

Entrepreneurial Characteristics Among Small Business Owners and Non-Business Owners in the Dakar Area

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This paper discusses the presence of entrepreneurial traits among different types of business owners and among the general population, in order to ascertain whether selected personal characteristics, defined as 'entrepreneurial traits', are actually attributes of business owners and whether these characteristics are typical of them. It presents some results of a research carried out in the Dakar city area of Senegal. Some entrepreneurial characteristics were selected and the intensity of their presence measured. From the results it appears that the entrepreneurial traits are present among business owners (although not all of the selected traits are strongly present) and that there is a clear difference between business owners and non-business owners in the intensity of the presence of these traits.

INTRODUCTION

The issue of what is the essence of entrepreneurship is a long debated one. It is agreed that in order to start an entrepreneurial activity (to see entrepreneurship in action) the existence is required of *entrepreneurial opportunities*, which must be *discovered* and *exploited* (Shane S., 2002:6). Discovering and exploiting entrepreneurial opportunities is not easy nor within reach of everybody: only a small part of a population succeeds in becoming an entrepreneur. Many factors contribute to explain this fact (Hindle K., 2004), among them the existence of personal characteristics that contribute to making a successful entrepreneur. Also how to define an entrepreneur is a long debated issue. One of the ways proposed takes into consideration the personal characteristics of an individual and states that certain characteristics are typical of an entrepreneurial personality, concluding that individuals who strongly present those traits are potential entrepreneurs (Low M.B. Macmillan I.C., 1988). There is also a long running debate on whether a business owner can be called an entrepreneur, or some type only of business owners can be defined as such. This author is convinced that most business owners show entrepreneurship for part of their time (and nobody shows it all the time). Therefore, 'entrepreneur' will be used here with the twin meaning of 'business owner', and further on also the acronym **E/SBO** (**Entrepreneur/Small Business Owner**), will be used with the same meaning.

It is possible to consider the diffusion of entrepreneurial traits in a given population as a proxy for the entrepreneurial potential of that population. Many factors influence the existence, and the proportion, of individuals with entrepreneurial traits within a population, not least the culture of the population itself. Thus, the cultural characteristics of a given nation or ethnic group help to cause a stronger or weaker diffusion of '*grassroots entrepreneurship*' within a given population.

This paper presents some of the results of the research carried out in the Dakar city area of Senegal. Some entrepreneurial characteristics were selected and the intensity of their presence measured. From the results it appears that the entrepreneurial traits are present among business owners (although not all of the selected traits are strongly present) and that there is a clear difference between business owners and non-business owners in the intensity of the presence of these traits.

THE CHARACTERISTICS OF THE ENTREPRENEUR AND INFLUENCE OF CULTURE

What makes potential entrepreneurs out of different individuals are those characteristics that are peculiar to an entrepreneur. Since the beginning of economic studies the entrepreneur has been variously

regarded as somebody who is enterprising, can act in an innovative way, has organising and leadership capacity and who is willing to take risks, but seldom a broadly similar definition can be gathered from different authors. Some writers identified entrepreneurship with the function of uncertainty, others with the co-ordination of productive resources, others with the introduction of innovations, and still others with the provision of capital (Hoselitz B.F., 1952; Murphy et al., 2006). As a consequence, in literature there is little consensus on who is an entrepreneur and what constitutes entrepreneurship (Solomon G.T. Winslow E.K., 1988; Swedberg R., 2000). However, in the literature entrepreneurship is regarded as a personal quality, which enables certain individuals to make decisions, which may have far reaching consequences, in conditions of uncertainty. Then, the entrepreneur is an innovator or developer, capable of identifying opportunities, exploiting them and turning them into viable and marketable ideas.

Following McClelland's seminal work (for all, McClelland D.C., 1961), numerous attempts have also been made to explain the term 'entrepreneur' on the basis of certain psychological, personal and social characteristics, maintaining that, to be able to carry out his activity, an entrepreneur needs to have some specific personal traits. Some of these traits are widespread among a population while some others are much less common. Individuals who possess the right combination of these traits are better placed than the rest of the population to become entrepreneurs and to develop their activity successfully (Low M.B. Macmillan I.C., 1988).

There is some disagreement about which specific traits should be included in an 'entrepreneur's profile', and reviewing literature one finds long lists of widely different characteristics associated with entrepreneurs. The characteristics mentioned in those lists, however, can be divided into three groups: the first relates to the entrepreneur's personality, the second to the entrepreneur's skills and the third to the entrepreneur's background and experience (Ray D.M., 1993). Furthermore, many of the various factors mentioned in those lists are basically different facets of the same few main characteristics and can, therefore, be consolidated into a much smaller set of profile dimensions (Kuratko D.F. Hodgetts R.M., 1992). Indeed, at the price of a certain degree of simplification, it is possible to whittle down the number of traits, which should characterise an individual, in order for him/her to be deemed 'entrepreneur grade'. Limiting ourselves to traits related to the entrepreneur's personality and basically following Timmons (Timmons J.A., 1990), we identified them as follows:

attitude towards risks; commitment and determination; creativity; independence and leadership; motivation to progress; and obsession with opportunity.

Most authors agree in naming these six traits among the distinctive characteristics of the entrepreneur. They should belong to any entrepreneur, wherever he lives and whatever his origin. The lack of one of them would cause a fatal weakness in an individual ability to act entrepreneurially. Indeed, it was remarked that there is a close connection between personal characteristics of an individual, his being able to become an entrepreneur and the economic success of the firm, as measured by growth and profitability (Casson M., 1982).

In observing the reality around us, we see that individuals with those characteristics are not evenly present in all groups. Many factors influence the existence, and the proportion, of individuals with entrepreneurial traits within a population, not least the culture of the population itself. Thus, the cultural characteristics of a given nation or ethnic group help to cause a stronger or weaker diffusion of 'grassroots entrepreneurship' (Trevisan I. Matuella M., 1994) within a given population. Stronger, if a group's culture predisposes the individuals belonging to it towards starting their own independent activity when the occasion presents itself (or to create such an occasion); weaker, if a group's culture creates obstacles to the development of entrepreneurial activities of its members. In fact, the relationship between obstacle and entrepreneurship is indirect and subtle: it is the environment in its

whole that curbs entrepreneurship; the individual with entrepreneurial proclivities cannot move in such an environment as 'a fish in its water' but finds obstruction and hostility.

One of the main factors defining environmental conditions towards entrepreneurship is the cultural background that establishes behavioural rules for any given group. Indeed, the culture of a population determines its predominant characteristics in terms of behaviour, aspirations, and ways to tackle problems and so on (Ronen S., 1986). Culture, then, can influence the type and frequency of the personal qualities found within a society. This leads to the assumption that the 'entrepreneurial' traits are more likely to be found in certain cultures. Therefore, on the basis of the frequency of these traits among the individuals of given cultures, it should be possible to measure higher or lower 'entrepreneurial potential' of different ethnic groups (Trevisan I., 1997). Thus a culture can be more or less 'entrepreneurial' and the diffusion of entrepreneurial traits (or lack thereof) among a population could point to a higher or lower inclination towards entrepreneurship.

OBJECTIVES AND METHODOLOGY OF THE RESEARCH

The research aims at finding some indication that these assumptions can stand the test of some localised inquiry. Since it is impossible to any practical extent to build a statistically correct sample of small business owners or entrepreneurs in any country, let alone in some third world ones, the results of this study will not be statistically significant and cannot be generalised outside the sample itself. However, the research aims at repeating the same inquiry in as many countries as possible: if similar conclusions could be drawn from surveys carried out in different countries, this would at least offer a more solid ground for our assumptions.

The assumptions discussed in this paper are:

- i) selected personal characteristics, defined as 'entrepreneurial traits', are actually attributes of entrepreneurs/small business owners anywhere, irrespective of their cultural background;
- ii) these characteristics are typical of entrepreneurs/small business owners (E/SBOs), i.e., within a given culture E/SBOs will possess these traits to a larger extent than non-E/SBOs;

In order to test these hypotheses, we decided to look at three of the six characteristics, mentioned earlier, that are most often mentioned in the literature and in other research projects carried out in other places (Trevisan I. De Jager J., 2000). To them a trait was added, related to the ability of looking at the long term. The conceptual framework is inclusive, since elaborates on Timmons model that had great importance in the theory of entrepreneurial traits (Timmons J.A., 1990).

The selected traits are then: *attitude towards risks*, *commitment and determination*, *independence and leadership*, and *long-term orientation*.

Attitude towards risks is the disposition to face the possibility of loss, failure and danger, the aptitude to start a new activity without knowing the results. *Commitment and determination* is the firmness of individuals trying to reach their aims, their total dedication to succeed in their enterprise. *Internal locus of control/independence* is the ability to think and act autonomously, to be self-reliant; it is the belief that each person can guide one's own destiny. *Long-term orientation* is the understanding that entrepreneurial activity requires forethought (and thus planning) and that, often, decisions cannot bear immediate fruit but their effects can take some time to appear (and thus aiming at continuity).

The fieldwork to which this paper refers was carried out some years ago in the urban area of Dakar, Senegal. A questionnaire developed in English was used, translated first into French. After a reverse translation into English to assure that the semantic values were not lost in the first translation, the translated questionnaire was then used for the research. It then appeared that using French made it difficult to reach part of the people that were interviewed. Therefore the questionnaire was translated, with the same procedures, also into Wolof (Verzola K., 2003).

In this paper the answers to a specific group of questions will be analysed. These are dichotomic questions (excluding one that had three possible answers), aimed at ascertaining the presence of entrepreneurial traits in the respondents. For each question one answer is “entrepreneurial”, i.e., shows that the specific trait is present, and one is not. The four entrepreneurial traits mentioned above were considered and four questions for each trait asked. The more “entrepreneurial” answers, the stronger is the entrepreneurial propensity of the respondent. Each respondent can be graded on a range from zero to four for each trait and on a range from zero to 16 for *entrepreneurial propensity*.

The sampling was non-probabilistic and, basically, the samples are convenience samples. This, of course, makes it impossible to generalise any conclusion to which the research will come. However, the aim is to increase the number of countries involved: if the results will keep pointing in the same direction, some of the assumptions will become stronger than they are now (Alku E., 2008).

THE SAMPLE

The valid questionnaires collected were 253. The people interviewed were divided in three sub-groups: industrial business owners (84 questionnaires, 33%), commercial business owners (64, 25%) and general population (105, 42%). The first two sub-groups belong to the category of E/SBOs (Entrepreneurs/Small Business Owners) the latter to the non-E/SBOs.

The industrial businesses are evenly divided among the food, textile and metallurgical industry; the commercial business owners were for the most part retailers; the non-E/SBOs were mainly civil servants, clerks and manual workers, but also students, technicians and unemployed.

Personal data of interviewees

Most interviewees were males, in a larger proportion among E/SBOs (88%) than among the general public (68%). The former can be explained by the fact that although women are strongly represented in entrepreneurial activities in Senegal (mostly in retail and tailoring), theirs are mostly informal businesses and therefore not included in the survey. The explanation for the latter is that, despite the fact that a female interviewer conducted the interviews, it was difficult to interview them and successfully to end the questionnaire, possibly because a lower educational level made for a more awkward interview.

The age distribution varies according to the sub sample: the majority (55%) of E/SBOs belong to the intermediate age group (from 36 to 50 years), with a sizeable minority (24%) older than 50. The majority (54%) of non-E/SBOs belong to the lower age group (20 to 35 years) and only 13% to the higher one.

The educational level is inevitably higher among the E/SBOs: although both among traders and manufacturers there are people without any formal or only primary education (altogether 20%), the largest groups are those with secondary education (26%) and undergraduate diploma (15%). Within E/SBOs there is a clear difference between manufacturers and traders, the former having a higher degree of formal education (18% vs. 11% having a diploma and 24% vs. 7% having a degree). Among the non-E/SBOs, 6% have no formal education, 53% have up to lower secondary education and 11% have a diploma or a degree.

While almost all (96%) the non-E/SBOs are Senegalese, only 65% of the E/SBOs are, the remaining being of French (6%, only among manufacturers), Lebanese (24% of the total, reaching 31% of the traders) or Mauritanian (4%, only traders) nationality.

ENTREPRENEURIAL TRAITS

In following pages the two assumptions previously mentioned shall be discussed.

To test assumption *i*) *selected personal characteristics, defined as 'entrepreneurial traits', are actually attributes of entrepreneurs/small business owners anywhere, irrespective of their cultural background*, the average score of the two E/SBO groups for each of the selected entrepreneurial traits and for the cumulative *entrepreneurial propensity* shall be presented and discussed as well as the distribution of the “entrepreneurial” answers of each respondent. Considering that each respondent could score between 0 and 4 in each trait, a trait will be considered strongly present in the group if the average score is from 3 upwards (meaning that the group as a whole has given on average at least three “entrepreneurial” answers out of four). If the average score is from 2 downwards (meaning two or less “entrepreneurial” answers) the trait will be considered weakly present or absent; if the average score is between 2 and 3, the trait will be considered present but not strongly.

The same will be presented for the non-E/SBOs and the comparison between them and the former will allow the testing of assumption *ii*) *these characteristics are typical of E/SBOs, i.e., within a given culture E/SBOs will possess these traits to a larger extent than non-E/SBOs*.

In table 1 the average score for entrepreneurial traits is presented. Grouping together the E/SBOs, it appears that the traits are present but not strongly, two more so than the others. When splitting the E/SBOs in the two sub-groups, it appears that two traits are strongly present among manufacturers, *attitude to risk* (where they score above 3) and *commitment and determination* (where they score a whisker below it). These two traits are present also among traders, albeit not as strongly as among manufacturers. The two other traits appear present but not strongly in the manufacturers (a little above 2 in both cases), while *long-term orientation* appears to be weak among traders.

In general industrial E/SBOs show a stronger presence of the traits, the exception being – for an irrelevant amount - *independence*. At a first reading, then, industrial E/SBOs show clearly the presence of two traits (only one very strong), while the other two are present but not clearly. The commercial E/SBOs show, although not too clearly, the presence of two traits, while one is barely above the limit, mentioned earlier, of the weak presence and the other just below it.

Table 1: Average score for entrepreneurial traits

	Non-E/SBO	Total E/SBOs	Industrial E/SBO	Commercial E/SBO
attitude to risk	1,93	2,83	3,11	2,42
commitment	1,27	2,72	2,99	2,38
long-term	2,10	2,05	2,13	1,94
independence	1,78	2,05	2,04	2,06

The low score of *independence* is particularly important, since in the literature it is emphasised that being able of taking decisions while others remain sceptical is an important characteristic of entrepreneurs. Also the even lower score of *long-term orientation* among traders is an unexpected result. It can be said that this low score among the E/SBO sample in Dakar confirms the findings in other African countries, such as Mozambique and Ghana, where again both *independence* and *long-term* scored relatively low (Trevisan I., 2008). It is then possible to surmise that some common cultural trait might make more difficult for African people, including the entrepreneurs, to show a large degree of independence and a strong long-term orientation.

Assumption i), for the time being, is not fully proved, in particular for the commercial E/SBOs, who from these findings appear to be significantly different from industrial E/SBOs.

When looking at the score of non-E/SBOs, it is possible to see a clear difference in comparison with the E/SBOs. Their score is clearly lower in three of the four traits (where their score is in the ‘weakly present or absent’ range), the odd out being long-term orientation, although even this trait is not strongly present. For the time being, *assumption ii*) appears proved but not conclusively.

To look at the issue in a different way and to give a concise view of the intensity of entrepreneurial traits among the respondents, an intensity index was developed, built on the proportion of “entrepreneurial” answers given to the various questions related to each trait. The index ranges from 0 to 1, where 0 means that no “entrepreneurial” answer was given to any of the four questions and 1 that all the answers of all respondents were “entrepreneurial”. The actual score will always be somewhere in between and the interpretation given to the index is the following: an index higher than 0,750 means the trait is strongly present; from 0,501 to 0,750 that trait is present; from 0,251 to 0,500 the trait is weakly present, 0,250 and below it is absent.

Table 2: Intensity index for the selected entrepreneurial traits

	Industrial E/SBO	Commercial E/SBO	Non-E/SBO	Total E/SBOs
attitude to risk	0,777*	0,606*	0,483*	0,691*
commitment	0,746*	0,594*	0,317*	0,670*
independence	0,509°	0,516°	0,445§	0,512§
long-term	0,533°	0,484°	0,526°	0,508°

Note: in **bold**, index denoting strong presence of the trait; in *italics*, denoting weak presence
 χ^2 test results: difference significant *at 99% level § at 95% level ° NOT significant

All four traits are presents among the E/SBOs, however, only one, *attitude to risk*, is strongly present among them and then only among the manufacturers. The other three traits are also present among manufacturers, one of them, *commitment*, rather strongly. Among the traders, three traits are present, albeit with lesser intensity than among manufacturers, while for one, *long-term*, the index is in the “weakly present” range. A χ^2 test on the figures underlying this index shows that the differences between manufacturers and traders are significant at 99% level for *attitude to risk* and *commitment* and not significant for the other two traits. Among non-businesspeople one trait, *long-term*, is presents, while for the other three the index denotes a weak presence, in one case, commitment, a very weak presence. The differences between this group and the E/SBOs are significant at the 99% level for *attitude to risk* and *commitment* and at the 95% level for *independence*.

Also in this analysis, *assumption i*) is not fully proved: the traits are present but with lower intensity than expected; only the industrial E/SBOs show a clear presence of two of them. For all traits non-E/SBOs show a lower intensity than the manufacturers; half of the times clearly so, however, in one trait they show higher intensity than traders. The significance of the difference between the two groups is borne out by the χ^2 test Therefore evidence increases that *assumption ii*) can be proved, although the statement that entrepreneurial traits are weakly present or not at all in the non-ESBOs as a group can be validated only for three out of the four traits analysed.

The last analysis presented is related to the *entrepreneurial propensity*, i.e., the presence of the entrepreneurial traits as a whole set and not taken separately. Again the average score and the intensity index are taken into consideration (see table 3). Moreover, another index is used the index of *entrepreneurial propensity*, for low and high propensity. This index is built on the basis of the number of “entrepreneurial” answers to the 16 dichotomic questions and from it measures the entrepreneurial propensity of respondents. a score from 0 to 4 would mean *lack* of any entrepreneurial propensity; from 4 to 8, a *low* propensity; between 9 and 11, a *moderate* entrepreneurial propensity and from 12

upwards a *high* entrepreneurial propensity. The index gives the proportion of respondents that show that degree of entrepreneurial propensity (see table 4).

Table 3: Measurements of entrepreneurial propensity for the Dakar sample

	E/SBOs grouped	Non-E/SBO	Industrial E/SBO	Commercial E/SBO
Average score	9,63	7,09	10,26	8,80
Intensity index	0,602	0,442	0,641	0,549

The average score of the E/SBOs is not high (for the traders it is rather low), and also the intensity index shows that the propensity is present but not strongly. Again *assumption i*) is not satisfactorily proved: the entrepreneurial traits *are* present in the business people of the sample but not as strongly as would be expected, considering that they are thought of as a peculiar characteristic of entrepreneurs. Indeed it appears that the difference between industrial and commercial businesspeople is so large that the two must be considered as something clearly different and cannot be lumped together in the same group of business people.

Assumption ii) appears to be proved. When the figures are shown for the E/SBOs grouped together, the difference between E/SBOs and non-E/SBOs now appears clearly. Both average score and intensity index of the former are clearly higher, although, again, not as much as could be expected. When looking at the two business groups separately, both show higher average score and intensity index than the non-E/SBOs. In particular, the difference between the latter and the industrial E/SBOs is clearly large.

Table 4: Measurements of the entrepreneurial propensity index for the Dakar sample

	E/SBOs grouped	Non-E/SBO	Indust. E/SBO	Commer. E/SBO
Lack of entrepreneurial propensity	00,7	10,5	0,0	01,6
Low entrepreneurial propensity	33,1	61,9	21,4	48,4
High entrepreneurial propensity	21,6	01,0	28,6	12,5
Moderate + high propensity	66,2	27,0	78,6	50,0

Analysing the *EP* index, it appears that the businesspeople in this Dakar sample are not particularly entrepreneurial: indeed, although two thirds of them show moderate or high entrepreneurial propensity, there are more E/SBOs with a low *EP* index than with a high one. However, also the impossibility of grouping together manufacturers and traders in a single businesspeople group appears very clearly. While almost four fifths of the former show moderate or high *EP* only half of the latter do so. From this analysis it is possible to conclude that *assumption i*) is verified for the industrial E/SBOs but not for the commercial ones.

Assumption ii), that E/SBOs possess entrepreneurial traits to a larger extent than non-E/SBOs is clearly and definitely verified: besides the 10% of the latter that show no entrepreneurial propensity at all, another 62% show low *EP* and only 1% high *EP*. It is clear that the non-E/SBOs of this sample are not entrepreneurial. The difference with industrial E/SBOs is evident and also that with commercial E/SBOs is clear, in particular in relation to the high *EP* index.

CONCLUSIONS

The research shed some light on the characteristics of the entrepreneurs in Dakar. Of course, any conclusion must be qualified by the warning that the sample was a convenience sample and therefore

no generalisation can be made. The results of this survey show a much less clear positive testing of the assumptions than other surveys carried out in other African countries (for example, in Kenya, where both assumption could be considered as verified). Of the two assumptions that were tested, one was verified, while the verification of the other remains not completely satisfactory, although it clearly cannot be refuted. Indeed, these results require a revision of the initial assumption that businesspeople, as a group, have similar entrepreneurial attitudes: while it appears that the manufacturers do show a strong presence of the entrepreneurial traits analysed, the traders do not and should be considered, from this point of view as a different population altogether.

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