

Character and Business Success: A Case for Indigenous Small and Medium-Scale Entrepreneurs in Central Nigeria

Wurim, Ben Pam PhD, CNA
Senior Lecturer
Plateau State University, Bokkos
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Nigeria- West Africa

Abstract

The proper appreciation and application of universal laws of business success is the strength and health of any business. The small and medium indigenous entrepreneurial businesses of central Nigeria seem to lack sufficient knowledge and application of these laws. The principal objective of this paper is to unravel and assess the potency of certain character traits in the achievement of business success in central Nigeria small and medium scale entrepreneurs. The population of the study comprises of about 102,354 small and medium scale entrepreneurs in the zone. Data was collected from a convenient sampling of 100 entrepreneurs located in the geopolitical zone and analyzed using the Kolmogorov-Smirnov (K-S) test statistic. The result showed that certain entrepreneurial character traits impact the rate of business success by 86%. The paper recommends that entrepreneurs in central (middle-belt) Nigeria and elsewhere should take a few moments with each law and honestly evaluate their conduct and behaviour with regard to that law; critically examine the most important parts of their businesses and observe the cause-effect relationships between what they think, say, feel and do visa- viz the results they are getting; make every effort to replace disbelief patiently and perseveringly and they should free their minds from fear and doubt; and they must resolve today and now to work longer and harder than anyone else.

Keywords: character, business, success, indigenous entrepreneurs, central Nigeria

Background of the Study

Entrepreneurs worldwide are constantly striving for best ways of making their businesses succeed, but some usually fail because they have no idea of what to do. They believe in the old adage that life is what you make of it, but this only adds to their confusion and frustration. As pressure builds up, such entrepreneurs will either push harder, hoping to force the success they want, or give up completely by resigning themselves to the fact that they are mere mortals and should not be too demanding of life. Neither method of course, will bring about the desired results. What then is the secret?

The “Secret of success” is overlooked by most people. Whatever level of success you want, you can have, if you want it badly enough, and if you are willing to persist long enough and hard enough in forming a character (Tracy 1995:13).

It does not matter if you are young or old, male or female, black or white. Your background does not matter. Nature is neutral and is no respecter of persons. It plays no favoritism and gives you back what you put in, no more and no less. And you can determine what you put in.

As Goethe (cited in Tracy, 2002) rightly observes, “nature understands no jesting; she is always right, and the errors and faults are always those of man.

The man incapable of appreciating her, she despises and only to the apt, the pure and the true, does she resign herself and reveal her secrets”. Most unsuccessful entrepreneurs have a hard time with this idea, because they are so accustomed to looking for the reasons for their failures outside and not in themselves or their own character. An entrepreneur of character, as Brian (1998:10) asserts is one in whom the great virtues of courage, persistence, integrity, tenacity and perseverance have crystallized in such a way that they have created within him/her an unshakeable set of principles that he/she will not compromise under any circumstance. In other words, every extraordinary achievement in life is as a result of thousands of ordinary efforts that no one ever sees or appreciates. As the Poet Longfellow observes,

“Those heights by great men, won and kept, were not achieved by sudden flight; but they, while their companions slept, were toiling upwards in the night.” (Cited in Brian, 1998:11).

Entrepreneurs and business people therefore become successful as a result of forming certain characters that are amenable to success. However, the indigenous entrepreneurs that operate within central (Middle-Belt) Nigeria have a score card of failure and losses which have culminated into closure or epileptic operations. While their counterparts from other parts of the country, who operate side-by-side the indigenous entrepreneurs succeed in leaps and bounds, they always look confused and frustrated as they go home counting their losses.

Statement of the Problem

Most Indigenous small and medium entrepreneurs in Central Nigeria are striving to break even and catch up with their counterparts from other parts of the country, who compete with them in the same environment but to no avail. More disturbing is that most of these indigenous entrepreneurs now perceive themselves as second rated and some are going about their epileptic business as puppets on a string being pulled by the hands of fate. This fatalistic view has further robbed some of these entrepreneurs of their power to reason, their will and the right to choose. Regrettably, some have resigned to fate.

Why is it that no sooner had they started an entrepreneurial outfit than the business comes to a halt. Why is it that in spite of the efforts put in by some of these indigenous entrepreneurs, they still operate far below expectation? Do these entrepreneurs have the requisite business character for business Success? Have these entrepreneurs received sufficient explanations on the great virtues of business character as encapsulated in courage, persistence, integrity tenacity, and perseverance? Can appropriate business character salvage such indigenous entrepreneurial businesses? If yes, to what extent? The principal objective of the paper therefore, is to assess the potency of appropriate business character traits in sustaining and improving entrepreneurial businesses.

Specifically, the paper seeks to investigate the presence or otherwise of these business character traits in indigenous entrepreneurs and the extent these traits can impact entrepreneurial development in central (Middle belt) region of Nigeria.

Research Questions

To further help in creating an insight into the problem under study, the following question (given the objective of the study) has been formulated:

- 1) What is the impact of character on business (entrepreneurial) success?

Research Hypotheses

To achieve the objective of the study and given the above therefore, the following research hypothesis is formulated:

Entrepreneurial character significantly impact business success

Methodology

The survey research design was adopted for the study. Primary data were sourced from indigenous small and medium entrepreneurs located in the six states that make up the present central Nigeria. The states are Plateau, Niger, Benue, Nasarawa, Kogi and Kwara. Convenient sampling technique was used to select 100 indigenous entrepreneurs from this geopolitical zone. For its data collection, a suitable Likert Scale (5points) questionnaire was designed and developed. Respondents were requested to determine the idea of agreement or disagreement on the seven statements contained in the instrument.

The data so generated was then analyzed using the Kolmogorov-Smirnov (K-S) test statistics.

The Kolmogorov-Smirnov test (K-S test) is a nonparametric test for the equality of continuous, one-dimensional probability distributions that can be used to compare a sample with a reference probability distribution (one-sample K-S test), or to compare two samples (two-sample K-S test). The Kolmogorov-Smirnov statistic quantifies a distance between the empirical distribution function of the sample and the cumulative distribution function of the reference distribution, or between the empirical distribution functions of two samples.

The null distribution of this statistic is calculated under the null hypothesis that the samples are drawn from the same distribution (in the two-sample case) or that the sample is drawn from the reference distribution (in the one-sample case). In each case, the distributions considered under the null hypothesis are continuous distributions but are otherwise unrestricted. The empirical distribution function F_n for n iid observations X_i is defined as:

$$F_n(x) = \frac{1}{n} \sum_{i=1}^n I_{X_i \leq x}$$

Where $I_{X_i \leq x}$ is the indicator function, equal to 1 if $X_i \leq x$ and equal to 0 otherwise. The Kolmogorov-Smirnov statistic for a given cumulative distribution function $F(x)$ is

$$D_n = \sup_x |F_n(x) - F(x)|$$

Where \sup_x is the supremum of the set of distances. By the Glivenko-Cantelli theorem, if the sample comes from distribution $F(x)$, then D_n converges to 0 almost surely. Kolmogorov strengthened this result, by effectively providing the rate of this convergence (see below).

The Donsker theorem provides yet a stronger result. Under null hypothesis that the sample comes from the hypothesized distribution $F(x)$,

$$\sqrt{n}D_n \xrightarrow{n \rightarrow \infty} \sup_t |B(F(t))|$$

in distribution, where $B(t)$ is the Brownian bridge. However, the Kolmogorov-Smirnov computer-Statistical Package for Social Sciences (SPSS)-16.0 version was used to test the hypotheses.

Theoretical Considerations

There are two types of laws in the universe: man-made laws and natural laws. A person can violate man-made laws, like traffic laws, and he may or may not get caught. But if he attempts to violate natural laws, he gets caught every single time without exception. Natural laws in turn can be divided into two categories: physical laws and mental laws. The operation of physical laws like those governing electricity or mechanics can be proven in controlled experiments and practical activities. Mental laws however, can only be proven by experience and intuition, and by seeing them work in one's life (Tracy, 1995: 40).

Mental laws are like physical laws in that they are in force 100% of the time. The law of gravity for instance, works everywhere on planet Earth twenty four hours per day. If a person jumps from a ten-story building, he will fall to the ground with equal force, whether he is in Lagos or in California. It does not matter whether he knows about gravity, or whether he agrees with gravity or whether he was ever told about gravity when he was growing up. The laws are neutral. It works for you everywhere regardless of whether it is particularly convenient for you at that moment.

Mental laws, although their physical effects cannot be seen quite so easily, work 100 percent of the time. Whenever a business is doing well, it means that the activities of the major decision makers and implementers (entrepreneurs) are aligned and in harmony with these invisible mental laws. Whenever the business is faced with problems of any kind, it is almost invariably because the entrepreneurs are violating one or more of these laws whether they know about them or not. (Tracy, 2002:5)

Tracy went further to lament that year after year, thousands of companies underperform or even go out of business because either the key decision makers in those companies did not know these universal laws or they attempted to violate them and succeed anyway. Even more hundreds of thousands of companies fail to achieve their true potentials in sales and profitability every year because of their violation of one or more laws. Entrepreneurs are always reminded of the dictum of law which states that "Ignorantia, Juris neminem excusat" meaning "Ignorance of the law is no excuse". Even if you do not know the laws, you are not excused from obeying them. Even if your violation of these laws and principles is unintentional, you will still pay the full penalty in failure, frustration and under achievement.

It is therefore evident that natural laws work virtually everywhere, under virtually all circumstances in our business system. And the more you use them, the better they will work in your business. The more you align your life and that of your business with these laws and principles, the happier and more successful you will be. There are no limits.

While the list of these laws is inexhaustible, the following are discussed here under.

The Law of Applied Effort

This law states that "all worthwhile achievements are amenable to hard work" (Tracy 2002). In other words, all great success is preceded by a long period of hard, hard work in a single direction toward a clearly defined purpose. Your commitment to hard work creates a force field of positive energy around you that attracts positive people and greater opportunities into your life.

Therefore, to achieve more than the average person, you must work longer and harder than the average person.

This law is in consonance with the law of Cause and Effect-you will invariably reap what you have sown. Stanley (1999) in his study of affluent Americans reports that almost every one of the self made millionaires he interviewed told him that their success was due more to hard work than to any other factor. The study reveals that the average work week for both executives and small-business owners in America is approximately fifty-eight to fifty nine hours. Many successful men and women however work seventy and eighty hours per week during the critical formative stages of their business and during critical crises periods.

The Law of Persistence

The law of persistence states that “your ability to persist in the face of setbacks and disappointments is your measure of belief in yourself and your ability to succeed” (Brian, 2002). Persistence is the capacity to continue on course in the face of difficulties, obstacles and discouragements and not quit. It is the iron quality of success. Newman (1999:83) believes that there is one trait- a vital characteristic over all the rest that will take you through when all else fails, in the life of a person who has achieved anything worthwhile – it is persistence. Churchill (1874-1965) as cited in Newman handed a specific instruction and caution to entrepreneurs: “Never give in! Never give in! Never! Never! Never! In anything great or small, large or petty – never give in except to convictions of honor and good sense”. Churchill believes and proved again and again throughout his life time that bull dog tenacity in the face of what appeared to be overwhelming defeat was often the critical quality that turned that defeat into victory.

Maxwell (1993:98-99) on his part paints a very clear picture of a man who never gave up in the face of life threatening trials – failures and defeats. The picture is tagged: “ABRAHAM LINCOLN – BIOGRAPHY OF A FAILURE” and presented thus:

Difficult childhood
Less than one year formal schooling
Failed in business in 1831
Defeated for legislature, 1832
Again failed in business, 1833
Elected to legislature, 1834
Fiancée died, 1835
Defeated for speaker, 1838
Defeated for elector, 1840
Married, wife a burden, 1842
Only one of his four children lived past age 18
Defeated for congress, 1843
Elected to congress, 1846
Defeated for congress, 1848
Defeated for senate, 1855
Defeated for vice-president, 1856
Defeated for senate, 1858
Elected president, 1860

Maxwell observes that Abraham Lincoln is considered to be perhaps the greatest statesman of the Nineteenth century because of his willingness to endure without complaint and to hold on tenaciously in the midst of what seemed to be certain defeat and failure. It therefore means that when you back all of your goals and plans with unshakable determination and persistence you will find that there is nothing in the world that can stop you. Your goals of high achievement will become your realities.

The Law of Integrity

The law states that “great business leadership is characterized by honesty, faithfulness and strait dealing with yourself and others”. In fact, integrity lies at the core of leadership and at the heart of the leader. Good leaders are completely reliable. People can take them at their word and trust that they will do what they say. When they make promises carefully, and they always keep their word. (Brain, 2002).

Integrity is synonymous with honesty and to be honest is to be free from deception, because deception ensnares others with false ideas or beliefs. You will be faced with conflicting choices, adverse temptations and shifting values.

You may be swayed this way or that way until you lose your sense of who you are and what you stand for, but if you keep your integrity, you will have peace of mind and clarity of conscience. Integrity comprises the following traits: blamelessness, temperateness, sober mindedness, good behavior, hospitality, non violence, absence of greed for money, gentleness and non quarrelsome. Others include absence of covetousness, humility and a good testimony (Price, 2000: 21-84)

The Law of Courage

The states that “ the ability to make decisions and act boldly in the face of setbacks and adversity is the key to greatness in leadership. The chambers 21st century dictionary defines courage as bravery, cheerfulness or resolution in coping with setbacks. Everything worthwhile accomplishing is tough and requires will, purpose, goals, stumbling, falling, picking one up and going forward despite all setbacks. As a result, leaders must have courage to make decisions and to take action in the face of doubt and uncertainty, with no guarantees of success. The ability to launch or to step out in faith even when there is a chance of loss or failure is the mark of leadership. Fear is the only major force that dissipates courage, but courage must rise against fear if the entrepreneur must succeed. Blanton as cited in Peale (1990:140) supports this position by asserting that:

Fear is the most subtle and destructive of all human diseases... There are two enormous powers operating in the world and one of them is fear. It is the greatest power of all, save one, and that is faith or believing. Faith is the most powerful of all forces. Faith alone is greater than fear, and faith firmly held, can cancel out fear. Faith works wonders.

Schuller (1983:143) corroborates Peale’s assertion by observing that “faith is indeed the greatest miracle – working power imaginable. Faith never fails a person. We fail when we give up on our faith. All said, the law of applied effort is very relevant to the study in that when indigenous entrepreneurs of central Nigeria commit themselves to their businesses by working hard in a single direction toward a clearly defined purpose, they will be able to achieve more than average entrepreneurs.

The law of persistence will also be very relevant to entrepreneurs under review because of the epileptic nature of their businesses and the way they easily give up in the face of failure. This helps them handle such businesses with unshakable determination and persistence.

Also, the law of integrity is applicable to the study because if central Nigerian entrepreneurs imbibe integrity traits like blamelessness, temperateness, sober mindedness, good behavior, hospitality, non violence, absence of greed for money, gentleness and non quarrelsome, the sky will be their limit.

Results

The questionnaire was distributed to 100 indigenous small and medium entrepreneurs in central Nigeria. 98 copies representing 98% were completed and returned.

The Kolmogorov–Smirnov (K–S test) Computer-Statistical Package for Social Sciences (SPSS)-16.0 version was used to test the relationship between entrepreneur character and business success. We set out to provide the necessary lead for empirical examination of this relationship. For these and other purposes, we formulated a hypothesis as follows:

Hypothesis I: Entrepreneur character significantly impact business success

The result of the Kolmogorov–Smirnov (K–S) test showing the relationship between entrepreneur character and business success (as shown on Table 1) reveals that certain

entrepreneurial character traits impact the rate business success by 86 %.

The character traits that positively affect business success according to the respondents include courage, perseverance or endurance, integrity- sincerity, hospitability, absence of greed in the conduct of business; and hard work.

Statistical Decision

Level of significance = 0.05; Sample size (n) =100; Test statistics = Kolmogorov–Smirnov (K–S test); Decision criterion = Reject H_0 if $K-S_c$ Calculated > $k-S_t = 0.5$. Since $K-S_c = 0.86 > k-S_t = 0.5$, we reject H_0 and accept H_1 . It was concluded that certain entrepreneurial character traits impact the rate of business success in central Nigeria.

Table 1. Result of the Kolmogorov–Smirnov (K–S) Test Showing the Relationship between Character and Business Success

	Business success
Chi-Square	0.220
Df	1
Asymp. Sig. – Character	0.861

Source: Field Survey, 2012

Discussion of Findings

This result of the test of hypothesis 1 agrees with the findings of Newman (1999:93) who reports that nothing in the past guarantees that an entrepreneur will continue growing except his commitment to do so. Using the old Irish proverb which says “you’ve got to do your own growing, no matter how tall your grandfather was”, Newman insists that every business requires a level of sacrifice. He asks, can you think of even one person in history who led a life of ease, whose name is worth remembering?

The result of the test also agrees with the findings of Tracy (1995:12) who observes that business success, wealth, peace of mind and happiness are all amenable to character. If you do the right things in the right way, you’ll get the results you desire. Brian boldly declares that research has pointed to the fact that the way to entrepreneurial success is to get the combinations to the locks. To Brian, instead of spinning the dials of life hoping for a lucky break, as if you are playing a slot machine, you must instead study and apply fundamental mental laws of success. The findings of Sher (2004:3) also agree with the result of the test of hypothesis 1.

Sher reports that the road ahead of aspiring successful businessmen and women is mapped in a variety of tested and proven laws of business success. To Sher, by focusing on self-made billionaires, entrepreneurs will learn the methods and tactics they used to achieve their success. Although each rose to a different success level, there are many fundamental “ingredients” which are both common and essential in the achievement of each person’s status. Through the knowledge and understanding of these same laws and tactics one can also attain a similar triumph.

Conclusion

Every human being living on the surface of the earth is an extra ordinary person. Each of us is endowed with talents and abilities far beyond anything we have ever accomplished. We are living in the Golden Age of humankind, where more achievements are possible for more people that have ever been imagined before. There are no limits on what we can do, be or have except for the limits we place on our own minds. One of such limits could be to deliberately ignore or trivialize these and many more universal laws of business success. And the constant violation of any one of these laws can cost entrepreneurs months or even years of frustration, underachievement or even total failure.

Recommendations

Great success and mastery in entrepreneurial and any other field always go to those who are “brilliant on the basics”. Therefore, entrepreneurs in central (middle-belt) Nigeria and elsewhere should take a few moments with each law and honestly evaluate their conduct and behaviour with regard to that law.

One insight or new idea that one did not have before can be all that it takes to change the direction of our businesses. Secondly, for entrepreneurs of failed or ailing businesses, they must critically examine the most important parts of their businesses and observe the cause-effect relationships between what they think, say, feel and do visa- viz the results they are getting.

They should be honest with themselves. Such entrepreneurs should make every effort to replace disbelief patiently and perseveringly. They should free their minds from fear and doubt. Thirdly, entrepreneurs of failed or ailing businesses must resolve today and now to work longer and harder than anyone else. They should check and see how they could start a little earlier, work a little harder and stay a little later.

Entrepreneurs of ailing businesses should also, as a matter of urgency resolve that, no matter what happens, they will never give up. They should make up a list of each of the problems or challenges they are facing right now. In what areas are they feeling discouraged and unsure? In what areas do they need to persist even more than they are doing now? They should keep reminding themselves that “failure is not an option”. Finally, such entrepreneurs should build “trust factors” with their customers, employees, and with other business leaders. It is clear that in the conduct of their businesses, they will be faced with conflicting choices, adverse temptations and shifting values.

They may be swayed this way or that until they lose their sense of who they are and what they stand for, but if they keep their integrity, they will have peace of mind and clarity of conscience which is a vital tool for achieving business success.

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