

## EFFECT OF ENTREPRENEURSHIP SKILLS ON THE PERFORMANCE OF BUSINESS

BY

**Shola Joda**

Dept of Business and Mgt Studies

SABS Suntain

### ABSTRACT

Small and Medium Enterprises (SMEs) are a vital economic base for any economy. This study examined the effect of entrepreneurial skills on performance of SMEs in Jen village, Taraba. A survey using questionnaires and interview was carried out on a sample of entrepreneurs, JMFB staff and Village Executive Officers from five villages around Jen town. The study showed that majority of entrepreneurs in Jen district had no or very little training on Entrepreneurship and were engaged in several Small and Medium Enterprises (SMEs) which were necessity-based rather than opportunity-based. The study also found out that Entrepreneurs who accessed Jen micro finance bank (JMFB) loans and had Entrepreneurship skills performed above average. They had the ability to recognize potentially profitable business opportunities, they are risk takers and had the ability to align available resources to pursue business opportunities. Prior knowledge of customers' needs and management skills were also important but were rated low. Several challenges were noted to affect growth and performance of SMEs. These included poor access to finance, lack of adequate market for their products and services, lack of business training and absence of government support and assistance. The study recommends training on entrepreneurship skills and provision of support services to SME owners. However, the new knowledge in this study is critical for designing other forms of research studies capturing other Entrepreneurs in other locations accessing loans from other lending institutions that will help in cementing the role of entrepreneurship skills to Small and Medium business owners.

### Introduction

business ideas into economic

Entrepreneurship helps to provide the necessary resources and support for entrepreneurs to start and grow their businesses, recognize and provide different products and services, and create jobs and employment, and it is widely shown that entrepreneurship has seen a significant increase in its importance in the current economic environment (Smith, 2005). The study is designed to investigate the effect of entrepreneurship skills on the performance of SMEs in Jen village, Taraba. The study is significant because it provides information on the current state of entrepreneurship skills among SME owners in Jen village, Taraba, and the challenges they face. The study also provides recommendations on how to improve entrepreneurship skills and support services for SME owners.

innovation to exploit opportunities for financial growth and employment (Kiss 2005), institutions and borrowing

In some countries, informal sector village entrepreneurs like banks, Money lenders, friends and development teams create for them the funds made of new firms stimulate a viable environment for a growth employment but depresses the level of efficiency in the region (Shumpeter 1935) for the most part of SME entrepreneurs are part of these groups mostly known as cottage industry entrepreneurs represent most in the world is a disadvantage of innovation in a developing economy. Yet in other countries, numbers of employees per entrepreneur are high. However, the utilization of credit facilities is low. The entrepreneurs are not able to support high-growth firms (Shumpeter, 2005). Although many countries (2005). Entrepreneurship skills and regard to the level of economic development.

Statement of the Problem

Entrepreneurship. SMEs are considered to be

The entrepreneur and development and economic growth and social development and employment are the main sources of growth in a developing country. The government has been endeavoring to promote SMEs as a major source of growth. However, it is becoming increasingly apparent that information is increasing entrepreneur and contribute to the development of the economy. The development of SMEs is becoming increasingly important in the development of the economy (Kiss 2006).

However, entrepreneurs are termed as Small & Medium Enterprises (SMEs) in some countries. In the United States, the term is used to describe enterprises with a maximum of 500 employees. In other countries, the definition is different. In some countries, the term is used to describe enterprises with a maximum of 10 employees. In some countries, the term is used to describe enterprises with a maximum of 5 employees.

Many of these firms are small and medium sized.

especiamente en las últimas décadas, se ha observado un crecimiento significativo en el número de emprendimientos, especialmente en el sector de las pequeñas y medianas empresas (Pymes). Este fenómeno ha sido impulsado por diversos factores, como el acceso a Internet, la globalización de los mercados y el espíritu emprendedor que caracteriza a una gran parte de la población. Sin embargo, también se han observado desafíos, como la falta de recursos humanos y financieros, la competencia global y la volatilidad de los mercados. En este sentido, es importante investigar los factores que influyen en el éxito o fracaso de los emprendimientos, así como las estrategias que pueden ayudar a superar los desafíos. Este estudio tiene como objetivo analizar el impacto de los factores mencionados en el desempeño de las Pymes y proponer estrategias para mejorar su competitividad.

### Objectives of the Study

- (i) To determine the impact of entrepreneurship education on the performance of SMEs in developing countries.
- (ii) To establish the effects of entrepreneurial skills on the performance of SMEs in developing countries.
- (iii) To identify the factors that influence the application of entrepreneurship skills in the development of SMEs in developing countries.

## LITERATURE REVIEW

### Introduction

The review of literature on entrepreneurship and SMEs in developing countries is presented in this study. The study aims to explore the factors that influence the performance of SMEs in developing countries and to propose strategies to improve their competitiveness. The study is structured as follows: first, a general overview of entrepreneurship and SMEs in developing countries is provided. Then, the factors that influence the performance of SMEs are discussed. Finally, strategies to improve the competitiveness of SMEs are proposed.

such as some of the minor initiatives in the environment that have been developed by the government.

increasingly, while Timmons & Spin (2007)

of the results of the high-growth environment as a whole. This is many of the reasons why serious efforts to support opportunity, holistic in entrepreneur as a primary approach and based on leadership

in their various roles, as well as the leadership of the entrepreneur in the environment.

Tanzania, under the current environment, the real factors that determine the obstacles to the development of the environment.

entrepreneurship and the need to take the organization and the organization as a whole.

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from research. Moore et al. (2008) define entrepreneur as an individual who

discovers and launches new ideas and businesses. Kirzner (1982) and Hodgetts (2008) define

are few common elements among entrepreneurs as individuals who recognize and exploit

entrepreneurship on three essential characteristics: opportunity, innovation, and risk-taking.

attribution, the habit of being a catalyst for change within the potentially profitable business market.

opportunity, innovation, and risk-taking. That is, entrepreneurship is the process of identifying and exploiting opportunities for innovation and risk-taking.

people in the world (Rothschild, 1992). Entrepreneurship is a

more recent term, however, it is not a new concept. In fact, entrepreneurship has been a part of human activities since the beginning of time. In the past, entrepreneurship was often associated with trade and commerce. In the modern world, entrepreneurship has become a more complex and multifaceted concept. It now encompasses a wide range of activities, including social entrepreneurship, political entrepreneurship, and knowledge entrepreneurship. The concept of entrepreneurship has also become more global, with entrepreneurs emerging from all parts of the world. In Africa, entrepreneurship is often seen as a means of economic development and job creation. However, there are many challenges to entrepreneurship in Africa, including lack of access to capital, limited infrastructure, and a lack of government support. Despite these challenges, entrepreneurship remains a key driver of economic growth in Africa.

### Development of the Entrepreneur

Contrary to the assumptions of Western-based models, entrepreneurship is not a universal phenomenon. In fact, entrepreneurship is a culturally specific concept. In the West, entrepreneurship is often defined as the process of identifying and exploiting opportunities for profit. However, in other cultures, entrepreneurship may be defined differently. For example, in some cultures, entrepreneurship may be seen as a means of social improvement or as a way of serving the community. The development of entrepreneurship in Africa is a complex process that has been shaped by a variety of factors, including colonialism, globalization, and technological change. In the past, entrepreneurship in Africa was often limited to small-scale trading and agriculture. However, in the modern world, entrepreneurship in Africa has become more diverse and dynamic. There are now many different types of entrepreneurs in Africa, including social entrepreneurs, political entrepreneurs, and knowledge entrepreneurs. The development of entrepreneurship in Africa is a key challenge for the continent, and it is one that requires the attention of governments, businesses, and the public alike.

What has been written about entrepreneurship in Africa paints a picture of a continent where entrepreneurship is often seen as a means of economic development and job creation. However, there are many challenges to entrepreneurship in Africa, including lack of access to capital, limited infrastructure, and a lack of government support. Despite these challenges, entrepreneurship remains a key driver of economic growth in Africa. The development of entrepreneurship in Africa is a complex process that has been shaped by a variety of factors, including colonialism, globalization, and technological change. In the past, entrepreneurship in Africa was often limited to small-scale trading and agriculture. However, in the modern world, entrepreneurship in Africa has become more diverse and dynamic. There are now many different types of entrepreneurs in Africa, including social entrepreneurs, political entrepreneurs, and knowledge entrepreneurs. The development of entrepreneurship in Africa is a key challenge for the continent, and it is one that requires the attention of governments, businesses, and the public alike.

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H o w e v e r n o s s t m a f l i l r t h s e t h e r o o f i f b s u t c a l e d e h a t l d  
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S p e n c e h r i , b a s i l t i m a e t e d n y e C o m m e r s k i a l t h e s c n o r a e  
o n e B r i t a d s s t u s c e m s a f u l p i t e d o u f t r c u m s t t h a a n f i e n s a t e

qualitative (Eilks, 1995, 81) Kenya, the in Mordigso trōiaantz ainni a , Mb i Ki kuulyava re pa utti óobe in (1999) found that the successful ent r e p e a r y e t t h e p i r r e l a t i o n a n d t r e p r e s e n t a t i o n s t e a d e c e i v e d h i s b o f f a s r a s t i s f e x p t l a m i y a n t c i r o e n f a t k a w g i e t f h o l l o w r - a u p n i n g t h e g i e r o g r a p h o i c c a a t h i a o l w f a y c o m p o n t e h n u t s . r , a i a n n i d e c h n i c a l b e t w e d e o a a n t d h i e n t e T r h i e a s s i s t a r r e e n s i d e e r c e e d s a r y A k a m b a x b a r r e e p u t t e e d e s c o m p o n e f S i m s E p r o j e e t a u s e e n t r e p r e n e u r i a l , y e t , w h e n t h e y u a r a e n f t f e e u s e o v r e e a d n i d t o p p o r t a u n o i s t e y r e a t l e u c r a e n i h a n e e b o r r o w e r s ' p r o d u c t i v i t y a n d w o o d c a r i n d r u g t h a n y o w h a s a i n c o n f e e r t y e 8 1 9 ; K e l e 9 , 8 9 ) . w o r l d w a i d e t e t e s h o w a d i g h l i n b r i e n t r e p r e a e u e r s d e g r e e c o m m e r t a i l e e n l t k l a r 5 , 8 ) r e a t a d o p g l o v i o s f i r e n l e v a n t T h e e i s a g e e a g e m e n t t a t t r a i a n i e r d u c a p t r i o o g n r a a l m t s h o u g h e n t r e p r e n e u r i a d l e v o e a l r o e p e n d e v o e d e b o o m e s t h r e e i s a t h r o e n g h r e p r e a r e a u ( n o i n d i c a t i o n c e p t t h i e a n t r e p r a e m e c o u r r s 1 9 9 9 t h e m b a l 1 . 9 , 9 9 ; a e t a l . a n d o m a d e h a i t e y e t r h o u t h r e e 2 0 0 5 ) . i s t a i n i n g o a i n g u m t e h n a t t a t t e r

The m e m b a l ( . 1 9 9 9 ) s t i h t a n h o w m u c h s p e c i a e l d i z e a d a n d n e n t r e p r e u e l u t a i r e e c r e a t e d a i n s i n f n e t r a e p e r s t o n e y i t h e r t h r o a n g b n o g t h e m i n p g r s a c t h a e a t e h r e i g h t u t t e f x c o e r t h e l y n ' t o r i e r b u e s d i n e o s u r s a e s h e e d ( L a s 2 e 0 r 0 , 7 R e c e n t t u d t i e e n s d o s p e c t i r f a i i n h i e n g g e a d u c a t s u p p o r t t h e a r g u m e n t w h e t h e r a n d r a i c n a i n s g t r e n t g h t e e f o b r e n t r e p r e m a i u e s i ' n h e p a n t a c h i e v e m e d r e v e a f a i a d e f a n e n t r e p r e h a u a c t s e r t . e n h a s e e f - c o n f l i d e n t i e s ? S . t u d i e s h a v e c o n f i r m e d t h a t b e e s n o w h a r t t r e p r e e a u m e n g r e p r e s e k u i c a s t h e a p q u i r e d c a p a b d d e s t y o b n l l y e a t d o t h e t h r o e g p e r i o e r n c a i ( B h a g c k , d e v e l o p m e a n t a g e n s e k n i b l u l t s 2 0 0 5 ) .

**Characteristics of the Entrepreneur**  
 o f i m p r o e f e d i c i e s t e y d u c t i o n S e v e s a u d h i a e v f e o u n d a t h i g h p e r o d u c a t n i d a i t s t o r i g g e r f o g r a p h a r i a c t s e u r a h a g e c s p e r s o e m a t l r e p r e s k e i ( S i r e a t l g e n d e r , i n d i v i d u a l b a c k g r o u n d o n a l . . , S B A C a n a v r e d e n 1 9 9 8 ) e d u c a t n i b o n r w e r e k x p e r a e r l c e  
 O n g o s o g p s o e r t v a c a e l s s h a v e a n i m p a c t o n e n t r e p r e n e u r i a l i m p o r t a n t i n c r e a t i n g a n d n u r t u r i n g i n t e n t e o d e a n d r ( 1 K 9 o 9 I 6 v ; e r e e n t r e p s u W r i g t a b o u s t u p p o M a z z a e a d 1 1 . 9 , 9 9 ) .  
 s y s t e m s i c a r o s m a d r t e r p **RESEARCH METHODOLOGY**

**Research Design**

Description of the research design and methodology. The study used a descriptive research design to explore the sources of business ideas among entrepreneurs. Data was collected through a questionnaire and analyzed using statistical methods. The study was conducted in a purposive manner to gain insights into the factors influencing business idea generation.

**DATA ANALYSIS**

**Source of Business Idea**

Table 1 shows that 71.7% of entrepreneurs identified 'Copy from other established businesses' as the primary source of their business ideas. Other sources include recognized profitable opportunities (10.3%), experience/knowledge of customer needs (13.4%), necessity to survive (own employment) (1.6%), and other sources (3.1%).

**Table 1 Source of Business Idea**

Source of Idea	Frequency	Percent	Cumulative %
Copy from other established businesses	230	71.7	71.7
Recognized profitable opportunity	33	10.3	81.9
Experience/knowledge of customer needs	43	13.4	95.3
Necessity to survive (own employment)	5	1.6	96.9
Other sources	10	3.1	100.0
<b>Total</b>	<b>321</b>	<b>100.0</b>	

Source: Field data (2017)



### Respondents' Personal Traits

Table 2 shows that 57.3% of the respondents expressed an intention to engage in business. 17.8% of the respondents do not intend to start a business, while 24.9% of the respondents are not sure. The results show that the majority of respondents (57.3%) are willing to take risks. 13.1% of the respondents are not willing to take risks, while 4.0% of the respondents are unsure. The results also show that 92.2% of the respondents are able to get information before starting a business, while 7.8% of the respondents are not able to get information before starting a business. The results also show that 100.0% of the respondents are able to study customer needs in a market. The results also show that 321 respondents participated in the study. The results also show that 100.0% of the respondents are able to study customer needs in a market.

**Table 2 Personal Trait**

Trait	Frequency	Percent	Cumulative %
Entrepreneurship education/knowledge	57	17.8	17.8
Business experience	184	57.3	75.1
Willingness to take risk	42	13.1	88.2
Ability to get information before starting a business	13	4.0	92.2
Ability to study customer needs in a market	25	7.8	100.0
<b>Total</b>	<b>321</b>	<b>100.0</b>	

Source: Field data (2017)

### Type of Entrepreneurship Skill Possessed

Table 3 shows that 45.2% of the respondents possess the skill of knowledge, 27.1% possess the skill of experience, 17.8% possess the skill of ability, and 8.9% possess the skill of opportunity. The results also show that 100.0% of the respondents possess the skill of knowledge, 100.0% of the respondents possess the skill of experience, 100.0% of the respondents possess the skill of ability, and 100.0% of the respondents possess the skill of opportunity. The results also show that 100.0% of the respondents possess the skill of knowledge, 100.0% of the respondents possess the skill of experience, 100.0% of the respondents possess the skill of ability, and 100.0% of the respondents possess the skill of opportunity.

**CONCLUSION AND RECOMMENDATION**

**Conclusions**

The findings indicate that the majority of SMEs in the study area are in the informal sector and are characterized by low levels of formalization, low levels of investment, and low levels of productivity. The study also found that the majority of SMEs are in the trade sector and are characterized by low levels of investment, low levels of productivity, and low levels of formalization. The study also found that the majority of SMEs are in the trade sector and are characterized by low levels of investment, low levels of productivity, and low levels of formalization.

The findings also indicate that the majority of SMEs in the study area are in the informal sector and are characterized by low levels of formalization, low levels of investment, and low levels of productivity. The study also found that the majority of SMEs are in the trade sector and are characterized by low levels of investment, low levels of productivity, and low levels of formalization.

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