56	28
Between 5 to 10 years	29	14.5
Above 10 years	35	17.5
Total	200	100

Source: Field survey (2022)

Table 6 showed that, a greater portion of businesses chosen for this study have been in existence for over of 3 to 5 years; 1 to 3 years; greater than 10 years and between 5 to 10 years, with percentages 28%; 26%; 17.5% and 14.5% respectively. The least on the scale are businesses that have been in existence for less than one year, with 14%. This was chosen in order to provide a clear indication of surviving businesses, so as to help the researcher to clearly identify the characteristics they possess, which can lead to their long-term survival.

Stages of Life Cycle

A business life cycle has a significant impact on decisions making in every organisation. It helps the business owners to make different marketing decisions at every stage in a product's life cycle beginning with the need to generate awareness for new product offerings and ending with the ability to maintain that awareness while also avoiding problems such as funding too many new product and strategies.

Table 7: Stages of Life Cycle

Life Cycle Stage	Frequency	Percentage
Start-up	32	16
Growth	78	39
Maturity	84	42
Declining	6	3
Total	200	100

Source: Field survey (2022)

The results in Table 7 indicated that 84 (42%) and 78 (39%) of businesses are mostly in the maturity and growth stages, while 32 (16%) of businesses are in the start-up stages and 6 (3%) in the declining stage. This result indicated that the businesses chosen for the study were existing businesses of ages 3 to 5 years, 1 to 3 years; greater than 10 years and between 5 to 10 years as already made mention in Table 7, which thus explains why most of the businesses are found in the maturity and growth stages.

Table 8: Relationship between the Age of the Business at Present and the Stage of the Life Cycle

SME Years	Start-up	Growth	Maturity	Declining
Less than 1 years	18 (76.6%)	5 (17.9%)	0 (0%)	1 (3.6%)
Between 1 to 3 years	17 (32.7%)	27 (53.8%)	4 (7.7%)	3 (5.8%)
Between 3 to 5 years	2 (3.6%)	36 (71.4%)	10 (21.4%)	2 (3.6%)
Between 5 to 10 years	2 (3.4%)	23 (48.3)	21 (44.3)	2 (3.4%)
Above 10 years	10 0 (0%)	12 (42.9%)	16 (54.3%)	1 (2.9%)
Chi-Square	value	Df	sig(2-sided)	
Pearson Chi-Square	113.58	16	0.00	
N of Valid Cases	200			

Source: Field survey (2022)

Cross tabulation describes two or more variables simultaneously and is a joint frequency distribution of cases based on two or more categorical variables (Michael, 2002). Cross tabulation is used to identify the relationships between cross-tabulated variables with any type of quantitative data using nominal data.

From the Table 8, the significance level of the test is 0.00. This value is less than 0.05, which showed that the stage of the business life cycle and the business age are dependent. As the business increases in age, the numbers of businesses at start-up stage decrease significantly, while those at maturity stage increase considerably.

In addition, notice was taken of the fact that 1 (3.6%) of businesses with age less than one year are in the declining stage of their life cycle. A possible explanation could be that not every business in the SME sector will go through every stage of the SME business life cycle. The declining stage is the easiest stage any business can reach from any phase, because it is the point where a starting business will fail (Mandolin, 2018). The high business failure rates at start-up therefore account for why 2 (3.6%) of the businesses less than one year of age are in the declining stage.

Educational Qualifications of the Respondents

The success of every business depends on socio-economic factors such as education, skills, and training (Thala, Thulaseedharan, Goswami and Joshi, 2010).

Table 9: Education Levels of Respondents

Educational Level	Frequency	Percent
No Education	27	13.6
Primary Education	50	25
Junior High School	61	30.3
Senior High School	52	25.8
Tertiary Education	10	5.3
Others	-	-
Total	200	100

Source: Field survey (2022)

Table 9 showed the educational attainment of SMEs in the metropolis's managers. A total number of 27 (13.6 percent) of the managers in the study's sampled SMEs lacked formal education. Furthermore, 50 (25.0 percent) of the managers have completed primary school, 61 (30.3 percent) have completed junior high school, and 52 (25.8%) have completed senior high school. Only 10 managers, or 5.3 percent of the respondents, had completed tertiary education. The majority of the respondents had received formal education and could read and write to a considerable extent, as can be observed. When it came to filling out the questionnaire, their level of education was crucial. This as such raises an urgent need for the government and other support initiative programs to encourage entrepreneurs to further their level of education.

Entrepreneurial Characteristics and Long-Term Survival of SMEs

This section intended to find out the relationship between the entrepreneurial characteristics and the long-term survival of SMEs. Five hypotheses were stated for this study.

Objective One

This section of the study captured the first objective of the study by looking at how need for achievement affect long-term survival of SMEs in Cape Coast Metropolis. Table 10 summarized the results.

Higher Need for Achievement

H¹: Higher need for achievement does not have a positive impact on long-term survival of SMEs.

H¹: Higher need for achievement has a positive impact on long-term survival of SMEs.

Two tests, the T-test and ANOVA were carried out to determine whether to accept or reject the null hypothesis. Table 10 summarized the results.

Table 10: Relationship between the Need for Achievement and Long-Term Survival of SMEs

T-Test for Equality of Means			One-way ANOVA		
T	Sig.(2 tailed)	Mean Difference	F	Mean Square	Significance p
3.45	0.00	1.68	11.88	141.05	0.00

Source: Field survey (2022)

Based on the T-test and ANOVA test carried on the data for hypothesis H₁, the sig (2 tailed) for the T-test is 0.00 and significant value for ANOVA and the regression are also 0.00. Since the sig (2 tailed) is less than 0.05, there is a positive relationship between need for achievement and long-term survival. Overall, $F = 11.88$, $t = 3.45$ and $p < 0.01$ (two tailed), which shows that there is a significant relationship between need for achievement and long-term survival. The decision on hypotheses is that the null hypothesis H¹ that “Higher need for achievement does not have a positive impact on long-term survival of SMEs” is rejected. Therefore, concluding that there is sufficient evidence to suggest that need for achievement has a positive impact on long-term survival on SMEs.

Objective Two

This section of the study looked the second objective of the study by looking at how Locus of control affects long-term survival of SMEs in Cape Coast Metropolis. Table 11 summarized the results.

Locus of Control

H²: Locus of control does not have a positive impact on long-term survival of SMEs

H²: Locus of control has a positive impact on long-term survival of SMEs.

Two tests, the T-test and ANOVA were carried out to determine whether to accept or reject the null hypothesis. Results are shown in Table 11.

Table 11: Relationship between Locus of Control and Long-Term Survival of SMEs

T-Test for Equality of Means			One-way ANOVA		
T	Sig.(2 tailed)	Mean Difference	F	Mean Square	Significance (p)
1.32	0.19	0.66	1.75	21.74	0.19

Source: Field survey, (2022)

Table 11 described the results of the T-test and ANOVA test that was carried on the data for hypothesis H2. The sig (2 tailed) for the T-test and significance values for ANOVA are 0.19. Since the sig (2 tailed) is greater than 0.05, there is no significant relation between locus of control and long-term survival of SMEs. Overall, $F= 1.75$, $t = 1.32$ and $p > 0.19$ (two tailed) shows that there is no significant relationship between locus of control and long-term survival.

The decision on hypotheses is that the null hypothesis H^2 that “locus of control does not have a positive impact on long-term survival of SMEs” is not rejected. Thus, concluding that there is not sufficient evidence to suggest that locus of control has a positive impact on long-term survival on SMEs.

Objective Three

Objective three of the study was captured in this section of the study. This section looked at how Risk-taking propensity affect long-term survival of SMEs in Cape Coast Metropolis. The results were summarized in Table 12.

Risk Taking Propensity

H³: Risk taking propensity does not have a positive impact on long-term survival of SMEs

H³: Risk taking propensity has a positive impact on long-term survival of SMEs

Two tests, the T-test and ANOVA were carried out to determine whether to accept or reject the null hypothesis. Summary of analysis are as seen in Table 12.

Table 12: Relationship between Risk Taking Propensity and Long-Term Survival of SMEs.

T-Test for Equality of Means		One-way ANOVA			
T	Sig.(2 tailed)	Mean Difference	F	Mean Square	Significance (p)
4.97	0.00	2.09	24.66	214.70	0.00

Source: Field survey (2022)

The result on Table 12 depicted that, the sig (2 tailed) for the T-test and significant values for ANOVA are both 0.00. Since the sig (2 tailed) is less than 0.05, there is a significant relation between risk taking and long term survival of SME.s Overall, F= 24.66, t = 4.97 and p < 0.01(two tailed) shows that there is significant relationship between risk taking and long term survival of SME.

The decision on hypotheses is that the null hypothesis H³ that “risk taking propensity does not have a positive impact on long-term survival of SMEs” is rejected and a conclusion is made to the effect that there is sufficient evidence to

suggest that risk-taking propensity has a positive impact on long-term survival on SMEs.

Objective Four

The fourth objective of the study was captured in this section of the study. This section looked at how Self-confidence affects long-term survival of SMEs in Cape Coast Metropolis. The results were summarized in Table 13.

Experience

H⁴: Experience does not have a positive impact on long-term survival of SMEs

H⁴: Experience has a positive impact on long-term survival of SMEs.

Table 13: Relationship between Experience and Long-Term Survival of SMEs

T-Test for Equality of Means			One-way ANOVA		
t	Sig.(2 tailed)	Mean Difference	F	Mean Square	Significance (p)
2.85	0.00	1.10	8.10	60.38	0.00

Source: Field survey (2022)

The T-test and ANOVA test that were carried on the data for hypothesis H4 indicate that the sig (2 tailed) for the T-test and significant value for ANOVA are 0.00. Since the sig (2 tailed) is less than 0.05, there is a significant relationship between experience and long-term survival of SMEs. Overall, F= 8.10, t = 2.85 and p< 0.01(two tailed) shows that there is a significant relation between experience and long-term survival of SMEs.

The decision on hypotheses is that the null hypothesis that “experience does not have a positive impact on long-term survival of SMEs” is rejected. Thus, a conclusion that there is sufficient evidence to suggest experience has a positive impact on long-term survival on SMEs.

Objective Five

Objective five of the study was captured in this section of the study. This section looked at how Innovativeness affect long-term survival of SMEs in Cape Coast Metropolis. The results were summarized in Table 14.

Innovativeness

H⁵: Innovativeness does not have a positive impact on long-term survival of SMEs

H⁵: Innovativeness does have a positive impact on long-term survival of SMEs

Two tests, the T-test and ANOVA were carried out to determine whether to accept or reject the null hypothesis, as seen in Table 14.

Table 14: Relationship between Innovativeness and Long-Term Survival of SME

T-TEST for Equality of Means			One-way ANOVA		
T	Sig.(2 tailed)	Mean Difference	F	Mean Square	Significance (p)
2.16	0.03	1.01	4.60	50.68	0.03

Source: Field survey (2022)

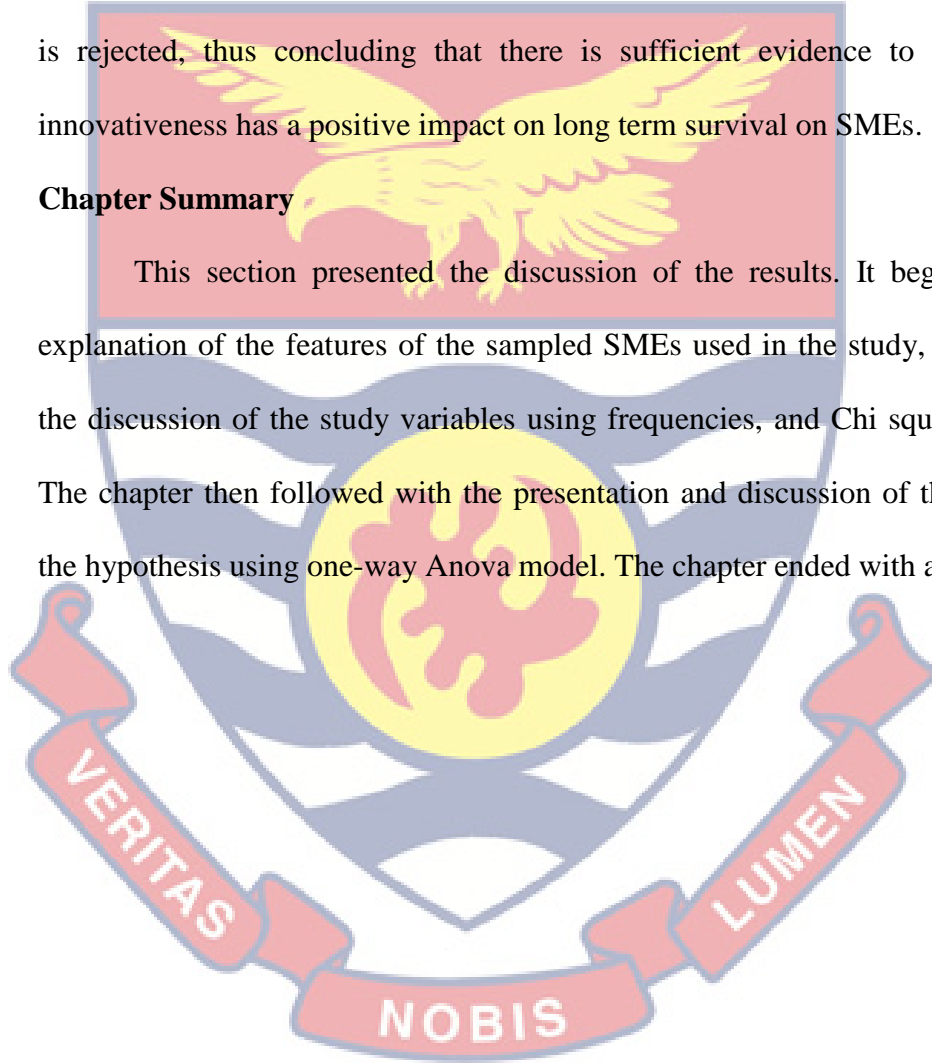
Table 14, showed that the sig (2 tailed) for the T-test and significant value for ANOVA are 0.03. Since the sig (2 tailed) is less than 0.05, there is a

significant relationship between innovativeness and long-term survival of SMEs. Overall, $F= 4.60$, $t = 2.16$ and $p < 0.05$ (two tailed), which shows that there is a significant relation between innovativeness and long-term survival of SMEs.

The decision on the hypotheses is that the null hypothesis H^5 that “Innovativeness does not have a positive impact on long-term survival of SMEs” is rejected, thus concluding that there is sufficient evidence to suggest that innovativeness has a positive impact on long term survival on SMEs.

Chapter Summary

This section presented the discussion of the results. It began with the explanation of the features of the sampled SMEs used in the study, followed by the discussion of the study variables using frequencies, and Chi square analysis. The chapter then followed with the presentation and discussion of the testing of the hypothesis using one-way Anova model. The chapter ended with a summary.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

In this final section, the summary and conclusions of the research have been provided. In addition, the chapter proffered to policy makers and managers of SMEs, some recommendations based on the findings. The chapter finally makes submissions for additional researches.

Summary of the Study

The research assessed the effect of entrepreneurial characteristics on long-term survival of SMEs in the Cape Coast Metropolis. To achieve this overall objective, five specific objectives were formulated; the first objective was to identify if higher need for achievement has a positive impact on long-term survival of SMEs. The remaining four objectives also examined to if Locus of control has a positive impact on long-term survival of SMEs, Risk taking propensity has a positive impact on long-term survival of SMEs and also to identify Experience has a positive impact on long-term survival of SMEs. Finally, the study identified if innovativeness has a positive impact on long-term survival of SMEs.

In addressing the above objectives, the research reviewed relevant theoretical and empirical literature to the research. The theoretical literature revised in the study included the theory of firm growth, and the resource-based theory. The empirical literature also included concepts of entrepreneurial characteristics and various empirical educations on the effect of entrepreneurial

characteristics on long-term survival of business. In addition, the study designed the appropriate conceptual framework, which pictured, for further understanding, the connection between entrepreneurial characteristics and long-term survival.

The research approved the quantitative research method and using both the descriptive and regression analysis, the study measured the effect of entrepreneurial characteristics on long-term survival of SMEs. The study population consisted of all SMEs in the Cape Coast Metropolis. In all a sample of 367 SMEs were used for the study but only 200 questionnaires fully filled by respondents. A cross-sectional data was solicited from them using a structured questionnaire. The data was subsequently inputted and analysed using the SPSS and STATA software.

Key Findings

- It was established that the most dominate characteristics possessed by the entrepreneurs are; commitment and determination (72.5%); creativity, self-reliance and ability to adapt (67.5%); tolerance of ambiguity and uncertainty (60.5%). Also observed are the fact that the least characteristics that entrepreneurs have are locus of Control (21.5%); risk taking propensity (23%) and need for achievement (43.5%). Furthermore, possible explanations to the low level of specific entrepreneurial characteristics identified by the study.
- The results revealed that each of the variables was highly positively correlated with at least one other variable for entrepreneurs who achieved success in all the determinants of survival. Hence, all the variables were

considered as determinants of survival as when one variable increase, the others increase as well and vice versa.

- Survival was measured using binary values 0 and 1. The value 1 was for entrepreneurs who achieved success in all the determinants of survival, while 0 otherwise. To attain survival; an entrepreneur had to have an

increase in all the variables determining survival. Accordingly, determining the actual businesses surviving under the survival criteria chosen revealed that 47.5% of the entrepreneur's achieved survival while 52.5% did not.

- The results also showed that for businesses within the ages of 5-10 years, 55.2% of them survive and for business greater than 10 years of age, 65.7% of them survive. This thus confirms that there is a positive relationship between the age of the business and long-term survival of SMEs.

- Lastly, it was revealed that there is a positive relationship between need for achievement and long-term survival. There is no significant relationship between locus of control and long-term survival. There is significant relationship between risk taking and long-term survival of SME. There is a significant relationship between experience and long-term survival of SMEs. Finally, there is a significant relationship between innovativeness and long-term survival of SMEs.

Conclusions

This section measures the success of the study against the research objectives formulated in in chapter one. The primary objective was to investigate which entrepreneurial characteristics have a bigger influence on the long-term survival of SMEs, and to what extent they do so.

- This section looks at the entrepreneurial characteristics of entrepreneurs, where it was established that the most dominate characteristics possessed by the entrepreneurs are; commitment and determination (72.5%); creativity, self-reliance and ability to adapt (67.5%); tolerance of ambiguity and uncertainty (60.5%). Also observed are the fact that the least characteristics that entrepreneurs have are locus of Control (21.5%); risk taking propensity (23%) and need for achievement (43.5%). Furthermore, possible explanations to the low level of specific entrepreneurial characteristics identified by the study.
- The relationship between entrepreneurial characteristics was established using the Pearson correlation test. The test showed positive correlations between all the characteristics. A Pearson correlation test scale was used to identify the strengths of the relationships.
- Pearson correlation was conducted between the determinants of survival identified by this study age; number of employees; net profit; equipment/assets; business location, number of business owners; net profit and the office number. The results revealed that each of the variables was highly positively correlated with at least one other variable for entrepreneurs who

achieved success in all the determinants of survival. Hence, all the variables were considered as determinants of survival as when one variable increase, the others increase as well and vice versa.

- To attain survival, an entrepreneur had to have an increase in all the variables determining survival. Accordingly, determining the actual businesses surviving under the survival criteria chosen revealed that 47.5% of the entrepreneur's achieved survival while 52.5% did not.
- The required characteristics identified by this study are four characteristics; creativity, self-reliance and ability to adapt (83.8%); tolerance of ambiguity and uncertainty (81%); opportunity obsession (75.8%) and commitment and determination (71.5%). They are chosen because they attained the highest score by both surviving businesses and entrepreneurs in general.
- Moreover, two of the four characteristics are also seen to be possessed by non-surviving businesses. The sufficient characteristics are need for achievement; risk-taking propensity; self-confidence; innovativeness and motivation to excel, since they had a score of 50% and above.

Recommendations

Based on the results, it will be recommended that the government of Ghana, universities, higher learning institutions and financial service providers incorporate additional simplified short course training programmes that will include business knowledge skills (bookkeeping, marketing, entrepreneurship and

business management) in their programmes. The inclusion of these training courses will certainly foster the survival and growth of SMEs.

Furthermore, although the level of education of the entrepreneurs in Ghana is low, a better way to compromise this situation is to bring entrepreneurial education to low levels of education. The education department can join with other ministries to form an entrepreneurship curriculum for primary and senior high schools. Such strategies have been successful for instance in Spain where secondary school students run import-export mini SMEs as part of their curriculum. Another case is in Luxembourg where in the primary school program, there is a section of starting up a business based on a cartoon. With similar strategies, Ghana can increase the skill of entrepreneurs who end up at matric or even lower, thereby enabling a sustainable SME environment.

It also becomes imperative that entrepreneurial characteristics be enhanced as a means of nurturing SMEs success and long-term survival. Because most SMEs are very dependent on the entrepreneur at first, success is linked on his/her attributes and thinking styles. Business support mechanisms should use the Life Styles Inventory (LSI) measures thinking styles and Neethling Brain profiling to identify the way entrepreneurs think and use the results to modify their teaching methods. This is important because it shows how to nurture the entrepreneurial characteristics that are needed for survival in their businesses, but absent in entrepreneurs. These support mechanisms should focus simultaneously on providing effective leadership through the formulation and implementation of

focused strategies and programmes that will enable entrepreneurs to develop entrepreneurial characteristics for the long-term survival of SMEs.

Moreover, in order for entrepreneurs to develop characteristics such as creativity, self-reliance and ability to adapt and innovation, they must engage in reading books in a variety of fields; joining professional groups; attending professional meetings and seminars and devote time to pursue natural curiosities. This is because successful creations are generally led by information gathering.

Likewise, leadership characteristics in entrepreneurs should be developed through experimental learning, social interaction learning, training in leadership knowledge and skills development, motivation, communication skills and team working.

Additionally, with the current trends of inaccessibility of funding to SMEs (as more 41.5% of the respondents use personal savings to start up their businesses) due to lack of collateral, poor business plans, poor management and lack of business skills, there is need for the government to allocate more funding for the growth and development of SMEs. Banks and financial institutions should also be encouraged to give out loans to both new and established businesses. It is therefore recommended that banks and financial institutions should add to their objectives of promoting the growth of SMEs sector, measures to address this financial situation.

Suggestions of Future Studies

In terms of potential directions for further analysis, the results of the study offered some hints. First, it is possible to extend and change the research context

and hypotheses built for this study to include the impact of potential moderator variables such as firm age, money, size and environmental dynamism. Additional studies could be conducted to investigate and to confirm the results on the determinants of survival identified by this study using the researcher's own criteria, while also identifying other sets of criteria that could as well be used in determining long-term survival of SMEs.



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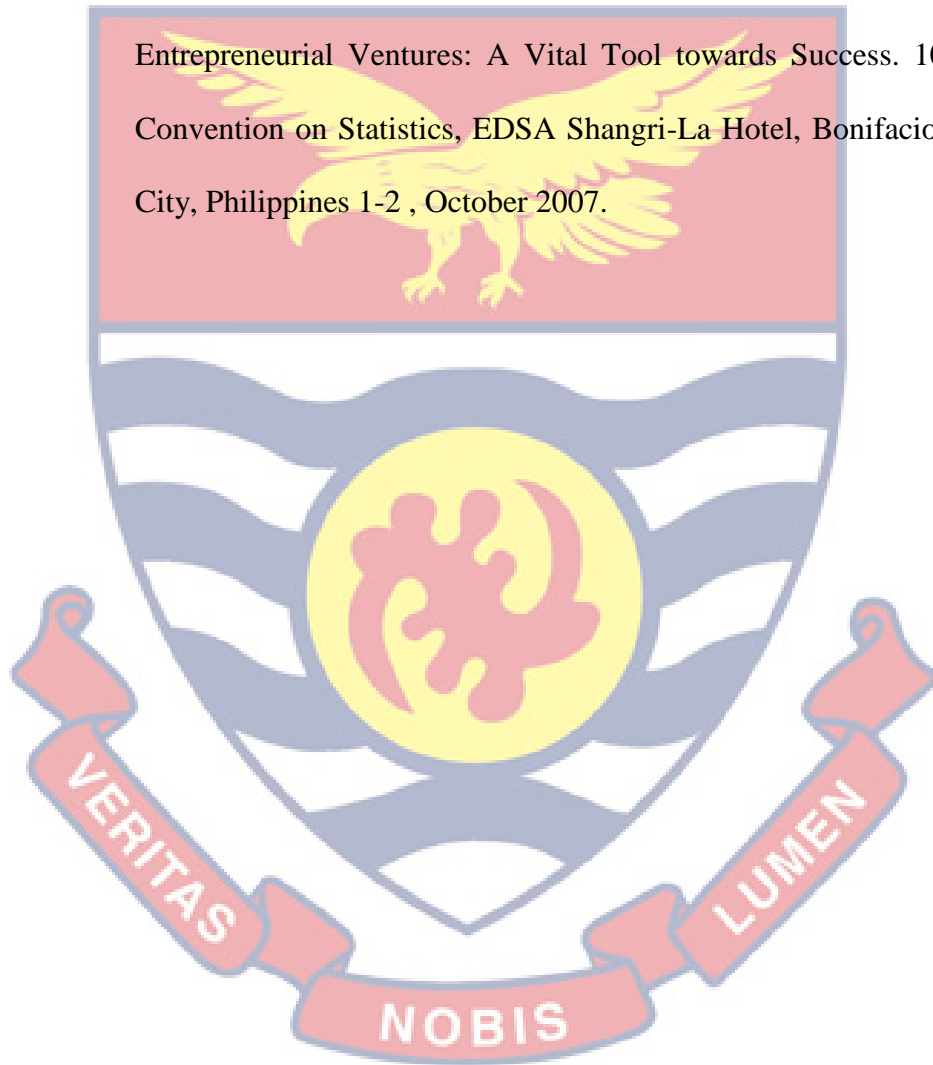
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APPENDIX

**UNIVERSITY OF CAPE COAST
SCHOOL OF FINANCE AND MANAGEMENT STUDIES
STRUCTURED INTERVIEW SCHEDULE FOR FIRM'S MANAGEMENT
(OWNERS)**

Hello, my name is _____ and I am a student at the University of Cape Coast (UCC), and as part of my MBA studies, I am conducting a research on “entrepreneurial characteristics and long-term survival”. The survey usually will take about 20 minutes to complete. The purpose of this research is purely academic and it is aimed at collecting data on the effect of entrepreneurial characteristics on long-term survival. Your utmost confidentiality is assured, and because of this please Do NOT write your name or the name of your entity on the questionnaire.

Now, do you want to ask anything about the survey? Yes [] No []

Date :

				2	0	2	1
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1) Gender?

Male	1	Female	2
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2) Age group?

≤ 20	1	21- 30	2	31- 40	3	41- 50	4	≥ 50	5
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3) Race/ Ethnic group

Black	1	Coloured	3	Asian	5
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White	2	Indian	4	Others	6
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4) Age of the business at present?

Less than 1 year	1	1-3 years	2	3-5 years	3	6-10 years	4	Greater than 10 years	5
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5) In which stage of the life cycle phase is your business currently in? (Mark an X)

Start up stage	1	Growth stage	2	Maturity stage	3	Declining stage	4
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6) Highest formal educational qualification?

Matric	1	Degree	2	Honours	3	Masters	4	Doctorate	5	Diploma	Others
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If Others, Please specify

PART B: ENTREPRENUERIAL CHARACTERISTICS

Please indicate the extent to which you agree or disagree with each of the following statements by selecting the appropriate level

1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree

CHARACTERISTICS	STATEMENTS					
Need for achievement (nAch)	I am open to new ideas and prefer to work independently than in teams	1	2	3	4	5
	I set my mind to achieve a goal in relation to a set of standards	1	2	3	4	5
	I am a moderate risk taker and like to anticipate future possibilities	1	2	3	4	5
	I do not see negative feedbacks and challenges, as a source of discouragement	1	2	3	4	5

Characteristics	Statements					
Locus of Control	I believe that I can determine my own destiny	1	2	3	4	5
	I am willing to accept both positive and negative consequences of my decisions and actions	1	2	3	4	5
	I believe my success lies in my own abilities and efforts	1	2	3	4	5
	I believe success is a product of luck and fate, rather than personal efforts	1	2	3	4	5

Characteristics	Statements					
Locus of Control	I believe that I can determine my own destiny	1	2	3	4	5
	I am willing to accept both positive and negative consequences of my decisions and actions	1	2	3	4	5
	I believe my success lies in my own abilities and efforts	1	2	3	4	5
	I believe success is a product of luck and fate, rather than personal efforts	1	2	3	4	5

Characteristics	Statements					
Commitment and determination	I am driven by the wiliness to undertake personal sacrifices	1	2	3	4	5
	I am decisive and very persistent in problem solving	1	2	3	4	5
	I am able to overcome setbacks when faced with challenges	1	2	3	4	5

Characteristics	Statements					
Risk taking propensity	I prefer being low-paid employee with apparent job security	1	2	3	4	5
	I am willing to take a low risk for a sure rate of return	1	2	3	4	5
	I do not fear investing my money on a project whose risk I have calculated	1	2	3	4	5

Tolerance of Ambiguity and uncertainty	Statements					
	I always response positively in uncertain situations	1	2	3	4	5
	When determined, I continue with my course of actions, even when results seem uncertain	1	2	3	4	5
	I consider certainty to be unchanging	1	2	3	4	5

Characteristics	Statements					
Self confidence	I have the ability to achieve my set goals and objectives	1	2	3	4	5
	My success or failure does not depend on luck nor fate	1	2	3	4	5
	Even when faced with setbacks, I still believe my personal control and influence will enable me achieve my goals	1	2	3	4	5

Characteristics	Statements					
Creativity, Self reliance and ability to adapt	I am open minded and a quick learner	1	2	3	4	5
	I believe my achievement lies within my control and power	1	2	3	4	5
	I always adapt my business strategies to the changing business environment	1	2	3	4	5

Characteristics	Statements					
Innovativeness	I know my "customers" and understand their requirements	1	2	3	4	5
	I have an ability to identify fresh and innovative approaches to existing situations	1	2	3	4	5
	anticipate change and perceive trends before they	1	2	3	4	5

	become apparent to others					
	anticipate future consequences or implications of current situations or events	1	2	3	4	5

Characteristics	Statements					
Opportunity obsession	I have an intimate knowledge of customers needs and market drive	1	2	3	4	5
	I prefer to focus on new opportunities than on money	1	2	3	4	5
	I am highly market-driven (e.g., focused on customer and technology trends, competition, etc.).					

Characteristics	Statements					
Motivation to excel	I have a drive to achieve and a low need for power and status	1	2	3	4	5
	I am results oriented and strive to build and grow a business	1	2	3	4	5
	I am aware of my strengths and weaknesses	1	2	3	4	5

PART C: DETERMINANTS OF SURVIVAL

- 1) Please provide me with the necessary information that applies to your business career. Please note that information provided is strictly confidential

	At start-up date	At present, 2011
Number of employees		
Turnover/ profitability		
Percentage increase in sales revenue		
Equipments/ Assets		
Number of business owners		
Business location		
Office number		

2) Please indicate approximately your business results of the last year, by marking an X on the most appropriate answers

Indicators	Increase	Increase	Stable	Decrease	Decrease
	> 20%	10-20%		10- 20%	20%
Net profit/ year	1	2	3	4	5
Total amount of sale/ year	1	2	3	4	5
Inventories turn over	1	2	3	4	5
Number of customers	1	2	3	4	5
Number of employees	1	2	3	4	5

THANK YOU

