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Entrepreneurial Competencies and Entrepreneurial Mindset as Determinants of Small and Medium Scale Enterprises Performance in Nigeria

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Keywords: entrepreneurial competencies, entrepreneurial mindset, small and medium scale enterprises (SMES).

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Entrepreneurial Competencies and Entrepreneurial Mindset as Determinants of Small and Medium Scale Enterprises Performance in Nigeria

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Keywords: entrepreneurial competencies, entrepreneurial mindset, small and medium scale enterprises (SMES).

I. Introduction

Entrepreneurship is globally recognized to play a vital role in the economic development of any country which results to economic growth, employment generation, wealth creation, income redistribution, poverty reduction and sustainable development (CBN, 2004; NISER, 2004). Research studies on entrepreneurship have shifted focus on small and medium scale enterprises because of the critical role they play in local, national and global economies. Entrepreneurship is a dynamic, developing part of any economy and many experts have predicted substantial growth in entrepreneurial businesses in the twenty-first century. Small and medium scale enterprises are engines of growth and, they have impact in both developed and developing countries. In developed countries such as USA, Australia, China, small businesses have contributed tremendously to the growth and development of their economies, especially regarding employment, contribution to GDP and export. In the United States of America (USA) for instance, small business is a seen as a means for the enhanced economic opportunity, innovation, and growth. For developing economies, small businesses have become the bedrock of development, for instance, in the Middle East and Asian regions. In Iran, the small and medium scale businesses sector contributes more than 62% of industrial output and more than 75% of total employment. Similarly, in Israel, small and medium businesses accounted for 97% of Israel's enterprises in 1996, employing some 50% of the country's workforce (United Nations, 2011).

In Nigeria, SMEs are believed to be the engine of growth because they form a bulk of business activities (Kpelai, 2009). The performance of SMEs is appraise by their contribution to Gross Domestic Product (GDP), employment generation, enhanced rural development, better utilization of indigenous resources, industrial outputs and exports. The considerable low capital outlay required for setting up small businesses compel them to convert minimal resources into productive ventures. It is a common knowledge that Nigeria has abundant natural resources and if private initiatives are encouraged to harness these resources, Nigeria stands the chance of becoming Africa's largest economy and one among the twenty industrialized countries by the year 2020. SMEs primarily carry the entrepreneurial thrust by reforming or revolutionizing the pattern of production, by exploiting an invention, or more generally, an untried technological possibility for manufacture of a new commodity or producing an old one in a new way. The dynamic competition among

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these entrepreneurial businesses, primarily regarding industrial innovation, forms the basis for sustained economic growth (Kpelai, 2009). The vibrancy of this small business sub-sector is a vital part of any economy because small businesses bring about new ideas, opportunities, wealth creation and new job opportunities that propel sustained growth.

However, for many decades, the post-independence Nigeria languished in a captive economic system surreptitiously designed to feed the economies of industrialized western nations. The dependence on petroleum for over decades with little or no improvements in the socio-economic position of the country indicates that it failed to discover its ultimate catalyst for development which is the entrepreneurship magic (Ottih, 2014). Greater emphasis is thus placed on entrepreneurship today to enhance national development and expand employment opportunities. Unlike the developed countries of the world, many developing countries in Africa see the development of entrepreneurship as the only way of achieving industrialization and economic growth. Many of these countries are therefore making serious efforts to ensure the development of indigenous entrepreneurs. While such hurdles such as shortage of capital, low technology base, poor entrepreneurship culture, pitiable infrastructural facilities, and the lack of supportive political and legal institutions and the absence of a strong agricultural support are delaying quicker economic improvement, small and medium scale entrepreneurships are being successfully developed in varying degrees (Ottih, 2014).

Entrepreneurship refers to the process of starting; owning and managing a new venture or improving on an existing product(s) or service(s) that creates value. To create value involves recognition of viable venture opportunities, coordinating human, financial and material resources necessary to bring a business venture to fruition (Kpelai, 2009). Entrepreneurship refers in this study as the process of identifying gaps in the market or recognizing viable venture opportunities by mobilizing financial resources and human resources such as skills, initiatives, and competencies to create a new venture or improve on an existing one to derive personal satisfaction, financial rewards and independence. Entrepreneurship is associates with risk-taking and innovation which results to wealth creation. The need to acquire appropriate skills and competencies in identifying business opportunities and effectively managing new or existing ventures is deemed necessary for entrepreneurs.

Tellingly, the government alone cannot provide the means of production and labor for the teeming youths which necessitates the need for entrepreneurship education which will enable unemployed youths to acquire relevant skills for establishing or managing small businesses. Acquisition of competencies and dexterity enables entrepreneurs to develop capabilities in effectively managing their enterprises and identify business opportunities to reduce the rate of unemployment. Etuk, Etuk, and Baghebo (2014) indicate that the success of SMEs depends essentially on entrepreneurial skills. SME operators must possess the capacity to manage and acquire indispensable talent of planning, organizing, coordinating, leadership and communication. Creative and innovative abilities are gotten through work experience in other enterprises or technical and managerial training schemes. This study considers entrepreneurial competencies and entrepreneurial mindset as indispensable to the success of SMEs in Nigeria. Entrepreneurial competencies are skills, values, and attitudes that are well-thought-out necessary for the success of small and medium scale businesses.

Entrepreneurial mindset refers to a specific state of mind which orientates human conduct towards entrepreneurial activities and outcomes. Entrepreneurial mindset enables entrepreneurs to perceive opportunities and use existing resources in new ways by organizing and implementing the exploitation of these opportunities. Entrepreneurship education seeks to prepare people to be responsible, enterprising individuals who have the attitudes, skills, and knowledge necessary to achieve the goals they set for themselves to live a fulfilled life. The entrepreneurship key competence is a composition of an entrepreneurial attitude, entrepreneurial skills and knowledge of entrepreneurship. Nwachukwu (1990) states that entrepreneurship harnesses the interests and innate potential of individuals, prevents wastes of human resources and serves as an alternative in the absence of job opportunities. Steinhoff and Burgess (1993) pointed out that it takes special skills and attitudes to succeed as an entrepreneur hence the need for competencies in entrepreneurship. Competency is needed to sharpen the ideas, thoughts, and capabilities of entrepreneurs who facilitate efficient and effective management and improved services.

According to Section 1 of the Nigerian Policy on Education (FGN, 2004), for education to be relevant, practical acquisition of appropriate skills and development of competencies are required for the individual to live and contribute to the development of his society. Admittedly, graduates need competencies to exercise their talents and be able to transform their education into entrepreneurship ventures. In support of this, Man, Lau, and Snape (2008) averred that mere possession of individual resources might not guarantee performance, but the use of assets as well as being competent to perform one's job is crucial for entrepreneurs. According to Adegbite and Abereijo (2014), SMEs operate in an environment where owners

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are also the managers of the ventures and the performance of the firm lie heavily on the owners' capital and their competencies. They added that entrepreneurs must be equipped with the relevant abilities to carry out various entrepreneurial roles. These abilities, or proficiencies, are needed to help entrepreneurs overcome business challenges. Despite the availability of external support, for entrepreneurial ventures to perform, entrepreneurs need to be equipped with abilities and resources first, and any assistance sought would serve as a secondary help to enhance performance.

II. Statement of the Problem

In most developing countries including Nigeria, due to the high rate of unemployment, the level of poverty has increased resulting to a poor standard of living. Most unemployed graduates depend on the government for 'white collar' jobs and this results to cases of youth restiveness and crimes. It is therefore clear that government alone cannot provide the needed jobs for the increasing population of unemployed youths hence the need for self-employment (entrepreneurship). The increased interests in entrepreneurship education by the government, non-governmental organizations and corporate bodies substantiate the germaneness of entrepreneurship in not only creating wealth for entrepreneurs but sustained socio-economic development. The flexible nature of small businesses allows them to move quickly, develop and adopt new products, services, and technologies, create and enter new markets. Entrepreneurship education focuses on the development of skills or attributes that enable the realization of business opportunities.

Several entrepreneurship development programmes like Industrial Development Centres, National Directorate of Employment, Work for Yourself, YOUWIN, among others have been carried out to increase the supply of entrepreneurs and equip them with the entrepreneurial skills in Nigeria; regrettably, the number of business start-ups and venture performance is in abysmal which necessitates this study. Previous studies have indicated that why some businesses in Nigeria stagnate or perform below expectation, others are remarkably doing well because of entrepreneurship training and programmes (Etuk *et al.,* 2014; Adegbite & Abereijo, 2014). In spite of the lack of robust statistics, studies of business failure in Nigeria have indicated that more new businesses in Nigeria fail than succeed (Nwachukwu, 1983:39; Kpelai, 2009). The objective of this study is to examine the effect of entrepreneurial competencies and an entrepreneurial mindset as the determinant of SMEs performance in Nigeria. To achieve this objective, the study intends to answer the following research questions: What is the effect of entrepreneurial competencies on the performance of SMEs in Nigeria? What is the relationship between entrepreneurial mindset and the growth of SMEs in Nigeria? Accordingly, the paper is divided as follows: Section two focuses on literature review, section three discusses the methodology employed in the study while part four is results and discussion and a conclusion, recommendations, and suggestions for further research in the last segment.

III. Objectives of the Study

The broad aim of this study is to assess entrepreneurial competencies and entrepreneurial mindset as determinants of SMEs performance in Nigeria. Specifically, the study seeks to:

i. Examine the effect of entrepreneurial competencies on the performance of SMEs in Nigeria.
ii. Determine the role of entrepreneurial mindset on the growth of SMEs in Nigeria.

a) Research Hypotheses

i. There is no significant effect of entrepreneurial competencies on the performance of SMEs in Nigeria.
ii. There is no significant effect of entrepreneurial mindset on the performance of SMEs in Nigeria.

IV. Literature Review

Entrepreneurs operate in an environment where competencies, skills and the ability to recognize opportunities that need to improve their performance. The performance of small and medium scale enterprises is thus contingent on entrepreneurial competencies and entrepreneurial mindset. An entrepreneur according to Kpelai (2009) is an investor group of investors that identify opportunity, gather the necessary resources, create a new or improve on an existing business venture to satisfy some needs in an economy. Entrepreneurs perceive opportunities and use existing resources in new ways by organizing, implementing the exploitation of these opportunities. The entrepreneur is one who is naturally innovative. He is not satisfied with mediocrity or with muddling through tasks and activities. He has desire for achievement. He is bold, venturesome and risks-taking, and not conforming, conservative or routine. Since innovation is of utmost importance to the entrepreneur and his venture, it is necessary to provide him with strategies for advancing the cause of creativity.

a) Small and Medium Scale Enterprises Performance

There is no consensus among researchers and scholars regarding the meaning of small or medium scale business. Small-scale businesses have been viewed differently according to their size and industry in different countries. The small business is an establishment with the total capital of over N1.5 million

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but not more than N50 million excluding the cost of land and a labor size of between 10 and 100 workers (National Council of Industries, 2012:13). According to NCI (2003), the medium-scale industry has a total cost (including working capital but excluding the rate of land) above N50 million but not exceeding N200 million, with a labor size of between 101 and 300 workers. SMEEIS (2005) defines a small and medium enterprise as an enterprise with a maximum assets base of five hundred million nairas (N500m) (excluding land and working capital), and with no lower or upper limit of staff. The contradictions in the definition of SMEs as given by NCI and SMEEIS point to the different interpretations of what SMEs are too diverse schemes.

Organizational performance according to Ricardo and Wade (2001) comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). Mahapatra (2010) succinctly defines organizational performance as the ability of an organization to fulfill its mission through sound management, strong governance and a persistent rededication to achieving results. Most organizations consider financial results as the most effective measure of performance. However, there are other measures of performance such as customer satisfaction/dissatisfaction, customer retention/behavior, product and service quality, waste, flexibility, organizational capabilities and, yield/productivity. For this study, sales growth and innovativeness are measures of SMEs performance.

b) Entrepreneurial competencies and SMEs performance

Entrepreneurial competencies implicitly presume that entrepreneurs are different from non-entrepreneurs regarding the competencies they possess. Entrepreneurial competencies refers to knowledge, skills, and, attitudes that affect the willingness and ability to perform the entrepreneurial job of new value creation (Lackéus & Wiliams, 2015). Skills and attributes of entrepreneurs are known as entrepreneur competencies. Entrepreneurial competencies also entails underlying characteristics such as generic and specific knowledge, motives, traits, self-images, social roles and skills that result in venture birth, survival, and growth (Bird, 1995). According to Man, Lau and Chan (2002) entrepreneurial competencies refers to higher-level characteristics encompassing personality traits, skills, and knowledge, which can be seen as the totality of the entrepreneur to perform a job successfully. Man et al. (2002) categorized entrepreneurial competencies into six to include; opportunity competencies, strategic competencies, relationship competencies, commitment competencies, and conceptual competencies. The relationship between entrepreneurial capabilities and firm performance has been reported in empirical studies (Xiang, 2009; Man et al. 2008). In support of this, Man et al. (2002) assert that entrepreneurial competencies play momentous role in determining firm performance.

A study by Chadler and Jansen (1992) showed that the founder's self-assessed entrepreneurial competencies are positively related to firm growth. Madatta (2011) assessed the role of entrepreneurial skills on the success of the SMEs in Tanzania. The study examined the extent to which entrepreneurial competence influenced business success in SMEs. The population of the study comprised of 60 SMEs, 30 from each municipality. Findings of the research showed that business or entrepreneurial failures are mostly a result of the inadequacy of financial resources. The study concluded that one of the serious impediments to the success of SMEs is the limited capacity of people who start and operate the businesses, regarding the attitudes, motivation, exposure, skills, and experiences. The study, therefore, recommended that education and training are crucial to SMEs since they play a big role in the success of the business. Tehseen and Ramayah (2015) adopted the resource-based view of competencies (RBV) to explain the relationship between entrepreneurial competencies and SMEs business success in Malaysia. The study revealed that entrepreneurial competencies alone are not enough to ensure the survival and success of businesses. Also, 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.

Abdullahi and Kaplan (2017) examined the effect of entrepreneurial competencies and entrepreneur's demographic and personal characteristics on business performance among initial stage entrepreneurs. It also explored that the main challenges encountered by the women entrepreneurs involved in Small business in Somalia. The study adopted extensive relevant literature reviews on the studied variables and drawing conclusions based on the conducted reviews. The reviewed studies showed that entrepreneurial characteristics and entrepreneurial competencies are positively related to overall business performance. A work by Mohamad and Sidek (2013) also showed that entrepreneurial capabilities mediate the relationship between the growth of microfinance and small businesses. They identified entrepreneurial proficiencies such as lifestyle improvement, expansion of the business facility, adoption of better technology and the problem-solving capability which are used to improve the successful performance outcomes of small and medium enterprises. Also, the training and the development program has helped to attain the growth of the business. Mohamad and Sidek (2013) added that

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essential characteristics such as generic, motivation, problem-solving and decision-making skill and knowledge have positive effect on the survival of the small and medium business. They concluded that entrepreneurial competencies had played an effectual role in the growth of the micro and medium business.

Correspondingly, Tehseen and Ramayah (2015) also indicated that entrepreneurial competencies are related to the performance of venture and sustainable competitive advantage. They identified valuable skill, knowledge, and the ability to take the risk, birth, and survival as some of the factors which relates with the entrepreneurial competencies. These competencies also have produced the successful performance of the small and medium business. The study also revealed that opportunity, learning, commitment, operational and personal skills have both the direct and the indirect influence on the performance of small and medium enterprises while ethical, conceptual, and strategic capacities enhance the business success of micro and medium enterprises. Sarwoko *et al.* (2013) conducted a study on entrepreneurial characteristics as determinant of business performance in small and medium enterprises. Result of their work indicates that entrepreneurial capabilities have improved the successful growth of firms.

Another study by Lazar and Paul (2015) on the effect of entrepreneurial competencies on a business enterprise showed that entrepreneurial competencies have positive effect on expansion of the firm and the competitiveness. Relatedly, Sanchez (2012) indicated that entrepreneurial competencies are positively related to the performance of the firm. The author explained that entrepreneurial competencies had played an essential task in organizational competence and expansion of small-scale and medium enterprises.

c) Entrepreneurial Mindset and SMEs Performance

An entrepreneurial mindset is process through which entrepreneurs passionately seek new opportunities and how to execute them well. Developing an entrepreneurial mindset is so crucial for any business to succeed. Entrepreneurial mindset refers to a specific state of mind which orientates human conduct towards entrepreneurial activities and outcomes. Individuals with entrepreneurial mindsets often create opportunities, innovation and new value creation (Johnson, 2009). Characteristics include the ability to take calculated risks and accept the realities of change and uncertainty. Every entrepreneurial venture, no matter how big or small is crucial for the entrepreneur. And even if the resources are inadequate, the most vital element for success has the right mindset. Having a negative mindset, therefore, leads to the failure of a business. Entrepreneurship education is essential because the training increases learners' awareness of how helpful it might be to adopt such a mindset (McGrath & Macmillan, 2000; Israel & Johnmark, 2014).

Entrepreneurial mindsets, generic attribute and skills are the foundations of entrepreneurship that can be complemented by imparting more specific knowledge about business according to the level and type of education (Serena *et al*. 2015). Namusonge et al., (2016) explain that higher level of education increase the likelihood of becoming self-employed, education appears to be an endogenous variable regarding the decision to become independent. The literature reviewed has identified the dimensions of an entrepreneurial mindset to include innovation, creativity, business alertness, and risk-taking. Apart from the entrepreneur's natural disposition to creativity and innovation, the entrance into, and winning in, business venturing requires novelty through new products, new processes, and new methods of doing things (Ottih, 2014). An entrepreneurial mindset allows individuals to take advantage of signals in the environment that represent an opportunity. This way of thinking helps entrepreneurs to use their curiosity to make connections that create value.

A study by Wu (2009) highlighted that creativity as another dimension of entrepreneurial mindset is very important for the success and performance of SMEs. Similarly, Tanveer *et al.* (2001) in trying to examine the importance of entrepreneurial qualities amongst small business owners and non-business owners also found creativity to be one of the fundamental distinguishing characteristics. Encouraging creativity is, therefore, a strategic choice that firms should take into consideration since creativity creates a significant contribution to organizational performance. Business alertness is an essential factor influencing the way opportunities are recognized and exploited by entrepreneurs. The entrepreneurs' motives, beliefs, and behavior ultimately dictate whether an entrepreneur is highly alert or not. This entrepreneurial capability is essential for success since it creates a culture of proactiveness, quick response to business environmental changes, creates a competitive advantage and enables entrepreneurs to develop strategic recompense (Marnix, 2006). Amabile (1996) also asserts that entrepreneurs are alert to business opportunities existing in markets because of their skills to interpret and exploit market information and this leads to overall business performance.

Several studies have established a significant relationship between entrepreneurial mindset and firm performance in different countries. A research carried out by Njeru (2012) on the effect of entrepreneurial mindset on the performance of small manufacturers in Nairobi Industrial Area examined the impact of innovativeness, business alertness, and creativity on the performance business enterprises. Findings of the study revealed that business alertness, innovativeness and

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creativity significantly affect business performance. In another related study, Pihie and Sani (2009) examined the effect of entrepreneurial mindset on students in Malaysia. Results of the study revealed that the entrepreneurial directed approach had broadened students' entrepreneurial understanding. Also, students were able to develop the entrepreneurial skills and behavior required for their studies through an entrepreneurial mindset.

However, an exploratory study carried out by Ngek (2012) on entrepreneurial mindset in fostering small and medium enterprises (SMEs) success in South Africa revealed that the level of entrepreneurial mindset was low in South Africa and lack of an entrepreneurial mindset contributes to the high failure rate of SMEs. Findings by Susilo (2014) in Indonesia also revealed a significant relationship between business performance dimensions and entrepreneurial mindset. In assessing the predictors of university student's entrepreneurial mindset in Malaysia, Pihie and Arivayagan (2016) established that University students had a moderate level of an entrepreneurial mindset and discovered that the level of self-entrepreneurial competencies was overall average level. The findings also found out a high correlation between self-entrepreneurial capabilities with an entrepreneurial mindset. The study further revealed that risk propensity, creativity, planning, and financial literacy were the significant predictors for university student's entrepreneurial mindset.

V. Research Methods

The study adopted a survey research design to examine the effect of entrepreneurial competencies and entrepreneurial mindset on the performance of SMEs in Nigeria. The use of survey design enabled the researcher to make use of a questionnaire for data collection. The study covers SMEs in Benue State that duly register with the Benue State Ministry of Trade, Industry, and Investment and Benue Chamber of Commerce, Industries, Mines and Agriculture (BECCIMA, 2018). Statistics obtained from them shows that there are 1,250 SMEs in Benue State and this constitutes the population of the study. A sample of 300 which formed the participants of the study was determined using the Taro Yamane (1967) formula. A close-ended questionnaire was designed using a five-point Likert scale with five representing strongly agree, four indicating agree, three indicating undecided, two indicating disagree, and lastly one showing strongly disagree. A total of 300 copies of the questionnaire were distributed to the owner/managers of SMEs, and they were completed and returned by the respondents. Two research assistants assisted in the distribution and collection of the instrument administered to the participants. The use of assistants help to ensure that the instrument distributed was correctly answered and returned on time. A pilot study was carried out on 50 owners of SMEs in Makurdi metropolis, Benue State to ensure validity and reliability of the measurement instrument. Cronbach Alpha is considered most appropriate in measuring the reliability of the instrument with the questionnaire using Likert Scale. Entrepreneurial competencies and entrepreneurial mindset were measured using five questions each while performance of SMEs has seven questions. The result of the pilot test showed that all items on the questionnaire were reliable with overall Cronbach Alpha greater than 0.70. A Cronbach Alpha of 0.70 and above in any research work is consistent. The result of the reliability test for the variables was as follows: entrepreneurial competencies (0.827), entrepreneurial mindset (0.869) and SMEs Performance (0.842).

VI. Results and Discussion

The results of the model summary as presented in Table 4.1 shows that it has an R^2 value of .446, which implies that, 44.6 % of the variation in the dependent variable is explained by the independent variables while 55.4 % is explained by other variables outside the model. The result indicates that the model is a strong predictor. The R-value of .668 shows that there is a strong positive correlation between the dependent variable (SMEs performance) and the set of independent variables.

Table 4.1: Model Summary

Model	R	R Square	Adj. R Square	Std. Error of	Durbin-the Estimate	Watson
1		.668[a]	.446	.433	.54666	1. 859

Source: Field Survey, 2018.

a. *Predictors: (Constant), Entrepreneurial Mindset, Entrepreneurial Competencies*

b. *Dependent variable: SMEs Performance*

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The significance value as presented in Table 4.2 is .000 which is less than 0.05. Thus the model is statistically significant in predicting the effect of the independent variables (Entrepreneurial Competencies and Entrepreneurial Mindset) on the dependent variable (SMEs Performance). The F critical at 5 % level of significance was 32.518. This result reveals that the independent variables affect SMEs performance in Benue State, Nigeria.

Table 4.2: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	29.153	2	9.718	32.518	.000[b]
Residual	36.159	297	.299		
Total	65.312	299			

Source: Field Survey, 2018.

a. *Dependent Variable: SMEs Performance*

b. *Predictors: (Constant), Entrepreneurial Mindset, Entrepreneurial Competencies*

The regression coefficient in Table 4.3 indicates the result of the variables as follows: entrepreneurial competencies (t= 7.797, p=.000 < .05); entrepreneurial competencies (t= 2.044, p = .023 <.05). The result showed that an increase in entrepreneurial competencies by one unit would lead to a 52.7 % increase in SMEs performance while an increase in entrepreneurial mindset will affect SMEs performance by 16.3 %. Based on the analysis of the result entrepreneurial competencies has a more significant effect on the performance of SMEs in Benue State, Nigeria.

Table 4.3: Regression Model

	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta	t	Sig.	Decision
(Constant)	.082	.267	.309	.000		
Entrepreneurial Competencies	.527	.068	.577	7.797	.000	Rejected
Entrepreneurial Mindset	.163	.080	.155	2.044	.023	Rejected

Source: Field Survey, 2018.

a. *Dependent Variable: SMEs Performance*

a) Hypotheses Testing

Using the standard error test, which states that *if the standard error of the* b_i is less than half of b_i, we should reject the null hypothesis and vice versa, we thus reject the null hypotheses. That is we accept that the estimate b_i is statistically significant at the 5% level of significance. Regression was used to test the hypothesis at 5 % level of significance, and the p-value (0.000) was lower than the significance level 0.05. This can be statistically given as P-value 0.000 < α = 0.05. Therefore the null hypothesis was rejected, and the alternate hypothesis accepted. This result shows that entrepreneurial competencies have a significant effect on the performance of SMEs in Benue State, Nigeria. Also, regression was used to test hypothesis two, at 5 % level of significance, and the p-value (0.023) was lower than the significance level 0.05. This can be statistically given as P-value 0.023 < α = 0.05. Therefore the null hypothesis was rejected, and the alternate hypothesis accepted. This finding implies that an entrepreneurial mindset has a significant effect on the performance of SMEs in Benue State, Nigeria hence the null hypothesis was rejected.

b) Discussion of Findings

The result of the analysis on the first objective indicated that there is a positive effect of entrepreneurial competencies on the performance of SMEs in Benue State, Nigeria. This result is in line with Man *et al*. (2002) who agreed that entrepreneurial skills play a decisive role in determining firm performance. Chadler and Jansen (1992) in their work also found entrepreneurial competencies to be correlated to firm growth. Similar findings were agreed by Tehseen and Ramayah (2015) who asserted that entrepreneurial proficiencies have a significant effect on SMEs success.

The second objective revealed that entrepreneurial mindset has a positive impact on the performance of SMEs in Benue State, Nigeria. This

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finding corroborates previous results which established the significant effect of entrepreneurial mindset on performance of SMEs in different countries. Njeru (2012) in a study on the role of entrepreneurial mindset on the performance of small manufacturers in Nairobi Industrial Area argued that business alertness, innovativeness, and creativity significantly affect business performance. Ngek (2012) agreed that the entrepreneurial mindset contributes to the high failure rate of most SMEs in South Africa. Findings by Susilo (2014) also showed a significant relationship between business performance dimensions and entrepreneurial mindset.

VII. Conclusion and Recommendations

Entrepreneurial competencies and Entrepreneurial mindset have continuously played a considerable role in the enhancement of businesses. Findings of the study established that entrepreneurial competencies and an entrepreneurial mindset are major predictors of SMEs performance. The study concludes that entrepreneurs that develop skills in carrying out businesses can improve their performance. The study also avers that entrepreneurial mindset enables entrepreneurs to identify business opportunities thereby expanding their growth. Given the findings and conclusion drawn, the study recommends that the government and non-governmental organizations should provide support to business owners so that they can make use of available opportunities around them. SMEs owners should make use of opportunities around them such as government support policies and programmes to improve their performance. 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. Business owners and intending entrepreneurs should develop the ability to effectively manage their businesses by continuously making use of available opportunities. Further studies should investigate the role of government and educational institutions in promoting an entrepreneurial mindset in developing countries.

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