

ENTREPRENEURIAL COMPETENCIES AS DRIVERS OF SMALL AND MEDIUM ENTERPRISES' PERFORMANCE IN OSUN STATE, NIGERIA

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ABSTRACT

This research assesses the influence of entrepreneurial competencies on SMEs in Osun State, Nigeria, with particular reference to strategic competency, organizational competency and opportunity competency as critical success factors. Self-structured questionnaires were distributed and retrieved from a random sample of 377 SME operators across the state, and the data collected were analysed using descriptive and inferential statistics. The results show a positive and strong correlation between strategic competencies and SME performance, with a statistical significance of $p < 0.001$, suggesting that efforts made in developing strategic competencies can boost the performance of SMEs. Also, competencies related to orders and organization revealed a clear and statistically significant effect on SME performance ($p < 0.001$), which underlines the importance of competence in resource management and operative capacity. In addition, a positive relationship between opportunity competencies and SME performance was also evidenced ($p < 0.05$), stressing the need for firms to discover and exploit opportunities. The present study argues that entrepreneurial competencies are critical determinants of SMEs growth and performance in Osun State. This study suggests that the Government and business developing organizations should mutually define and facilitate the development of training initiatives that would be addressed towards the development and reinforcement of knowledge required in improving the SMEs' performance. Such initiatives are

essential not only for sustaining and growing individual enterprises but also for fostering broader economic development in Osun State.

Keywords: Entrepreneurial competency, Strategic competency, Organizing Competency, Opportunity competency, SMEs Performance.

INTRODUCTION

Small and Medium-sized Enterprises (SMEs) have emerged as pivotal drivers of economic development in developing countries, contributing significantly to job creation, poverty reduction and economic growth (Mingione & Abratt, 2020; Oyedele et al., 2022). In Nigeria, SMEs employ over half of the workforce, underscoring their critical role in the country's economic landscape (Oyedele et al., 2022). However, SMEs in Nigeria face numerous challenges, including limited resources, inadequate government policies, unskilled labor, and poor access to technology, hindering their performance and competitiveness (Central Bank of Nigeria, 2020; Kaigama, 2023).

Various researchers have consistently highlighted the importance of entrepreneurial competencies in determining SME success (Mohammed et al., 2021; Kaigama, 2023). Entrepreneurial competencies encompass the knowledge, abilities, and attitudes necessary for launching and growing a successful firm (Aminu & Shariff, 2017). These competencies enable SMEs to recognize opportunities, add value, and effectively compete in the marketplace (Babayayi et al., 2021). Despite their significance, many Nigerian SMEs lack essential entrepreneurial competencies, contributing to high failure rates and poor performance (CBN, 2020).

While extensive research has examined SME performance and entrepreneurial competencies in Nigeria (Kaigama, 2023; Babayayi et al., 2021; Ibidunni et al., 2021; Mohammed et al., 2021), few studies have explicitly focused on SMEs in Osun State, a region with a high concentration of SMEs (NBS, 2022). Existing research has primarily explored aspects of entrepreneurial skills other than financial management, risk-taking, and creativity (Hock-Doepgen et al., 2021). Moreover, previous studies have methodological limitations, resulting in inconsistent and contradictory findings (Gwadebe & Amirah, 2017; Ikupolati et al., 2017; Mohammed et al., 2017).

This study aims to bridge the knowledge gap by investigating the relationship between entrepreneurial competencies and SME performance in Osun State. Specifically, it examines the influence of strategic, organizing, and opportunity competencies on SME performance. The findings will contribute to developing effective strategies for empowering entrepreneurs and promoting equitable economic growth in Osun State. The study's outcomes will also inform policy decisions and economic development initiatives.

By addressing the research gap, this study will provide valuable insights into the role of entrepreneurial competencies in driving SME performance in Osun State, contributing to the existing body of knowledge and informing evidence-based decision-making.

This study has significant implications for entrepreneurs, policymakers, investors, and the government. The findings will enable entrepreneurs to enhance their competencies, inform policymakers' economic development initiatives, guide investors' decision-making, and shape government interventions to promote SME growth.

Research Questions

- i. What is the impact of strategic competencies on SME performance in Osun State, Nigeria?
- ii. To what extent has organizing competencies influence SME performance in Osun State, Nigeria?
- iii. What is the effect of opportunity competencies on SME performance in Osun State, Nigeria?

2.0 Literature Review

2.1 Concept of Entrepreneurial Competency

According to Arshad and Khurshid (2017) and Man et al. (2002), entrepreneurial competencies are a crucial factor in determining the success of a business. They include a wide range of personality qualities, abilities, and knowledge that help entrepreneurs perform their jobs well. Entrepreneurship research highlights the importance of both managerial and entrepreneurial skills for long-term company growth (Man et al., 2002; Mitchelmore & Rowley, 2010). Entrepreneurial competency necessitates mastery of both areas, as managerial abilities are critical for corporate growth and entrepreneurial competencies are necessary for venture initiation.

According to Bird (1995), entrepreneurial competences are underlying traits, motivations, self-images, social roles, knowledge, and abilities that collectively impact the initiation, survival, and expansion of a venture. These skills are demonstrated by individual business owners who generate value through resource allocation and opportunity recognition (Bird, 1995; Mitchelmore & Rowley, 2010). The six main areas of entrepreneurial competences are opportunity, relationship, conceptual, organizing, strategy, and commitment, according to Man et al. (2002). The various skills needed to spot possibilities, establish connections, organize resources, create plans, and stay dedicated to corporate goals are all represented in these clusters. For small and medium-sized businesses (SMEs), where the ability of the entrepreneur to obtain, use, and create resources is essential to venture success, entrepreneurial abilities are especially important (Mitchelmore & Rowley, 2010; Johnson & Winterton, 1999). Competencies required by SMEs are contextually different from those required by larger organisations.

Entrepreneurial competencies offer a framework for comprehending entrepreneurial success in a variety of circumstances by bridging the gap between individual traits and venture outcomes.

2.2 Strategic Competency

Strategic competency is a critical entrepreneurial competency that encompasses the ability to formulate, implement, and adapt long-term goals and strategies to achieve sustained competitive advantage (Man, et al., 2002). This competency entails the capacity to set visions, make good decisions, and coordinate resources to address emerging market situations (Mitchelmore & Rowley, 2010).

The term strategic competency has been described as the inherent capability of people to achieve sustained targets (Ahmad et al., 2010) and the capacity to set, assess, and facilitate the execution of favorable strategies for the firm (Man et al., 2002). In the same way, Man et al. (2001) defines strategic competence as the capacity to have a vision, develop business strategies, and plan how to implement them in an enterprise. According to Stonehouse and Pemberton (2002), long-term strategic plans must be designed for the firm's vision. At the firm level, strategic competencies refer to the ability to create and sustain competitive advantage through unique resources, capabilities, and core competencies (Hitt et al., 2011; Prahalad & Hamel, 1990). Prahalad and Hamel (1990) define strategic competencies as "the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technology. These competencies enable firms to outperform competitors and achieve long-term success.

2.3. Organizing Competency

Organizing competency is a vital entrepreneurial competency that encompasses the knowledge, skills, and abilities necessary to effectively manage and coordinate business resources, operations, and activities (Chandler & Hanks, 1994; Mitchelmore & Rowley, 2010). Closely related to managerial competency, organizing competency involves directing, leading, assigning, encouraging, planning, and arranging work, as well as overseeing business finances (Ataei et al., 2020; Idris et al., 2020; Kaur & Bains, 2013; Kabir et al., 2017).

Scholars characterise organising competency as a complex skill essential to successful company management. Sanchez and Heene (1997) state that it entails the capacity to establish and preserve organisational procedures, structures, and culture that complement and support the strategic goals of the company. Kabir et al. (2017) and Kaur and Bains (2013) build on this by stressing the ability to effectively organise, schedule, inspire, delegate, lead, and direct tasks. The ability to lead, control, monitor, organise, and develop both internal and external resources is another way that Man (2001) and Arshad and Khurshid (2017) define organising competency. This ability ensures that the firm's activities are effectively aligned with its aims. Organizing

competency encompasses four critical dimensions that are essential for effective business management.

- a) Planning and resource management, enabling entrepreneurs to allocate resources efficiently (Man, 2001; Arshad & Khurshid, 2017).
- b) Operational efficiency and coordination, ensuring seamless business operations (Chandler & Hanks, 1994).
- c) Team building and workflow management, facilitating effective collaboration and productivity (Mitchelmore & Rowley, 2010).
- d) Internal structure and process design, supporting the firm's strategy through organizational architecture (Sanchez & Heene, 1997; Teece et al., 1997).

Organizing competencies are particularly crucial for small and medium-sized enterprises (SMEs), enabling them to optimize limited resources, adapt to changing environments, and achieve scalability and responsiveness to market changes (Chandler & Hanks, 1994; Mitchelmore & Rowley, 2010)

2.4. Opportunity Competency

Extant research underscores the critical significance of opportunity recognition and exploitation as foundational competencies in entrepreneurship, distinguishing it from management and driving value creation and business growth (Mitchelmore & Rowley, 2010; Shane & Venkataraman, 2000). These competencies encompass the capacity to identify and envision high-potential opportunities, evaluate their feasibility, and develop them through systematic actions (Man, 2001). Teece (2007) conceptualizes opportunity competencies as the ability to sense, seize, and transform business opportunities, involving the identification of emerging trends, leveraging innovation, and calculated risk-taking to capitalize on market dynamics (Hitt et al., 2011).

At the individual level, opportunity competencies refer to the ability to recognize, assess, and pursue profitable business opportunities, entailing the identification of potential market gaps and envisioning innovative solutions (Shane & Venkataraman, 2000). Ardichvili, et al., (2003) emphasize that these competencies involve not only opportunity recognition but also strategic actions to exploit them, fostering innovation and SME growth. Opportunity competencies are multifaceted, encompassing both individual and organizational capacities to identify, create, and exploit new opportunities, enabling entrepreneurs and firms to innovate, adapt, and thrive in dynamic market landscapes.

2.5 SMEs Performance

Small and medium-sized enterprises (SMEs) performance is a complex concept that has been of interest to scholars in the management field. The performance of SMEs is another factor used in measuring organizational performance, and it compels a firm to enhance competitiveness and attain strategic goals (Anwar, 2018; Sadiku-Dushi et al., 2019). In other words, a performance, which could be financial or non-financial (as a proxy for efficiency), underpins organizational

assessment and determines a business's potential to thrive (Islami et al., 2022; Agarwal et al., 2022; Blevins et al., 2022).

To date, scholars have defined SME performance in the following ways: as the extent to which organizations attain stated aims (Babayayi et al., 2021), the ability to provide satisfactory results and activities (Eniola & Entebang, 2015) and the attainment of given targets (Gathungu & Sabana, 2018). Performance can also be defined as results achieved with more or fewer resources (Hafeez et al., 2017) or as competitiveness, growth, survival and success (Asakania, 2021).

The performance of SMEs can be judged on many parameters, including financial and non-financial means like the profit-making capability margin, profit-making capability growth and investment proportion (Hafeez et al., 2017). Performance measurement helps firms, particularly SMEs, focus on suitable activities to achieve strategic objectives to enhance their competitive advantage (Blevins et al., 2022). In addition, owners and corporate managers should consider performance as relevant or central to organizations since it helps determine organizational outcomes. It is vital to analyze performance concerns in organizations for survival.

To support the competitiveness and stability of organisations. Hence, while researching SMEs, both the researchers and practitioners identified performance measurement as a prime mover to the success of SMEs. Understanding SME performance is crucial for developing strategies that enhance organizational competitiveness and resilience. By examining the complex relationships between SME' performance, strategic competencies, opportunity competencies and organizing competencies, this study provide valuable insights into the factors that influence SME performance.

2.6 Theoretical Review

The Resource-Based View (RBV) forms the theoretical framework to justify the relationship between entrepreneurial competencies and SME performance. Originating from Penrose (1959), with Wernerfelt (1984) extending it, RBV affirms that internal resources are the leading cause of organizational performance (Barney, 1991; Peteraf, 1993). Barney (1991) clarified the above theory further. He stresses that resources that are valuable, rare, inimitable and non-substitutable contribute to the realization of a sustainable competitive advantage.

Hence, RBV has received increased interest in entrepreneurship research owing to its conception of intangible, human and organizational assets as sources of growth and innovation (Penrose 1959; Amit & Schoemaker 1993). The knowledge-based perspective that regards entrepreneurial competencies as discrete and inimitable assets is congruent with the RBV concept that underlines the importance of these assets to firm performance.

Applying the RBV concept to SMEs in Osun State, Nigeria, every reason exists to focus on developing strategic, organizational, and opportunity recognition competencies for better performance results. This external environment affects many SMEs, including those in this region, for the following reasons: Capital is scarce, and the market is volatile. These

considerations imply that the main threats can be addressed and controlled by the owners and managers of SMEs by focusing on internal resources and competencies, such as entrepreneurial skills and competencies, to gain sustainable competitive advantage.

Based on this theory, this study seeks to analyze the impact of entrepreneurial competencies on the performance of SMEs in Osun state using the RBV framework. Thus, the RBV, which highlights internal resources and capabilities, serves as a sound theoretical framework to explicate how entrepreneurial competencies, most notably strategic, organizing, and opportunity competencies, define performance in a sustainable manner.

2.7 Empirical Review

Agbenyegah and Mahohoma (2020) examined the moderating effect of entrepreneurship antecedents, opportunity, and personal and strategic competencies on small business performance in Ethekeweni, South Africa. The paper adopted a quantitative research method and data was collected from 248 SME owner-managers using a self-developed 5-Likert scale questionnaire administered through the Durban Chamber of Commerce and Industry. Studies showed that these competencies are essential in SME performance and underscored this research in responding to the high failure rates of small businesses in South Africa. The study establishes the need to develop and deploy entrepreneurial competencies as critical success factors for SME operation and development and provides applied knowledge for enhancing managerial performance.

Sakib et al. (2022) conducted empirical research by choosing partial least squares structural equation modeling as the research technique to determine the level of entrepreneurial competencies and their impact on the performance of SMEs in Bangladesh. Consequently, the study discovered that competencies in organizing and leading, learning, relation building, and commitment positively influence the performance of SMEs. On the other hand, the study revealed that both strategic and opportunity competencies exerted a non-significant impact on the performance outcome of SMEs.

Kisubi et al. (2022) examine the complex interdependency of Entrepreneurial Competencies, Firm Capabilities and Small and Medium-sized Enterprise (SME) Performance in Uganda. Employing a cross-sectional paper and survey data collected from 314 manufacturing, trade and restaurant SMEs in Tehran, Iran, the study establishes that Entrepreneurial Competencies and Firm Capabilities enhancing SME Performance are positive and statistically significant. Among other things, the analysis of the findings reveals Innovative Competency as the most influential predictor of SME Performance among the adopted seven competencies. Moreover, it has been discovered that firm capabilities are a better determinant of SMEs' performance than entrepreneurial competencies. The findings have important implications for SME owners and managers, highlighting the need to address competency gaps and develop critical capabilities, such as management and marketing, to enhance performance.

Kaigama (2023) investigated the influence of entrepreneurial competencies on small business performance in northeastern Nigeria. The study employed structural questionnaires to collect data from 307 small business owners/managers. Partial least squares analysis revealed that five entrepreneurial competencies (relationship, conceptual, organizing, strategic, and learning) positively influence small business performance, while opportunity and commitment competencies exhibited adverse effects. The findings underscore the significance of entrepreneurial competencies in enhancing small business performance and provide a framework for designing targeted training programs for owners/managers.

3. Methodology

This study adopted a cross-sectional survey research design to investigate the relationship between entrepreneurial competencies and SME performance in Osun State, Nigeria. The population consisted of 18,358 SMEs (NBS, 2022). To make the study results generalizable, the required sample size of 377 was estimated using Raosoft’s (2004) formula for a 95% confidence interval and 5% margin of error.

The data was collected from the SME owners by administering a well-designed, pilot-tested questionnaire backed up by a 5-point Likert scale for assessing entrepreneurial competencies and SME performance. Following Kabir et al.’s (2017) framework, entrepreneurial competencies were defined in terms of strategic, opportunity and organizing perspectives. Based on the literature (Man. et al., 2001; Agbenyegah & Mahohoma, 2020), the experts constructed and reviewed viable and objective-relevant questionnaires before the study to guarantee their effectiveness, reliability, validity, and consistency with the goals. To reduce bias and increase data collection efficiency, the pilot tested with 30 SME owners and fine-tuned the instrument.

Qualitative descriptive statistics such as frequency distribution were used to summarize the SMEs' overall respondent profile and characteristics. Descriptive statistics and linear regression analysis were then used to analyze the research questions on entrepreneurial competencies and SME performance. Regression analysis was chosen because it enables the evaluation of the extent of the relationship between entrepreneurial competencies (independent variables) and SME performance (the dependent variable). This statistical method helps determine various predictors likely to influence SME performance, thereby helping provide necessary information for policymakers, entrepreneurs and all other stakeholders.

The analysis was conducted using Statistical Package for Social Sciences (SPSS) software (version 27.0), ensuring precise and reliable statistical computations.

4. Results and Discussion

Table 1: Demographic characteristics

Demographic variables	No of observation	Percentage (%)
Gender		

Male	237	62.9
Female	140	37.1
Total	377	100
Age		
21-30	82	21.8
31-40	197	52.3
41-50	60	15.9
Above 50	38	10.1
Total	377	100
Academic qualification		
SSCE	50	13.3
OND/NCE	109	28.9
Degree/HND	142	38.7
M.Sc.	52	13.8
Others	24	6.4
Total	377	100.0
Years of experience		
Below 5	42	11.1
5-10	89	23.6
10-15	193	51.2
Above 15	53	14.1
Total	377	100.0

Source Researcher's Field Survey (2024).

The demographic distribution of respondents, as presented in Table 1, indicates that the majority of SME owners in Osun State are male, with 237 respondents (62.9%) being males, compared to 140 respondents (37.1%) being females. This gender disparity suggests that male entrepreneurs dominate SME ownership in the region, which could reflect broader socio-cultural or economic dynamics influencing entrepreneurial participation.

Regarding age distribution, 56.9% of the respondents (202 individuals) fall within the age range of 31–40 years, followed by 23.1% (82 individuals) aged 21–30. A smaller proportion, 10.7% (38 individuals), are over 50 years old, and 9.3% (33 individuals) are between 41 and 50 years. The prevalence of SME owners within the 31–40 age group highlights the involvement of individuals in their prime years of productivity and decision-making, which may contribute positively to the dynamism and growth of SMEs in Osun State.

The analysis of the respondents' educational levels indicates that rather high levels of education can characterize a relatively high number of SME owners. About 7.0 % (25) of the respondents said they have O-level, while 28.7% (102) affirmed they possess ND/NCE certificates. Over 40%, or 42.8% of 152 respondents, have HND/BSc qualifications, 14.6% or 52 respondents, with M. Sc qualifications, and 7.0% or 24 respondents with other certificates. These results, therefore, provide a very encouraging view of the educational level of SMEs in the state, which showed the respondents are knowledgeable and capable of giving accurate and detailed information on their business experiences and issues.

SMEs have been experiencing intense competition for several years. The length of service of the respondents to some of the SMEs is considerable: 55.8% of the respondents have been running businesses for 10-15 years, 25.1% for 5-10 years, and 7.3% have been running their businesses for periods exceeding 15 years. Roughly only 11.8% possess less than five years of experience. This suggests that the sampled respondents are conversant with most aspects of SME operations in the country and region.

The demographic profile of the respondents implies that most SME owners in Osun State are male, educated, and experienced businessmen and women. These factors may enhance the fortunes and longevity of SMEs in the region. The study offers a basis for exploring the relationship between various indices of entrepreneurial competencies and the performance of SMEs.

4.1 Regression Result

The multiple regression analysis examines the influence of the four constructs of entrepreneurial competencies, which include strategic competencies, organizing competencies, and opportunity competencies, on the sales performance of SMEs in Osun State, Nigeria. The findings extend knowledge on how each competency benefits sales performance improvement.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.921 ^a	.848	.846	.47261	1.697

a. Predictors: (Constant), strategic, organizing, opportunity competencies

Source Field Survey, 2024

The calculated R-squared value (R^2) of 0.848 means that the total variation in sales performance of SMEs in Osun state would be explained by the strategic, organizing and opportunity competencies; other factors not captured in the estimated model account for the residual 15.2%. This high R^2 value leaves a good impression on the fit of the model to the data, which, in effect, means that all these competencies together significantly impact sales performance. The R^2 coefficient of 0.753 indicates a good model fit in Nigeria. The positive coefficient of the

relationship between entrepreneurial competencies and sales performance is strongly supported by the coefficient of determination (R) 0.921, implying that the results are highly significant. Also, the Durbin-Watson value (1.697) was within the acceptable range of 1.5 to 2.5, thus indicating no presence of autocorrelation in the estimated model. This result strengthens the confidence in the stability of the model and ensures that the observed relationship is not imaginary.

Table 3: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.272	.125		2.178	.030		
1 Strategic competencies	.217	.034	.216	6.340	.000	.993	1.687
Organizing competencies	.945	.102	1.010	9.240	.000	.758	7.322
Opportunity competencies	.239	.105	.249	2.278	.024	.558	7.361

a. Dependent Variable: Sales performance

Source Field Survey, 2024

Table 3 presents the regression coefficients, providing insight into the specific impact of each independent variable on sales performance. The regression model yields a constant coefficient of 0.272 ($p < 0.05$), indicating a statistically significant baseline performance even without high competency levels. The regression coefficient for strategic competencies is 0.217 ($p < 0.001$), suggesting that a one-unit increase in strategic competencies corresponds to a 0.217-unit increase in SME performance, *ceteris paribus*. This finding indicates that strategic competencies positively and significantly impact SME performance.

Notably, organizing competencies profoundly impact SME performance, with a positive coefficient of 0.945 ($p < 0.001$). This suggests that a one-unit improvement in organizing competencies corresponds to a 0.945-unit enhancement in SME performance, controlling for other competencies. The regression analysis reveals a statistically significant positive relationship between opportunity competencies and sales performance, evidenced by a coefficient of 0.239 ($p < 0.05$). A one-unit increment in opportunity competencies corresponds to a 0.239-unit increase in SME performance, *ceteris paribus*.

Table 4: Analysis of Variance (ANOVA)^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	544.789	4	136.197	910.084	.000 ^b
Residual	49.139	350	.143		
Total	323.929	354			

Dependent Variable: Sales performance

Predictors: (Constant), Strategic, Organizing, Opportunity

Source Field Survey, 2024.

Table 4 presents the ANOVA results, revealing a highly significant F-statistic ($F = 910.0834$, $p < 0.001$). This confirms the regression model's strong explanatory power and demonstrates that Strategic, Organizing, and Opportunity Competencies collectively predict SME sales Performance.

4.2. Discussion of Findings

The results of this study support the assertion that extant research postulates that entrepreneurial competencies do indeed underpin SME performance. Strategic, organizing and opportunity competencies reported significant relationships with business success and provided insight into their unique contributions to business success.

This research establishes that strategic competencies correlate with positive SME performance ($\beta = 0.217$, $p < 0.001$). This finding affirms the previous author's work; for instance, Kisubi et al. (2022) and Agbenyegah and Mahohoma (2020) stress that strategic competencies are critical for enhancing SME performance. Developing these competence skills helps SMEs implement strategies, operate in the market, and compete successfully. However, the coefficient value ($\beta = 0.217$) collected in this study is not as high as it should be, this suggest that while strategic competencies are positively related to SME performance, it may not be the key driver in the Osun State context. This observation contrasts sharply with the study of Sakib et al. (2022), who failed to establish any statistical relationship between strategic competencies and SME performance in the Bangladeshi context. This may indicate that the usefulness of strategic competencies may differ in geographical and environmental conditions. These outcomes underscore the relevance of proposing strategic planning and decision-making to improve sales performance and facilitate SMEs' fit to the market changes.

The overall impact on SME performance is significant among the organizing competencies, with the highest coefficient value ($\beta = 0.945$). This discovery points to the importance of efficiency in coordinating organizational resources, integrating ionization techniques for smoother processes and improving productivity and performance. The result supports the research of Kisubi et al. (2022) and Man et al. (2002), which focus on organizing competencies as crucial to SME performance. The high impact values observed for the organizing competencies in this study lead to the conclusion that SMEs in Osun State derive increased value from these competencies in their efficiency in managing resources, enhancing internal processes, and developing systematized operation structures. From this discovery, the author underlines the importance of a higher degree of organizational skills to maintain the growth and competitiveness of SMEs.

The study establishes that opportunity competencies have a direct and positive impact on the performance of SMEs ($\beta = 0.239$). Kisubi et al. (2022) and Agbenyegah and Mahohoma (2020)

have made significant contributions similar to the present study, where opportunity competencies play a substantial role in SME growth. Shane & Venkataraman, 2000, also argue that discovering and appropriating opportunities define entrepreneurship. However, based on the coefficient values, the degree of association between opportunity competencies and SME performance is more minor ($\beta = 0.239$) compared with that of organizing competencies ($\beta = 0.945$), which indicates that opportunity competencies may not directly influence the performance of SMEs in Osun State. Still, this agrees with Lans et al. (2005), who placed opportunity competencies as the least essential entrepreneurial competencies. However, the conclusions of this study prove that applying competencies is the main driving force behind SMEs' new business opportunities, increased innovative capabilities, and adjustment to new market conditions.

5. Conclusion and Recommendations

Given the above findings, this research establishes that entrepreneurial competencies are imperative for SME growth and performance in Osun State, Nigeria. The study highlights the centrality of strategic, organizing, and opportunity competencies in promoting SME performance, fundamentally influencing their service sales growth and organizational performance in equal measure. The following are the study's implications for SME development in Osun state. The result of this study should be of immense benefit to policymakers, stakeholders, and owners of SMEs, especially in Osun State. Enhancing entrepreneurial competency should be a priority for SMEs in the state. For SMEs to realize this potential, support structures must be provided to facilitate strategic management, organizational improvement, and identifying opportunities and commitment-based organizations. Ultimately, this research contributes significantly to the existing body of knowledge on entrepreneurial competencies and SME performance, providing valuable insights for stakeholders seeking to promote SME growth and development in Nigeria

In light of the study's findings, the following policy recommendations are proposed to enhance SME performance in Nigeria. Government agencies and business development organizations should collaborate to design and implement comprehensive entrepreneurial competency training programs that equip SME owners and managers with the necessary skills for business success. Simultaneously, SME owners and managers should institutionalize strategic planning as an integral part of their operational framework to align their goals with long-term growth objectives. Furthermore, SMEs must focus on strengthening organizational skills by efficiently managing material, human, and financial resources to achieve corporate goals and boost productivity. Lastly, SMEs should adopt a proactive and adaptive strategy to identify and capitalize on emerging business opportunities, enabling them to remain responsive to dynamic market conditions and maintain a competitive edge

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