Evaluating the level of Entrepreneurship Competencies that affect Competitive Scope, Organizational Capability and Performances of SMEs in Adamawa State.

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ABSTRACT

Entrepreneurship is a way of thinking, reasoning and acting that is opportunity-based, holistic in approach and leadership-balanced. Entrepreneurship results in the creation, enhancement, realization and renewal of value not just for the owners, but for participants and stakeholders. The major objective of this research was to examine the level of the entrepreneurship competencies that affect the competitive scope and organizational capability, as well as the performance of SMEs and also to identify roles of the competitive scope and organisational capability in relationship to entrepreneurs’ competencies and SME performance. The results indicated that competence has no significant effect on small and medium enterprise performance. Also it was found that organizing competence has no significant effect on small and medium enterprise performance. In conclusion, entrepreneurial competencies play an important role in enhancing firm performance, having both direct and indirect effects on firm performance. The research study recommends that enhancement of discussion on entrepreneurial opportunity competence is needed so as to improve the comparison among entrepreneurs and production relationships among enterprises within the industrial structure.

Keywords: Entrepreneurship, competencies, SMEs, competitive scope and organization.

INTRODUCTION

All known human societies have always created the veritable conditions for the existence of entrepreneurs [1]. The entrepreneurs in turn exploit the available opportunities in the society or their environmental domain, to create or develop new products or services, thus adding value to society while equally maximizing benefits or profits [2]. The impact of the activities of the entrepreneurs or small and medium enterprises (SME) on the socio-political/economic life of Nigeria is quite obvious [3]. In Nigeria, the small and medium enterprises sub-sector has been expanding, especially since the mid-1980s, following the prolonged recession in the economy which forced many large enterprises to lay off large proportion of their work-force. The sector accounts for 70 percent of industrial employment [4]. Also the agricultural sector, which largely consists of SMEs, employs over 60 percent of the nation work-force [5]. It is in recognition of the strategic role of the entrepreneurs in national development, that the federal, states, local governments, and even some corporate institutions are continuously creating the enabling environment to enhance entrepreneurship [6]. The Central Bank of Nigeria (CBN) established Small and Medium Enterprises Equity Investment Scheme (SMEEIS) on 19th June 2001 to liberalize access to funds through all the commercial banks [7]. The SMEEIS, in addition to providing finance, also requires banks to identify and package viable industries with Nigerian entrepreneurs [8].
Entrepreneurship is a way of thinking, reasoning and acting that is opportunity-based, holistic in approach and leadership-balanced. Entrepreneurship results in the creation, enhancement, realization and renewal of value not just for the owners, but for participants and stakeholders [9, 10, 11, 12] also view entrepreneurship as the willingness and ability of an individual to seek out investment opportunities in an environment and be able to establish and run an enterprise successfully based on the identified opportunity. Entrepreneurship therefore may focus on retail sales, provides a service or manufacture product [13]. Thus, it can be rightly stated that an individual who sets up, organizes, manages, install, services, design, diagnose fault and repair refrigeration and air-conditioning equipment is an income generating activity [14]. Individual who acquires the knowledge and skill needed for the above activities can be self-employed [15].

Entrepreneurial competency is defined as the individual characteristics including attitude and behavior, which allow the entrepreneur to achieve business success [16, 17, 18]. According to [19], entrepreneurial competencies are a set of higher-level characteristics involving personality traits, skills and knowledge. They can be viewed as the total ability of the entrepreneur to perform his role successfully.

**Entrepreneurial Competencies**

<table>
<thead>
<tr>
<th>Opportunity competence</th>
<th>Small and Medium Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizing competence</td>
<td>Performance</td>
</tr>
<tr>
<td>Commitment competence</td>
<td>Organization’s transactions</td>
</tr>
<tr>
<td>Conceptual competence</td>
<td>Resource like technology</td>
</tr>
<tr>
<td></td>
<td>Specialized concentration skills</td>
</tr>
</tbody>
</table>

**Source:** Hand 2016

Figure 1: Modified conceptual framework [20].

**Objectives of the Research**

**Research Questions**

This study attempts to find answers to the following questions:

- How does the level of the entrepreneurs’ competencies affect the competitive scope and organizational capability, as well as the performance of SMEs?
- What are the roles of competitive scope and organisational capability in relationship to entrepreneurs’ competencies and SME performance?

**Objectives of the Research**

The major objective of this work is to examine the effects of entrepreneurship competencies on small and medium enterprises performance. The specific objectives are:

I. To examine the level of the entrepreneurship competencies that affects the competitive scope and organizational capability, as well as the performance of SMEs.

II. To identify roles of the competitive scope and organisational capability in relationship to entrepreneurs’ competencies and SME performance.

**Statement of Hypotheses**

H.1. Entrepreneurial competence is positively related to SME performance

H.2. Entrepreneurial competence is positively related to the competitive scope
H.3. Entrepreneurial competence is positively related to organizational capability.

MATERIALS AND METHODS

Research Design
This study employs a survey research design. The study utilizes the survey research design as it is suitable for allowing the respondent to express their feelings about the effect of entrepreneurial competencies on small and medium enterprises in Adamawa State.

Population of the Study

<table>
<thead>
<tr>
<th>S/NO</th>
<th>Name of Government</th>
<th>Local Small enterprise</th>
<th>Medium enterprise</th>
<th>Population Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mubi North</td>
<td>95</td>
<td>45</td>
<td>140</td>
</tr>
<tr>
<td>2</td>
<td>Gombi</td>
<td>80</td>
<td>60</td>
<td>140</td>
</tr>
<tr>
<td>3</td>
<td>Yola North</td>
<td>75</td>
<td>65</td>
<td>140</td>
</tr>
<tr>
<td>4</td>
<td>Numen</td>
<td>100</td>
<td>40</td>
<td>140</td>
</tr>
<tr>
<td>5</td>
<td>Ganye</td>
<td>110</td>
<td>30</td>
<td>140</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>460</td>
<td>240</td>
<td>700</td>
</tr>
</tbody>
</table>

Sample size for study
The sample of the study is drawn from the population using stratified and convenience sampling techniques. A total of 248 enterprises is the sample size used for the study.

Sampling Techniques
Sampling technique adopted for this study both stratified and convenience sampling techniques. The study questionnaires were administered to the respondents with the small scale businessmen and women in Adamawa state central zone.

Source of Data
Primary source of data collection is used in carrying out this research. The use of questionnaire was employed to gather necessary and relevant data from the respondents. This method is used in order to minimize the problems associated with data collection and to ensure that the results from this are visible and bias free as expected. The questions are designed to sample the views of the respondents on the effect of entrepreneurial competencies on performance of small and medium enterprises.

Instrument for Data Collection
The instrument used for data collection is a structured questionnaire. The questionnaires consist of two (2) sections. Section ‘A’ measures demographic characteristics with items such as age, gender and educational level, section ‘B’ consists of 25 items that deals with investigating the effect of entrepreneurial competence on small and medium performance.

For the purpose of conducting this research, the researcher has chosen five point likert scales from “Strongly disagree” (1) to “Strongly agree” (5) for all the tested constructs. To obtain the cooperation of the respondents, the nature and purpose of the research are made known to the respondents and anonymity is assured. The respondents are promised access to the study if they so desired.

Validity of the Instruments
According to [20], validation is an effective method for content and face validation of research instrument. Consequently, the questionnaire was screened by three (3) experts or professionals made up of the Supervisor, two professionals (experts) from both Federal Polytechnic, Mubi and Adamawa State University Mubi. The appropriateness, comprehensiveness and clarity of the items are observed to make sure they are on line to test what is expected of testing.

Reliability of the Instrument
To get reliable and factual items for test, [21] suggests that internal check in the form of logical test in the questionnaire should be included. Reliability of test items indicates how result can be obtained almost repeatedly using several tests. The research items are structured in a manner to give a reliable result in respect to the study environment. Therefore, cronbanch’s
alpha is used to test the reliability of the question items.

Methods of Data Analysis
Data collected was analysed using descriptive and inferential statistics. Descriptive statistics (frequency and percentage) was used to analyse section A of the research instrument which deals with the demographic data and the inferential statistic (linear regression analysis) is used to analyse section ‘B’ of the research instrument which consist of items on independent and dependent variables. The variables are fitted into Regression model below;

Multiple Regression
Multiple regression analysis is an extension of bivariate regression analysis which allows for the simultaneous investigation of the effect of two or more independent variables on a single interval-scaled dependent variable. Thus, a continuous, interval-scaled dependent variable is required in multiple regression, as it is bivariate regression. Interval scaling is also a requirement for the independent variables.

Model specification
The specification of a model is based on the available information relevant to the objectives of the study in question. Here, the predictor entrepreneurial competence and the dependent variable is Small and Medium enterprises performance. The model is stated as; Y = α + β₁X₁ + β₂X₂ + β₃X₃ + β₄X₄ + ei

Y = small and medium enterprises competencies
α = constant
β₁(opportunitycompetence)
β₂(organizingcompetence)
β₃(commitmentcompetence)
β₄(conceptualcompetence)
ie = error term

RESULTS
A sample size of 248 respondents is targeted for this study. With 248 respondents participating in the study, the response rate is 95% which is satisfactory to represent the views of the whole population.

Gender of the respondent
According to the findings illustrated in Table 2, male entrepreneurs make up 66.5% of the respondents while female entrepreneurs make up 33.5%. This indicates that although male entrepreneurs have the highest percentage. Therefore, males form a significant proportion of all respondents.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>165</td>
</tr>
<tr>
<td>Female</td>
<td>83</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2020

The age of the respondent
The study also seeks to establish the average age of all the participants in the study. The average age of respondents have indirect impacts on the other factors that determine entrepreneur’s performance. The findings indicate that the greatest proportion of respondents is aged between 38-47 years and above these constitute a total of approximately 46.4% for respondent’s population, 29.8% for age 48 years and above, and 57 followed by age between 28-37 years with 23 % and the less is 18-27 years, having the less percentage which is 2% as illustrated in table 3.
Table 3: Age of Respondents

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-27 years</td>
<td>2</td>
<td>0.8</td>
</tr>
<tr>
<td>28-37 years</td>
<td>57</td>
<td>23.0</td>
</tr>
<tr>
<td>38-47 years</td>
<td>115</td>
<td>46.4</td>
</tr>
<tr>
<td>48 years and above</td>
<td>74</td>
<td>29.8</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field survey, 2020

Level of Education

Respondent's average level of education is one of the factors that have been identified in the literature as affecting the respondents. This study establishes that a significant majority of the respondents are degree holders which constitute 52% followed by respondents with NCE/ND with 34.3%, respondents with other qualification constitute 9.3% each and the lest is those with primary/secondary certificate constitute only 4.4% of the respondents as shown in table 4.

Table 4: Educational level of respondents

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary/school certificate</td>
<td>11</td>
<td>4.4</td>
</tr>
<tr>
<td>ND/NCE</td>
<td>85</td>
<td>34.3</td>
</tr>
<tr>
<td>Degree</td>
<td>129</td>
<td>52.0</td>
</tr>
<tr>
<td>Other qualification</td>
<td>23</td>
<td>9.3</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2020

Respondents Years in Business

Respondent's average years in business are one of the factors that have been identified in the literature. This study establishes that a significant majority of the respondents are those in business for 5 years and above with 46.4 %, followed by those in business for 4 years with 32.3%and 3 years with 19.4% and the less are those in business for 2 years with 2% as shown in table 5.

Table 5: Respondents Years in Business

<table>
<thead>
<tr>
<th>Years in Business</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 years</td>
<td>5</td>
<td>2.0</td>
</tr>
<tr>
<td>3 years</td>
<td>48</td>
<td>19.4</td>
</tr>
<tr>
<td>4 years</td>
<td>80</td>
<td>32.3</td>
</tr>
<tr>
<td>5 years and above</td>
<td>115</td>
<td>46.4</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2020

Reliability Analysis

Reliability analysis allows examination of the properties of measurement scales and the variables making them up. The reliability analysis procedure calculates a number of commonly used measures of scale reliability and provides information on the relationship between individual variables in the scale. This study carries out a reliability analysis to establish the reliability of the independent variables in the study. As indicated in table 6,. aCronbach’s Alpha value of the variables are as follow; opportunity competencies = 0.839, organizing competencies = 0.796, commitment competencies =0.813, conceptual competencies =0.804,and
small and medium entreprises=0.782, The Variable-Total statistics in table 5, reveals that each of the variables had a measure of over 0.6 and small and medium enterprise variable has the list

Cronbach Alpha value of 0.782 and the highest is opportunity competencies with cronbach alpha value of 0.839 that means that all of them are reliable

Table 6: Reliability of result

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variables</th>
<th>Number of items</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Opportunity competencies</td>
<td>5</td>
<td>0.839</td>
</tr>
<tr>
<td>2</td>
<td>Organizing competencies</td>
<td>5</td>
<td>0.796</td>
</tr>
<tr>
<td>3</td>
<td>Commitment competencies</td>
<td>5</td>
<td>0.813</td>
</tr>
<tr>
<td>4</td>
<td>Conceptual competencies</td>
<td>5</td>
<td>0.804</td>
</tr>
<tr>
<td>5</td>
<td>Small and Medium enterprise</td>
<td>5</td>
<td>0.782</td>
</tr>
</tbody>
</table>

Source: Filed Survey, 2020

Inferential Analysis

Inferential statistics are used to infer things about the population at large from information taken from a small sample of that population. Inferential statistics are important in social sciences research as it typically studies a sample and yet it is to reach conclusions about the larger populations from which the sample drawn. Inferential statistics helps to make generalization from the situation not studied.

Regression Analysis Assumptions and Normality Test

The assumptions of multiple regression (MR) that are known as primary concern in the research include: autocolleration, linearity, homoscedasticity, normality, and collinearity. This section specifically defines each assumption.

Autocolleration Assumption

The Durbin Watson test for autocolleration is carried out to test if there is any violation in the assumption. From the results, it shows that there is no autocolleration within the residuals of the specified model of the regression. The acceptance critical criterion of Durbin Watson is between 1.5 and 2.5. For this study, it can be assumed that the value is within the range of critical criterion that is 2.161 as shown in table 9 below, which indicates that there is no violation of autocolloration in this study.
Figure 2: Histogramme

**Linearity assumption**

Multiple regression can accurately estimate the relationship between dependent and independent variables when the relationship is linear in nature [22]. The chance of non-linear relationships is high in the social sciences, therefore it is essential to examine analyses for linearity. If the relationship between the dependent and independent variables is not linear, the results of the regression analysis will under- or over- estimate the true relationship and increase the risk of errors. If linearity is violated all the estimates of the regression including regression coefficients, standard errors, and tests of statistical significance may be biased [15]. When bias occurs it is likely that it does not reproduce the true population values. Violation of this assumption threatens the meaning of the parameters estimated in the analysis [16]. It can be seen from figure 2 below that the variables have linear relationship.
Source: Field survey, 2020

Figure 3: Normal P-P plot.
Homoscedasticity assumption
Homoscedasticity means the relationship under investigation is the same with the entire range of the dependent variable. Lack of homoscedasticity is shown by higher errors (residuals) for some portion of range compare to others when homoscedasticity assumption is met, residuals will form a patternless cloud of dots. Lack of homoscedasticity is easily seen in standardized scatter plot. The scatter plot of the standardized predicted dependent variable against standardized residuals. In figure 3 below, service quality is used to predict customer loyalty and the standardized predicted and the residual values are saved. The plot is largely cloudy indicating (homoscedasticity). This shows that there is no violation of homoscedasticity which can lead to the problem of heteroscedasticity

Multicollinearity Assumption
Multicollinearity is a high degree of correlation (linear dependency) among several independent variables. It commonly occurs when a large number of independent variables are incorporated in a regression model. It is because some of them may measure the same concepts or phenomena. Only existence of multicollinearity is not a violation of the Ordinary Least Squares regression (OLS) assumption. However, a perfect multicollinearity violates the assumption that X matrix is full ranked, making OLS impossible. When a model is not fully ranked, that is, the inverse of X cannot be defined, there can be an infinite number of least squares solutions.

Symptoms of mulitcollinearity may be observed in situations:
1. Small changes in the data produce wide swings in the parameter estimates;
ii. Coefficients may have very high standard errors and low significance levels even though they are jointly significant and the R for the regression is quite high;

iii. Coefficients may have the “wrong” sign or implausible magnitude. A judgement can be made by checking related statistics, such as tolerance value or variance inflation factor (VIF), Eigenvalue, and condition number. The VIF acceptance range is between 1 and 10 in this study, the VIF in table 10 below is 2.643. It shows that regression is not violated and there is no problem of multicollinearity.

The rule of thumb for a large VIF value is ten.

**Normality Assumption**
Regression assumes that variables have normal distributions. Non-normally distributed variables (highly skewed or kurtotic variables, or variables with substantial outliers) can distort relationships and significance tests. There are several pieces of information that are useful to the researcher in testing this assumption: visual inspection of data plots, histogram and P-P plots give researchers information about normality. As shown in figures 4 and 5 below:

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**Multiple Regression**
The researcher conducted a multiple regression analysis so as to test relationship among variables. The research applies the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study. Table 6 provides the summary of the regression model applied in this study.
Coefficient of determination explains the extent to which changes in dependent variable can be explained by the change in the independent variables or the percentage of the variation in the dependent variable (small and medium enterprise) that is explained by all the three independent variables (opportunity, organizing, commitment and conceptual competencies).

According to the regression model applied in this study on table 7, R Square is 0.553 and adjusted R square is 0.545, implying that the independent variables studied explain 55.3% of the entrepreneurial competencies. This implies that the other variables not studied in this research contribute 44.7% of the variability in small and medium enterprises performance. The Durbin-Watson d = 1.747 is between the two critical values of 1.5 < d < 2.5, therefore, it assumes that there is no first order autocorrelation in the data. The ANOVA report or F statistics on table 8, indicates that the overall significance of the regression model applied in this study indicates that, p<0.05 (Sig. =0.00) and therefore our model is significant. The F value is 75.039 and the significant level is 0.000.

**Table 7: Model Summary**

<table>
<thead>
<tr>
<th>Model 1</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.743&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.553</td>
<td>0.545</td>
<td>2.62826</td>
<td>1.901</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), CMMCP, CPCP, ORGCP, OPPCP

b. Dependent Variable: SMEP

Source: Field survey, 2020

**Table 8: ANOVA**

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2073.417</td>
<td>4</td>
<td>518.354</td>
<td>75.039</td>
<td>0.000&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Residual</td>
<td>1678.583</td>
<td>243</td>
<td>6.908</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3752.000</td>
<td>247</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: SMEP

b. Predictors: (Constant), CMMCP, CPCP, ORGCP, OPPCP

Source: Field survey, 2020

Table 9 shows the coefficient of the variables which indicated that opportunity competence has β = 0.044, t = 0.730, P=0.44, this shows that opportunity competence has no significant effect on small and medium enterprises performance, null hypothesis accepted. The second variable is conceptual competence which has the β = 0.094, t = 1.572, P=0.11. This indicates that conceptual competence has no significant on small and medium enterprises performance, so the null hypothesis is accepted and reject the alternate hypothesis. Organizing competence has β = 0.101, t = 1.685, P=0.095 and this shows that their organizing competence has no significant effect on small and medium enterprises performance, therefore, accept the null hypothesis.
Table 9: Coefficients

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>3.708</td>
<td>0.884</td>
<td>4.197</td>
<td>0.000</td>
<td>0.500</td>
</tr>
<tr>
<td>OPPCP</td>
<td>0.039</td>
<td>0.054</td>
<td>0.044</td>
<td>0.730</td>
<td>0.466</td>
</tr>
<tr>
<td>CPCP</td>
<td>0.089</td>
<td>0.056</td>
<td>0.094</td>
<td>1.572</td>
<td>0.117</td>
</tr>
<tr>
<td>ORGCP</td>
<td>0.090</td>
<td>0.053</td>
<td>0.101</td>
<td>1.685</td>
<td>0.093</td>
</tr>
<tr>
<td>CMMCP</td>
<td>0.568</td>
<td>0.058</td>
<td>0.586</td>
<td>9.752</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: SMEP
Source: Field survey, 2020


Major Findings
There are three hypotheses that have been derived in this research study namely:

1. H01 - Opportunity Competence has no significant effect on small and medium enterprise performance. This hypothesis is supported because the calculated value is greater than P>0.005 significance level.
2. H02 - Organizing Competence has no significant effect on small and medium enterprise performance. This hypothesis is supported because the calculated value is greater than P>0.005 significance level.
3. H03 - Commitment Competence has no significant effect on small and medium enterprise performance. This hypothesis is supported because the calculated value is greater than P>0.005.

DISCUSSION
The findings of this study reveals that majority of the respondents are males which consist of 66.5%. The age categories of respondents show that majority of the respondents falls within the age group of 38-47 years and above, these groups have 46.4%. Education level of respondents indicates that secondary school and degree holders are the majority of entrepreneurs with degree is 52%. The respondent is categorized based on their years in business and the result indicates that majority of the respondents are in business for 5 years and above with 46.4%. Reliability result indicates that opportunity competence has the highest Cronbachs Alpha value of 0.839 while the less is small and medium enterprise performance with reliability value of 0.782 and this indicates that the variables are significant for the study. This study combines three independent variables into one regression, to see the overall effect on small and medium enterprise performance. The result shows three hypothesized effect; three are not significant (p>0.05). The model summary result of regression analysis indicates the R square of 0.553 and the ANOVA test or the F test indicate 75.039 which shows that the data are significant for the purpose. The coefficient result of the three independent variables is as follows;

Hypotheses 1: Opportunity Competence has no significant effect on small and medium enterprise performance. The regression results do not support this hypothesis since the calculated value is less than P<0.005. This finding is consistent with studies of[1], in a survey found that the beneficiaries in Small and Medium Enterprises (SMEs) scheme recorded significant increases in employment in their enterprises, in Nigeria, small and medium enterprises are known to have contributed significantly to economic development, job creation and sustainable livelihood [14]. [22], notes that the small firms make both social and economic contributions to our development process.
Hypotheses 2: - Organizing Competence has no significant effect on small and medium enterprise performance. The regression results support this hypothesis because the calculated value is less than the P<005. This finding is consistent with studies of [1, 2, 3], who assessed determinant of small and Medium Enterprises (SMEs) Performance in Ekiti State. Survey method is used for the study while purposive sampling technique was adopted and regression analysis via Statistical Package for Social Science (SPSS) version 20 is used to analyse the data. Findings show that funds, managerial skills, government policy, education and facilities are significant related with performance at 5% significantly level.

Hypotheses 3: - Commitment Competence has no significant effect on small and medium enterprise performance. This study is counter studied by [6, 7, 8] who examined the impact of owner/managers entrepreneurial competencies on Entrepreneurial Orientation (EO) of teamanufacturing firms in Sri Lanka and the relationship between background characteristics of owner/managers and entrepreneurial competencies. The finding is in line with the findings of [8, 9, 23]. Their findings show that funds, managerial skills, government policy, education and facilities are significant related with performance at 5% significantly level. By ranking, funds are considered most significant followed by education, government policy, managerial skill and facilities. The conclusion drawn from the studies is that for business to continue achieving its expected performance, all determinants must be readily available to complement each other.

The broad objective of this study is to examine the effect of entrepreneurial competencies on small and medium enterprise performance in Adamawa state. The study reviews related literature under the following headings; conceptual issues, theoretical framework and empirical studies. The overall conclusion is that entrepreneurial competencies play an important role in enhancing firm performance, having both direct and indirect effects on firm performance.

CONCLUSION

In conclusion, this study contributes to research on entrepreneurship by revealing that: entrepreneurial competencies had the potential to positively influence small and medium enterprise performance in Adamawa state, however, business environment are yet to be fully utilized to the advantage of the entrepreneurs in the study area. Entrepreneurial competencies have the potential to positively and significantly affect performance of entrepreneurship and yet have only been marginally adopted by the entrepreneurs in the study area. Descriptive research design was used in the study of 248 entrepreneurs as the sample size. Questionnaire was used to gather information from the entrepreneurs. The reliability of variables used was above 0.6 which is reliable as the sample size revealed that although the socio cultural factor have the capability to positively influence performance of entrepreneurship, they had not fully understood the advantage of the entrepreneurship in Adamawa state. Therefore, entrepreneurs should study the culture of the operating environment in order to increase performance. From findings of the study, it is evident that legal factor had the potential to positively and significantly affect performance of entrepreneurship performance and yet had only been marginally adopted by the entrepreneurs. Accordingly, entrepreneurs businesses should follow appropriate legal rule such as financial, marketing and entrepreneurial skills.

The effect of entrepreneurial competencies on small and medium enterprise performance of entrepreneurs was not significant especially on production output despite being moderately rated among the entrepreneurs. The finding on organizing competence indicates insignificant effect on small and medium enterprise. Commitment competence has positive effect on small and medium enterprise and finally, conceptual competence has significant effect on small and medium enterprise. This study concludes that the overall entrepreneurial competence affect small performance.

In conclusion, this study contributes to research on entrepreneurship by revealing that: entrepreneurial competencies play an important role in enhancing firm performance, having both direct and indirect effects on firm
performance; although competitive scope is not significantly related to business growth, it is a strong predictor of other performance dimensions (efficiency and relative performance). These findings contribute to a better understanding of entrepreneurial competencies and their impact on firm performance.

**Recommendations**

Based on the findings of the study, the following recommendations are hereby advanced.

1. The discussion with regard to entrepreneurial opportunity competencies needs to be enhanced in order to improve the comparison among entrepreneurs as well as to include in the future analyses measures of the importance of entrepreneurship business in terms of value added while maintaining the focus on the actor’s ability to cooperate and the production relationships among enterprises within the industrial structure.

2. With regard to entrepreneurial organizing competence, to enhance firm level could explore the inclusion of these improved variables into firm level datasets in order to enable the organization to be organized properly.

**Suggestion for Further Study**

Further study can be done in another different geographical location. It can also be done on large scale business. Future study can be done on all the entrepreneurial competencies in regard to small and medium enterprise. Further study can be done on all the 21 Local Government Areas of Adamawa State. Further study should involve the use SME to analyze data for the study.

**REFERENCES**


approaches to micro-enterprises in Africa. Greenwood.