International Journal of Multidisciplinary and Current Research ISSN: 2321-3124
Research Article Available at: http://ijmcr.com

Birth-Effect and Performance of selected Small and Medium Scale Enterprises' (SMEs) Owners in Ogun State, Nigeria

Oduguwa, A.S.#* and Egwakhe, J. A.

School of Management Sciences, Department of Business Administration and Marketing, Babcock University, Ilishan-Remo, Ogun state, Nigeria

Received 11 Feb 2020, Accepted 13 April 2020, Available online 15 April 2020, **Vol.8 (March/April 2020 issue)**

Abstract

Birth-effect (month of birth, gender and birth order) sounds strange, new, and multi-dimensional in assessing SMEs performance in Ogun State, Nigeria. Person-birth characteristics are too fragmented and paucity in literature have not associated or denote its influence on SMEs performance. The study examines birth-effect on performance of selected Small and Medium Enterprises (SMEs) in Ogun State. Respondents were 183 SME owners in Ogun state. Stratified Sampling technique was first used which helped to group SMEs owners and then simple random sampling was ultilised to arrive at the sampling size. A validated and reliable questionnaire instrument was employed to gather data. Three hypotheses were tested through simple linear regression analysis. The study found that owner's month of birth has significance influence on SMEs' monthly net-profit (P-value of 0.000<0.005); owner's birth order has significance influence on SMEs startup capital (P-value of 0.002<0.005); and no significant influence was found between gender and number of SMEs employees (p-value of 0.070>0.005). Therefore, the study concludes that being born in early months of the year would increase net-profit of SMEs proportionally and being a first born or twins attracts parental favour which culminated into raising more start-up capital for SMEs when compared with siblings. Hence, the study recommends that birth factors should carefully be considered as quintessential factors of SMEs performance.

Keywords: *Month of birth, Gender, Birth order, Entrepreneur, Birth effect, SMEs, Performance.*

Introduction

Birth effect (month of birth, gender and birth order) and SMEs performance are controversial debate among scholars and professionals. Though birth-effect sound strange, it addresses the aggregate effects birth differential brings to bear on success of people and organizations (Buckles, Dame & Hungerman, 2013). Differences in birth order and dates amongst people or grouped in the same cohort have been said to be a major cause of variation in business performance and life-long achievements (Dagli & Jones, 2013). Researchers have argued that persons of eminence tended to be born during the spring months, with slight differences based on the specific population being examined (Adler& Seok-Woo, 2002). Elements of birth effect includes: gender, birth order, cohort size, family background, socio-economic factors, month of birth and family size.

With the experience from developed nations, the micro, small and medium scale enterprises (MSMEs) play a major role of driving economic transformation. This demonstrates that they contribute in terms creation of employment, pay taxes to governments which enable the development of physical and social expenditures that promote welfare of the citizens (Aremu & Adeyemi, 2011). However, the current situation in Nigeria is different, the MSMEs have not been promoted and as at year 2013 there were 72, 838 SMEs (Small: 68,168 and Medium: 4,670) with initial start-up capital of less than fifty thousand Naira for 68.36% businesses (SMEDAN, 2013). There are no initiatives that have been set apart in order to promote, such businesses and no ways of supporting the individuals and groups of people in order to put together their efforts in order to contribute to a higher capital that can be used to run a firm with a clear strategic plan that drivers their mission and vision (Abdullahi, Abubakar, Aliyu, Umar, Umar, Sabiu, Naisa, Khalid & Abubakar, 2015).

The current situation is that SMEs that start do not see their fifth anniversary because the potential environmental, political, social, and even economic challenges that surround them and with any remedial efforts to transform them into business opportunities (Agba, Frank & Edem, 2015). The same report of SMEDAN (2013) opines that the major challenges faced by MSMEs include access to finance where financial resources are

*Corresponding author's ORCID ID: 0000-0001-6466-594X
DOI: https://doi.org/10.14741/ijmcr/v.8.2.14

scarce and conditions to get access to bank loans do not favor them; the quality of infrastructure or physical facilities like roads which would facilitate transport is poor, inconsistency in government policies towards their promotion, lack of business development centers that would help in preparation of business plan and SMEs management tools, lack of access to market where even the products of SMEs are not known because of landlocked firms and uncivilized area of operations where none knows about the existence of SMEs activities, multiple taxation at all levels, and obsolete technology(Aremu & Adeyemi, 2011).

Thus, birth factors of entrepreneurs have significantly been major elements to consider in terms of getting access to finance. The family background of the entrepreneurs and business owners contributes majorly in the determination of financial resources access from banks and different donors (Gradwell, 2008). Once a young entrepreneur or business owner comes from a rich family where the parents have been blessed with wealth, it becomes automatic for him/her to get loan and other financial support from all supporters and can run a business without any financial constraints (Baker & Logan, 2007). Again, it is not possible to lack starting capital even if he/she may have no business background in terms of skills (Buckles *et al.,* 2013).

Many studies in the area of SMEs failure have been conducted and most of them have shown that majority of SMEs in Nigeria get liquidated within their first five years of existence, a smaller percentage goes into extinction between the sixth and tenth year while only about five to ten percent survive, thrive and grow to maturity (Aremu, & Adeyemi, 2011). Such failure is based of different causes, and Basil (2005) argued that the most cause of SMEs failure at premature stage is insufficient capital, irregular market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records or lack of any records at all, inability to separate business and family, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right caliber of staff and cut-throat competition.

Regardless of the government's efforts in resolving these challenges that SMEs face in their daily operations, such as availability of loans facilities initiatives, protection of business environment and establishment of business agencies to carter for SMEs, there is still persistence of the same problems and challenges (SMEDAN, 2013).

Therefore, the presence of challenges in SMEs business environment is a key factor that there are other factors that constrain them to be effective and this indicates that the premature death of SMEs is not only associated to the know causes. Thus, this study investigated the influence of birth effect (gender, month of birth and birth order) on selected SMEs performance (start-up capital, number of employees and profitability) in Ogun State, Nigeria.

Literature Review and Theoretical Framework

Birth effect is considered as a subtle of chronology discrepancies of age between the groups of people and indicates what the mature people can do better than young ones and vice-versa, and such element has significance of the individuals' achievement (Fumarco, 2015; Barnsley, Thompson & Barnsley 1985). Some scholars found that birth effect is a key factor that determines that individuals which have been born earlier in the period of time for instance a year have added advantage of being successful than the ones that have been born in later time of the year when they all have to perform a similar tasks and achieve a certain level of their objectives (Dorelien; 2016; Dagli & Jones, 2013). The birth effect determinants are family background, birth order, month of birth, family size; socio-economic factors, language and gender have been normally considered by relevant scholars as demographic profile or identification of the contributors (Dixon, Horton & Weir, 2011).

Nonetheless, Dağli and Jones (2013) opine that individuals identification such as home used language, family income, sex, parental level of education, home ethnicity, parental perceptions, child's disability status have to be considered as components of birth effect variables that have significant effects on the child's goal attainment. But, the view of Cobley, Abraham & Baker, (2008) mention that these variables are not controllable either individually or by parents and guardians and mostly the study of Du, Gao & Levi, (2009) found that whether these demographic elements should be favourable or not people cannot do anything about them.

The birth time has significant effect on entrepreneurs' performance, thus, as it known, a year has twelve months (12) which start from January to December and month of birth is the one for which somebody is born this has to be either January, February, March, April, May, June, July, August, September, October, November and December and people who are born in each month have the same or similar characteristics that guide their individual's attainment (Dağli & Jones, 2013). It is in this regard that Du *et al.* (2012) identified the following as the major features of month of birth: *January*- stubborn, born-leaders and ambitious; *February*- superstitious, ambitious and creative; *March*-revengeful, shy and attention seeker; *April*- Clever, aggressive and decisive; *May*- Stubborn, hardworking and ambitious; *June*- Fashionable, never shows emotion and vision drift; *July*- Quiet, secretive and sharp; *August*-moody, easily jealous and perfectionist; *September*- worrying, open-minded, lover; *October*- perfectionist, Selfish, spend-drift and rational; *November*- Tough, secretive and goal-getter ; *December*- good looking, good dress sense and short tempered.

According to the Shittu and Dosunmu (2014), gender is defined as both women and men and the relationships that exist between them. Similarly, gender refers to the roles and responsibilities of men and women that are created in our families, our societies and our cultures. Proponents of

Birth-effect have identified gender as contributive factor to birth-effect studies (Breznik & Law, 2016; Kanonowicz, Sorokowski & Sorokowska, 2013). Similarly, several management studies have proved that women naturally have a 'glass-ceiling' that deprive them from occupying leadership and managerial positions (Nguyen, Locke & Reddy, 2015; Kanonowicz, *et al*., 2013). Major characteristics of the masculine gender are; abstract thinking, activeness, ambition, conditional love, constancy, contemplation, courage, creativity, daring, dependability, discipline, force, independence, spirituality, stability, and will-power while feminine features include: accommodation, adaptability, caring, companionship, consideration, cooperation, diplomacy, friendliness, gentility, giving, harmony, industriousness, informative, materialism, nurturing, receptivity, responsiveness, and unconditional love (Akulava,2015; George, 2008) .

Concept of birth order connotes the order of birth in a family. This order of birth includes, first born, second born, third born last born and or only child. Supporters of birth order posit that order of birth has significant influence on life successes (Dorélien, 2016; Bernardi & Gratz, 2015; Lenta, 2015; Eckstein & Kaufman, 2012; Adler & Seok-Woo, 2002). Similarly, Adler and Seok-Woo (2002) defined birth order as the actual order in which a child was born (firstborn, second, middle, youngest, twins and only). They added that birth order can leave an indelible impression on the individual's style of life, which is the habitual way of dealing with the tasks of friendship, love, and work.

However, characteristics of children include: *firstborn* are usually believed to be serious, conscientious, directive, goal-oriented, aggressive, rule-conscious, exacting, conservative, organized, responsible, fearful, high achieving, competitive, high in self-esteem and anxious (Bernardi, & Gratz, 2015). *Middle born* children have a diverse range of personalities. The habits of much middle born are motivated by the fact that they have never been truly in the spotlight (Adler & Seok-Woo, 2002). *Youngest or last born* are seen as the entertainers who are unafraid to test their luck. They are also thought of as the baby of the family and an outgoing charmer. Major characteristics of last born include; charming, show off, manipulator, people person, precocious, engaging, teaser and humorous (Leman, 2001). *Only children* may have characteristics of either the first born or the youngest child (Adler & Seok-Woo, 2002). Only children learn to be children on their own, they learn to depend on themselves and they have no problem being loners (Goergen & Renneboog, 2014). *Twins* tend to have one dominate twin, who acts as the first born. However, this can sometimes not be the case. Because of twins' closeness, they tend to be a lot more confident; however, they often have trouble being alone and get lonely easily (Akulava, 2015; Ganeshan, 2001).

Therefore, these children characteristics of birth effect are what the people take with them in whatever they do, wherever they go and have significant effect on their performance (Goergen & Renneboog, 2014). Thus, it is the same birth traits that entrepreneurs bring into their business and the positive ones help them to be effective and constitute their sources of strengths that guide their decision making while the negative traits my hinder business opportunities and as a result, whatever they go as entrepreneurs fail not because financials resources and other physical and intangible assets are not available but because there is power of mind in fluctuating them towards organizational performance (Du *et al*., 2012). This indicates that two entrepreneurs may have the same capital, do the similar business but have the end results or outcomes of their businesses because of individual birth effects (Eniola, 2014).

The consideration of SMEs varies from one economy to another and the criteria that are considered in defining a SME depends on the place and context. From the developed economies SME is a firm or a company that employs up to 500 employees while small enterprise is uses fewer employees who are less than 100 (Olabisi, Andrew & Akinwole, 2012). In Nigeria context, the Central Bank of Nigeria (CBN) defined SMEs as economically independent companies with about 11 to 300 employees and an annual debit turnover of between N5million to N500 million (Abdullahi, *et al*., 2015). The main factor in all these definitions is number of employee and annual turnover. Similarly, SMEDAN (2013) defined micro, small and medium enterprises (MSMEs) as business enterprises that have employee-band between less than 10 to 200 and above and initial capital less than N50,000 and not more than N10,000,000. SMEs cut across the industrial sector such as Agro- Allied and food processing, wood products and product furniture, in non-metallic mineral, in plastic wares, in clothing, tailoring, and trading and retailing, education, manufacturing, banking, hospitality and oil and gas (Orser & Dyke, 2009; SMEDAN, 2013; Abdullahi, *et al*., 2015).

It is no gainsay that SMEs are important driver of any given economy worldwide (Abdullahi *et al.*, 2015). Performance and growth of small and medium enterprises (SMEs) remain a major driver for the level of industrialization, modernization, urbanization, gainful and meaningful employment for all those who are able and willing to work, equitable distribution of income, the welfare, income per capital and quality of life enjoyed by the citizenry (Aremu & Adeyemi, (2011). Like many other forms of businesses, SMEs are faced with mushroom of challenges such as; access to finance and poor infrastructure, inconsistent government policies, poor support (business development services), access to market, multiple taxation and obsolete technology (SMEDAN,2013). These challenges are further divided into financial and non-financial, which make up the performance trajectory (Eniola, 2014). Consequently, SMEs operate with limited resources, which adversely affect their performance (Aremu & Adeyemi, 2011). The cumulative effect is that both management and loyal staff/worker are frustrated and at-times the enterprise goes into extinction (SMEDAN, 2013). Indicatively, when

the relationship and effect of birth factors (effects) are examined on SMEs performance, what outcomes are we going to get?

Easterlin (1966, 1978) described his hypothesis in The *New Palgrave* as follows that, other things constant, the economic and social fortunes of a cohort (those born in a given year) tend to vary inversely with its relative size, approximated by the crude birth rate in the period surrounding the cohort's birth. That is, persons born in a low birth rate period can anticipate an open and easy job market, relatively good wages and rapid career advancement (Easterlin, 1966). The linkage between higher birth rates and adverse economic and social effects arises from what might be termed *'crowding mechanisms'* operating within three major social institutions- the family, school and labour market (Easterlin, 1966). Conversely, Macunovich, (2000) argued that while the theory of relative cohort size has been the focus of more than 75 studies using developed-country data, it has never been applied in a developing-country context. Other supporters of this theory includes: Freeman (1979), Welch (1979), Kohlberg & Ullian, (1978), Caldwell and Caldwell (1997), Caldwell, (1997). Similarly, Pampel (1993) argued that the relative cohort size theory cannot be generalized. Further, Oppenheimer (1976) criticised Easterlin for comparing relative economic status between father and son, while estimating the changes in their market positions over time though a general – and not male-specific - unemployment rate.

Du *et al*. (2009) found empirical evidence between month of birth and performance. They discovered that younger children born in June and July are at a disadvantage versus their older classmates born in other months in business, sports and academics. The study extends the relevance of month of birth from school to the world of business and suggests that month of birth has a long-lasting impact on career success (Du *et al*., 2012). In addition, Olabisi, Andrew and Adewole (2012) conducted a study on factors affecting entrepreneurs and gender in Nigeria. The study revealed that factors affecting men-owned businesses are significantly different from women owned businesses. Similarly, Rohde, Atzwanger, Butovskaya, Lampert, Mysterud, Sanchez- Andres, and Sulloway (2003) examined the relationship between birth order, parental favoritism, closeness to kin, and rebelliousness within the family. Their study found a significant positive relationship between birth order and parental favoritism, closeness to kin, and rebelliousness within the family.

Methodology

This study adopted survey research design, where there was use of questionnaire as instrument for data collection. The data from SMEDAN show a total of 1794 SMEs in Ogun State. However, a sample size of 183 SMEs owners were randomly selected using stratified sampling technique. The questionnaire was divided into sections A and B. Section A**:** covers respondents' bio-data while section B covers Birth Effects and performance variables. The validity and reliability measurements were established through content validity which was given to experts and other researchers to ascertain whether the questionnaire items adequately cover the domain of the construct. However, values generated for Cronbach's alpha in this study were 0.814 and 0.844 for validity and reliability respectively. The researchers distributed 183 copies of questionnaire and were all retrieved and collected back. The regression analysis was performed in order to measure the effect of birth effect on performance of SMEs. The Ordinary Least Square (OLS) regression method of analysis was adopted to show the effects of birth effect components on SMEs' performance in Ogun Stage, Nigeria.

The model for analysis is;

$Y = f(X)$

$y_1 = \beta_0 + \beta_1 x_1 + \mu$ equation 1

$y_2 = \beta_0 + \beta_2 x_2 + \mu$ equation 2

$y_3 = \beta_0 + \beta_3 x_3 + \mu$ equation 3

Where,

Y = SMEs Performance (y_1=monthly profit; y_2=number of employees; y_3=total capitalization)

X = Birth-Effects (x_1= Month of birth; x_2= Gender; y_3= Birth Order).

β_0, β_1, β_2 and β_3 coefficients of determination

μ = the error terms

Discussion of findings

A total of one hundred and eighty-three (183) questionnaires were distributed and all the questionnaires were correctly filled and returned. The researchers recorded 100% respondents' involvement because the questionnaires' distribution process was self-administered and carefully monitored. The responses were coded and transformed into data points for Birth effect and SMEs performance.

The perceptions of the respondents on month of birth, the findings show that January born were 15 (8.2%), February were16 (8.7%), March born were 20 (10.9%), April born were 17 (9.3%), May born were 18 (9.8%), June born were 21 (11.5%), July born were16 (8.7%), August born were 11 (6.0%), September born were 9 (4.9%), October born were 14 (7.7%), November born were 9 (4.9%), while December born were 11 (6.0%). Also, birth quarters, the first quarter has 51 (27.8%), second has 56 (30.6%), third has 36 (19.6%) and fourth has 34 (18.6%) respondents; on birth order, first born were 63 (34.4%), second born were 46 (25.1%) third born were14 (7.7%), fourth born were 11 (6.0%), fifth born or subsequent were 11 (6.0%), only child were10 (5.5%), twins or more were 22 (12.0%).

By implication, these results indicated that majority of the respondents were female (59.0%). This new findings disagreed with SMEDAN (2013) study that found male to be dominant in business ownership. Also, majority of the respondents (65.6%) were married and 75.4% of the respondents were age range 31-50, a likely reason why majority of them were married. The study's result also shows that more than 65% of the respondents have either primary or secondary school certificate. In addition, the months of June, March, May, April, February, January and July (in that order) have the highest number of SMEs entrepreneurs. That is, the probability of becoming entrepreneurs or business owners is high when born in these months. This new empirical evidence is consistent with previous studies that the earlier the month of birth of a person the better and that those born in first quarter performs better in sport, education and business than parsons born in the subsequent quarters of the year (Du *et al.* 2012, 2009).

Finally, result of respondents' birth order indicated that majority of the SMEs owners were first born (34.4%) followed by second born (25.1%) and twins or more (12.0%). In other words, the tendencies of becoming a business owner is higher when one is first born, second born and even twins or more than when one is only child, third born and last born. This new evidence is in agreement with works of Mechoulan & Wolff, (2015); Adler & Seok-Woo, (2002) Leman, (2001) who argued that earlier born children performs greatly than later born. However, the regression analysis was done in three parts, the result is as follows:

Table 1 Effects of month of birth on SMEs' monthly profit on SMEs in Ogun State

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.243	.090		24.926	.000
	Month of Birth of Respondents	-.147	.013	-.642	-10.979	.000
a. Dependent Variable: Average_net_profit_per_month of SMEs						

Results from table 1 shows that month of birth have strong significant effect on SMEs performance (average net profit per month) at 0.000 level of significance. By implication, present findings show that month of birth has significant effect on SMEs revenue in Ogun State. This result confirms previous empirical findings of birth effect which opined that early born individuals perform better than later born (Abraham & Baker, 2008; Gladwell, 2008; Du *et al*, 2012). However, the coefficient of determination (R^2) 0.412 while the adjusted R square was 0.286. This means that the independent variable can account for variance in the dependent variable at 28.6%. That is being born earlier in the year will bring about an increase in net-profit of SMEs. This tells how being born earlier in the year will bring about an increase in net-profit of SMEs. It also shows that the F-value which is the mean square model divided by the mean square residual yielded F- 120.530 shows that the independent variable strongly predicts the dependent variable. A t-test of 24.926 shows a strong positive significant effect of month of birth on SME performance (average net profit of respondents). However, the beta coefficients of 2.243 (independent variable) and -0.147 (dependent variable) explained the direction of the relations.

That is, there is a strong negative association between the month of birth and the performance of SMEs involved in this study and that net-profit will reduce by 0.147 with a reduction in month of birth by 1. That is for a very increase in month of birth there will be reduction in profit of SMEs of 0.147 cents. In other words, SMEs performance will reduce 0.147 if owners are not born in the first or second quarter of the year. The earlier you are born the better. However, before this study, there seems to be no empirical studies of such effect found in Nigeria, West Africa and Africa. Many previous birth effect studies were carried out in Europe, America and Asia (Fumarco, 2015; Du *et al*, 2012; Abraham & Baker, 2008; Gladwell, 2008). This new evidence may account for why some SMEs survive why many do not after five years of operation.

Although, there is no evidence of which months of birth has the highest probability of winding up or survival, nevertheless, over-representation and underrepresentation of SMEs owners' month of birth is clear. Further, entrepreneurs born in the months of January, February, March, April , May and June are overrepresented compared to other months and have higher chances of making more profits than others. This new finding is in agreement with recent empirical findings of Du *et al.* (2012) that found overrepresentation of CEOs in the first quarter.

The results in table 2 show that there is no statistical effect between gender and SMEs performance in Ogun State as it is associated with p-value of 0.070 which is higher than 0.05 level of significance considered by this study. That is, gender has no significant effect on SMEs performance (number of employees in SMEs). However, decision rule stated as, rejects null hypothesis two, when P> 0.05.Therefore, we do not reject H_{02} since gender has no significant effect on SMEs performance (number of employees of respondents) in Ogun State. Hence, the null hypothesis that says gender has no significant effect on SME performance in Ogun State is accepted.

Table 2 Effects on gender on SMEs' number of employees in SMEs in Ogun State

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	1.234	10.160		7.387	.070
	Gender of Respondents	-20.028	20.090	.077	-2.979	.037
a. Dependent Variable: Number of employees in SMEs						

Table 3 Effects of birth order on start-up capital of SMEs in Ogun State

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	T	Sig.
1	(Constant)	1.962	.121		16.239	.000
	Birth Order of Respondents	-.107	.034	-.232	-3.139	.002
a. Dependent Variable: Start-up capital of SMEs						

The prediction component as shown in table two is the t-value and significance. The t-statistic (7.387) is the coefficient divided by its standard error. By Implication, result in table two shows that gender of SMEs owners do not have influence on the number of people they employ. Although, female entrepreneurs are over represented with 59% in this study that does not amount to greater performance. Interestingly, the over-representation of female SMEs owners may account for low-startup capital since over 60% started business with less than 50,000 naira. This result negates findings of previous studies on gender which found over-representation of men-owned businesses (SMEDAN, 2013 and Olabisi *et al.*, 2012).

The results from table 3 show that birth order has positive significant effect on SMEs performance (startup capital) at 0.002 level of significance. With P-value of 0.002 (that is, P-value <0.05), we do not accept the null hypothesis that birth order does not have significant effect on SMEs performance. However, the coefficient of determination (R^2) 0.054 while the adjusted R-Square was 0.048. This means that the birth order of respondents can account for variance in the start-up capital of respondents with 5% level of significance. This explains how a positive birth order will bring about an increase in startup capital of SMEs. Clearly, the result shows that birth order is a key determinant of SMEs startup capital in Ogun State.

The result also shows 9.854 F-value, which means that the birth order of respondents strongly predicts the dependent variable. A t-test of 16.239 shows a strong positive significant effect of month of birth on SMEs performance (startup capital of respondents). However, the beta coefficients of 1.962 (birth order of respondents) and -0.107 (startup capital of respondents) explained the direction of the relationship. That is, there is a strong positive relationship between the independent variable and the dependent variable and that startup capital will reduce by 10.7% with a reduction in birth order by 2%. In other words, the probability of securing higher startup capital when one is first born or early born is 10.7% and 2% when one is later born. By implication, the study found positive relationship between birth order and start-up capital of SMEs in Ogun State.

That is, the result shows that birth order is a deterministic factor of SMEs start-up capital in Ogun State. In other words, a person's order of birth influences how much he/she has to start a Small and Medium business in Ogun State. The result confirms previous birth order studies which argued that being first born, only child or twins provides bigger opportunities and responsibilities than being later born (Nguyen, Locke, & Reddy, 2015; Mechoulan, & Wolff, 2015; Rohde *et al*., 2003; Salmon & Daly, 1998). Additionally, the result provides strong evidence of birth order effect on SMEs performance and corroborate arguments of previous birth order studies that its more advantageous to be born earlier in the family rank than later and that first born are goal oriented, determined and born leaders when compared to later born (Bernardi, & Grätz, 2015; Mechoulan, & Wolff, 2015 & Dorélien, 2016).

Conclusion and Recommendations

The birth effect phenomenon is relatively new in Nigeria and other African countries, although, this phenomenon has been investigated repeatedly in Europe, America and some parts of Asia (Fumarco, 2015; Du *et al.*, 2009-2012), nevertheless, this new evidence confirmed that the effect is real in Nigeria and serves as first empirical evidence in this part of the world. Further, this study examined Birth Effect and selected Small and Medium Scale Enterprises' (SME) performance in Ogun State and found that there is strong significant influence of birth effect on SMEs' performance. Specifically, findings of the study show that owner's month of birth has significance influence on SMEs' monthly net-profit; owner's birth order has significance influence on SMEs startup capital; and no significant influence was found between gender and number of SMEs employees. Therefore, this study concludes that being

born in the third and last quarter of the year would reduce profit proportionally while being born earlier in the year will serve as competitive advantage to profit making. Nonetheless, the study examined only three birth effect variables (gender, month of birth, birth order), future study should expand the scope to include other birth effect dimensions such as family background, cohort-size, social-economic background and family size. Hence, the study recommends that birth factors should carefully be considered as quintessential factors of SMEs performance.

References

[1]. Abdullahi, M. S., Abubakar, A., Aliyu,R.L., Umar, K., Umar, M.B., Sabiu, I.T., Naisa, F.U.A., Khalid,S.S. & Abubakar, L. S. (2015). The Nature of Small and Medium Scale Enterprises (SMEs): Government and Financial Institutions Support in Nigeria. *International Journal of Academic Research in Business and Social Sciences,* 5(3): 525-537.

[2]. Adler, P. S. & Seok-Woo, K. (2002). Social capital: prospects for a new concept. *The Academy of Management Review,* 27(1): 17-40.

[3]. Agba, A. M. O., Frank, M. A. & Edem, E. (2015). Dwindling Performance Of Small And Medium Enterprises In Nigeria: Can Funding And Better Working Conditions Be A Panacea? *Journal of Good Governance and Sustainable Development in Africa.2(4):88-95.*

[4]. Akulava, M. (2015). Does gender matter for the innovativeness of SMEs? *Forum for Research on Eastern Europe and Emerging Economies (FREE). 1(1):1-14.*

[5]. Aremu, M. A. & Adeyemi, S. A. (2011). Small and Medium Scale Enterprises as A Survival Strategy for Employment Generation in Nigeria. *Journal of Sustainable Development, Canadian Center of Science and Education*, 4(1), 200- 206.

[6]. Baker, J. & Logan, A. J. (2007). Developmental contexts and sporting success: Birth date and birthplace effects in national hockey league draftees 2000–2005. British Journal of Sports Medicine, 41, 515-517.

[7]. Barnsley, R. H., Thompson, A. H. & Barnsley, P. E. (1985). Hockey success and birthdates: *The RAE 51 (2)* : 23-28.

[8]. Basil, A. N. O. (2005). Small and Medium Enterprises (SMES) in Nigeria: Problems and Prospects, Ph.D. Thesis. St. Clement's University.

[9]. Bernardi, F. & Gratz, M. (2015). Making Up for an Unlucky Month of Birth in School: Causual evidence on the compensatory Advantage of family background in England. *Journal for sociological science,1(2)*, 235-251.

[10]. Breznik, K. & Law, K. M. Y. (2016). Relative Age Effect in Mind Games: The Evidence from Elite Chess. *Perceptual and Motor Skills, 122(2)*, 583-594.

[11]. Buckles, K., Dame, N. & Hungerman, D. (2013). Season of Birth and Later Outcomes: Old Questions, New Answers. *The Review of Economics and Statistics*, 2 (34): 245-256.

[12]. Caldwell, J. C. (1997). "The global fertility transition: The need for a unifying theory," *Population and Development Review,* 23(4), 803-8 12.

[13]. Caldwell, J. C. & Caldwell, P. (1997). "What do we now know about fertility transition?" in G. W. Jones, R. M. Douglas, J. C. Caldwell, and R. M. D'Souza (eds.). *The Continuing Demographic Transition,* 15-25. Oxford: Clarendon Press.

[14]. Cobley, S., Abraham, C., & Baker, J. (2008). Relative age effects on physical education attainment and school sport representation. *Phys. Educ. Sport Pedagog*, 13 (3): 267-276.

[15]. Dağli, Ü. Y. & Jones, I. (2013).The longitudinal effects of kindergarten enrollment and relative age on children's academic achievement. *Teachers College Record*, 115, 1-40.

[16]. Dixon, J., Horton, S., Weir, P. (2011). Relative Age Effects: Implications for Leadership Development. *International Journal of Sport and Society, 2(2):256-267.*

[17]. Dorélien, A. M. (2016). A Time to Be Born: Birth Seasonality in Sub-Saharan Africa. *Demographic Research*, 34(27), 761-796.

[18]. Du, Q., Gao, H. & Levi, M. D. (2012) The relative-age effect and career success: Evidence from corporate CEOs. Economics Letters,117(1), 660–662.

[19]. Du, Q., Gao, H. & Levi, M. D. (2009). Born Leaders: The Relative-Age Effect and Managerial Success. Working Paper, University of British Columbia.

[20]. Easterlin, R. A. (1966). "On the relation of economic factors to recent and projected fertility changes," *Demography* 3(1),131-153.

[21]. Easterlin, R. A. (1983). *The Political Economy of Demographic Change: Causes and Implications of Population Trends in Great Britain.* London: Heinemann.

[22]. Eckstein, D. & Kaufman, J. A. (2012). The role of birth order in personality: An enduring intellectual legacy of Alfred Adler. *The Journal of Individual Psychology, 68*(1), 60-61.

[23]. Eniola, A. A. (2014). The role of SME firm performance in Nigeria. *Arabian Journal of Business and Management Review*, *3*(12), 33-47. Retrieved March 30, 2017.

[24]. Freeman, R. B. (1979). "The effect of demographic factors on age-earnings profiles," *Journal of Human Resources* 14, 289-314.

[25]. Fumarco, L., (2015). Relative Age Effect on Labour Market Outcomes for High- Skilled Workers-Evidence from Soccer. *Labour Market and discrimination Studies.*12(2):256-269.

[26]. Gladwell, M. (2008).Outliers: The story of success. New York, N.Y.: Little, Brown and Company.

[27]. Ganeshan, G. (2001), "Entrepreneurship Development. Kisan World", 28(6), 50-51.

[28]. Goergen, M., & Renneboog, L. (2014).Inside the board room. *Journal of Corporate Finance*, *26*, 1-5.

[29]. George, E. (2008). Characteristics of Gender. The Muslim Observer. Available on: http://muslimobserver.com/ characteristics-of-gender. Accessed 06/23/2017.

[30]. Kanonowicz, M., Sorokowski, P., Sorokowska, A. A. (2013). Born to be beautiful: Season of birth influences adult females' physical attractiveness. *Journal of Education Culture and Society, 2(1),* 155-161.

[31]. Kohlberg, L. & Ullian, D. Z. (1978). Stages in the development of psychosexual concepts and attitudes. In R. C. Friedman, R. M. Ri: art, and R. I. Vande Wiele, (Eds.), Sex differences in behavior. New York: Robert E. Krieger Publishing Co., 209-222.

[32]. Leman, K. E. (2001). The New Birth Order Book: Why you are the way you are. New York: Robert Krieger Publishing.

[33]. Lenta, J. R. (2015). The Effects of Birth Order on Self-Esteem. *Communication Research. 34(16)2-17.*

[34]. Macunovich, D. J. (1998). "Fertility and the Easterlin hypothesis: An assessment of the literature," *Journal of Population Economics,*11, 53-1 11.

[35]. Mechoulan, S., & Wolff, F., (2015). Intra-household allocation of family resources and birth order: evidence from France using siblings data. *J Popul Econ*. 28(3) :937–964.

[36]. Nguyen, T., Locke, S. & Reddy, K. (2015). Does boardroom gender diversity matter? Evidence from a transitional economy. *International Review of Economics & Finance*, *37*, 184- 202.

[37]. Norberg, M. (2015) The Effect of Relative Cohort Size on Fertility Assessing the Importance of the Easterlin Hypothesis Today. Lund University.

[38]. Olabisi, S.Y., Andrew, A.O. & Akinwole, A. A. (2012). Factors Affecting Small-Scale Business Performance In Informal Economy In Lagos State-Nigeria: A Gendered Based Analysis. *Journal of Business Ethics*.29 (3), 253-269.

[39]. Oppenheimer, V. K. (1976). "The Easterlin Hypothesis: Another aspect of the echo to consider". *Population and Development Review.*2, 433–457.

[40]. Orser, B. & Dyke, L. (2009).The influence of gender and occupational-role on entrepreneurs' and corporate managers' success criteria. *Journal of Small Business & Entrepreneurship*, 22(3), 327-353.

[41]. Pampel, F. C. (1993). "Relative Cohort Size and Fertility: The socio-political context of the Easterlin effect". *American Sociological Review*, 58, 496-5I4.

[42]. Rohde, P. A., Atzwanger, K., Butovskaya, M., Lampert, A., Mysterud, I., Sanchez- Andres, A. & Sulloway, F. J. (2003). Perceived parental favoritism, closeness to Kin and the rebel of the family. The effects of birth order and sex. *Evolution and Human Behavior,24,* 261-276.

[43]. Shittu, A.I. & Dosunmu, Z. O. (2014). Family Background and Entrepreneurial Intention of Fresh Graduates in Nigeria. *Journal of Poverty, Investment and Development*- An Open Access International Journal, 1(5), 78-90.

[44]. Small and Medium Enterprises Development Agency of Nigeria (2013). National Policy on Micro, Small and Medium Enterprises''. *Report, Federal Republic of Nigeria, SMEDAN*, Abuja, Nigeria.

[45]. Welch, F. (1979). "Effects of cohort size on earnings: The baby boom babies' financial bust". *Journal ofPolitica1 Economy* 87(5), 65-97.