

RESEARCH ARTICLE

Effect of Entrepreneurial Competencies on the Performance of Small and Medium Scale Enterprises in Makurdi Metropolis, Benue State, Nigeria

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Abstract: This study was carried out to examine the effect of entrepreneurial competencies on the performance of small and medium scale enterprises in Benue State, Nigeria. The study focused on selected SMEs in Makurdi Metropolis, Benue State. The study specifically examined the effect of strategic competencies, conceptual competencies and opportunity competencies on the performance of SMEs in Makurdi Metropolis, Benue State. A survey design was adopted for the study and questionnaire was used as instrument for data collection. The population consists of 210 owners of SMEs in Makurdi Metropolis and census sampling was adopted for the study. The study used simple percentages, mean and standard deviation for data presentation and analysis while regression analysis was used for test of hypotheses. Findings of the study revealed that strategic competencies have significant effect on the performance of SMEs in Benue State. The study also revealed that conceptual competencies have significant effect on the performance of SMEs in Benue State. Finally, the study indicated that opportunity competencies have significant effect on the performance of SMEs in Benue State. The study concludes that entrepreneurial competencies are important for the every entrepreneur. The study recommended that owners of SMEs in Benue State should constantly monitor their customers in order to have a clear understanding of customer needs.

Keyword: *Entrepreneurship, Performance, Competencies, Benue, Nigeria.*

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Introduction

World over, business organizations are operating in complex and competitive environment, which is constantly changing with fast technological advancements. Managers of business organizations are therefore expected to interact with these environmental forces which require them to be highly competent in different dimensions like intellectual, attitudinal, behavioral, technical and managerial aspects.

Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavors. Entrepreneurial competencies are defined as underlying characteristics possessed by a person, which result in new venture creation. These characteristics include generic and specific knowledge, motives, traits, self-images, social roles, and skills that may or may not be known to the person. That is, these characteristics may be even unconscious attributes of an individual. Some of these competencies are innate while others are acquired in the process of learning and

training and development [1]. Recent developments on research on entrepreneurship have seen increased attention given to small and medium scale enterprises (SMEs) due to their vital contributions in the economy of every country. The collective impact of both SMEs on the economy of both developed and developing countries is considerable.

The appearance of SMEs is very important especially in all developing countries where they assist economic growth; improve income distribution, productivity, efficiency and economic structure during the economic downturn [2]. Increasing the chances of success among SMEs would have huge implications for the growth and socio-economic wellbeing of a country. Thus, understanding predictors of success in SMEs is critical. The creation of more successful SMEs could potentially create new jobs, increase trade, consequently, the Gross Domestic Product (GDP) of the country.

Small and medium scale enterprises are critical for supporting livelihoods as well as overall prosperity and progress. They create employment at relatively low levels of investment per job; utilize and add value to local resources; foster equitable income distribution; and are better positioned to meet local needs in small markets.

The technologies used by them are easier to acquire, transfer and adopt even for people with little education and training. They have the potential to compliment large enterprises through partnerships and subcontracting relationships. Micro and small enterprises also serve as training ground for entrepreneurship managerial development [3]. Previous researchers have identified a set of entrepreneurial competencies that affect the performance of SMEs [4, 5].

These entrepreneurial competencies include the opportunity, relationship, conceptual, organizing, and strategic and commitment competencies. The opportunity competencies are related to identifying, assessing and seeking market opportunities. The relationship competencies embrace the ability to build, keep and use networks with all the firm's stakeholders. The conceptual competencies refer to the abilities that are reflected in the behaviour of the entrepreneur associated with intuitive thinking, innovative behaviour, assessment of risk and the need to have different view of the market.

The organizing competencies are related to managerial functions such as planning, organizing, leading, motivating, delegating, and controlling. The strategic competencies deal with setting, evaluating, and implementing the strategies of the firm. The commitment competencies are the abilities that drive the entrepreneur to work hard and face the difficulties involved in sustaining the business. Moreover, findings of previous studies indicate that communication ability is one of the relevant competencies for entrepreneurship [6].

Bendary and Minyawu [7] averred that entrepreneurial know-how is one of the main sources on which the innovative capability of SMEs is based which also encounter many difficulties when they autonomously have to fund costly Research and Development (R & D) activities, acquire technological

competence from the external world and maintain them within the firm. Sometimes the training need gap relates not so much to technological aspects but to managerial skills, in particular when firms have to manage growth through the implementation of specific managerial techniques and practices. Small and Medium Scale Enterprise (SMEs) play a crucial role in Nigeria economy.

It is estimated that about a third of the Gross Domestic Product (GDP) in Nigeria originates from this sector. However, SMEs are still faced by lack of appropriate knowledge and skills, limited skills, limited access to information technology and dependency on poor and obsolete technology. Moreover, SMEs capacity to innovate is limited to knowledge and available facilities which tend to escalate cost of production as well as business development services are underdeveloped and are not readily available.

This study therefore examines the effect of entrepreneurial competencies on the performance of small and medium scale enterprises in Benue State, Nigeria. Small and medium scale enterprises are continuously receiving recognition as an important tool in sustaining the economies of most countries throughout the world. Entrepreneurs and business managers therefore require competencies to enable them succeed. Competency is a quantifiable characteristic within an individual that is linked to improved success at work place or business.

SMEs are expected to employ different competencies to promote leadership behaviour and performance-oriented SMEs promote competencies that build organizational capabilities. For an SME to be performance competent, its management should exhibit good knowledge of the industry, in terms of how to position the SME within the industry. This is management ability to mobilize start-up capital, satisfy customers and network with suppliers and competitors.

In retrospect to this scenario SME owner/managers being the driving force of the firm should seek necessary techniques, strategies and skills that enable the firm to achieve a competitive edge over their rivalry firms.

To bridge the gap, this study is carried out to examine the effect of entrepreneurial competencies on the performance of SMEs in Benue State, Nigeria.

Objectives of the Study

The main objectives of this study are to:

- Examine the effect of entrepreneurial competencies on the performance of Small and medium scale enterprises in Benue State, Nigeria.
- Examine the effect of strategic competencies on the performance of SMEs in Benue State, Nigeria;
- Determine the effect of conceptual competencies on the performance of SMEs in Benue State, Nigeria;
- Examine the effect of opportunity competencies on the performance of SMEs in Benue State, Nigeria.

Literature Review

Theoretical Framework

Resource- Based View (RBV) Theory

The resource based view theory was propounded by Barney [8]. The theory suggests that a firm can distinguish itself from its competitors and can create sustainable competitive advantage only if it possess valuable, rare, and inimitable resources [8]. The theorists of RBV have observed that entrepreneur's competencies are key a resource of the firms that are valuable as well.

Human capital is an intangible asset of firms that enables them to be more successful. The valuable skills, knowledge and abilities of an entrepreneur may lead to sustainable competitive advantage of firm because entrepreneurial competencies are usually very rare and difficult for rivals to develop all essential competencies. Only the competent entrepreneurs may develop and lead successful strategies towards the success of businesses.

For instance, the firm's RBV theory relates its value creation process to the manager's capability in finding or developing resources [8]. The resource based view theory is related to the concept of entrepreneurial competencies because the main focus of competency literature is to search for all

those individual characteristics that contribute towards the success of an organization. These characteristics of individuals can vary due to their different motives, traits, social roles and skills. The theory explains the organizations including SMEs have unique competencies and resources that are rare and difficult to imitate which serve as a catalyst for their success.

The theory is adopted and considered relevant because every business owner have competencies, characteristics, skills and knowledge which help in enhancing the performance of business operations. Such competencies differentiate them from others. Also, entrepreneurial competencies are needed to start a new venture than those who manage the growth of an existing business.

Conceptual Framework

Concept of Entrepreneurial Competencies

Competency is defined as the total capability of the entrepreneur to perform a job role successfully. The literature of entrepreneurship has highlighted the role of entrepreneurs for the business success of SMEs. An entrepreneur is an individual who develops and grows the businesses through creative and innovative activities, by introducing new products or services, by improving the existing methods of production or service.

Thus, the competencies of entrepreneurs make a business more successful and may lead towards its sustainable competitive advantage as well [1]. Entrepreneurial competencies are related with the performance of the firm and its competitiveness [5], growth and success of business [9].

According to many studies, the entrepreneur's psychological and behavioural, demographic characteristics, managerial and technical skills are the most important determinants for the performance and success or failure of small and medium sized enterprises [10, 5].

It is very essential to understand entrepreneurs in the context of emerging economies because the entrepreneurial competencies for business growth and survival in emerging economies are different

from those of in developed economies [11]. Also Capaldo and Zollo [12] stated that the entrepreneurial competencies vary according to different contexts. Early researchers used to identify entrepreneurs through their traits and characteristics. However, the researchers could identify all traits and characteristics only in a few entrepreneurs that were described in the literature.

The entrepreneurs with different clusters of traits depend on type of their personality. The entrepreneurship research focuses more on theories of competencies because of limitations of trait approaches. Entrepreneurial competencies are possessed by individuals who are the entrepreneur's means who start organizations and then add value through resource organization and opportunities [13].

She stated that the competencies are essential to start a new venture but successful entrepreneurs are those who survive and grow their businesses through their competencies. The competencies are learnable; therefore it is crucial to recognize the importance of competencies. Bird [13] referred entrepreneurial competencies to the underlying characteristics such as traits, self-images, specific knowledge, motives, social roles and skills that lead to venture birth, survival its growth. Whereas Man et al [5] defined them as the entrepreneur's ability to successfully perform a job role.

Thus, there is a general consensus that the competencies of entrepreneurs are possessed by those individuals who start and further develop their businesses. Johnson and Winterton [14] observed that small businesses require skills and entrepreneurial competencies that are very much different than from larger organizations.

Dimensions of Entrepreneurial Competencies

The entrepreneurs have to perform various tasks that may be more complex than that of managers of the organization because of their engagement in various functional, managerial and entrepreneurial duties [15]. Man et al [5] defined entrepreneurial competencies as higher-level characteristics encompassing personality traits, skills and knowledge. They identified six major competency areas: (a) opportunity, (b) conceptual, (c) strategic, (d) relationship, (e)

commitment, and (f) organizing competencies. Man et al [5]'s categorization of entrepreneurial competencies is utilized in the current study. For the purpose of this study however, the first three types of competencies (strategic competency, conceptual competency and opportunity competency) are adopted as the dimensions of entrepreneurial competencies. These dimensions are considered because they are relevant to the performance of SMEs and used in most studies. Strategic Competency:

According to Man, Lau and Chan [5] strategic competency is related with the establishing, evaluating and executing the strategies for the firm. Man and Lau [4] operational zed this area of competency by measuring the following behaviours: (a) knowing clearly the expected directions and the impact of changes on firm's performance (b) giving priority to work that aligns the business goals only (c) redesigning the firm to achieve the goal in a better way (d) linking or associating the current actions with strategic goals (e) observing progress towards strategic goals (f) analyzing results against strategic goals (g) establishing strategic actions by assessing cost and benefit.

Thompson and Richardson (1996) suggested managing change as a component of strategic competence that can be associated with competitive success of all those firms operating in highly competitive environment. Conceptual Competency: According to Man et al [5] conceptual competency involves different conceptual abilities that the entrepreneurs reflect in their behaviours.

Such as innovativeness, risk taking, decision skills, observing and understanding complex information. Whereas according to Chandler and Jansen [16] this competency reflects the mental capability to coordinate all the activities of the business. Man and Lau [4] operational zed this area of competency by measuring the following behaviours: (a) taking suitable risk related with job (b) understanding the understanding of the observations and issues (c) translating the ideas and observation of business into the context of business (d) monitoring progress towards the achievement of objectives in risky actions (e) exploring new ideas (f) looking problems in new ways (g) and treating the new problems as opportunities.

Man and Lau [4] identified that through factorial analysis this area of competency can be divided into innovative and analytical domains.

Opportunity Competency: According to Man et al [5] opportunity competency refers to the ability to recognize the opportunities in the market through various means. And is operationalized by measuring various behaviours such as identifying the services or products needed by the customers, perceiving unmet needs of the customers, looking for beneficial product and services for the customers, and availing the best opportunities.

De Koning [17] linked the opportunity development with the entrepreneur's ability to seek, explore, develop and assess better existing opportunities in markets. One of the main characteristics of entrepreneur is that they can see or recognize the opportunities where others cannot do so.

Concept of Performance of Small and Medium Scale Enterprises

There are different opinions on what performance is, one view is concerned with record of output achieved that is, performance is regarded as accomplishments. Firm performance comprises the actual output or results of an organization as measured against its intended outputs. It differs from one organization to the other with each trying to outdo the other. Internally, performance is driven by the organization's motivation to perform [18].

Performance of SMEs is viewed as how SMEs are doing in terms of level of quality of service delivery, customer satisfaction and competitive advantage in relation to other enterprises in the same industry. According to Ukko [19], performance may relate to actual results or outputs of certain activities, how the activity is carried out or the potential for the activities. Performance can be divided into three domains: financial performance, business performance and organizational effectiveness.

Financial performance focuses on the use of simple outcome-based financial indicators, whereas business performances comprise the indicators of non-financial indicators in addition to indicators on financial performance [20]. Performance can also be defined in terms of effectiveness and efficiency.

Measures of Performance of Small and Medium Scale Enterprises

Profitability

Profitability of an organization is an important financial indicator to reflect the efficiency of the organization and the owners/managers ability to increase sales while keeping the variable costs down [21]. Profit margin, return on assets, return on equity, return on investment, and return on sales are considered to be the common measures of financial profitability.

On the other hand, profitability is analyzed by three financial ratios, which are return on sales (ROS), return on investment (ROI) and return on asset (ROA). The profitability of the business determines the success or otherwise of a venture.

Sales Growth

According to Adidu and Olanye [22] sales growth refers to the amount a company derives from sales compared to a previous corresponding period of time in which the later sales exceed the former. It is usually given as a percentage. Sales growth is considered positive for a company's survival and profitability. It is an important measure of performance and entrepreneurial success. Sales growth targets play a major role in the perceptions of business managers. An emphasis on sales growth also provides a useful and visible benchmark to motivate managers. However, Kaplan and Norton [23] argue that firms must use a wide variety of goals, including sales growth, to effectively reach their financial objectives.

Factors that influence sales growth range from promotion to internal motivation and retaining of talented employees to the implicit opportunities for investments in new technologies and equipment in the production process. In addition, it benefits learning curve and opportunities for economies of scale provided by sales growth. Kaplan and Norton [23] claim that to reach their financial objectives effectively, firms must use a wide diversity of goals, including sales growth. Sales growth generally utilizes capacity more fully, which spreads fixed costs over more revenue resulting in higher profitability.

Review of Related Empirical Studies

Henrik [24] carried out a study on networking and entrepreneurial success in Tanzania. The study aimed at studying whether personal networks of an entrepreneur constitute a resource or a constraint for his enterprise. The sample was made of entrepreneurs and owners of private companies mainly but not exclusively in the production sector, with generally more than five employees each.

The companies were described as small (5 to 19 employees) and medium (20 to 150 employees) enterprises, while micro (less than 5 employees) and large enterprises (more than 150 employees) were excluded from the sample. Also, interviews with managers of large private and parastatal companies and interviews with state authorities were used to gather additional information.

The data were collected by half-standardized questionnaires as well as in-depth interviews, open interviews and case studies. Findings of the study revealed a significant relationship between networking abilities and entrepreneurial success in Tanzania. This study is relevant for business owners and this is related to the present study. The scope of the two studies however differs. The sample used in the two studies is also not same. Madatta [25] examined the factors that affect business success in the two municipalities of Ilala and Temeke SMEs in Tanzania.

The study examined the extent to which entrepreneurial competence influenced business success in SMEs. The study was conducted at Ilala and Temeke Municipalities. The study comprised 60 SMEs, 30 from each municipality. The study used random sampling since SMEs are many and scattered in wide geographical area. Data were collected, analyzed and presented using both qualitative and quantitative methods. Data collected were coded and entered into the computer by the principal Investigator. Later data were analyzed according to responses using Statistical Package for Social Sciences (SPSS).

The findings of the study showed that business or entrepreneurial failures are mostly attributed to inadequacy of financial resources.

The conclusion of the study indicated that one of the other serious impediments is the limited capacity of people who start and operate the businesses, in terms of the attitudes, motivation, exposure, skills and experiences. The study recommended that education and training are crucial to SMEs since they play a big role in the success of the business. Moreover, SMEs require organization's mission, vision, values and strategic plans. At every level of the organization competency is required in order to successfully perform duties required, skills gained from education or training will increase the abilities of SMEs to achieve success.

The variables considered in the study are related to this present study. The scope of the two studies however differs. Hoyos-Ruperto, Romaguera, Carlsson and Lyytinen [26] carried out an investigation on networking: a critical success factor for entrepreneurship in India. The study explored how individual and inter-organizational networking, as mediators, may provoke desired entrepreneurial success.

A quantitative study using Partial Least Squares (PLS) was conducted to determine how and to what extent do systemic and individual factors mediated by inter-organizational and individual social networking activities impact the likelihood of entrepreneurial success. Findings of the study revealed that Puerto Rican entrepreneurs were not using their networks efficiently to overcome the inadequate institutional structure.

Therefore, the study recommended that a better interconnected entrepreneurial ecosystem must be designed; while entrepreneurs must use more effectively their networks. The findings of the study create the gap for this study since its focus was only firms in India. Tehseen and Ramayah [27] conducted a study on entrepreneurial competencies and SMEs business success in Malaysia. The conceptual study examined the effects of entrepreneurial competencies on success of businesses in the context of Malaysian SMEs. The study argued that the external integration moderates the influence of entrepreneurial competencies on success of SMEs businesses.

Hence, the entrepreneurs should be competent enough to manage their relationships with their customers and suppliers to get competitive advantage. The study incorporated two theories namely, the resource dependence theory (RDT) and the resource based view (RBV) to explain the conceptual model, where RDT suggests that firms have to depend on external parties (suppliers and customers) to get critical resources for their survival while resource based view of competencies (RBV) indicated that entrepreneurial competencies are valuable and intangible resources that lead towards the success of business. It concluded that entrepreneurial competencies alone are not enough to ensure the survival and success of businesses.

Since, SMEs have scarce resources of finance, skills, technology and knowledge; therefore SMEs sustainable business success highly depends on many other factors such as supplier's capabilities as well as customer's integration. Moreover, the strong relationships of SMEs with their customers and suppliers enable them to access the information regarding latest customer choices and tastes, technologies and new methods of innovations.

The study is considered relevant as it has identified factors affecting entrepreneurial competencies and success of Malaysian SMEs businesses in the manufacturing industry which pave way for further studies. Bendary and Minyaw [7] examined entrepreneurial competencies effect on small and medium enterprises performance through the mediation effect of psychological contracting of outsourcing: An empirical study on the Information Technology Sector in Egypt.

The study aimed to study the entrepreneurial competencies, international outsourcing relationship components and SME performance factors, and to develop a model to test the relationship between entrepreneurial competencies and Psychological contracting of outsourcing, between outsourcing relationship and Small and medium enterprises performance.

A survey was administrated through questionnaire using a Likert scale for entrepreneurial competencies, indicating the level of importance to be attached to each

dimension for all six competencies dimensions, where 1 represent the least important and 5 is highly important. Using the random sampling of the 200 CEO Managers for 200 companies enrolled, 100 managers were interviewed. Factor analysis and correlation were used to analyze the data and test the hypothesis while Cronbach's alpha was used to test the reliability of the instrument. Based on the findings the study concluded that, there is a significant relationship between entrepreneurial competencies and Psychological contracting of Outsourcing. The study was carried out in Africa hence the findings are considered relevant to this present study.

Gbadamosi [28] investigated on entrepreneurial competencies and entrepreneurship development in Kaduna State, Nigeria. The study critically examined entrepreneurial competencies that affect entrepreneurship development with particular reference to Northern Nigeria. Based of literature reviewed from different authors the study indicated that females were discriminated in many areas of development including entrepreneurship. It concluded that, gender discrimination may be intensified and facilitated by all other forms of discrimination and efforts to address gender discrimination should incorporate approaches to the elimination of all forms of discrimination.

The study is considered relevant to this study since the focus is also on entrepreneurial competencies. The scope of the two studies however differs. Hanmaikyur and Diaka [29] examined the effect of entrepreneurial competencies on the marketing performance of small and medium scale enterprises in Makurdi metropolis, Benue State. The study specifically examined the effect of strategic competencies, conceptual competencies and opportunity competencies on the marketing performance of SMEs.

The study focused on selected SMEs in Makurdi Metropolis. A survey design was adopted for the study and questionnaire was used for data collection. The population of the study comprises of 650 SMEs in Makurdi Metropolis and a sample size of 248 was arrived at using Taro Yamane's formula. Data were collected from the respondents using simple random sampling technique.

Data collected were analyzed and presented in tables and the hypotheses were tested using multiple regression. Findings of the study indicated that strategic competencies, conceptual competencies and opportunity competencies have significant effect on the marketing performance of SMEs in Makurdi Metropolis. The study is related to the present study though the study focus was on marketing performance of SMEs in Makurdi Metropolis, Benue State unlike the present study whose focus is on performance of SMEs in Makurdi Metropolis, Benue State.

Methodology

Research Design

A survey design was used in this study. The study used this method to collect opinions

from the respondents on the effect of entrepreneurial competencies on the success of small and medium scale enterprises in Benue State. The study area covered by this study is Makurdi Metropolis. The LGA of Makurdi Metropolis has an area of 2,402 km² and a population of 225, 471 at the 2006 census.

The population of this study is made up of 210 registered small and medium scale enterprises in Makurdi Metropolis who engaged in services, trading, arts and agro-allied enterprises as obtained from the Benue State Chamber of Commerce Mines and Agriculture [30]. The SMEs were selected since they were operating in the same area and hence exposed to the same business environment. Owner-managers of the SMEs serve as the respondents for this study.

Table 1: Population of SMEs in Makurdi Metropolis, Benue State

Nature of SMEs	Number of SMEs
Services	45
Trading	87
Arts/Craft	30
Agro-Allied	48
Total	210

Source: Benue State Chamber of Commerce Mines and Agriculture (BECCIMA, 2018).

The study used a census sample. This enabled the researcher to use the whole population as the sample size. This is because the population is manageable hence the sample size used for this study is 210. Random sampling technique was adopted to enable the researcher sample selected owner-managers of SMEs in Makurdi town. The questionnaire was used as the instrument for data collection in this study. Validity of the instrument was done through content validation and construct validation. Content validity was achieved by ensuring that the questions are consistent with the research

objectives and questions. Construct validity was achieved using factor analysis. The result of the validity test was as follows: Keiser-Meyer-Olkin (KMO) = .793, Bartlett's test of sphericity = 81.536 and Sig = .000. To ensure the reliability of the measurement instrument, a pilot study was carried out on 69 (1/3 of 210 = 69) respondents who are owners of SMEs in Makurdi metropolis. The result of the reliability test as presented in Table 2 indicated that all the variables are consistent and reliable with Cronbach's alpha of greater than 0.70.

Variable/Model Specification

In this study Performance of SMEs (PRF) is regarded as a function of Entrepreneurial Competencies (ENTC). The linear regression model is specified below:

$$PRF=f(EC) \quad - \quad - \quad (1)$$

$$PRF= f (SC+CC+OP) - \quad - \quad (2)$$

Where;

- PRF= Performance of SMEs (Dependent Variables)
- EC = Entrepreneurial Competencies (Independent Variable)
- SC= Strategic Competencies
- CC= Conceptual Competencies
- OP= Opportunity Competencies

Thus, the explicit form of the model for the study will be as follows:

$$PRF = \alpha + b_1 EC + b_2 SC + b_3 CC + \varepsilon \quad (3)$$

Where:

α = Intercept of the Model (constant)

B1 to b3 = coefficients

ε = error term

Data Analysis Techniques

The study employed descriptive statistics in form of tables, frequencies and simple percentages for data presentation while multiple linear regressions was used to test the hypotheses at 0.05 significance level with the aid of Statistical Package for Social Sciences (SPSS 21). Standard error test was used in testing the hypothesis while decision rule was used to accept or reject a hypothesis. If the standard error of bi [$S(b_i) > 1/22b_i$]

accept the null hypothesis, that is, accept that the estimate bi is not statistically significant at the 5% level of significance. If the standard error of bi [$S(b_i) < 1/2i$] reject the null hypothesis, in other words, accept that the estimate bi is statistically significant at the 5% level of significance.

Results and Discussion

Preliminary Diagnostic Tests

Model Summary

Table 2: Model Summary

R	R-Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.843	.595	.584	.830	1.989

Predictors (Constant), Opportunity competency, conceptual competency, strategic competency
 Dependent Variable: Performance of SMEs

Source: Field Survey, 2019.

The result from Table 2 shows that coefficient of determination (R square) explains the variation in the dependent variable due to changes in the independent variable. The R square value of 0.595 is an indication that there was variation of 59.5 % in success of SMEs due to changes in

strategic competency, conceptual competency and opportunity competency at 95% confidence interval. Also, the value of R (0.843) from Table 2 shows the relationship between the study variables which implies that there was a strong relationship between the study variables.

Table 3: Analysis of Variance (ANOVA)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	57.020	3	19.007	27.576	.000b
Residual	136.371	198	.689		
Total	193.391	201			

Dependent Variable: Performance of SMEs
 Predictors (Constant), Opportunity competency, conceptual competency, strategic competency

Source: Field Survey, 2019

The result from the ANOVA statistics in Table 3 indicates that the processed data, which is the population parameters, had a significance level of 0.000 which shows that the data is ideal for making a conclusion on the population’s parameter as the value of significance (p-value) is less than 5%. This

implies that strategic competency, conceptual competency and opportunity competency significantly affect the performance of SMEs in Makurdi Metropolis, Benue State. The significance value was less than 0.05 which indicates that the model was statistically significant ($F = 27.596; P = .000$).

Regression Coefficient

Table 4: Regression

	Unstandardized		Standardized			
	B	Std. Error	Beta	t	Sig.	Tolerance VIF
(Constant)	1.430		.319	4.490	.000	
Strategic Competency	.201		.060	.234	3.330	.000 .425 2.350

Conceptual	.303	.062	.326	5.077	.000	.331	3.023
Competency							
Opportunity	.155	.075	.145	2.080	.039	.573	1.746
Competency							

Dependent Variable: Performance of SMEs

Source: Field Survey, 2019.

The analysis of the data collected from the respondents revealed that strategic competencies have significant effect on the performance of SMEs Benue State. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as $P\text{-value } 0.000 < \alpha = 0.05$.

This result corroborates previous findings by Bird [13] Baum et al [31] Colombo and Grilli (2005) whose study showed that strategic competencies are associated with birth, survival and venture's growth. Lerner and Almor [32] also found that strategic competencies result into venture performance, profitability and its growth. A study by Mitchelmore and Rowley [9] also emphasized the impact of strategic competencies on performance of organizations.

The result of the analysis also revealed that conceptual competencies have significant effect on the performance of SMEs in Benue State. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as $P\text{-value } 0.000 < \alpha = 0.05$.

This result was in agreement with Bird [13] who asserted that conceptual competency of entrepreneurs contributes to venture outcomes. Chandler and Jansen [16] in their study found that entrepreneur's conceptual competencies were related with venture performance. Freel [33] also found significant relationship between conceptual competencies and firm performance.

The analysis of the data collected from the respondents revealed that opportunity competencies have significant effect on the performance of SMEs in Benue State. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.039) was lower than the significance level. This can be statistically given as $P\text{-value } 0.039 < \alpha = 0.05$.

This result is in line with Man et al [5] who indicated ten areas of opportunities competencies of entrepreneurs which are innovative, learning, opportunity, analytical, human, relationship, and commitment, strategic, operational and personal competencies. Bendary and Minyawu [7] averred that opportunity competencies are vital to understand the changes that result from venture's growth.

Conclusion

Findings of the study indicated that entrepreneurial competencies are important for the performance of small and medium scale enterprises in Benue State, Nigeria. The study further indicated that the success of SMEs is achieved because of the appropriate management decisions (e.g. flexibility and ability to adapt quickly to changes, strategic planning, ability to seize opportunities (e.g. in new markets or products and a proactive approach to drive the business forward).

The study concludes that strategic competencies significantly improve the success of SMEs. The study also concludes that conceptual competencies are prevalent among SMEs which enable owners to manage to survive and compete with large firms in their locality. Finally, the study concludes that opportunity competencies lead to business success of the SMEs.

Recommendations

Based on Findings of the Study, the Following Recommendations Are Made

Owners/managers of the SMEs in Benue State should strive hard to make use of the policies concerning the SMEs development by collaborating with the government and other stake holders whenever possible especially in education and training which are essential for success of any business. Owners/managers of SMEs in Benue State should strive to gain ability to gather and control resources, increase motivation to the staff so that the SMEs can work productively and efficiently.

Priority should be to train staff so that they can be able to cope with the challenges which hinder business success. SMEs owners/managers in Benue State should make use of opportunities around them such as government support policies and

programmes. Special financial services aimed at small businesses should be promoted or introduced. These services should be easy to obtain and maintain financial support needs to be targeted according to businesses' needs and potential [34-36].

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