

THE ENTREPRENEUR AND THE FINANCIAL PERFORMANCE OF MICRO AND SMALL COMPANIES

EL EMPRENDEDOR Y EL DESEMPEÑO FINANCIERO DE LAS MICRO Y PEQUEÑAS EMPRESAS

Luis Viveros Almeida¹
 Verónica Janeth García Ibarra²
 Claudia Magali Solarte Solarte³
 Gloria Alicia Rivera Vallejo⁴

Abstract

The objective of this study was focused on identifying the relationship between the personality traits of the entrepreneur and the financial performance of micro and small family businesses in the province of Carchi-Ecuador, this due to the lack of economic sustainability - financial that occurs in this type of companies, for which a quantitative, cross-sectional approach and correlational-explanatory scope was applied. To validate the proposed model, hierarchical regression analysis was used using SPSS software, the results allowed us to determine which personality traits of the entrepreneur are positively or negatively related to financial performance in micro and small companies, it was possible to identify that the trait of entrepreneur personality that has the highest negative and significant correlation with financial performance is extraversion. On the contrary, the entrepreneur with kindness traits presents a positive and significant correlation, the other traits analyzed do not present significant results. As a main conclusion, it can be highlighted that the results will contribute to the selection processes, allowing the identification of criteria based on personality traits to recruit the ideal person who contributes to the financial performance of this type of company.

Keywords: Personality of the Entrepreneur, Financial Performance, Micro and Small Companies, Ecuador.

Resumen

El objetivo de este estudio se centró en identificar la relación entre los rasgos de personalidad del emprendedor y el desempeño financiero de las micro y pequeñas empresas familiares de la

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¹Magíster en Administración de Empresas, Pontificia Universidad Católica del Ecuador, Ecuador. Docente carrera de Administración de Empresas Universidad Politécnica Estatal del Carchi, Ecuador. E-mail: luis.viveros@upec.edu.ec, ORCID: <https://orcid.org/0000-0003-3612-1798>.

²Magíster en Administración de Empresas, Universidad Agraria del Ecuador, Ecuador. Docente Carrera de Administración de Empresas Universidad Politécnica Estatal del Carchi, Ecuador. E-mail: veronica.garcia@upec.edu.ec, ORCID: <https://orcid.org/0000-0002-4443-7461>.

³Magíster en mercadeo, Universidad de Manizales, Colombia. Docente Tiempo Completo Programa de Administración de Empresas, Universidad Cesmag, Colombia. E-mail: cmsolarte@unicesmag.edu.co, ORCID: <https://orcid.org/0000-0001-8844-2070>

⁴Magíster en educación desde la diversidad, Universidad de Manizales, Colombia. Docente Tiempo Completo Programa de Administración de Empresas, Universidad Cesmag, Colombia. E-mail: garivera@unicesmag.edu.co, ORCID: <https://orcid.org/0000-0001-7568-7466>.

provincia del Carchi-Ecuador, debido a la falta de sostenibilidad económico-financiera de este tipo de empresas, para lo cual se aplicó un enfoque cuantitativo, transversal y correlacional-explicativo. Para validar el modelo propuesto se utilizó un análisis de regresión jerárquica con el software SPSS, los resultados permitieron determinar qué rasgos de personalidad del emprendedor se relacionan positiva o negativamente con el desempeño financiero en las micro y pequeñas empresas, se pudo identificar que el rasgo de personalidad del emprendedor con mayor correlación negativa y significativa con el desempeño financiero es la extraversión, por el contrario, el emprendedor con rasgos de bondad presenta una correlación positiva y significativa, los demás rasgos analizados no presentan resultados significativos. La principal conclusión es que los resultados contribuirán a los procesos de selección permitiendo identificar criterios basados en rasgos de personalidad para reclutar a la persona adecuada para contribuir al desempeño financiero de este tipo de empresas.

Palabras clave: Personalidad del Emprendedor, Desempeño Financiero, Micro y Pequeñas Empresas, Ecuador.

Description of the social problem

The effects of the Covid-19 pandemic in the business sector of Carchi have caused an aggravating problem, generating high business closure rates, which is demonstrated according to data from the cadastre of the Single Taxpayer Registry of the Internal Revenue Service (SRI), which indicates that during 2017 - 2020, 12,533 new businesses were opened, of which approximately 40% suspended their commercial activities permanently and if the opening records of new businesses in 2020 are compared with 2019, these decreased by 64%. It is necessary to analyze the variables that could influence these results.

Summary and practical applications

This study analyzes the relationship between the entrepreneur's personality and financial performance in micro and small businesses, with the following practical implications:

- Identify which personality trait of the entrepreneur is positively related to the financial performance of micro and small businesses in Carchi.
- Contribute with empirical evidence to the theory of upper echelons considering the influence of the personality of entrepreneurs in the province of Carchi with financial performance.

Introduction

Entrepreneurship was integrated as an academic discipline in the 1970s and 1980s, in its beginnings it was mainly descriptive, focused on the management of small companies, the emergence of new companies and creativity at the individual level [1] (Foss & Klein, 2018). ; The pioneers in addressing and establishing the debate on entrepreneurship were Schumpeter and Kirzner, both with different approaches to the process of capitalizing on opportunities. Contemporary theories of entrepreneurship focus on the recognition of opportunities and the decision to exploit them [2] (Acs, Braunerjelm, Audretsch & Carlsson, 2008); In the works of Shane and Venkataraman (2000) and Shane (2003), entrepreneurship was described as the exploitation of opportunities for profit, that is carried out in a regulated market and conformed by the institutional framework. Entrepreneurship also occurs within consolidated companies, sometimes it is called corporate entrepreneurship, other times as intrapreneurship that is typical of companies that try to maintain a significant position in the market (Frese & Gielnik, 2014).

The Subjective Theory of Entrepreneurship (STE) and business perceptions highlight that the task of an entrepreneur is to discover and exploit opportunities and make decisions about how to launch and manage innovative activities in organizations (Alvarez and Barney, 2007; Kor, et al., 2007). The assumption is based on the Austrian school of economics, which argues that the opportunity discovery process depends on the ability and will of an entity (Kirzner, 1997). Following this presumption, the Subjective Theory of Entrepreneurship (STE) focuses on the impact of the capacity, resources (such as knowledge) and the social capital of entrepreneurs in the processes of discovery of opportunities (Kor, et al., 2007; Mahoney and Michael, 2005).

Being necessary to study the incidence of the entrepreneur in business performance, defining this as the operational capacity of a business to satisfy the wishes of the owner and must be evaluated in order to measure the achievement of organizational objectives (Zulkifli & Perera, 2011), financial performance is one of the indicators used to measure the success of a microfinance institution (MFI) in terms of its profitability, such as the act of carrying out, execution, achievement, fulfillment of a given task measured by pre-established standards of accuracy, completeness, cost and speed. The performance indicates how the administration of a company has achieved the objectives in economic terms, the management that is reflected by the actions of the entrepreneur (Downes & Goodman, 2007).

For which it is necessary to explore aspects related to the entrepreneur such as personality being a predictor of business intention; It was McClelland (1976) cited by (Mat, Maat, & Mohd, 2015) who introduced the concept of need for achievement that allows mastery of skills, control, or high standards. High achievers are to be called as gamers because they set challenging goals for themselves and take risks to achieve those set goals.

These types of individuals consider the achievement of objectives as a reward, and they value it more than a financial reward. These aspects listed by McClelland fit appropriately with the characteristics of entrepreneurs. Although many academics use the term "entrepreneurial intention", it is considered that it is not enough to explain the intention to choose entrepreneurship as a career. The definition of intention is "a state of mind when people want to create their own business" (Sondari, 2014).

The Five Factor Model (FFM) commonly known as the Big Five, the FFM groups an individual's personality into five categories: extroversion, emotional stability, agreeableness, conscientiousness, and openness to experience (Costa and McCrae, 1992; Digman, 1990). Each category is defined below:

Extraversion: manifests itself mainly in aspects such as sociability and assertiveness (John, Naumann, & Soto, 2008). Existing research (Barrick & Mount, 1991; Judge & Zapata, 2015) has indicated that extroverted managers are more likely to adopt leadership roles and perform better in their jobs. Research on extraversion among managers and groups of entrepreneurs has established significant correlations between the trait and intentions to start a business, as well as entrepreneurial performance (Zhao et al., 2010).

Emotional Stability: This trait contrasts neuroticism and feelings such as anxiety, nervousness, and depression (John et al., 2008). Previous research has reported high emotional stability scores for entrepreneurs compared to managers (Zhao & Siebert, 2006) and positive effects of emotional stability. emotional stability both in the intention to start a private business and in performance (Zhao, Siebert, & Lumpkin, 2010). High emotional stability can also help people's ability to maintain relationships (Hurtz & Donovan, 2000).

Agreeableness: being courteous, trusting, and cooperative (John et al., 2008), focusing on the quality of relationships with others (Judge et al., 1999). Although some researchers have

proposed that being cooperative is a key factor in an entrepreneur's ability to raise venture capital (Cable and Shane, 1997), entrepreneurs have scored lower than managers on friendliness (Zhao and Siebert, 2006) and Zhao et al. (2010), did not find a significant correlation between likeability and intentions to establish a business or business performance. However, it has been suggested that this trait may have more impact on interpersonal relationships than on task performance (Hurtz & Donovan, 2000). Besides this, contemporary contemporary research in a developing country context found that agreeableness was highly correlated with entrepreneurship (Hussein & Aziz, 2017). Therefore, the role of likeability in entrepreneurship needs to be further examined to explain this inconsistency.

Conscientiousness: Some of the characteristics of this personality trait are responsible, trustworthy, hard-working, and achievement-oriented (John et al., 2008). linked to 'goal-directed behaviours, such as self-efficacy and control-related traits, such as internal locus of control' (Ciavarella et al., 2004: 472). Entrepreneurs have been shown to score high on the achievement-oriented dimension of conscientiousness, more so than managers (Brandstätter, 2011). Furthermore, Zhao et al (2010), reported positive correlations between conscientiousness and intentions to become an entrepreneur and business performance.

Openness to experience: the attributes of this trait describe "the breadth, depth, originality and complexity of an individual's mental and experiential life", (Brandstätter, 2011, p. 227; John et al., 2008, p.138). People with a high openness to experience are imaginative, open-minded, creative, and artistically sensitive. These characteristics are believed to be important for starting a new business (Ciavarella et al. 2004), so that business ideas for new products or services start with creativity and innovative thinking, (Bird, 1989) Studies on Entrepreneurial openness and intentions, business creation, success, and entrepreneurial status have confirmed these positive effects (Hussein and Aziz, 2017; Zhao et al., 2010; Zhao and Siebert, 2006).

The results of the research can be considered a reference to identify which personality traits are most related to financial performance in the context of micro and small companies in Ecuador, which contributes to the field of study of these variables (Obschonka and Stützer, 2017).

From the study carried out, it can be concluded that the results are heterogeneous, due to the characteristics that each individual may present (Buccioli, A. and Zarri, L. 2017), although the results are not generalizable, they can become a reference. In the case of Ecuador, the personality traits that are most related to financial performance are pleasantness and openness to experience, while with a negative and significant relationship, entrepreneurs with an extraversion trait are presented, these results are similar to what investigated by other authors, for example the study carried out by Goldberg (1992), cited by Woo, HR (2018), points out that the highest levels of extraversion, openness to experience and conscientiousness are related to entrepreneurship (Deck et al., 2008).

According to the "Big Five" theory, Zhao and Seibert (2006) assumed that entrepreneurs would have higher scores on conscientiousness, openness to experience, and extraversion, but lower scores on agreeableness and neuroticism. Similar, Rauch and Frese (2007), have found conclusions suggesting that establishing a business and running it successfully depend on the same personality traits.

The "Big Five" is one of the most widely used taxonomies in management and psychology literature (Costa and McCrae, 1992; Deck et al., 2008), cited by Buccioli, A. and Zarri, L. (2017). This model subsumes a wide variety of personality attributes (Lonnqvist et al., 2015), cited by Buccioli, A. and Zarri, L. (2017) and at the broadest level of abstraction, postulates that five traits (openness to experience, conscientiousness, extraversion, conscientiousness, and emotional

stability) are fundamental and universal, and that an individual's score on these dimensions characterizes the stable pattern of thoughts and feelings (Rustichini et al., 2012), cited by Bucciol, A. and Zarri, L. (2017).

One of the highest scores in the study on the personality of the entrepreneur is obtained in the variable of awareness, which coincides with the study whose objective was to provide evidence of validity for a new instrument to measure eight specific dimensions of entrepreneurial personality (BEPE). where there is a questionnaire that assesses the Big Five personality factors: neuroticism, extraversion, openness, agreeableness, and conscientiousness, it exhibits good psychometric properties, with subscale reliability coefficients greater than 0.80 (Cordero et al., 2008) where conscientiousness obtained (0.88) and the alpha reliability of conscientiousness: $\alpha = 0.81$ and $\omega = 0.85$ (Cordero, cited by Cuesta, et al., 2018).

H1 Emotional stability (neuroticism) is negatively related to financial performance in micro and small businesses in the commercial sector

According to Kurt and Birgit (2007), neuroticism is strongly associated with individuals' negative emotions. It is estimated that neuroticism reduces employee satisfaction. The reason behind this phenomenon is its basically negative nature. People high in neuroticism experience more negative life events than other people because they select for themselves in circumstances that substitute for the negative effect. The results of turnover can be predicted with the help of the personality traits of the employees working in the company. Personality traits can be divided into two categories: "bright" and "dark" traits. Bright traits are the component of a personality that makes the personality bright and on the other hand, dark features tend to make the personality darker. According to Woo, Jebb, Kim, and Chae (2016), dark traits are the best predictors of turnover, just like traditional personality traits. Personality traits are used to predict employee intent and can therefore help reduce employee turnover (Sumbal, 2018).

The findings showed that neuroticism indirectly through the intermediate variable of overconfidence had no effect on the financial difficulties of companies. Therefore, considering the strategic decisions of top managers in the success and failure of companies, which can be affected by personality traits and their behavioral bias of overconfidence, and also requires the responsibility of managers to perform accounts to the interest groups of the company, the shareholders and the appointment. committee of senior managers of companies (Dehkordi et al., 2021).

The effect of neuroticism on the performance of MSMEs has a significance value of 0.634, so personality neuroticism has no influence on business performance, since the significance exceeds 5%. The personality neuroticism possessed by Sasirangan SME owners in Banjarmasin city can be classified as low. He is someone who does not get depressed and also does not panic easily, but this personality has no effect on the business performance of Sasirangan SMEs. This is because the good or bad mood of the Sasirangan MSME owners will not affect business performance because the production is not entirely carried out by the owners.

H2 Extraversion is negatively related to financial performance in micro and small businesses in the commercial sector

According to Timothy, Heller and Michael (2002), personality traits such as extraversion are strongly associated with job satisfaction. Therefore, a lower level of extraversion decreases the commitment of employees to their place of work with greater importance, therefore, increases the intentions of turnover. Supporting previous literature and building hypotheses, the results of this

study illustrate that HR practices have a significant and negative relationship with turnover intentions, while extraversion has a significant moderating effect on the relationship between HR practices. and rotation intentions (Sumbal, 2018).

Extraversion was found to be positively correlated with financial risk taking and income, but negatively with financial education. There was no significant relationship with net worth (Exley, et. al, 2021). Judge et al. (1999), found a significant correlation between income and extraversion (E) (0.24). Although extraversion has a more reliable correlation with income. Overall, extraversion is shown to have the highest positive relationship with income. Maczulskij and Viinikainen (2018), found that extraversion was related to higher permanent earnings. People who are more outgoing tend to get especially involved in short-term investments. The extraversion trait was negatively related to investment risk avoidance. Extraversion is positively related to short-term investment.

H3 Openness to experience is positively related to financial performance in micro and small businesses in the commercial sector

In general, openness is found to have a slight positive relationship with income (Exley, et. al, 2021), their results showed that people who tend to make long-term investments are those who score high in openness to experience. The results revealed a significant negative correlation between the openness to experiment personality trait and risk aversion. Similar results were observed by De Bortoli et al., (2019), who found that risk appetite was related to high scores of openness to experience.

The openness to experience in this research has no effect on the business performance of MSMEs. This is in accordance with an empirical study by (Han, Seok, & Kim, 2017) that the entrepreneurial performance of MSMEs is not influenced by the characteristics of openness to experience. According to Han, Seok, & Kim (2017), the openness to experience personality is closely related to variables that require wise planning such as job performance or innovation variables, compared to business performance. Openness to experience individual characteristics that are creative, witty, inventive, thoughtful, active and imaginative and likes to play with ideas. This can be used as a reference for MSME owners from Sasirangan in the city of Banjarmasin.

H4 Agreeableness is positively related to financial performance in micro and small businesses in the commercial sector

Likeability is found to have a negative relationship with earnings (Exley, et. al, 2021). Similar results were observed by De Bortoli et al., (2019), who found that risk appetite was related to low agreeability scores. The results showed that the personality dimension of agreeableness, through the mediator variable of overconfidence, had a positive effect on the financial distress of companies (Dehkordi et al., 2021). The personality traits of the entrepreneur that influence performance is kindness (Franco & Prata, 2019). The effect of kindness on business performance of Sasirangan MSMEs in Banjarmasin city has a significance value of 0.045, Therefore, the kindness personality has a significant influence on business performance, because the significance is less than 5%. In this study, MSME business performance significantly influenced by likability so that it becomes a reference for Sasirangan SME owners in Banjarmasin city to further enhance their likability personality so that it can lead to an increase in the commercial performance of these SMEs. These results are in line with previous empirical studies by Han, Seok, & Kim (2017), that suggested the variable likeability had a significant effect with a positive direction in the business performance of MSMEs, which means that high-ranking personalities kindness tend to increase

the business performance of these MSMEs.

H5 Consciousness (scrupulousness) is positively related to financial performance in micro and small businesses in the commercial sector

Awareness was positively correlated with financial literacy, income, and net worth, but negatively correlated with financial risk tolerance (Exley, et. al, 2021). Judge et al. (1999), found significant correlations between income and awareness (0.34). While awareness has one of the most reliable correlations with income. In general, awareness is found to have a reliable positive relationship with income (Borghans et al., 2008; Heineck, 2011; Duckworth et al., 2012 ; Nandi and Nicoletti, 2014; Prevoo and ter Weel, 2015).

The conscientiousness characteristic is positively related to short-term investing. Similar results were observed by Bortoli et al., (2019), who found that risk appetite was related to low conscientiousness scores. Characteristic conscientiousness affected the attitude towards risk-taking. The findings found that the personality dimension of conscientiousness indirectly through the intermediate variable of overconfidence had no effect on the financial difficulties of companies (Dehkordi et al., 2021). Conscientiousness is related to planning, goal orientation, and discipline. Various studies corroborate the result of this research, such as that of Ciavarella et al. (2004), who conclude that conscientiousness influences performance. The scrupulousness of the founder also influences the Economic-financial construct in Family SMEs, since it reveals statistically significant and positive values. It is highlighted that conscientiousness positively influences all the constructs that make up the business dimension (Franco & Prata, 2019).

The effect of awareness on the business performance of MSMEs has a significance of 0.017, so conscientiousness has a significant and positive effect on the business performance of MSMEs, because the value of significance is less than 5%. The owner of the Sasirangan MSME in the city of Banjarmasin has a high conscience. The meticulous personality because they are people who organize themselves by making plans in advance and working on those plans, generally managing processing and completion times in each production process. Good management is what can lead to an increase in the performance of your business.

The effect of conscientiousness on the business performance of MSMEs in this study, where the conscientiousness variable has a significant influence on the business performance of MSMEs. These results are in agreement with the empirical study of Youshan & Zubair, (2014), which states that: that conscientiousness personality has a significant and positive effect on the business performance of MSMEs, which means that highly scrupulous personalities tend to increase the business performance of MSMEs. In detail, MSME owners can improve their conscientious personality by becoming more organized, reliable and persistent at work (Wajidi & Widyarendhi, 2019).

Materials and methods

The participants of this correlational-explanatory study that applied a quantitative cross-sectional approach were business owners located in the province of Carchi, the sampling frame was the registry of municipal business patents of the Tulcán canton and mapping for the other cantons of the province. Province. The selection criteria for the participants was that they would be open and in operation during the period December 2020 - January 2021, which corresponds to the last update of the patent registry.

Due to the mobility restrictions decreed by the Ecuadorian government, in force during the information gathering phase, the application of the survey technique was chosen, a questionnaire

was applied using online forms designed with Microsoft Forms and sent by email. To calculate the sample, the procedure suggested by Pillemer (1991), was applied by using the G-Power software, which yielded a minimum sample of 188 valid observations to apply the non-parametric F statistical test of hierarchical regression:

F tests - Linear multiple regression: Fixed model, R ² increase			
Analysis: A priori: Compute required sample size			
Input: effect size f ²	=		0.15
α err prob	=		0.01
Power (1-β err prob)	=		0.99
Number of tested predictors	=		two
Total number of predictors	=		5
Output: noncentrality parameterλ	=		28,2000000
Critical F	=		4.7236862
numerator df	=		two
Denominator df	=		182
total sample size	=		188
Actual power	=		0.9901858

In total, 3,720 emails were sent, which correspond to the number of participants who met the selection criteria, of which 240 responses were received, exceeding the minimum number of observations for the statistical analysis to be considered valid.

Subsequently, an analysis of the consistency of the database was carried out and as a result, 219 effective responses were obtained, giving an effective response rate of 5.89%, which is consistent with this type of study, since businessmen are reluctant to provide information on the operation of their companies Rousseau et al, (2018). For the validation of the model and the validation of the five proposed hypotheses, the hierarchical regression analysis was used using the SPSS software, which consists of a statistical process to estimate the relationships between variables. It includes many techniques for the modeling and analysis of various variables, when attention is focused on the relationship between a dependent variable and one or more independent variables,

Results

Table 1 presents the means, correlations and the average deviation of the independent variables, of the dependent variable and the control variables of the exposed data, it is evident that there is variability in the exposed information, in all cases the standard deviation is greater than 1. and the correlations lower than 0.9 being favorable for the proposed model:

Table 1.
Descriptive statistics and correlations

Variable	mean	sd	1	two	3	4	5	6	7	8	9	10
1. Difficulty operating the business (Pandemic)	5.25	1.69	_									
2. Catastrophic business situation (Pandemic)	4.47	1.84	.521**	_								

1. Good business performance (Pandemic)	4.16	1.93	0.11	.143*	–							
4. Infections from staff in the business (Covid)	2.75	2.18	0.11	,297**	.2. 3.4**	–						
5 Extraversion	10.13	2.61	.215*	0.16	-0.08	0.05	–					
6. Agreeableness	12.49	2.82	,297**	.202*	.232*	-0.06	,260*	–				
7. Conscientiousness	12.71	3.03	0.11	0.06	0.14	-0.05	.292**	.653**	–			
8. Emotional stability	13.73	2.95	0.10	0.06	0.04	-0.02	0.08	.309**	.488**	–		
9. Openness to experience	12.88	2.98	0.06	-0.10	-0.04	-0.16	-0.03	.406**	.503**	.514**	–	
10. Financial Performance	17.10	6.26	0.03	0.10	,.532**	0.145*	0.02	0.14	0.251**	0.198**	0.09	–

Note: Data obtained from the SPSS software by entering the study variables with the following degrees of significance ** $p < 0.001$. * $p < 0.05$.

The analysis of the results observed in Table 1 shows the correlations and the statistical significance between the variables analyzed, thus it can be observed that of the personality traits analyzed, it is evident that entrepreneurs with traits of conscience and emotional stability are correlated to a greater degree. and in a significant way with the financial performance of micro and small companies, being consistent with studies carried out by some authors who indicate that managers with traits of conscientiousness are positively correlated with financial education, income and net worth (Exley, et al, 2021). Judge et al. (1999), found significant correlations between income and neuroticism (trait contrary to emotional stability). Although neuroticism has a reliable correlation with income, there are heterogeneous results of this personality trait with respect to economic results in companies. For the validation of the model, the statistical analysis of hierarchical regressions was used, and once the data was analyzed it was possible to determine that the base was non-parametric. Model 1 shown in Table 2 shows the influence of the independent variables measured through the traits. of personality taking the big five, widely used in personality studies on the financial performance of micro and small commercial companies from which it can be identified that the fit to the model is significant (ΔR^2 0.24, $p < .10$; F 2.09 , $p < .10$),

Table 2.

Results of the hierarchical regression of the main effects of personality traits on Financial Performance

Variable	Model 1	Model 2
	(Controls only)	(Main effects)
	β	β
<i>Independent variables</i>		
Emotional stability	– 0.09	– 0.05
Extraversion	– 0.18	– 0.41 *
Openness to experience	0.31	0.30
agreeableness	0.35 **	0.23

conscientiousness	-	0.05
F	0.24	*
ΔR^2	0.24	*
<i>control variables</i>		
Difficulty operating the business (Pandemic)	-	0.21
Catastrophic business situation (Pandemic)		0.42 *
Good business performance (Pandemic)		0.39 **
Infections from staff in the business (Covid)		0.29 *
F		4.87 **
ΔR^2		0.55 **
Adjusted R ²		0.41

Note: Data obtained from the SPSS software by entering the study variables with the following degrees of significance: * $p < 0,10$. ** $p < 0,05$. *** $p < 0,001$. to $N = 219$.

Discussion

The results provide evidence on the validation of the subjective theory of entrepreneurship since it shows how the personality of who leads the company in this case of the entrepreneur influences their financial performance, micro and small businesses were analyzed in the Ecuadorian border context specifically in the province of Carchi, considering that in small companies the influence of who manages has a greater impact (Jahanshahi et al., 2017).

The results of this research can be considered a reference to identify which personality traits are more related to financial performance in the context of micro and small companies in Ecuador, which contributes to the field of study of these variables (Obschonka and Stuetzer, 2017, Zhao et al. 2010), from the study carried out, it can be concluded that the results are heterogeneous, due to the characteristics that each individual may present (Buccioli, A. and Zarri, L. 2017), although the results are not generalizable, they can become a reference in In the case of Ecuador, the personality traits that are most related to financial performance are pleasantness and openness to experience, while with a negative and significant relationship, entrepreneurs with an extraversion trait are presented, these results are similar to what was investigated. by other authors, for example the study carried out by Goldberg (1992), cited by Woo, HR (2018), indicates that the highest levels of extraversion, openness to experience and conscientiousness are related to the spirit business (Deck et al., 2008).

Findings show that the personality dimension openness to experience and the adaptability of senior managers indirectly through the overconfidence variable have a positive effect on the financial difficulties of companies, in the case of the agreeableness trait it can be pointed out that studies reinforce that risk appetite was related to low agreeableness scores (Dehkordi et al., 2021). And finally, studies indicate that extraversion is positively correlated with financial risk taking and income, but negatively correlated with financial education. There was no significant relationship with net worth (Exley, et. al, 2021). With this, the heterogeneity of the results can be evidenced, making it necessary to expand its study to specific areas and contexts.

Conclusions

With the present study it was possible to identify that there is a relationship between the personality traits of the entrepreneur and financial performance, making it necessary to deepen its

study from different business performance variables, which can explain the difference between micro and small companies that have different results even when similar macroeconomic conditions occur. This study can become a reference to explain what personality trait of the manager or business owner can be positively or negatively related to the financial performance of micro and small commercial enterprises in border contexts, information that could be considered as selection criteria in human talent management processes.

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