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ENTREPRENEURIAL SKILLS DEVELOPMENT AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN AWKA-SOUTH LOCAL GOVERNMENT AREA, ANAMBRA STATE

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Abstract

This study examined the influence of entrepreneurial skills development on the performance of Small and Medium Enterprises (SMEs) in Awka South, Anambra State, Nigeria. *The objective was to explore the extent to which risk-taking skills and communication skills enhance customer satisfaction and revenue growth of SMEs in Anambra State. A descriptive survey design was employed. Two research questions were raised, and two hypotheses were tested at the 0.05 level of significance. The study population consisted of 1902 registered SMEs in Awka-South L.G.A. A purposive sampling method was used to select 506 entrepreneurs who were meaningfully engaged in SMEs in Awka-South. The instrument for data collection was a drafted questionnaire culled from the two research questions. Mean and standard deviation were used to answer research questions, while a t-test was used to test the hypotheses. The findings revealed that risk-taking and communication skills enhance customer satisfaction and business growth*

among SMEs in Awka-South L.G.A, Anambra State. It was concluded that entrepreneurial skills development enhances the performance of SMEs in Anambra State. It was therefore recommended among others that SME entrepreneurs need to continually develop these skills through attending workshops and seminars, as this will strengthen and improve their market demand.

Keywords: Risk-taking skills, Communication skills, Customer satisfaction, Revenue growth, Small and Medium Enterprises.

Introduction

We live in a contemporary society where everyone strives to fit into different roles. A good number of young people have left their comfort zone in pursue of relevant skills rather than roam the streets, looking for white collar jobs. One of the areas young people (students inclusive) have developed interest is in the acquisition of entrepreneurship skills to build and operate small and medium enterprises that will flourish in the business world. Generally, the performance of small and medium enterprises (SMEs) is a critical component in any nation's economic landscape. This is because these enterprises serve as a backbone for job creation, innovation, revenue growth and overall economic development. The World Bank (2024) notes that SMEs play a major role in most economies, particularly in developing countries. Small and Medium Enterprises account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They also represent about 90% of businesses and offer more than 50% of employment worldwide. Nevertheless, many SMEs face significant challenges

that encumber their growth and sustainability, customer satisfaction, competitiveness and entrepreneurial skills.

Entrepreneurship skill is seen as a spectrum of abilities that are key to overcoming challenges, innovation, and achieving success in businesses (Harti, 2024). These skills include problem-solving, risk-taking, creativity, adaptability, resilience, effective communication, financial literacy, leadership, team building, market awareness skills, among others. An entrepreneur with entrepreneurial skills will most likely contribute meaningfully to SMEs' growth. Hence, Chiekezie, Nzewi and Akinroluyo (2021) observe that essential business communication and analytical skills need to be adopted to optimise the performance of Micro, Small and Medium Enterprises. Similarly, Subramani (2020) posits that an entrepreneur is a foreseer and appraiser of commercial avenues, mobilizer of necessary resources and implementer of actions needed for business success.

A good number of literatures have outlined ways by which entrepreneurial skills development can enhance risk-taking performance and customer satisfaction of SMEs. For instance, Ede, (2024) holds that the adoption of information technologies in SMEs contribute to communication sales revenue in various activities that go on in various SMEs. Again, HULT International Business School (2021) assertes that entrepreneurial skills can be proactively developed through the entrepreneur’s refining of his interpersonal skills, connecting with other entrepreneurs, making a book list in passing conversation, practicing resilience, ring-fencing time to de-stress and keeping learning actively. These corroborates

the empirical finding that the acquisition of entrepreneurial skill is an indispensable means of making jobs available for overall growth (Chiekezie, Nzewi & Erhinwionose, 2016).

Ultimately, understanding the dynamics of skills development and its influence on SME performance is vital for stimulating economic growth and improving living standards in Anambra State. In the context of this study, in Awka-South Local Government Area, the development of entrepreneurship skills is essential for enhancing the performance of businesses in the Local government. Sadly, SMEs in Awka-South lack the risk-taking skills necessary to keep their customers satisfied. A good number of male and female entrepreneurs are poorly enlightened on risk-taking development skills, which, as observed, is one of the reasons their businesses have not yet boomed. They seem conversant with the communication system but lack communication skills. Effective skills development, hopefully, will not only improve operational efficiency but also foster resilience among SMEs, enabling them to adapt to changing market conditions. This article is poised to examine entrepreneurial skills (risk-taking and communication) development and performance of SMEs in Anambra State with particular reference to Awka-South L.G.A. The specific objectives are to:

1. Access the extent risk-taking skills development enhance customer satisfaction of SMEs in Anambra State
2. Determine the extent communication skills development enhance revenue growth of SMEs in Anambra State

Research Questions

The following research questions guided this study:

1. To what extent does risk-taking skills development enhance customer satisfaction of SMEs in Anambra State?
2. To what extent does communication skills development enhance revenue growth of SMEs in Anambra State?

Research Hypotheses

1. Risk-taking skills development does not significantly enhance customer satisfaction of SMEs in Anambra State.
2. Communication skills development does not significantly enhance revenue growth of SMEs in Anambra State.

Literature Review

Entrepreneurship Development in Nigeria

Entrepreneurship development in Nigeria has gained substantial attention from researchers due to its ability to address vital concerns on joblessness and unproductivity. Poor entrepreneurship development has been identified as an immediate reason why businesses in developing countries fail to start or progress. Entrepreneurship Development Programs (EDPs) have been described by Gaither-Davis (2024) as a purposeful intervention by an

adult (the teacher) in the life of a learner to impart entrepreneurial qualities and skills to enable the learner to survive in the world of business. It aims to equip learners with skills, knowledge and dispositions that can help them develop or implement innovative, social or business plans.

Entrepreneurial Skills Development

Entrepreneurial skills refer to various skills required for an entrepreneur to excel in a business. These skills are vital for promoting innovation, business growth and competitiveness. Herrity (2023) defined entrepreneurial skill as a broad range of various skills set like technical skills, leadership and business management skills and creative thinking. Herrity averred that it also encompasses large range of both soft and hard skills. Recognising the importance of fostering entrepreneurial skills, researchers and policymakers have focused on understanding the key competencies required for entrepreneurial success and how they can be effectively developed through education and training programs. In addition, successful entrepreneurs must possess a range of personal entrepreneurial skills, including a strong commitment and determination, leadership abilities, tolerance for risk, and internal motivation (Tripopsakul and Charupongsopon, 2017).

Risk-Taking Skill

Entrepreneurship has long been recognised as a crucial driver of economic growth and innovation, with small and medium enterprises (SMEs) playing a vital role in this process. Effective risk management is a critical component for the success and sustainability of SMEs, as they often operate in dynamic and uncertain environments (Ossie, 2024). Risk-taking is described as the capacity of the entrepreneur to perceive risk at its inception and to find avenues to mitigate, transfer, or share the risk. The literature suggests that SMEs face a variety of risks, including financial, operational, and market-related risks (Salameh, et al., 2022). SME owners and managers often lack the necessary knowledge and experience to effectively manage risks, which can pose a significant threat to the performance of their businesses (Prioteasa et al., 2020).

Communication Skills

Ojobo (2023) maintains that communication skills with technological knowledge enhance digital literacy among entrepreneurs and workers; this helps workers to communicate with each other faster and efficiently. Ede (2024) posited that communication skills, as used at the workplace to an extent, contribute to teamwork, which ensures that information is easily transferred from one person to

another; this information could be vocal, written, or non-verbal. In general, communication skills are relevant for all entrepreneurs in order to enable them to communicate effectively with clients, team members and other stakeholders.

Risk-taking Skill and Customer Satisfaction on SMEs

Risk-taking skills provides the entrepreneur with a pool of available options to exploit while improving the SMEs business. Understanding how to identify and manage risks allows entrepreneurs to navigate uncertain environments and make informed decisions. Grilli (2022) postulates that entrepreneurs who have the ability to exploit risk, will stand the chance of retaining their customers, and at the same time satisfying their needs.

Communication Skill and Revenue Growth on SMEs

Communication skill can effectively enhance business revenue growth, because for every purchase there are sometimes negotiations especially where there are no fixed prices for particular goods or service being offered by SMEs. However, increase in prices of these products can hinder purchases, so it is now left for the entrepreneur to use verbal communication skills to attract consumers. Communication skill in this context also entails that entrepreneurs may send reports during meetings and messages through emails about projects to be

undertaken (Papageorgiou, et al 2021). Thus, customer satisfaction and revenue growth are indicators of performance of SMEs in this study.

Theoretical Framework

This work is anchored on Resource-Based theory propounded by Penrose (1959). The theory laid emphasis on the need for an entrepreneur to possess the required capabilities and resources as a prerequisite condition necessary for achieving a sustained competitive advantage. The theory addresses the need for small-scale enterprises to be proactive given the changing business environment. In light of the foregoing, small-scale businesses that wish to survive in a changing business environment must possess an exceptional skill that would guarantee a good understanding of the economic environment in an attempt to achieve a sustained competitive advantage. The theory is relevant to this study because it would provide a good platform for SMEs to thrive well in the business world. Invariably, it will enhance the performance of small and medium-scale businesses in Awka-South Local Government Area of Anambra State.

2.3 Empirical Review

Dauda, Namusonge and Nyang'au (2023) examined the influence of entrepreneurial marketing skills on the growth of small and medium plastics manufacturing enterprises in Nigeria. A descriptive research design was employed

while primary data was gotten through a semi-structured questionnaire. The population of the study was 18,476 while the sample size for the study was 397 respondents with the use of random sampling. Data were analyzed using SPSS version 27 software. The inferential statistics results revealed a positive and significant relationship between entrepreneurial marketing skills on growth of small and medium plastic manufacturing enterprise in Nigeria.

Amrullah, Mulyana and Sutisna (2023) examined the influence of entrepreneurial orientation and entrepreneurial skills on the performance of SMEs in the food and beverage sector in Batu, East Java. The population of the study is food and beverage SMEs owners in the town of Batu, and the samples are 50 respondents with the aid of non-probability sampling techniques. Data were analysed using descriptive statistics and partial Least Square Structural Equation Modeling (PLS-SEM). This research revealed that entrepreneurial skills had a positive and significant impact on SMEs performance.

Alaka and Okogua (2022) examined the influence of entrepreneurial orientation and management skills on the performance of small and medium enterprises (SMEs) in the state of Lagos, Nigeria. Multiple regression method of analysis was employed for the research. The population of the study was 11,663 registered SMEs in Lagos State, and a sample size of 500. Data collected were analysed using both descriptive and inferential statistics. The result showed that

entrepreneurial orientation practices have a positive and significant effect on profitability of the selected SMEs.

Chiekezie, Nzewi and Akinroluyo (2021) investigated entrepreneurial skills with focus on communication and analytical skills for optimal performance of micro, small and medium enterprises (MSMEs) in Covid-19 era. The research anchored on the contingency theory by Fred Edward Fiedler (1964). It was descriptive and employed the use of questionnaire in data collection from 40 selected micro, small and medium business owners in Anambra State, Nigeria. Data collected were analysed and hypotheses tested using ordinary least square regression at 5% level of significance. Findings showed that communication skills had significant effect on customer satisfaction of MSMEs. Further, analytical skills had statistical significant influence on the internal process quality of MSMEs.

Asogwa and Dim (2016) investigated the relationships between entrepreneurship development and employment reduction in Anambra State, Nigeria. The research focused on youths of five selected local government council of Anambra State, Nigeria. Exploratory and descriptive research design were used in the study, and data were collected using questionnaire from an infinite population. Samples of 30 youths were drawn from the infinite population of each local government through a convenience sampling technique. A total of 150 youths were sampled for the study. The results showed that the variables in Ho_1, Ho_2 and Ho_3 were significantly

and positively related and Ho_4 was also significant. The study recommended that government should strive to reduce the cost of doing business in Nigeria.

Chiekezie, Nzewi and Erhinwionose (2016) investigated the influence of entrepreneurial skill acquisition on job creation in Benin City Metropolis, Nigeria. The specific objective was to examine the extent of relationship between entrepreneurial skills acquisition and job creation. The study was anchored on McClelland's theory of need for achievement and goal setting which forms the basis of activity for most entrepreneurs. Both primary and secondary sources of data were used to obtain data for the study. Pearson's Product Moment Correlation was employed to test the formulated hypothesis. Findings revealed that acquisition of entrepreneurial skills is an indispensable means of making jobs available in Benin City, Nigeria.

Methodology

The study adopted the descriptive survey design and utilized primary source of data. The study area is Awka-South L.G.A of Anambra State with a population of 1902 registered SMEs in Awka-South. Purposive sampling was used to select 506 entrepreneurs who are meaningfully engaged in SMEs in Awka-South. Instrument for data collection was a drafted questionnaire culled from the two research questions and used to obtain information from the selected registered entrepreneurs. The questionnaire administered through direct delivery was structured on a two point scale of High Extent (HE) and Low Extent (LE). It

was properly validated and the reliability of instrument using Cronbach Alpha yielded coefficient values of 0.89 and 0.87. Mean and standard deviation were used to answer the research questions while t-test was used to test the hypotheses at 0.05 level of significance.

Results

Research Question One: To what extent does risk-taking skills development enhance customer satisfaction of SMEs in Anambra State?

On the responses of entrepreneurs on the extent to which risk-taking skills enhance customer satisfaction of SMEs in Anambra State, it was revealed that to a high extent, all the employed indices of risk taking skills (decision making, innovative thinking, interpersonal relation, analytical skill, creative thinking, emotional regulation and problem solving skills) enhance customer satisfaction among entrepreneurs in SMEs.

Research Question Two: To what extent does communication skills development enhance revenue growth of SMEs in Anambra State?

On the responses of entrepreneurs on the extent to which communication skills development enhance revenue growth of SMEs business management skills in Anambra State, it was revealed to a high extent, that communication skills enhance development of new strategies to operate SMEs, enhance revenue growth through the use of technologies in communications, enhance reliability in team work and further enhance digital literacy.

Testing of hypotheses

Hypothesis 1

The mean response of respondents on extent to which risk-taking skills development enhance customer satisfaction of SMEs among entrepreneurs in Anambra State is not significant.

Table 1: t-test of mean ratings on extent to which risk-taking skills development enhance customer satisfaction of SMEs among entrepreneurs

Location	N	Mean	SD	Df	t-cal	t-crit	A	Decision
Risk-taking	221	2.28	0.76					
				504	3.	1.965	.05	Not Significant
Customer satisfaction	285	2.49	0.97					

Source: Field Survey, 2022.

Because t-cal of 3. is greater than t-crit of 1.965 at .05 level of significance. The null hypothesis is rejected.

Hypothesis 2

The mean response of respondents on extent to which communication skills development enhance revenue growth of SMEs among entrepreneurs in Anambra State is not significant.

Table 2: t t-test comparison of mean ratings on extent to which communication skills development enhance revenue growth of SMEs entrepreneurs

Location	N	Mean	SD	Df	t-cal	t-crit	A	Decision
	221	2.66	0.93					
				504	2.428	1.965	.05	Not significant

	285	2.83	0.88

Source: Field Survey, 2022.

Because t-cal of 2.428 is greater than t-crit of 1.965 at .05 level of significance. The null hypothesis is rejected.

4.2 Discussion

Extent risk-taking skills enhance customer satisfaction of SMEs in Anambra State

Findings indicated that to a high extent, technical, conceptual, interpersonal relations, budgeting, creative thinking and problem-solving skills enhanced customer satisfaction among entrepreneurs in SMEs. Some of the above findings are in agreement with Solas (2018) who maintained that technical skills were needed by entrepreneurs to their job specifications and updates to meet the requirements of their specific goals. The findings also agree with Omalara (2018) who also maintained that creative and problem-solving skills, which are related to risk-taking skills are critical for increase in sales and competitive advantage. A further discussion on the extent risk-taking skills enhance customer satisfaction of SMEs, Nittyasri, Kaviya and Vijaya (2019) posited that risk-taking skills, which comprise personal characteristics, interpersonal skills, critical and creative thinking, together with practical skills, are business-oriented management skills required to become a good entrepreneur. Related to the above findings, Sousa and Almeida (2014) found that to enhance customer satisfaction and the development of skills, entrepreneurs must be

conversant with cognitive skills, social and relational skills, technical and management skills, to be well-grounded and well-informed in risk-taking. The findings above therefore show that to a high extent, risk-taking skills enhance customer satisfaction of SMEs.

Extent communication skills development enhances revenue growth of SMEs' business management skills

Findings show that to a high extent, communication skills enhanced the development of new strategies to operate SMEs, enhanced revenue growth through the use of technologies in communications, enhanced reliability in teamwork work and further enhanced digital literacy. The above findings are in agreement with Ede (2024), who reported that communication and technological skills had a significant relationship with success in SMEs, as entrepreneurs relied on these skills daily for improvement in their business engagements. Relatively, Nyamwanza (2014) reported that communication skills enhanced the use of formal and informal means of communication channels to share information with people while Ojobo, Orga, Okechukwu and Hubs (2023) found that communication skills also develop digital literacy among participants of SMEs which has significant impact on revenue growth of business transactions and cost of services on small scale businesses. Ede maintained that the adoption of modern technologies in communication makes information transaction and management of businesses in SMEs more reliable and innovative. On the whole, it could be deduced that to a high extent, communication skills development enhanced revenue growth of SMEs business management skills.

5.1 Summary of Findings

The summary of findings revealed that to a high extent, risk-taking skills development and communication skills development enhance customer satisfaction and revenue growth of SMEs in Awka-South Local Government of Anambra State.

5.2 Conclusion

It was concluded that business risk-taking skills and communication skills, when developed, enhance customer satisfaction and revenue growth of entrepreneurs.

5.3 Recommendations

Based on the findings from this study, the authors recommended that:

1. All SME entrepreneurs need to continually develop entrepreneurial skills through attending workshops and seminars, since it will strengthen and improve their market demand.
2. Anambra State Government need to encourage SME entrepreneurs by organising workshops and training that will enable them to develop more of their communication skills via technologies to speed up their performance and ensure that there is revenue growth in their SMEs.

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