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EXAMINING THE RELATIONSHIP BETWEEN
ENTREPRENEURIAL COMPETENCIES AND
SMALL AND MEDIUM SCALE ENTERPRISE
Performance in Zamfara State

**EXAMINING THE RELATIONSHIP BETWEEN ENTREPRENEURIAL
COMPETENCIES AND SMALL AND MEDIUM SCALE ENTERPRISE
PERFORMANCE IN ZAMFARA STATE**

BY

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**BEING A PROJECT SUBMITTED TO THE DEPARTMENT BUSINESS
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BACHELOR OF SCIENCE DEGREE (B.Sc.) BUSINESS ADMINISTRATION.**

OCTOBER 2019

DECLARATION

I GRACE MOSES declare that the work in this dissertation entitled "Examining the Relationship between Entrepreneurial Competencies and Small and Medium Scale Enterprise Performance in Zamfara State" has been performed by me in the Department of Business Administration. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this dissertation was previously presented for another degree or diploma in this or any other Institution.

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CERTIFICATION


This dissertation entitled "EXAMINING THE RELATIONSHIP BETWEEN ENTREPRENEURIAL COMPETENCIES IN SMALL AND MEDIUM SCALE ENTERPRISES PERFORMANCE IN ZAMFARA STATE" by GRACE MOSES meets the regulations governing the Award of the Bachelor Science Degree of Business Administration of Federal University Gusau Zamfara State and approved for its contribution to knowledge and literary presentation.

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DEDICATION

This work is dedicated to the Almighty God, who is my maker, my sustainer and my protector for his Grace upon me all through my studies.

ACKNOWLEDGEMENT

All praise and Thanksgiving goes to the Almighty God who has been my helper, my strength and my shield throughout my stay in the University, nothing of such could have been possible without him always been there for me., May His Name be praise forever.

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ABSTRACT

The growth and development of small and medium enterprises have been a focus for policy makers and researchers in the developed and developing countries. One major issue that has been inhibiting the ability to assist this important sector to achieve higher performance is lack of competencies on the part of the entrepreneurs. This study therefore investigates the effect of entrepreneurial competencies on the performance of small and medium scale enterprises in Zamfara state. Survey research design was employed in the study which is cross sectional in nature. Primary data was collected through a self-administered questionnaire issued to the respondents using stratified and simple random sampling technique. The data was collected from a sample of 174 out of a population of 201 owner managers in Zamfara state. Descriptive statistics were used to analyze the data collected for the study with the aid of Statistical Package for Social Science. The findings revealed that entrepreneurial skills and entrepreneurial characteristics have significant positive effect on the performance of SMEs in the state. It was also found that entrepreneurial motives have insignificant effect on the performance of SMEs. The study recommended a need for combined efforts between governments at all levels and NGOs towards not only funding but also initiating management training and development programs for the entrepreneurs in order to enable them acquire necessary skills, enhance and appreciate their inborn personalities and abilities.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Overview

The contributions of Small and Medium Enterprises (SMEs) to economic growth and development of nations have been widely acknowledged and well documented by researchers and policy makers globally (Kalpande, Gupta & Dandekar, 2010; Shastri, Tripathi, & Ali, 2011; Martey et al., 2013). Countries all over the world constituting the developed and developing ones have moved away from the former approach to economic growth and development which focuses on Large Scale Enterprises (LSEs) to SMEs which are considered as contributing higher to their economic wellbeing.

According to the National Enterprise Development Program (NEDEP) Release 1.0 in 2011, SMEs contribute 40-55% of the world's Gross Domestic Product (GDP) and 50-80% of the world's employment. Sanni (2009) argued that SMEs are the best scale of businesses for developing economies. Nigeria, being among the developing countries had also change its focus in the last three decades as successive governments have shown much interest in enhancing the development and growth of SMEs. Perhaps since the adoption of the Structural Adjustment Program (SAP) in 1986, there has been a shift from the former capital intensive method which was based on LSEs to SMEs which are labor intensive, rely heavily on local raw materials and require small capital for operation. The SAP enabled the sector to be a key focus in the country which in turn resulted in the rising profile of increased number of SMEs largely due to the favorable policies it had developed. Thus, the ability to manage small business provides a useful and reliable economic foundation for a nation.

However, the shift of emphasis was as a result of the realization that, prior to the adoption of SAP, economic development strategies aimed at attracting LSEs were either not successful or successful only at great cost. Therefore, creating a conducive environment for SMEs will enhance their job creation role and may produce more jobs than trying to lure one or two LSEs. The hope is that small enterprises may grow into medium and eventually large enterprises, which may spawn perhaps hundreds of jobs and become industry leaders of tomorrow. NEDEP (2011) revealed that SMEs in Nigeria provides 75% of the total employment which is higher than the global average of 50%. It also shows that there are over 17 million SMEs in Nigeria employing over 30 million people. This is supported by Terungwa (2012) who posited that SMEs form most part of the business activities in developing countries because they are labor intensive, rely heavily on the use of local materials and require small capital to operate when compared to LSEs. Cognisance of the enormous roles SMEs play in the economy, successive governments have adopted different mechanisms aimed at entrenching the sector into the main stream of the Nigerian Economy. The government had accorded and gave priority to them through the introduction of different policies, incentives, subsidies, programs and agencies aimed at providing a favorable environment for businesses to flourish. Some of these establishments include: National Economic Reconstruction Fund (NERFUND) in 1990, National Poverty Eradication Programme (NAPEP) in 1996, Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) in 2003, Micro Finance Institutions (MFI) in 2005 and Small and Medium Industries Equity Investment Scheme (SMIEIS) in 2006.

Given the fact that micro enterprises constitute 99.87% of the total SMEs operating in the country; this explains that SMEs in Nigeria are characterized by low performance and therefore are unable to grow from one scale of business to another (SMEDAN, 2012). Also, in an international

conference on SMEs, Oyelaran (2010) posited that SMEs contribute approximately 1% of the country's GDP compared to 40% in Asia and 50% in the USA. This implies that there are some forces behind their low performance in Nigeria. According to Fatoki (2011), problems encountered by small businesses are numerous and can be described among others as being environmental, financial or managerial. In a study on why businesses fail, West and Wood (1972) found out that 90% of all business failure result from lack of entrepreneurial expertise. Charles and Babatunde (2012) also identified incompetence as the most fundamental factor causing poor performance of SMEs.

The effective utilization of the substantial financial resources provided under the schemes might have been constrained by such factors as lack of entrepreneurial competencies. Van der Laan, Driessen and Zwart (2010) asserted that the most important asset of a business is a competent manager. They developed an instrument called Entrepreneurial Scan (E-Scan) which will be used to measure entrepreneurial competence. They argued that an examination of the competencies of an entrepreneur should focus on four components, thus; wanting, being, capable to and knowledge. Wanting component refers to the motives behind engaging in entrepreneurship. Being is the attributes or characteristics possessed by an entrepreneur.

Capable refers to the capability of the entrepreneur and knowledge is the entrepreneur's educational level and experience. E-Scan was found to be reliable and valid and of great value to entrepreneurs.

Entrepreneurial Competencies can be defined as the combination of the owner managers' identifiable characteristics, skills and motives that are vital in managing a business.

Entrepreneurial Characteristics are the psychological attributes that an entrepreneur can be identified with and are vital to the management of a business.

Entrepreneurial Skills means knowledge in practice. It refers to the practical application of knowledge in performing managerial function.

Entrepreneurial motives are the inner force that drives an entrepreneur to engage in entrepreneurship and accomplish his goal.

Given the myriad of challenges faced by SMEs, the benefits of having a competent entrepreneur cannot be overemphasized. Ogechukwu (2011) posits that SMEs success largely depend on a competent entrepreneur. The question here is thus, can improvement in entrepreneurial competencies leads to higher performance of SMEs in zamfara state ?

1.2 Statement of the Problem

Given the fact that SMEs constitute majority of businesses operating in the country, their low performance call for this research to be undertaken. Oyelaran (2010) posited that SMEs contribute approximately 1% of the country's GDP compared to 40% in Asia and 50% in the USA. Previous studies on issues, challenges and prospects of SMEs such as Charles and Babatunde (2012) and Agwu, (2014) identified in competencies among entrepreneurs as the major cause of low performance of SMEs. While the performance of SMEs has been an area of policy and academic debate, (Talík, Laguna, Wawrzenczyk-kulik, Talík, & Wiacek, 2012) argued that studies on competencies largely focused on large organizations while less attention has been given to SMEs. In spite of the fact that entrepreneurial competencies were generally assumed to be positively related to SMEs performance, there are some evidences that this assumption is not always true. Previous studies aimed at establishing the direction of relationship between competencies and performance reported inconsistent results.

While (Julius, 2011; Fatoki, 2014) reported positive relationship, (Oo, 2007; Sanda, 2011) reported negative relationship. For example, Sanda (2011) found that despite high competence level exhibited by executives of small businesses, it appeared not to have positive impact on their performance. What conclusion can therefore be drawn from these inconsistencies? In line with the inconsistencies, Mitchelmore and Rowley (2010) in a literature review on entrepreneurial competencies suggested the need for further rigorous research on the relationship between entrepreneurial competencies and entrepreneurial performance and business success. Thus, this study focuses on clearly investigating the effect of entrepreneurial competencies on the performance of SMEs.

Again, previous researches on entrepreneurial competencies and performance concentrate on only two broad issues; entrepreneurial skills (Cooney, 2013; Kinyua, 2014) and entrepreneurial characteristics (Ogunleye, 2012; Sarkowa, 2013) while little attention has been given to entrepreneurial motives and its effect on performance. Only two studies attempted testing this relationship include; Waita (2013) in Kenya looked at the relationship between entrepreneurial motivation of his employees and how that affect business performance and Liebrechts (2013) in Netherlands looked at how entrepreneurial motives affect business performance through some mediating factors, while no available literature was found to have test a direct relationship between entrepreneurial motives and SMEs performance. This therefore calls for a research to clearly investigate a direct relationship between the variables.

Although, Van der Laan, Driessen and Zwart (2010) developed an entrepreneurial competency tool which comprises of entrepreneurial motives, capabilities, knowledge and characteristics, they have not in any way determine the predictive validity of the factors. Therefore, they suggested a study that will empirically test the extent to which the factors predict business success. They also

suggested that other factors need to be considered to assess their prediction on business success. One study on entrepreneurial motives by Robichaud, Cachon and Haq (2010) conducted across Mexico, Canada and U.S.A established that the degree of motivation exhibited as well as the linkages to business performance appears to vary across country context. Thus, this study intends to examine the relationship between entrepreneurial competencies and SME's performance, test the effect of entrepreneurial motives, characteristics and skills on the IIs on the performance of SMEs in Nigeria.

1.3. Objective of the Study

Generally, the research seeks to examine the relationship between entrepreneurship competencies between and small and medium scale enterprise on the performance of SMEs in Zamfara State. Specifically, the study is designed to achieve the following objectives:

- I. To determine the effect of entrepreneurial skills on the performance of SMEs in Zamfara State.
- II. To determine the influence of entrepreneurial characteristics on the performance of SMEs in Zamfara State.
- III. To determine the influence of entrepreneurial motives on the performance of SMEs in Zamfara State.
- IV. To examine the relationship between entrepreneurial competencies and small and medium scale enterprise in Nigeria.

1.4 Research Questions

- i. To what extent do entrepreneurial skills influence the performance of SMEs in Zamfara State?
- ii. To what extent does an entrepreneurial characteristic influence the performance of SMEs in Zamfara State?
- iii. To what extent does an entrepreneurial motive influence the performance of SMEs in Zamfara State?

1.5 Statement of Hypotheses

The following research hypotheses have been formulated for the purpose of validation during the course of this study;

- H01:** Entrepreneurial characteristics have no significant influence on the performance of SMEs in Zamfara State.
- H02:** Entrepreneurial characteristics have no significant influence on the performance of SMEs in Zamfara State.
- H03:** Entrepreneurial training have no significant influence on the performance of SMEs in Zamfara State.

1.6 Scope of the Study

The study covered SMEs in Zamfara state as at the year 2019. They consist of businesses across different sectors including; manufacturing, distribution, wholesale, retail and service. The state was chosen because of its high concentration of SMEs, The choice of this SMEs group was

necessitated by the fact that they are well organized and registered, they have full time employees and they can provide the researcher with adequate information required for this study.

The independent variables of the study are Entrepreneurial motives, Entrepreneurial skills and Entrepreneurial characteristics. While the dependent variable is SMEs performance assured by customer satisfaction, growth in sales and growth in profit within the last 3years .

1.7 Significance of the Study

Countries all over the world have realized the enormous contribution of SMEs to their economic wellbeing, and are therefore establishing different schemes to support their growth and development. Given the low performance and the premature death of SMEs in Zamfara state, the study brings to the fore the relationship between entrepreneur competencies and small and medium scale enterprise entrepreneurial in the state.

The findings of this research will be of benefits to the individual owners/managers of SMEs who may lay their hands on this work. It will clarify the extent of the effect entrepreneurial competencies have on their business performance. Thus, encourage the managers/entrepreneurs to acquire the necessary competencies for proper management and better performance.

The study will also be beneficial to the zamfara state government that is aimed at making the state a better place for businesses. Through the explanation on the level of SMEs performance predicted by entrepreneurial competencies, it will guide them in restructuring their pattern and level of supports given to SMEs operating in the state.

The study will also be beneficial to federal government bodies such as CBN, SMEDAN, BOI and BOA who are in charge of the formulation and the implementation of federal government policies regarding SMEs. It explains to them the level of SMEs problem that is as a result of entrepreneurial

competencies so as to determine the level and pattern of their support when it comes to policy formulation and implementation. Thus, it guides them on the formulation of policies on SMEs.

This study will also serve as a guide to international agencies such as United Nations Industrial Development Organisation (UNIDO), United Kingdom Department for International Development (DFID), Organisation for Economic Co-operation and Development (OECD), World Bank and other agencies that are known for providing financial support to SMEs as part of their efforts towards seeing that the world is a better place. It will be made clear to them the relevance of capacity development training rather than focusing on only financing.

1.8 Limitations of the Study

Every research work must have its short comings; this research work however is not an exemption.

In the course of this research work the following limitations were observed:

Firstly, the findings of this research cannot be generalized to a large context among all SMEs because; this study could not capture all the SMEs in Zamfara State as intended. Specifically, only 200 SMEs registered with zamfara state SMEDAN office were captured in this study due to the fact that there is no available data on the total number of SMEs in the state. However, small sample size is known to yield statistical results that are less widely general sable to other groups (McCall, Land & Parker 2010).

Secondly, the cross sectional design adopted in the study suggest that the interpretation of the result is limited to a group examine at the point in time of the research. Hence, a longitudinal design for measuring dependent and independent variables at different times over an extended period of time would have been more revealing as it allows for the drawing of conclusions about the causality of the relationship which is difficult under a cross sectional study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews various conceptual, empirical and theoretical literatures in this study. Also, the chapter explains the causes of business failure, the types of competency and the challenges of business success in SME's.

2.1 Conceptual Framework of entrepreneurship

Entrepreneurship has become widely recognised as a key driver of the market economy (van Burg & Romme, 2014:369), involving the bringing about of new economic, social, institutional or cultural environments through individuals or groups (Rindova, Barry & Ketchen, 2009:477). It is therefore understandable that the nature of entrepreneurship research and the emergence of entrepreneurship as a legitimate academic pursuit attract the interest of scholars (Busenitz, West, Shepherd, Nelson, Chandler & Zacharakis, 2003:286). However, van Burg and Romme (2014:369) argue that although several attempts toward developing a coherent entrepreneurship "research paradigm" have been made, the entrepreneurship research landscape is still largely paradigmatically fragmented. Inevitably, it causes pervasive perplexity and frustration among entrepreneurship researchers regarding the lack of convergence toward a single paradigm and definitional clarity. Oosthuizen (2015:284) petitioned for transdisciplinarity as a more appropriate approach of inquiry for understanding processes and interactions involved in entrepreneurship activity, and that the dynamic, non-linear dynamics within these systems can be more effectively understood by applying ecological and complexity theories.

In terms of recent developments in the field, Gartner, Stam, Thompson and Verdujin (2016:813) state that studies emphasizing the significance of a *practice perspective* within entrepreneurship research is on the rise. An example indicative of the growth of Entrepreneurship as Practice (EaP) research is the virtual community of 106 members with an official website (www.entrepreneurshipaspractice.com) that aims to build a community of likeminded scholars that employ practice theories to further advance entrepreneurship studies.

Johannisson (2011:158) and Watson (2013:404) also convincingly make a case for entrepreneurship research to decode the process of entreprenuring by drawing on *social practice theory*. Gartner et al (2016:813) are further of the view that practice theory is “gaining popularity as a valid means to understand how people do things on an individual level, a collective level and the actions that navigate the space in between these two.” By integrating practice theory into entrepreneurship studies, the influential ‘who’ and ‘what’ questions could further be enhanced to address the largely unresolved questions of ‘how’, ‘where’ and ‘why’ questions in entrepreneurship (Gartner et al., 2016:814).

2.2 Empirical review of literature

The concept of competence has become increasingly important in entrepreneurship education (Hornsby & Kuratko, 2014). Entrepreneurial competencies identification and development are important tools of human resource management targeted at achieving the strategic goals of the organization. As entrepreneurs and managers share similar roles and tasks in organizations, particularly in small businesses, therefore, researchers in the entrepreneurship field now borrow the concept and related theory of competency from the management literature (Kochadai, 2012).

As a result of this, the competency approach has now become a popular means of studying entrepreneurship.

Spencer and Spencer (1993) define entrepreneurial competency as an underlying characteristic of an individual that is casually related to effective and/or superior performance in a job or situation.

Kaur and Bains (2013) similarly defined it as the individual characteristics of a person who undertakes risk for gaining profit in the business venture.

Underlying characteristic means the competency is a fairly deep and enduring part of a person's personality and can predict behavior in a wide variety of situations and job tasks. For these researchers, competencies are seen as internal personality traits residing in an individual. That is, someone has an inborn trait that makes him likely to be more competent than others who do not possess such traits. Other researchers view entrepreneurial competencies as constituting more than just personality traits but have to be shown in the entrepreneur's behavior while managing his business.

In the light of this, Martina, Hana and Jiří (2012) defined entrepreneurial competencies as a set of specific knowledge, abilities, skills, traits, motives, attitudes and values essential for the personal development and successful participation of each person in an organization.

Rezaei-Zadeh, Hogan, O'Reilly, Cleary and Murphy (2014) defined it as the abilities of the person that enable him/her to demonstrate the appropriate entrepreneurial behavior including: identifying opportunities, start-up and maintenance of business. Sanda (2011) also refers to it as specific behavior and characteristics of a person that result in effective or superior performance.

The Hay group cited in Julius (2011) developed a model identifying six components of entrepreneurial competencies including; skills: what people can do well. Knowledge: refers to what people know. Social roles: is the image an individual displays in public. Self-image: implies

what people think about themselves. Traits: enduring characteristics of people. Motives: unconscious thoughts and preferences.

Van der Laan, Driessen and Zwart (2010) while developing an instrument called Escan used in measuring entrepreneurial competencies, compressed the components into four including; capabilities, knowledge, motives and characteristics. Although, the factors were found to be important, reliable and valid, the study did not determine the predictive validity i.e. it has not empirically test whether the factors predict business success.

From the preceding review, it is worth deducing that entrepreneurial competencies generally comprises of those that are deep rooted in a person's background (including entrepreneurial characteristics, traits, and personality), those that serve as unconscious thought of the entrepreneur (motives) and those that are acquired at work through training (knowledge, experience and skills). For the purpose of this work, Van der Laan, Driessen and Zwart (2010) model is adapted where capabilities and knowledge where merged to mean skills, while motives and characteristics continue to exist. The argument is that since the task of an entrepreneur is to ensure the survival of his business, he/she needs to be driven by some motivations, possess some characteristics and acquires some skills. Internally driven motives come from within and form the internal drives for someone to start a business of their own.

Characteristics consist of psychological traits that shape the thought of an entrepreneur. Finally, the capabilities and knowledge forms the skills as used in this study. Skills are defined as the practical application of knowledge while managing a business. This is because it provides one of the most comprehensive explanations of what constitutes entrepreneurial competencies.

2.2.1

Entrepreneurial Skills

Entrepreneurial skills are needed by managers for the development and running of their businesses (Papulová, 2007). It has been defined by Reza, Javadin, Amin, Tehrani and Ramezani (2010) as specialized technical knowledge that entrepreneurs should possess in order to perform their roles and these skills are acquired through learning and experience.

Fizel and Itri (2014) identified 4 skills needed in Nigerian Firms, namely: Individual, Supervisory, line management and strategic skills. This view looks at large organizations having different levels of management where a manager at each level is expected to possess a specific skill. Nurach, Thawesaengskulthai and Chandrachai (2012) also conducted a survey of some selected SMEs in Thailand and measured skills in terms of: leadership; ability to portray good behavior. Functional skills; refers to the ability to perform different managerial roles. Stakeholder management skills: ability to satisfy business stakeholders such as banks, customers, suppliers, etc.

Team selection and team development: ability to manage cross-geographical employees.

Communication: writing and listening abilities. Decision-making and problem-solving skills: ability to make good decision and solve problems that are deem to occur while running the business. Managing cross-geographical team members is highlighted which might be irrelevant as SMEs involve small number of employees who are largely from the same geographical location.

Stoner, Greg and Manz (1995) in a study on Education and training of managers through educational policies and curricular content that emphasized practical business expertise such as; technical, engineering, accounting and finance, marketing and human resource management. This categorization of skills contributes to providing potential entrepreneurs with the needed practical managerial knowledge and skills necessary to perform the required task.

Lowden (1988) in his study titled "managerial skills for the entrepreneur" came up with four areas an entrepreneur needs to develop in order to be a strong and successful manager; they include planning, organizing, leading and controlling. He concludes that an entrepreneur needs to have the following skills; planning skills; deals with establishing goals and ways of achieving it, organizing skills; arranging work and people to accomplish set objectives, controlling skills; making sure that performance conform with plans and leading skills; encouraging the human factor in performance. Khang, (2012) considered the four identified skills above and added motivating to his model, making it 5 components model.

Based on the above review, we can conclude that much taxonomy of managerial skills are ambiguous to be useful, others cover similar skills but different terms were used to describe them and there is no absolute set of skills. The study therefore adopted the Lowden classification of skills as they are more relevant to entrepreneurs who are largely their business managers.

2.2.2 Entrepreneurial Characteristics

Entrepreneurial characteristics of the owner-manager popularly known as an entrepreneur play a very important role in ensuring the success of the business (Rajah & Takan, 2005). Islam, Khan, Obaidullah and Alam (2011) added that it makes them different from ordinary people. Many different types of people are drawn to entrepreneurship and a wide variety of talents, aptitudes, and personal traits help contribute to an entrepreneurial spirit, personality, and vision (eOkafor, Fagbemi, & Hassan, 2010).

The attitude, mindset, passion and character that define the successful entrepreneur are sometimes hard to pinpoint, specify or sum up in a profile. But Luisa (2006) contends that it is always easy to recognize in an individual or spot in action within the business arena. Thus, Thandeka (2008)

established that the closer the match between the individuals' personal characteristics and the required characteristics of being an entrepreneur, the more successful the individual will be.

However, after examining the personality of the entrepreneur, Dingee, Haslett and Smollen (1970) suggested traits like: drive and energy level; ability to work for long hours. Self-confidence; implies a belief in yourself and your ability to achieve set goals.

Setting challenging but realistic goals, long term involvement: imply having a high sense of commitment and dedication. Risk taking; taking calculated and moderate risk. Persistent problem solving: having an intense and determined desire to solve problems towards the completion of tasks, and learning from failure; understanding your role in a failure and preventing future occurrence.

Joseph, (2010) identified; need achievement; the tendency to choose and persist in an activity, locus of control; success or failure results from people's behaviour and self-efficacy; ability to cope, perform and be successful. Driessen and Zwart (2000) looked at social orientation; good at developing and maintaining contacts.

Self-efficacy; implies accepting responsibility for success or failure. Endurance; refers to perseverance in good and bad times. Creativity; refers to the ability to recognize opportunities and flexibility; ability to adapt to changing circumstances as the most important characteristics that define a successful entrepreneur.

From the preceding review, we can deduce three traits that have frequently appeared in the literature include; self-efficacy, risk taking and locus of control.

2.2.3 Entrepreneurial Motives

A business can neither start nor succeed without motivation Sharman (2008). Van der Laan, Driessen and Zwart (2010) while emphasizing the importance of entrepreneurial motives argue

that a skilled and capable entrepreneur is not likely to succeed if he lacks self-motivation. Wagner and Ziltener (2008) posited that an individual will choose to become self-employed if the expected life-time utility from self-employment is greater than the life-time utility from dependent employment.

Segal, Borgia and Schoeifeid (2005) studied the motivation to become an entrepreneur on a sample of 114 undergraduate students in Florida, Gulf coast /University. They established that entrepreneurial motives are classified into push and pull motivators. They argued that individuals are pushed into entrepreneurship by negative external forces such as unemployment and job dissatisfaction. They also contend that individuals are attracted to entrepreneurial activities from their search for independence, self-fulfillment among others. They finally established that individuals become successful entrepreneurs primarily due to pull factors rather than push factors. Similarly, Liebrechts (2013) classified entrepreneurial motives into two; opportunity driven and necessity driven. He considers opportunity driven entrepreneurs as those who start a new venture in order to exploit a unique business opportunity while necessity driven entrepreneurs start a firm because it is their best available option.

Similarly, Krishna (2013) in a study on entrepreneurial motivation established that individuals are motivated into entrepreneurship by their ambition or other compelling factors. Entrepreneurs ambition include desire to be independent, to create employment opportunities, etc., while compelling factors include; unemployment, dissatisfaction with previous employment, etc. It is understood from the studies that opportunity driven entrepreneurs are influenced by pull factors while necessity driven entrepreneurs are influenced by push factors. Morales-Gualdrón, Gutiérrez-Gracia and Dobón (2009) in their study identified need for independence, need for achievement

and desire for wealth as the motive behind entrepreneurship. Rao, Joshi and Nadu (2013) though agreed with them on desire for independence, added four other factors,

Thus; Desire for independence; refers to the desire to become one's own boss, family support, dissatisfaction with previous employment, education, and dream desire. Van der Laan, Driessen and Zwart (2010) Suggested need for achievement; implies desire to perform at best. Need for power; implies desire to control other people and need for autonomy; desire to be independent as the internally driven motives leading to entrepreneurship.

Baumol cited in Wagner and Ziltener (2008) identified need for power, need for prestige and desire for wealth as the motive behind entrepreneurship. Woldie, Leighton and Adesua (2008) argue that the desire to be independent, self-fulfillment, financial and employment creation are the primary motives for entrepreneurship.

Generally, opportunity driven motives were largely used in the above studies reviewed. Need for power, need for achievement and need for independence are entrepreneurial motives that frequently appeared in the literatures and thus, they will be used in this study.

2.3 Theoretical Framework

Three theories have been used in previous studies including; Resource Based theory and Human Capital theory. The theories explain the study variables, thus; entrepreneurial skills, entrepreneurial characteristics and entrepreneurial motives and then looked at their effect on business performance.

2.3.1 Resource Based Theory

The resource based theory was developed by Penrose in 1959. It seeks to explain why firm performance differs within industries. The main argument of this theory is that sustainable

competitive advantage stems from a firm's possession of heterogeneous and immobile resources that are valuable, rare and inimitable. It therefore postulates that, differences in firm performance within an industry are as a result of the firms specific resources that cannot be easily imitated by its competitors. The idea of competitive advantage is based on measuring the level of a firm's success relative to its competitors.

Previous studies that used this theory include Conner (1991), who found that the greater the linkage of an input to the firm's existing asset base (degree of an input's specificity), the greater the input's rent potential to that firm. Tripsas (1997) also shows that, when incumbents experience a technological disadvantage in the face of competence-destroying technological change, the extent to which that disadvantage translates into a commercial disadvantage depends upon the other assets possessed by established firms. Spanos and Lioukas (2001) confirmed this view by suggesting that industry and firm specific effects are both important but explain different dimensions of performance. According to their results, industry forces influence market performance and profitability while firm assets influence profitability via market performance (the direct influence of firm assets on profitability is weak and insignificant). Coff (1999) proposed that resource-based view has a bargaining power model to predict when rents will be generated and who will appropriate them.

However, mere possession of firm specific resources does not guarantee competitive advantage. For a firm to perform successfully, it has to first identify firm's specific resources and then develop strategies on how to manage the resources properly. This is supported by Brady, Dale, Iles, Cliffs and Hall (2007) who argued that resources alone are not likely to produce a sustainable competitive advantage, rather resources must be managed appropriately in order to produce value. Hence, effective management of resources obliged the entrepreneur to be self-motivated, possess the

appropriate skills in managerial functions and the required characteristics. It is therefore argued that the firm's ability to perform and grow successfully depends upon the entrepreneurial motives, skills and characteristics which will enable the firm to manage its available resources effectively and efficiently. In the case of SMEs, the entrepreneur is expected to be an agent for the management and to do that the entrepreneur needs the relevant motives, skills and characteristics.

2.3.2 Human Capital Theory

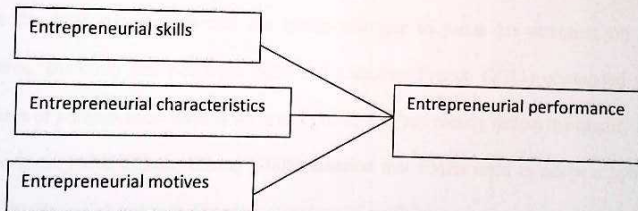
Human capital theory was originally developed by Becker in 1964 to estimate employees' income distribution from their investments in human capital. Becker defines human capital as skills and knowledge that individuals acquire through investments in schooling, on-the-job training, and other types of experiences. It comprises the stock of knowledge and skills that reside within individuals. Specifically, it includes the unique insights, skills, cognitive characteristics and aptitudes of entrepreneurs. It also includes achieved attributes, accumulated work and habits that may have a positive or negative effect on productivity. It represents a resource that is heterogeneously distributed across individuals and is thus, central to understanding differences in opportunity identification and exploitation. Researchers have employed a large spectrum of variables signifying human capital such as formal education, training, employment experience, start-up experience, owner experience, parent's background, skills, knowledge among others.

Walsh (1935) argued that the more advanced the education the more profitable it is, and hence the motive for undertaking it is economic gain. Thus, abilities acquired through professional education closely resemble conventional capital. Moreover, there is a widely held belief that new ways of organizing production are also putting a premium on education (Rodrigues and Lopes, 1997). It is argued that the capacity for a critical number of enterprises in a given country to create a more efficient work

Organization is strongly influenced by education (OECD, 1992). The theory suggests that individuals with more or higher human capital achieve higher performance when executing tasks. The theory maintains that knowledge provides individuals with increase in their cognitive abilities, leading to more productive and efficient potential activity. Therefore, if profitable opportunities for new economic activity exist, individuals with more or higher quality human capital should be better at perceiving them. Once engaged in the entrepreneurial process, such individuals should also have superior ability in successfully exploiting opportunities.

The Human Capital theory is adopted for the study because the study is aimed at determining the effect of entrepreneurial skills, entrepreneurial characteristics and entrepreneurial motives on SMEs performance. Thus, from the theory viewpoint, individuals with more or higher human capital achieve higher performance when executing tasks. Entrepreneurial skills, motives and characteristics are therefore the human capitals that are needed for better business performance.

2.3.4 Proposed research model



The above framework shows how this study differs from the above studies, in that they only considered some aspects of two of its variables (entrepreneurial skills and characteristics) and none

of them looked at entrepreneurial motives. Therefore, this study is designed to fill this literature gap.

2.4 SMEs Performance

Performance measurement help an entrepreneur understand, manage and improve his business activities (Pirich, Knuckey, & Campbell, 2001).

Four different approaches are basically used by researchers in measuring performance namely; goal approach, system resource approach, stakeholders approach and competitive value approach.

Phihlela (2012) posited that while the stakeholders and competitive approach looks at meeting the needs and expectations of the external stakeholders, the goal and system approach focus on meeting the internally-set targets. However, the goal approach is best used when dealing with small businesses due to its simplicity and understandability (Sanda, 2011) and targets are set internally based on the owner-managers interest and capability (Taticchi, Botarelli, & Cagnazzo, 2008).

While the goal approach directs the owner-manager to focus his attention on the financial measures, Buckling and Sengupta cited in Leitão and Franco (2011) contended that financial measures of performance, such as sales and profit, may not clearly reflect the quality of the SMEs' performance. Nevertheless, Chong (2008) asserted that SMEs need to adopt a hybrid approach where the financial and non-financial measures of performance are used against a predetermined goal and time frame. Therefore, combination of these two measures help the owners-managers gain a wider perspective on measuring and comparing their performance in particular, the extent of effectiveness and efficiency in utilizing the resources, competitiveness and readiness to face the growing internal and external pressure.

However, Chong (2008) suggested non-financial measures like increase in the number of employees, growth in market share and customer satisfaction as good indices for measuring SME performance. Kutinisa cited in Anonymous (2011) opined that profit making, business survival and expansion are the goal of a business. While Ehinomen and Adeleke (2012) suggested performance measurement in terms of increase in profit, branches and employees. Julius (2011) and Jamiya (2010) in their studies on SMEs used changes in sales, profit and assets to measure performance. Appolot (2012) used sales growth, profitability, return on investment and market share as measures of SMEs performance. This explains that most studies on SMEs have used 3 or more performance measurement indices, thus combining the financial and non-financial measures. Given the fact that the availability of financial data concerning these performance indicators in small business settings is limited, relying on the financial measure can be misleading despite its objectivity.

This has however led to the hybridization of these performance indices in most of the studies reviewed above. Therefore, two financial and one non-financial measure are used in this study based on the manager's perception of growth in sales, growth in profit and customer satisfaction.

2.5 Entrepreneurial Competencies and SMEs Performance

Shahadat (2006) in a study on the problems of financing and managing small businesses in Bangladesh found that lack of competent managers and employees negatively affect business performance.

Another study by Charles and Babatunde (2012) on the topic "the evaluation of the challenges and prospects of SMEs in Lagos, Nigeria" found that lack of managerial competence hamper the

efficient performance of SMEs. Agwu (2014) on a similar topic conducted in Port-Harcourt also identified incompetence among managers as the biggest challenge facing SMEs.

Li (2009) conducted a research among the business owners and the managers aimed at investigating whether entrepreneurs generally possess high level of competencies than non-entrepreneurs and whether they can be discriminated based on their entrepreneurial competency level. After employing discriminant analysis, He found that business owners generally possess higher entrepreneurial competencies than the managers. It was also established that the business owners and managers can be discriminated based on their entrepreneurial competency level.

Other studies that established a relationship between entrepreneurial competence and performance include; Sanchez (2011), who investigated the influence of entrepreneurial competencies on the performance of small businesses in Spain. Innovation, quality assurance, and cost effectiveness competencies were used. He found that entrepreneurial competencies play an influential role in organizational capability and competitive scope and has a direct effect on firm performance. This study had a limited scope because it focuses on only newly established businesses within the service sector.

Talik, Laguna, Wawrzenczyk-kulik, Talik, and Wiacek (2012) on the topic "the competencies of managers and business success" demographic variable served as mediators between competencies and business success of SMEs. Focusing on 5 European countries, the findings revealed that general competencies (organizing and opportunity recognition) affect SMEs performance not directly but through more specific managerial competencies including (industry and technical). Subjective measures were used to ascertain a business success by comparing its performance with two leading competitors in the market. This may be difficult because making comparison largely

depends on objective measure rather than subjective ones. This will prevent sentiments and bias in making the comparison.

Julius (2011) examined the relationship between managerial competencies and SMEs performance in Masindi and Hoima district. Competencies components include skills, knowledge and experience. Using a cross sectional design, primary data was collected. Through self-administered questionnaires. The results of a multiple regression analysis revealed a positive and strong relationship between managerial competencies and performance of SMEs. The study adopted only the financial measures of performance on the basis of profitability and sales growth, adding some non-financial measures would have provided a better performance measurement.

Fatoki (2014) studied the impact of managerial competencies on the performance of immigrant owned enterprises in South Africa. Owners' knowledge of the industry, managerial experience, and start-up experience were used as determinants of competencies.

Primary data was collected through Questionnaire administration while data was analysed using descriptive and chi-square test of independence. The study findings revealed a strong relationship between managerial competencies and small business performance.

Sanda (2011) investigated the competence challenges of executives of small firms and non-performance in the Ghanaian Industrial environment. Competencies such as communication, relationship, financial, human resource and strategic planning were considered for the study. The result shows that executives of small firms in Ghana possess the competencies and behaviour to enhance their performance. But despite their exhibition of competence and organizational behaviour attributes, they appear not to have positive impact on their performance towards making the firm more competitive. 100 SMEs were surveyed which is too small to represent the whole population of Ghana SMEs. Oo (2007) also investigated the relationship between entrepreneurial

competencies and performance of SMEs in Kyaing Tong area of Myanmar, using Questionnaire method to collect data and Pearson correlation coefficient tool to analyze it.

Organizing, opportunity, relationship, conceptual, strategic and commitment competencies were found to have negative impact on SMEs performance. Urban centres where businesses are more pronounced were neglected in the study as the study concentrated on rural areas. The study also limited its respondents to only the service sector neglecting other important sectors.

Based on the previous review on entrepreneurial competencies and SMEs performance, it can be deduced that most of the studies used entrepreneurial skills as determinants for competence while entrepreneurial characteristics and motives were neglected. There is also inconsistency in the finding from the studies; while most of them showed positive impact on performance, others indicated negative impact. Again, none of the studies also consider entrepreneurial motives as components that make up entrepreneurial competencies. This study considers entrepreneurial skills, entrepreneurial characteristics and entrepreneurial motives as the most important components an entrepreneur needs to possess in order to be competent.

2.5.1 Entrepreneurial Skills and SMEs Performance

Cooney (2013) while analyzing entrepreneurial skills for growth oriented business found that entrepreneurial skills are critically important for business growth. Macheke (2012) also conducted an analysis of entrepreneurial and business skills and training needs in SMEs plastic manufacturing industry in South Africa. Skills studied included; financial, legal, communication, strategy among others. After collecting data from 74 respondents, the result revealed a strong relationship between training in entrepreneurial skills and success of an organization. The respondents are too small to represent the entire manufacturing SMEs in the whole of South Africa. Kinyua (2014) investigated the factors affecting the performance of Small businesses in Limuru town market in Kenya

Tijjani (2012) examined the impact of technical entrepreneurial skills on employment generation in Nigerian SMEs. Data was collected from 37 SMEs owners through a self-administered questionnaire and sample t-test and simple regression were used for analysis.

The findings revealed that improvement in technical entrepreneurial skills generates higher employment in SMEs. The sample of the study is too small to be a representative of Lagos state SMEs.

The major limitations of the above studies reviewed attempting to find the relationship between of entrepreneurial skills and SMEs performance is that most of them used very small sample and restricted to a particular business activity. This study will cut across all sectors including services, manufacturing, and distribution, wholesale and retailing.

2.5.2 Entrepreneurial Characteristics and SMEs performance

Woldie, Leighton and Adesua (2008) in an analysis of the influence of five owner/managers characteristics and four firm characteristics on the growth of SMEs found that, SMEs growth is largely influenced by firm characteristics including age, sector, legal status and number of employees. Owner/ managers characteristics including age, education and prior experience were also found to influence growth of SMEs.

In South Africa, Machirori and Fatoki (2013) investigated the impact of entrepreneurial characteristics on networking of SMEs. Gender, age and educational level were used as measures of entrepreneurial characteristics. Using a self-administered questionnaire to collect primary data, descriptive and regression analysis were employed to analyse such data. They found that some entrepreneurial characteristics impact positively on networking of SMEs. Islam, Khan, Obaidullahi and Alam (2011) also examined the effect of entrepreneurial characteristics and firm characteristics on business success of SMEs in Bangladesh. Age, gender and educational

qualifications were used as measures of entrepreneurial characteristics. Data was collected using a self-administered questionnaire on the owners and employees of SMEs and the SPSS output revealed that only gender has significant effect on business success of SMEs. Different indices were used to measure success. However, the study failed to explicitly state the parameters for the measurement of success. Muzenda (2014) also investigated the effect of entrepreneurial attributes, firm characteristics and external factors on the performance of SMEs. The data was collected using structured questionnaire and analysed using regression. The findings revealed that entrepreneurial attributes, firm characteristics and external factors demonstrated significant association with SMEs performance. What is common among the studies above is that they all used background characteristics such as age, gender, education among others while other psychological characteristics like passion and risk taking were not considered.

Similarly, Sarwoko (2013) studied the influence of entrepreneurial characteristics on SMEs performance in Malaysia. Age, gender, religion and educational background were used as indices for entrepreneurial characteristics in the study. Data was collected from 147 SMEs owners in Malaysia and analysis was done using structural equation modeling. The result revealed that entrepreneurial characteristics significantly influence business performance. Just like the studies above, the study focused on only demographic variables. Another limitation to the study is that only financial performance measures were used in the study including profit, sales and capital growth. Another study by Abubakar (2014) examined the relationship between entrepreneurial characteristics of owner managers and the growth of SSBs from the year 2006 to 2010. Questionnaires and interviews were used to collect data from 200 SSBs owner managers and multiple regressions were used to analyse the data. He found that educational level, technical skills

and entrepreneurial experience have significant and positive influence on the growth of SSBs. The study restricted its focus on SSBs, meanwhile most of the existing businesses are micro.

Other studies that focused on the psychological characteristics of the entrepreneur though concentrates on the internationalization of SMEs include; Ogunleye (2012) who investigated the impact of psychological traits including self-efficacy, need for achievement and internal locus of control on performance of SMEs exporting firms in Nigeria. Data was collected from 123 firms and hypothesis was tested using descriptive statistics. The finding reveals a significant relationship between entrepreneurial psychological traits and performance of SMEs in Nigeria. Similarly, Adegbite (2006) studied the impact of entrepreneurial characteristics on the performance of manufacturing SMEs in Nigeria using data collected through questionnaire from 100 SMEs and analyzed using descriptive statistics and inferential statistics, the result showed that 7 out of the 10 entrepreneurial characteristics of the respondents made negative impact on financial performance.

Luisa (2006) analyse the role of managerial characteristics on choice and internationalization of SMEs. Manager's experience, level of education, language skills, risk taking and aggressiveness were used as indices for managerial characteristics. The result revealed that some personality traits of the manager affect the firm export intensity growth. The study focus on the food industry neglecting other vibrant sectors that are equally important to the economy.

Tagrafa and Akinb (2009) also studied the effect of entrepreneurial characteristics on enterprise ownership; data was collected from 213 SMEs in Kenya on characteristics such as risk taking, innovation and locus of control. The SPSS output revealed a negative relationship between enterprise ownership type and having entrepreneurial characteristics. In a similar study on women entrepreneurship, Rao, Joshi and Nadu (2013) analyzed the effect of entrepreneurial characteristics on the success of women fashion and apparel businesses. The data was collected using a self-

administered questionnaire, and the SPSS software output revealed that entrepreneurial characteristics like education, training and prior experience contribute to the success of SMEs operated by women.

What is common among the researches above is that most of them used demographic features to measure entrepreneurial characteristics and says little about other psychological characteristics. Therefore, the focus of this study is on psychological attributes of an entrepreneur, self-efficacy, risk taking and Locus of control.

2.5.3 Entrepreneurial Motives and SMEs performance

Shastri, Tripathi and Ali (2011) posited that motivation is one of the key factors affecting entrepreneurial performance. Robichaud, Cachon and Haq (2010) after administering Questionnaires on 750 small business owners across Canada, Mexico and U.S.A, established a positive relationship between entrepreneurial motives (including desire for independence, dissatisfaction with previous employment and dream desires) and the success of SMEs in the three countries. Perhaps more interestingly is that the degree of motivation exhibited as well as the linkages to business performance appears to systematically vary across country context. This implies that different results may be found in other countries if investigated.

In Kenya, Waita (2013) explored entrepreneurial motivational factors and Coffee SMEs performance in Kenya. Questionnaires were used to gather primary data and after the analysis, it was revealed that SMEs performance had suffered due to lack of internally driven motives from the entrepreneurs' side during the establishment of the business. Similarly, in a study of women entrepreneurship, Rao et al. (2013) observed that irrespective of the success level, most women entrepreneurs dream desire motivates them to start and operate an enterprise at their best.

Ogunleye (2012) appreciated the roles of achievement motivation and self-esteem in entrepreneurship, business and economic growth and development. He revealed that, given the necessary pre-condition for success, when one has no desire for accomplishment and success or when he/she lack self-esteem the individual will not succeed as an entrepreneur and his action will impinge on the economic growth and development of the nation. Only two motivational factors were considered in the study neglecting other equally important motivators.

In Malaysia, Raman and Jayasingam (2008) examined motivational factors that could possibly lead women to become successful entrepreneurs and perform well in business. 225 women entrepreneurs operating SMEs in trading, manufacturing and service sectors served as the study population. It was found that the urge to explore inner talents and desire to be creative play an important role in influencing women decision to become entrepreneurs. It was also found that motivation and demographic variables contribute significantly to the entrepreneurial intention.

Liebrechts (2013) investigated whether start-up motivation (necessity versus opportunity) affects entrepreneurial performance. Using a unique individual panel in Netherlands for three consecutive years (2009-2011), he found that start-up motivation has an isolated effect on entrepreneurial performance. He also found that necessity driven entrepreneurs perform higher in business than opportunity driven entrepreneurs. But the data set used in the study was unbalanced, because of dropping out of participating panelists and the sample had to be complemented with new respondents on an annual basis.

The study was restricted to solo-entrepreneurs i.e. those who do not employ the service of anybody in managing their business.

From the above review, it is worth deducing that there is a paucity of research in the area. It can also be concluded that an entrepreneur needs to have internally driven motives for establishing a

business in order to grow and become successful entrepreneur. In line with the argument of Gerry that pull factors contribute to the success of an entrepreneur, the study will focus on the pull factors in order to determine its effect on SMEs performance. Need for power, need for autonomy and need for achievement would be used for the study.

From the previous empirical reviews, it can be observed that literatures investigating the effect of the study variables on SMEs performance studied them separately in different studies. What is also obvious is that no study had covered Kaduna state. This study looks at entrepreneurial skills, entrepreneurial characteristics and entrepreneurial motives as components of entrepreneurial competencies and their combine effect measured on SMEs performance.

2.6 Concept of Small and Medium Enterprises (SMEs)

Besides the vast and growing literatures on SMEs, there seems to be no universal definition of the concept (Fatoki, 2011). In a global context, a general definition of SMEs using size and scale of operation is not easy, but within fixed co-ordinates of national boundaries, it might be relatively easier (Adebisi & Gbegi, 2013). Most researchers' and policy makers defined it on the basis of total investment, annual sales and number of employees (Kofi, 2014). Generally, the definition is based on either single criteria or a multiple criteria. In countries like the U.S.A, Britain and Canada, annual turnover and number of paid employees are used as the basis for classification. While India uses total investment, Netherlands, Ghana and Indonesia use number of employees as their criteria (Charles & Babatunde, 2012). For example, the government of Netherland defines SMĒs as all businesses employing less than 199 persons, while in Indonesia, SMEs are defined as all enterprises, households or cottages employing less than 200 full time workers (Obwori, 2012). The Indian ministry of SME cited in Shastri, Tripathi and Ali (2011) define SMEs in terms of either

manufacturing or services. In manufacturing, micro enterprises: those enterprises having a total investment of less than 251akh (2,500,000), small: Rs 251akh- Rs 5crore (2,500,000-50,000,000) and medium: Rs 5crore-10crore (50,000,000-100,000,000). In the service sector; micro: annual income of less than 101akh (1,000,000), small: Rs 101akh-2crore(1,000,000-20,000,000), and medium: Rs 2crore- Rs 5crore(20,000,000-50,000,000). According to the Regional Project for Enterprise Development (RPED) Ghana, Micro enterprises employ less than 5 employees, Small: 6-29 employees and medium: 30-99 employees (Okoh & Ping, 2000).

Just like other countries of the world, the definition of SMEs in Nigeria also varies from time to time and between agencies and institutions (Sanni, 2009). In an agreement signed by a committee comprising the Central Bank of Nigeria, Nigerian Industrial Development Bank (NIDB) and the National Council on Industry cited in Charles and Babatunde (2012), SMEs were defined based on the total capital employed (including working capital but excluding cost of land) and number of employees. Micro: having not more than N1, 500,000 and less than 10 workers, Small: N1, 500, 000-N50, 000, 000 and a labour size between 10-35 workers. Medium: N50, 000,000-N100, 000,000 and 35-100 workers. At the 13th Council meeting of the National Council on Industry held in July, 2001, SMEs were redefined by the Council as follows: micro enterprises as those with a labour size of not more than 10 workers, or total asset not more than N1, 500,000 including working capital but excluding cost of land, Small enterprises with a labour size of 11-100 workers or a working capital between N1,500,000-N50,000,000, including working capital but excluding cost of land. Medium Enterprises: with a labour size of between 101-300 workers or a total cost between N50,000,000- N200,000,000, including working capital but excluding cost of land (Adebisi & Gbegi, 2013).

SMEDAN (2012) also adopts dual criteria in defining SMEs in its collaborative study with National Bureau of Statistics. The study define micro enterprises as those employing less than 10 and having total assets of less than N5,000,000, small enterprises as those employing between 10-49 and total asset of N5,000,000-N50,000,000 and Medium Enterprises employing between 50-199 and a total asset of N50,000,000-N500,000,000.

The enterprise promotion decree of 1989 as amended in 1994 define SMEs as any enterprise set up to make the owner self-employed and self-reliant. Emphasis here was not placed on the number of employees or the amount of capital (NEDEP, 2011). Martey et al.,(2013) also had a similar view as they define SMEs as any business privately owned and operated with a small number of employees and relatively low volume of sales. The study was also not categorical on the number of employees or the amount of capital required.

Based on the preceding review, it is worth deducing that the Nigerian classifications of SMEs are basically in three dimensions i.e. in terms of capital employed or the number of employees or a combination of both. Since there is no uniformity in the various definitions, the study adopts the SMEDAN definition because of its regency. The employment criterion will be used in the study because it is readily available and relatively easy to get. More so, it is the most common criteria used in National SMEs worldwide (SMEDAN, 2012). Thus, any enterprise employing less than 10 workers will be considered micro, 10-49 workers is small and 50-199 workers is a medium enterprise.

2.7 Concept of Entrepreneurship

The concept of entrepreneurship is a multidimensional concept and defies universal definition. (Ogunleye, 2012) asserted that an exact definition of entrepreneurship has been rather elusive as

different scholars have defined the concept differently. This is largely because concepts and ownership structures keep changing in a dynamic environment and its meaning depends on the focus and the perspective of the person defining it (Orwa Bula, 2012). Li (2009) argued that entrepreneurship has been one of the most promising management research fields with the entrepreneur at the centre of entrepreneurship research. Johnson cited in Joseph (2010) added that one needs to know who an entrepreneur is in order to understand the concept of entrepreneurship. Long cited in Mokaya (2012) provided a historical account of the development and the use of the term entrepreneur. The root of the word can be traced as far back as 800 years, to the French verb *entreprendre*, meaning "to do something". The concept of entrepreneur first appeared in the text of Richard Cantillon in 1931 where he viewed an entrepreneur as one who exercises business engagements and combines production factors in the face of uncertainty. On the other hand, Marshal sees an entrepreneur as a pioneer of new paths and a superintendent who organizes factors of production. To Schumpeter, an entrepreneur is an innovator. He defined an entrepreneur as a creator of instability that changes the rule of competition in an industry. Peter Drucker advances by describing an entrepreneur as someone who actually searches for change, responds to it and exploits change as an opportunity. Adegbite cited in Joseph (2010) sees him as someone who identifies opportunities, gather necessary resources, creates and is ultimately responsible for the performance of the firm. Jean-Baptiste Say also had a managerial viewpoint. To him, an entrepreneur is a manager of a firm and an input in the production process. This is supported by Van der Laan, Driessen and Zwart (2010), who viewed an entrepreneur as someone who owns and runs a business on his own account and risk. Given the fact that the owners of SMEs are in most cases the managers, Says view will be adopted as it is more relevant to the study. Thus, an entrepreneur is identified as someone who independently owns and manages a business.

However, researchers have conceptualized entrepreneurship differently in their studies. Onuoha cited in Eroglu and Picak (2011) define entrepreneurship as the practice of starting new organizations or revitalizing matured organizations in response to identified opportunities. Timmons cited in Driessen and Zwart (2000) views it as the ability to build a 'founding team' to complement your own skills and talent. Van der Laan, Driessen and Zwart (2010) defined it as seeing and pursuing opportunities by having and running a privately owned company, as a result of which value is created for the individual and the community. Generally, entrepreneurship connotes the activities of an entrepreneur.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discussed the method the researcher followed in carrying out the study. It started by discussing the research design, then the population, sample size and sampling technique, sources and method of data collection, variable measurement, validity and reliability, data collection method, method of data analysis and lastly, justification of the method used.

3.2 Research Design

The study adopts a survey research design which is cross-sectional in nature. Primary data were collected from the population of the study using survey questionnaire. This type of research design is adopted because the information about the independent variables and dependent variable represents what is going on at only one point in time. Data were collected from the population of the study using survey questionnaire and analyzed to report the finding at a point in time. The questionnaire was divided into four sections and all the questions are in close ended form. The questionnaire was divided into four sections and all the questions were in close ended form.

Section A, asked questions on entrepreneurial skills; section B asked questions on entrepreneurial characteristics; section C was a set of questions on entrepreneurial motives and section D was a set of questions on SMEs performance. Level of agreement to the statements in section A, B and C indicated the level of entrepreneurial competence and the level of disagreement indicated the level of lack of entrepreneurial competence. While in section D, level of agreement to the statements indicated level of SMEs performance and level of disagreement indicated level of lack of SMEs performance.

3.3 Population of this Study

The population of the study consists of 201 SMEs owners-managers operating their businesses within Zamfara state as at August 2018 to October 2019 and are registered with SMEDAN. The list is obtained from the Zamfara state SMEDAN office. The choice of this group of SMEs is necessitated by the fact they are well organized with registered offices and are having full time employees. The businesses selected cut across different sectors including; manufacturing, services, wholesale, retail and distribution. This enables the findings to be more generalizable across different sectors than when the study concentrates on one sector.

3.4 Sample Size and Sampling Technique

The sample size of the study was determined using Yamane formula as follows:

$$n = N$$

$$1 + N(e)^2$$

Where: n= sample size, N= the population, e = level of significance

Thus, N = 201, e = 0.05 and n = ?

$$n = \frac{201}{1 + 201(0.05)^2}$$

$$1 + 201(0.05)^2$$

$$n = \frac{201}{1 + 0.5025}$$

$$n = \frac{201}{1.5025}$$

$$1.5025$$

$$n = 133.8$$

However, in order to take care of non-responses and incorrect filling or failure of some respondents to fill or return the questionnaire, 30% of the minimum sample provided in the formula was added as suggested by Israel (2013). Thus, 40 respondents were added to the computed sample size of 134 which gives the total of 174.

Stratified and simple random sampling technique was adopted to select businesses from the 3 senatorial zones of the state namely, South, Central and North. The questionnaire was distributed based on proportionate sampling procedure to arrive at a sample size for each senatorial zone.

3.5 Method of Data Collection

Primary data was used for the study in order to guide the researcher in making meaningful findings and conclusions. The study obtained the data through administering of questionnaire to registered owner-managers operating SMEs in the state.

Questionnaires were used to collect data for the study from SMEs within the 3 geopolitical zones in the state. The questionnaires were distributed to the respondents based on proportionate stratified sampling technique. Zamfara state was stratified into 3 senatorial zones i.e. the higher the number of SMEs in a zones, the higher the number of questionnaires allocated to it.

Table 5.0 Distribution of Questionnaires according to Senatorial Zones

SENATORIAL ZONES	NUMBE REGISTERED SMEs	OF	APPORTIONED QUESTIONNAIRES
ZAMFARA NORTH	22		19
ZAMFARA CENTRAL	164		142
ZAMFARA WEST	15		13
TOTAL	201		174

Source: Researchers computation

The table above shows how the questionnaires were proportionally distributed to the 3 senatorial zones. This is obtained by taking the numbers of registered SMEs in each zone multiply by the sample size of the study and divide by the total registered SMEs of the state.

3.6 METHODS OF DATA ANALYSIS

For the purpose of accuracy and clarity, each item in the questionnaire was subject to analysis for frequency distribution in the data is going to be used in chapter four. All data collected through questionnaire were coded using the likert scale which were expressed in simple percentage and tables for easy analysis and understanding of data. A total number of 108 questionnaires were administered and 80 questionnaires were filled and returned 28 were not properly filled.

The following criteria were used to measure respondents' responses:

Strongly Agreed (SA) = 5

Agreed (A) = 4

Neutral (N) = 3

Strongly Disagreed (SD) = 2

Disagreed (D) = 1

Total Number of Respondent × 100

Total Number of Sample Size 1

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter analyses the data collected from owner-managers of SMEs in Zamfara state. In order to achieve the main objective of this research which is to investigate the effect of entrepreneurial competencies on the performance of SMEs, entrepreneurial skills, entrepreneurial characteristics and entrepreneurial motives were used as independent variables against SMEs performance. The hypotheses will be tested and the findings will be explained.

4.2 Data Presentation and analysis

The total of 174 copies of questionnaires were distributed and 162 (93%) were retrieved. Data screening was carried out on 162 retrieved questionnaires, out of which 144 (83%) were found to be useful because they have been correctly filled. Thus, the analysis was based on 144 filled and returned questionnaires which represent 83% of the total questionnaires distributed, a response rate considered sufficient for statistical reliability and generalization (Tabachnick & Fidell, cited in Aminu, 2014).

Table 1: Summary of the Responses

Item	No of Copies	Percentage
No of Questionnaire Distributed	174	100
No of Returned Questionnaires	162	93
No. of Correctly Filled Questionnaires	144	83

Source: questionnaire administered 2019

Question 1: GENDER

Table 1: (Gender distribution table)

Sex	Frequency	Percentage
Male	124	86.1
Female	20	13.9
total	144	100

Source: questionnaire administered 2019

Table 4.1: shows the gender of the respondents. The totals of 124 of the respondents representing 86.1% are male while only 20 representing 13.9% are female. This shows that male gender is the dominant gender among entrepreneurs in Zamfara state. The low participation on the part of the women may be attributed to culture, values and norms which may hinder women from fully participating in business activities. Table 4.1: shows the gender of the respondents. The totals of 124 of the respondents representing 86.1% are male while only 20 representing 13.9% are female. This shows that male gender is the dominant gender among entrepreneurs in Zamfara state. The low participation on the part of the women may be attributed to culture, values and norms which may hinder women from fully participating in business activities.

Question 2:

Table 2: Nature of Business

The following table shows the categories of businesses operated by zamfara state SMEs;

NATURE	FREQUENCY	PERCENTAGE(%)
Manufacturing	14	9.7
Service	80	55.6
Valid whole sale	42	29.2
Retail	8	5.6
Total	144	100

Source: questionnaire administered 2019

Table 2: shows the nature of businesses operating in the state. It shows that 14 (9.7%) of the respondents are into manufacturing, 80 (55.6%) of them are into service related activities while 42 (29.2%) are into wholesale and only 8 are into retailing. This shows that majority of the respondents constituting 122 (84.8%) are either into services or wholesale activities in the state.

Question 3

Table 3 Number of Years in Business

The table below number of years spent by SMEs owner-managers;

YEARS	FREQUENCY	PERCENTAGE(%)
Less than 5years	16	11.1
5-10years	55	38.2
11-15years	48	33.3
16-20years	21	14.6
Over 20years	4	2.8
Total	144	100

Table 3: shows the number of years the respondents have been in business. It shows that 16 (11.1%) of the respondents have been in business within the last 4 years, 55 (38.2%) of the respondents have been in business between 5 to 10 years, 48 (33.3%) have been doing business between 11 to 15 years, 21 (14.6%) of the respondents have spent between 16-20 years in business while 4 (2.8%) have been in business for over 20 years. This implies that most of them have gathered a lot of experience in managing their businesses due to the fact that they have been in business for more than 5 years.

Table 4: Number of Employees

The table below shows the number of employees employed by SMEs in Zamfara state;

EMPLOYEE	FREQUENCY	PERCENTAGE(%)
Less than 10	56	38.9
10-49	77	53.5
50-199	11	7.6
Total	144	100

Source : questionnaire administered 2019

Table 4 shows the number of employees the respondents have in their businesses. It shows that 56 (38.9%) respondents have less than 10 employees, 77 (53.5%) of them have 10 to 49 employees, 11 (7.9%) of them have 50 to 199 employees. This implies that most of the respondents constituting 92.4% have employees between 1-50, thus operating either a micro or small enterprises in the state.

Question 5: academic qualifications

Table 5: Academic qualification Distribution Qualification

The table shows the educational qualification of owner-managers operating SMEs in zamfara state;

QUALIFICATION	FREQUENCY	PERCENTAGE (%)
O level	5	3.5
Diploma	50	34.7
NCE	17	11.8
Degree	50	34.7
Post graduate	22	15.3
Total	144	100

Source: questionnaire administered 2019

The table above shows the educational background of the respondents. It shows that; 5 (3.5%) are secondary school certificates holders, 50 (34.7%) are diploma holders, 17 (11.8%) are NCE holders, 50 (34.7) are degree holders and 22 (15.3%) are degree holders. This shows that majority of the respondents constituting 96.5% have attained higher level of education and thus can provide answers to questions asked in questionnaire.

Question 6: I set goal and ensure accomplishment

Table 6: Describe the response of participant on entrepreneurial competencies

RESPONSE	FREQUENCY	PERCENTAGE(%)
Strongly agreed	20	13.9
Agreed	37	25.7
Neutral	18	12.5
Strongly disagreed	20	13.9
Disagree	49	34.0
Total	144	100

Source: questionnaire administered 2019

The table above shows that 20(13.9%) of the respondent strongly agree with the statement. Also a significant number of the respondent 18(12.5%) were neutral while 37(25.7%) respondent tend to agree with the statement. 20(13.9%) of respondent strongly disagree as opposed to the remaining 49 (34%) who disagree with the statement.

PRESENTATION AND ANALYSIS OF THE RESPONSE FROM QUESTIONNAIRE

Question 7: I ensure effective and efficient allocation of resources

Table 7: employee's effectiveness and efficiency

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly agree	26	18.0
Agree	58	40.3
Neutral	9	6.3
Strongly disagree	17	11.8
disagree	34	23.6
TOTAL	144	100

Source: questionnaire administered 2019

Table 7 shows that 58 (40.3%) of the respondents agree that the owner manager allocate their resources in an effective and efficient manner. While 26 (18.0%) of the respondent strongly agreed with the statement, also 9 (6.3%) of the respondent were neutral while 34 (23.6%) respondent disagreed. Only 17 (11.8%) of the entire SMEs strongly disagree with the statement

Question 8: I establish and maintain good relationship with my employees and customers.

Table 8: Employee Relationship

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly agree	38	26.4
Agree	62	43
Neutral	8	5.6
Strongly disagree	15	10.4
Disagree	21	14.6
Total	144	100

Source: questionnaires administered 2019

Table 8 shows that 62 (43%) of the respondent agreed that their organization establish and maintain good relationship among all employees and customers. Also, 38 (26.4%) of the respondent strongly agree with the statement. While 8(5.6%) were neutral , 15 (10.4%) of the respondents strongly disagree and 21(14.6%) of the respondent disagreed with the statement.

Question 9: I ensure effective communication

Table 9: effective communication.

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly agree	59	41
Agree	36	25
Neutral	11	7.6
Strongly disagree	22	15.3
Disagree	16	11.1
Total	144	100

Source: questionnaire administered 2019

Table 9 shows that 59 (41%) of the respondent strongly agree with the statement that the owner managers ensures effective communication with their customers to get their customers feedback, 36(25%) agreed with the statement while 11(7.6%) of the respondents were neutral. 22(15.3%) strongly disagree and 16(11.1%) of the respondent disagreed with the statement.

Question 10: people misfortune result is from the mistake they make

Table 10: entrepreneurial characteristic.

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	35	
Agree	52	24.3
Neutral	7	36.1
Strongly disagree	20	4.9
Disagree	30	13.9
Total	144	20.8
		100

Source: questionnaire administered 2019

Table 10 shows that 52(36.1%) agreed that few owner managers believe their result to be from the mistake they make. 35 (24.3%) strongly agreed with the statement, while 7 (4.9%) of the respondent were neutral, 30 (20.8%) disagreed with the statement and 20 (13.9%) of the respondent strongly disagree with the statement.

Question 11: I believe risk taking is necessary in order to achieve business goals.

Table 11: believe in risk taking.

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly agree	29	20.1
Agree	58	40.3
Neutral	10	6.9
Strongly Disagree	25	17.4
Disagree	22	15.7
Total	144	100

Source: questionnaire administered 2019.

The table above shows that 58(20.3%) of the respondent agreed that owner managers believe in risk taking in all business dealings. 29 (20.1%) of the respondents strongly disagreed, also 10(6.9%) of the respondents were neutral, while 25(17.4%) strongly disagreed and 25(17.4%) disagree with the statement.

Question 12: failure makes me try harder

Table 12: entrepreneurial characteristic

RESPONSE	FREQUENCY	PERCENTAGE
Strongly agree	30	20.8
Agree	49	34
Neutral	6	4.2
Strongly disagree	21	14.6
Disagree	38	26.4
Total	144	100

Source: questionnaires administered 2019

From the table above, 49(34%) of the respondent agreed that owner managers develop new methods of carrying out their business when existing ones fail. 30 (20.8%) of the respondent strongly disagreed with the statement while 6 (4.2%) of the respondent were neutral, also 21 (14.6%) of the respondents strongly disagreed and 38(26.4%) of the respondents disagreed with the statement.

Question 13: I believe I can do any task that comes my way

Table 13: entrepreneurial motives

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly Agree	53	36.8
Agree	39	27.1
Neutral	13	9.0
Strongly disagree	25	17.4
Disagree	14	9.7
Total	144	100

Source: questionnaire administered 2019

The above table shows that 53(36.8%) of the respondent strongly agreed that the owner managers are motivated by challenges in the business arena. 39(29.1%) of the respondent agreed, 13 (9.0) were neutral and also 25 (17.4%) of the respondents strongly disagreed with the statement.

Question 14: I want freedom in the work place

Table: entrepreneurial motives

FREQUENCY	RESPONSE	PERCENTAGE (%)
Strongly Agree	60	41.7
Agree	47	32.6
Neutral	7	4.9
Strongly Disagree	10	6.9
Disagree	20	13.9
Total	144	100

Source: questionnaire administered 2019

Table 14 shows that 60(41.7%) of the respondent strongly agreed that owner managers want freedom in their work place, 47 (32.6%) agreed with the statement while 7 (4.9%) were neutral, also 10 (6.9%) of the respondent strongly disagree and 20 (13.9%) of the respondent disagreed with the statement.

Question 15: I want to outperform others

Table 15: entrepreneurial outperform with others

FREQUENCY	RESPONSE	PERCENTAGE (%)
Strongly Agree	32	22.2
Agree	50	34.7
Neutral	2	1.4
Strongly Disagree	27	18.8
Disagree	33	22
Total	144	100

Source : questionnaire administered 2019

Table 15 shows that; 50(34.7%) of the respondent agreed the owner managers like to depend on their own ideas, while 32(22.2%) strongly agreed , only 2(1.4%) of the respondents were neutral and 33 (22%) of the respondent disagree with the statement.

Question 16: I want to meet standard of excellent

Table 16: entrepreneurial skills and standard of excellent.

FREQUENCY	FREQUENCY	PERCENTAGE (%)
Strongly Agree	41	28.5
Agree	33	22.9
Neutral	8	5.6
Strongly Disagree	29	20.1
Disagree	33	22.9
Total	144	100

Source: questionnaire administered 2019

Table 16 shows that 41(28.5%) of the respondent strongly agreed that the owner managers want to be able to use their knowledge and experience for better output in their business. 33(22.9%) of the respondents agreed with the statement, while 8(5.6%) of the respondents were neutral also 29(20.1%) of the respondent strongly disagree and 33(22.9%) disagree with the statement.

Question 17: my sales have increased in over the last few years.

Table 17 : describes the response of the participants of SMEs performance.

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly Agree	40	27.8
Agree	67	46.5
Neutral	3	2.1
Strongly Disagree	13	9
Disagree	21	14.6
Total	144	100

Source: questionnaire administered 2019

From the above table, 67(46.5%) of the respondent agreed that SMEs sales volume is averagely increasing, 40 (27.8%) of the respondent strongly agreed while 3 (2.1%) of the respondent were neutral, only 13 (9%) of the respondent strongly disagreed and 21(14.6%) of the respondent disagreed with the statement.

Question 18: My profit has increased over the last few years.

Table 18: Describe an increased in profit.

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly Agree	38	26.4
Agree	70	48.6
Neutral	9	6.2
Strongly Disagree	0	0
Disagree	27	18.8
Total	144	100

Source: questionnaire administered 2019

The table above shows that 70 (48.6%) of the respondent agreed that SMEs are not experiencing remarkable increase in profit. 38 (26.4%) of the respondent strongly agreed while 9 (6.2%) of the respondent were neutral also 27 (18.8%) of the respondent disagreed with the statement. No respondent strongly disagreed.

Question 19: the business were profitable

Table 19: the SMEs performance

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly Agree	68	47.3
Agree	47	32.6
Neutral	3	2.1
Strongly Disagree	10	6.9
Disagree	16	11.1
Total	144	100

Source: questionnaire administered 2019

From the table above, 68 (47.35%) of the respondent strongly agreed that the business profit is averagely increasing 47(32.6%) of the respondents agreed, while 3 (2.1%) were neutral, 10 (6.9%) of the respondents strongly disagreed and 16 (11.1%) of the respondent disagree on the statement.

Question 20: there is substantial increase in customers patronage

Table 20: describes the participant of SMEs substantial increase in customers.

RESPONSE	FREQUENCY	PERCENTAGE (%)
Strongly Agree	49	34.0
Agree	55	38.2
Neutral	2	1.4
Strongly Disagree	18	12.5
Disagree	20	13.9
Total	144	100

Source: questionnaire administered 2019

Table 20 shows that 55 (38.2%) of the respondent agreed that customers are happy with the business offer, 49(34.0%) of the respondent strongly agreed with the statement while 2 (1.4%) of the respondent were neutral, only 18(12.5%) of the respondent strongly disagreed and 20 (13.9%) of the respondent disagreed with the statement.

4.3 Discussion of Results

The descriptive analysis on entrepreneurial motives in table 13 showed that the responses of entrepreneurs in Zamfara state fall above average. This indicates that entrepreneurs in Zamfara state possess high entrepreneurial motives such as need for achievement, need for power and need for independence.

The descriptive analysis on entrepreneurial skills in table 16 showed that responses of SME owner-managers in Zamfara state fall above average. This means that entrepreneurs in Zamfara state do

engage in planning, organizing, leading and controlling activities hence, they possess the required skills needed to manage their businesses.

The descriptive analysis of the SMEs performance in table 17 showed that the responses of SME owner-managers in Zamfara state fall on the average. This shows that SMEs in Zamfara state are experiencing average growth in sales, customer satisfaction and growth in profit; hence they are performing well.

On the effect of entrepreneurial skills on the performance of SMEs in Zamfara state, the results showed that entrepreneurial skills have significant positive effect on performance of SMEs in Zamfara state. This means that the more an entrepreneur engages in those managerial activities, the higher the SMEs performance in Zamfara state. This view is consistent with Thandeka (2008), Tijjani (2012), Macheke (2012) and Kingua (2014).

On the effect of entrepreneurial characteristics on the performance of SMEs in Zamfara state, the results showed that entrepreneurial characteristics have significant positive effect on the performance of SMEs. This indicates that the more an entrepreneur possesses entrepreneurial characteristics, the higher the performance of SMEs. This finding is supported by Islam et. al (2011), Machirori and Fatoki (2013), Sarkowa (2013), Muzenda (2014), Abubakar (2014) among others, but contradicted by Adegbite et al. (2006) and Woldie (2008).

On the effect of entrepreneurial motives on the performance of SMEs in Zamfara state, the results showed that entrepreneurial motives have positive but insignificant effect on the performance of

SMEs in Zamfara state. This indicates that even if entrepreneurs possess entrepreneurial motives in the areas of need for achievement, need for power and need for independence, it will not have a recognizable effect on their SMEs performance. The finding implies that there is no significant difference in performance between those that are pushed into business and those that are pulled into it.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

Entrepreneurial competencies have been regarded as vital to the survival and performance of SMEs because it affects how organizational resources are organized and used in achieving the organizational goals effectively and efficiently. Several financial programs were designed and executed in the Nigerian SMEs sector with the aim of improving its performance but it is still identified with poor performance. Several studies have observed that the performance of SMEs in Nigeria is seriously deteriorating as a result of lack of entrepreneurial competencies. Thus, the study was designed to find out the effect of entrepreneurial competencies on the performance of SMEs in Zamfara state.

The literature review revealed that SMEs are enterprises with less than 200 employees. Entrepreneurial skills was found to include planning, organizing, leading and controlling. Entrepreneurial characteristics include: self-efficacy, locus of control and risk taking. It also discovered entrepreneurial motives to include need for achievement, need for power and need for independence. A review of empirical studies in the areas pointed out that no previous study used the three variables together in one study and it was found that no empirical study considered entrepreneurial motives on a direct relationship.

The population of the study comprised of 201 SMEs owner-managers operating in Zamfara state stratified into 3 senatorial zones of the state to ease data collection. Cross sectional research design

was employed in which questionnaires were distributed through hand delivery to collect data. From the total of 174 questionnaires distributed, 144 questionnaires were usable which represents 83% of the total number of questionnaires distributed.

5.2 Conclusion

This study investigated the effects of entrepreneurial skills, entrepreneurial characteristics and entrepreneurial motives on the performance of SMEs in Zamfara state.

The findings revealed that entrepreneurial skills have significant positive effect on the performance of SMEs. Therefore, this study concluded that in order to achieve business performance, entrepreneurs need to acquire the planning, organizing, leading and controlling skills.

Entrepreneurial characteristics also have significant positive effect on the performance of SMEs in Zamfara state. This implies that the more an entrepreneur possesses entrepreneurial characteristics in the areas of locus of control, self-efficacy and risk taking; the higher the performance of SMEs. Therefore, this study concluded that entrepreneurial characteristics generally lead to higher performance of SMEs in Zamfara state.

The finding suggests that entrepreneurial motives characterized by the need for achievement, need for power and need for independence are insignificant but positive contributors performance of SMEs in Kaduna state. Therefore, this study concluded that the possession of entrepreneurial

motives by an entrepreneur may not necessarily lead to an improvement in performance of SMEs in Zamfara state.

5.3 Recommendations

In line with the findings and conclusion of the study, the following recommendations were made:

- i. Based on the finding which reported that entrepreneurial skills in areas of planning, organizing, leading and controlling have significant positive effect on the performance of SMEs, entrepreneurs should therefore be encouraged to acquire as well as engage in planning, organizing, leading and controlling activities so as to improve the performance of their businesses.
- ii. Also the finding that established that entrepreneurial characteristics have significant positive effect on the performance of SMEs in the state, then there is a need for combined efforts between governments at all levels and NGOs towards not only funding but also initiating management training and development programmes for the entrepreneurs in order to enable them enhance and appreciate their inborn personalities and abilities.
- iii. Although, the last finding indicated that entrepreneurial motives have insignificant effect on SMEs performance, but the effect is positive. Thus, this study recommended that the government at all levels and other NGOs should intensify efforts towards educating and enlightening of entrepreneurs on drivers to entrepreneurship. This will go a long way in changing their motive of going into business i.e. making them go into business for the right reasons.

- iv. Finally, given the significant and positive effect of entrepreneurial skills, entrepreneurial characteristics and the insignificant positive effect of entrepreneurial motives on the performance of SMEs, it is recommended that government and non-governmental supports be channeled towards competent entrepreneurs who possess and acquired the skills, characteristic and motives. This will enable the effective and efficient utilization of the funds given to them.

5.4 Suggestions for Further Studies

Based on the limitations of the study, this research suggested the need for further studies taking the following into consideration;

The data collection was confined to only 201 SMEs operating in Zamfara state of Nigeria. The replication of the study in different states of Nigeria would enable better generalization of the findings. This sample is only a very small proportion of the entire population of SMEs in the country, therefore, the study suggests another validated framework be replicated in other areas, industries or other places with a larger sample size to provide additional justification, generalization and underpinning to the support from this study.

The study also suggests that further studies should re-examine the relationship between entrepreneurial motives and performance of SMEs with additional variables in the construct. Other studies should also examine the relationship between entrepreneurial skills and entrepreneurial characteristics as independent variables on profit growth and customer satisfaction as dependent variables.

The study also adopted a cross-sectional design. Therefore, conclusions about the directions of causality implied in the model cannot be drawn; therefore, relationships among variables must be interpreted with caution. Thus, true causal inferences can only be drawn testing models using longitudinal data. This is especially important for a topic on entrepreneurial competency behavior that is not static but is a developmental process that changes over time.

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APPENDIX B : Questionnaire

SECTION A.

Instruction: please tick the option that best suit your situation.

SECTION 1: GENERAL INFORMATION

1. Gender

- a.) Male () b.) Female ()

2. What is the nature of your business?

- b.) Manufacturing () b.) service () c.) whole sale () d.) retailing () e.) others
specify.....

3. How many years have you spend n this business?

- a.) Less than 5years () b.) 5-10years () c.) 11-15years () d.) 16-20 years () e.)
over 21 years ()

4. How many employees do you have?

- a.) Less than 10 () b.) 10-49 () c.) 50-199 () > 200 ()

5. Educational qualification

- a.) O level () b.) Diploma () c.) NCE () d.) Degree () e.) post graduate ()

SECTION 2: Entrepreneurial Competences

Evaluate the following statement by ticking the appropriate response box based on the scale below.

1	2	3	4	5
STRONGLY AGREE	AGREE	UNDECIDED	DISAGREE	STRONGLY DISAGREE

ENTREPRENEURIAL COMPETENCIES		1	2	3	4	5
SECTION	ENTREPRENEURIAL SKILLS					
A						
ES1	I set goal and ensure accomplishment					
ES2	I develop alternatives necessary for accomplishing objectives					
ES3	I ensure effective and efficient allocation of resources					
ES4	I ensure effective communication					
ES5	I always set standards for measuring performance					
ES6	I take corrective measures where there is evidence of deviation					
ES7	I establish and maintain good relationship with my employees and customers					
ES8	I come to work very early and leave after accomplishing all tasks					
ES9	I make decisions and enforce implementation					
ES10	I organize and schedule the work of subordinate					

ES11	I maintain a well organized workplace						
ES12	I keep record of all transactions made in the business						
SECTION B	ENTREPRENUERIAL CHARACTERISTICS						
EC1	I feel success is a matter of hard work and not luck						
EC2	People misfortune result from the mistake they make						
EC3	Failure make me try harder						
EC4	I feel insecure about my ability to do things						
EC5	I believe risk taking is necessary in other to achieve business goals						
EC6	Even if there is risk in a business one should take it						
EC7	I feel insecure about the ability to do things						
EC8	Working hard is something I like doing very much						
EC9	I usually find it easy to stick to my aims and accomplish my goals						
SECTION C	ENTREPRENUERIAL MOTIVES						
EM1	I always want to prove I can do any task that comes my way						

EM2	I want to be my own boss						
EM3	I always want to do task my own way						
EM4	I want freedom in the workplace						
EM5	I want to meet standard of excellence						
EM6	I want to outperform others						
EM7	I like accomplishing difficult task						
EM8	I want to be using my past knowledge and experience						
EM9	I like depending on my own ideas						
EM10	I want to decide when, where and how for all my activities						
EM11	I prefer being in command rather than a follower when working in a group						
EM12	I persist on a task despite unexpected difficulties						
EM13	I do not like receiving orders when doing a job						
SECTION D	PERFORMANCE						
SP1	My sales has increased over the last few years						
SP2	My profit has increased over the last few years						
SP3	My sales outlets has increased over the last few years						
SP4	The business is becoming more profitable						

SP5	My business revenue has increased over the last few years					
SP6	The return on investment of my business is good					
SP7	There is substantial increase in customer patronage					
SP8	My customers are happy with the products I offer					
SP9	The number of customers I serve has increased over the last few years					
SP10	My customers complains are addressed on time					
SP11	I have received compliment about the quality of my goods					

THANK YOU FOR YOUR TIME