

Entrepreneurship and Performance

Abstract:

The present researcher raised the question whether the well-known high mortality rate of SMEs was due only to poor motivation on the part of owner-managers or not. To provide an answer to this question, I evaluated the performance of SMEs in three states of the South-South geopolitical zone of Nigeria. In particular, I first positioned the latent motivation as well as its indicators as direct antecedents and second as ultimate antecedents to performance through locus of control (LC) and entrepreneurial orientation (EO). The multivariate cross-sectional data generated from the survey were analyzed using the canonical correlation statistic. It was found that latent motivation did not make a statistically significant impact on performance but the perceived environment did make a statistically significant impact on performance, particularly, employment growth. It seemed that the external business environment dampened the impact of motivation on performance, suggesting that motivation can find expression only within the opportunities of the domineering business environment. The findings led to questioning whether the entrepreneurs in McClelland's Achieving Society were not products of their environment. In view of "achievement-based vulnerabilities" I also question whether the "need for achievement" should be recommended as a universal value irrespective of context. Thus, it was recommended that the state should support entrepreneurial performance by adapting the business environment to the performance of SMEs. It was also recommended that SMEs should acquire dynamic capability to fit in to the dynamic business environment. Future researchers may wish to extend on this study in different contexts and use longitudinal design.