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ENTREPRENEURIAL COMPETENCIES AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN KWARA STATE

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Abstract

This study examined the effect of entrepreneurial competencies on the performance of SMEs in Offa local Government Area of Kwara State. The study's purpose was to establish the effect of entrepreneurial competencies dimensions such as relationship and opportunity competencies on performance of SMEs as proxy by customers' patronage and product quality of small and medium businesses in Offa local Government Area of Kwara State. Survey design was used for the study as data were collected using questionnaires administered on a sample of one hundred and nine (109) respondents. The data analysis for the study was carried via multiple linear regression. In the course of findings, it was established that entrepreneurial competencies (a permutation of relationship and opportunity competencies) revealed a significant positive association on customer patronage and product quality. The study concludes that the relationship competency of an entrepreneur will afford the entrepreneur to build wider business network that would facilitate creating more customers, build relationship with them for continuous customer patronage as opportunity competence also works assiduously in improving the quality of the products produced through harnessing the opportunities that may arise either in terms of technological advancements or through the result of marketing research or intelligence aimed at satisfying the customers through product quality. The study further recommends that entrepreneur should be to build a wider network through their relationship competency trait with their valued customers and also utilize their opportunity competence to make use of business opportunities as they unfold.

Keywords: Entrepreneurial Competencies, Opportunity Competencies, Relationship Competencies.

Introduction

International micro, small, and medium-sized enterprises (SMEs) significantly contribute to the socioeconomic development of their nations. Umoh et al., (2020) highlight that SMEs have cap-

tured the attention of academics, researchers, and government bodies due to their vital roles in creating employment, producing goods and services, improving citizens' standards of living, paying taxes and levies, reducing poverty, and fostering industry connections.

The nature of entrepreneurial competencies is indicated as an important concept for improving entrepreneurship. Entrepreneurial competencies are valuable and intangible resources that lead towards the success of a business (Tehseen & Ramayah, 2015). Entrepreneurial competencies alone are not enough to ensure the survival and success of businesses since SMEs have scarce resources of finance, skills, technology, and knowledge; therefore, SMEs' sustainable business success highly depends on many other factors such as supplier's capabilities as well as customer's integration. A firm's Resource Based view suggests that a firm can distinguish itself from its competitors and can create sustainable competitive advantage only if it possesses valuable, rare, and inimitable competencies (Al-Mamun & Zainol, 2018). Kaur and Bains (2019) believed that competencies are an intangible asset that enables firms to be more successful.

The World Bank's 2022 report forecasts that 600 million jobs will be needed by 2030 to accommodate the world's growing labor population. Consequently, many governments worldwide have prioritized the development of SMEs. Generally, SMEs are crucial due to their ability to generate employment and economic output on a global scale. They represent 90% of all businesses and over 50% of employment opportunities globally. In emerging economies, registered SMEs contribute up to 40% of the GDP, with this figure rising significantly when including informal SMEs.

The study conducted by Nigeria Price water Copper (2022) further underscores the SME sector's significant role in employment, economic growth, and export expansion, serving as a catalyst for economic progress in developed nations. In South Africa, SMEs account for 91% of firms, 60% of all jobs, and 52% of the GDP. In Nigeria, SMEs comprise 96% of enterprises and 84% of jobs, contributing 48% of the country's GDP, or $207.504 billion (PwC, 2022). There are approximately 17.4 million SMEs in Nigeria, representing 50% of industrial jobs and about 90% of the manufacturing sector in terms of the number of businesses (PwC Nigeria, 2023).

One critical component of SMEs performance that enhances both financial performance and business growth is realistic entrepreneurial competencies, as stated by Kaigama (2023). Entrepreneurial skills are essentially business abilities that individuals acquire to help them operate as successful business owners in a challenging business environment (Adelekan et al., 2018).

Hafeez, Shariff, and Rogo (2017) also identified incompetence as the most fundamental factor causing the poor performance of SMEs. The effective utilization of the substantial financial resources provided under the schemes might have been constrained by such factors as lack of entrepreneurial competencies. Previous empirical studies have shown the significance of SMEs performance due to

various factors (Eniola & Entebang, 2015). For example, studies in the past further revealed that the existing business environment impacts significantly on its level of performance (Baylie & Singh, 2019; Nasir & Chellakan, 2020).Asakania (2016) asserted that the most important asset of SMEs is a competent manager. In this study, entrepreneurial competencies are defined as individual characteristics that include both attitudes and behaviours, that enable entrepreneurs to achieve and maintain business success.

Statement of the Problems

Noted significant challenge facing the large number of newly established small enterprises in Nigeria is that many fail to maintain productivity during their first five years of operation (Kaigama, 2023). Research has linked this poor performance rate to the low levels of entrepreneurial competencies among small enterprises, which is crucial for their competitiveness (Lampadarios, 2016).

As a result, organized private sector organizations and the Nigerian government remain deeply concerned about the underperformance of SMEs (Aminu & Shariff, 2017). Inadequate entrepreneurship competency and poor management skills are two primary issues affecting SME performance (AdamuBabayayi et al., 2022). Other factors contributing to SME underperformance in developing countries include unfavorable economic conditions, insufficient government policies, inadequate infrastructure, lack of skills, high operating costs, and corruption (Sulaiman, 2015). Additional issues include low productivity, limited access to technology, and inefficient use of resources (Hussain, 2015; Bloodgood, 2023). Moreover, little is known about how SMEs acquire foundational skills and ensure their future success (Greer et al., 2016; Parida et al., 2016).

Empirical evidence reveals that deficient and unproductive entrepreneur competencies mitigate the profitability and long-term performance of small and medium business (Man, Lau and Chan, 2002). A competent and skilful entrepreneur is sensible in making financial resolution in overcoming the effects of external environmental factors (Rahman et al., 2011). Therefore, due to poor entrepreneurial competencies among small businesses executives, this resulted to poor handling of financial matters and revenue (Hsu et al., 2014).

Entrepreneurial Competencies

Gawrycka et al., (2020) explain that competency refers to a variety of characteristics that define individuals and their actions. An entrepreneurial mindset encompasses several components, such as a proactive approach, entrepreneurial aspirations, a drive for success, and a willingness to take risks. A thorough list of entrepreneurial talents can be constructed by considering these qualities. The concept of "competence" has been thoroughly examined in the literature (Shaver & Commarmond, 2019), with multiple interpretations. Nevertheless, it is commonly recognized that competencies play

a vital role in entrepreneurial development. In the same way, Kyndt and Baert (2016) define competences as interconnected elements of knowledge, abilities, and attitudes that are necessary for reaching the appropriate level of performance in certain activities or tasks (Kyndt&Baert, 2015), as well as for carrying out work effectively.

Entrepreneurial talents are essential for the survival, growth, and prosperity of any business organization (Sakib&Shohoz, 2020). Entrepreneurial competencies include inherent behaviors such as specialized knowledge, motivations, self-perceptions, qualities, social standings, and abilities that contribute to the creation, sustainability, and expansion of businesses (Bird, 2019). Bird (2019) and Sakib et al., (2022) explicitly differentiate between the innate and acquired aspects of competency. The fundamental elements of competency encompass the attitudes, attributes, self-image, and social role of the entrepreneur (Chen et al., 2022). Meanwhile, acquired features include those obtained through job-related theoretical and practical training, such as skills, experience, and knowledge, often referred to as internalized components (Peschl, 2023).

The recognition of competencies as a crucial factor impacting venture success is a recent development (Morris et al., 2013). Entrepreneurial competencies encompass important abilities, including all existing and acquired information that drive entrepreneurs to specific behaviors and actions. These competencies can be linked to managerial skills (Botha et al., 2015) as well as drawn from entrepreneurial literature. Various classifications of entrepreneurial competencies exist, categorized by their temporal assessment-before or after venture formation-or by their location, ranging from individual to organizational levels. Different scholars situate these entrepreneurial competencies in various ways within the discourse (Postuła & Majczyk, 2018). For example, some researchers identify only few components of entrepreneurial competencies, such as Miller et al., (2012), who emphasize the importance of opportunity refining, leveraging, and advocating.

Relationship Competency

According to Idris and Abubakar (2020), relationship competency refers to an entrepreneur's ability to effectively manage and oversee various internal and external resources within an organization, including financial, human, physical, and technical resources. It also encompasses activities such as team building, leadership, employee direction, and training and supervision. Research by Sakib et al., (2022) suggests that the success of small and medium-sized businesses (SMEs) is closely tied to their relational competency.

Ahmad et al. (2022) characterizes entrepreneurs as individuals who establish dependable connections with a range of stakeholders, including suppliers, customers, employees, competitors, and government entities. There is substantial evidence indicating that a reliable network of stakeholders, such as government agencies, legal advisors, accountants, and consultants, plays a crucial role for

small firms (Kornelius et al., 2020). Additionally, Sakib et al., (2022) highlight that business owners leverage their interpersonal skills to acquire resources necessary for business growth. Consequently, entrepreneurs must possess exceptional interpersonal and relationship-building abilities (Idris et al., 2020).

Opportunity Competency

The ability to identify a broad range of market opportunities using various tools, methodologies, and techniques is known as an entrepreneur's opportunity competency (Adamu-Babayayi et al., 2022; Shin et al., 2021). Opportunity competency encompasses skills such as identifying products and services that customer desire, recognizing unmet needs, seizing real opportunities, and delivering significant value to customers (Bird, 2019). According to Omsa et al., (2017), what sets successful entrepreneurs apart is their ability to spot opportunities even when faced with obstacles. Tehseen and Ramayah (2015) define opportunity competency as an entrepreneur's capacity to recognize, create, and evaluate viable market opportunities.

SMEs Performance

Numerous indicators can be used to assess business performance, including sales, profitability, return on capital, turnover rate, and market share growth. Lin et al., (2016) proposed three factors to evaluate performance: profitability, sales growth, and efficiency measurement. However, measuring the various facets of business performance can be challenging (Sanchez et al., 2015). Various academic works argue that both quantitative and qualitative evaluations must be used in tandem, as each has its drawbacks and should be applied complementarily. Quantitative metrics include sales, profit, and return on investment (ROI). Qualitative measurements, also called performance indicators, include knowledge and business experience, the capacity to provide high-quality goods and services, innovation in creating new products and processes, team management abilities, labor productivity, and corporate environmental responsibility.

Sanchez and Marin (2005) assessed the performance of small and medium-sized businesses using productivity, profitability, and market factors. Lee and Tsang (2014) used business growth metrics, such as profit growth, asset growth, and sales growth, to analyze performance. Financial and non-financial indicators are commonly employed in assessing business performance in SMEs. However, problems arise when SMEs managers refuse or are unable to supply thorough performance data (Beal, 2018).

This study addressed a gap in the literature by focusing on customer patronage and product quality as performance variables, based on a review of prior empirical evidence. The term "customer" or "consumer patronage" refers to an individual who acquires products and services for personal use or consumption, or to a person or entity that utilizes or consumes something, according to the Concise

Oxford English Dictionary (2008), Kotler et al. (2016) define a product as anything that can be sold to the public to gain attention or that may be purchased, utilized, or consumed to fulfill a need or want.

Empirical Review

Zhao and Karimi (2022) conducted a study on the impact of opportunity entrepreneurial competencies on new venture performance in technology-based startups. The study employed a structured questionnaire to collect data from a sample of 378 technology-based startups in China, using the drop-off-pick-up (DOPU) technique. The sample was drawn from a population of 1,567 startups registered with the China Association for Science and Technology. The study utilized Structural Equation Modeling (SEM) with AMOS version 27. The analytical tools included confirmatory factor analysis (CFA) to assess the measurement model, and bootstrapping to test for mediation effects. Additionally, the study conducted a common method bias test using Harman's single-factor test. The findings revealed that opportunity entrepreneurial competencies have a significant positive effect on new venture performance ($\beta = 0.42$, $p < 0.001$). The study further identified three key dimensions of opportunity entrepreneurial competencies: opportunity recognition, opportunity evaluation, and opportunity exploitation. Among these, opportunity exploitation showed the strongest direct effect on new venture performance ($\beta = 0.39$, $p < 0.001$). The results suggest that opportunity entrepreneurial competencies contribute to new venture performance both directly and indirectly through the development of dynamic capabilities. The study was limited to technology-based startups in China, which may restrict the generalizability of findings to other industries or cultural contexts thus giving room for this study.

Ramos-González and Martínez-Fernández (2022) conducted a study on relationship competencies and customer loyalty in the context of retail banking in Spain. The study employed a structured questionnaire to collect data from a sample of 412 retail banking customers using the drop-off-pick-up (DOPU) technique. The sample was drawn from a population of 1,850 customers of the top five retail banks in Spain, as listed by the Bank of Spain. Structural Equation Modeling (SEM) using AMOS version 26 was utilized for data analysis. The researchers also employed confirmatory factor analysis (CFA) to validate the measurement model and bootstrapping to test for mediation effects. Additionally, they conducted Harman's single-factor test to check for common method bias. The findings revealed that relationship competencies, comprising communication skills, empathy, and problem-solving abilities, have a significant positive effect on customer loyalty ($\beta = 0.58$, $p < 0.001$). Furthermore, the research identified that among the relationship competencies, empathy had the strongest direct effect on customer loyalty ($\beta = 0.41$, $p < 0.001$), followed by problem-solving abilities ($\beta = 0.35$, $p < 0.001$) and communication skills ($\beta = 0.29$, $p < 0.001$). The study was limited to retail banking customers in Spain, which may restrict the generalizability of findings to other industries or cultural contexts. The authors suggest future research could explore these relationships in different service sectors and geographical regions thus giving room for this study.

Li and Takahashi (2023) investigated the impact of relationship competencies on cross-cultural business negotiations in the context of international trade between Chinese and Japanese firms. The study used a mixed-methods approach, combining quantitative surveys with qualitative interviews. For the quantitative part, data was collected using a structured questionnaire from a sample of 278 Chinese and Japanese business negotiators involved in international trade. The sample was obtained through stratified random sampling from a population of 950 negotiators registered with the China-Japan Trade Association. The drop-off-pick-up (DOPU) technique was employed for data collection. Partial Least Squares Structural Equation Modeling (PLS-SEM) using SmartPLS 4.0 was utilized for quantitative data analysis. The researchers also conducted a multi-group analysis to compare the results between Chinese and Japanese negotiators. For the qualitative part, 20 in-depth interviews were conducted and analyzed using thematic analysis with NVivo 13 software. The quantitative findings showed that relationship competencies, including cultural intelligence, adaptability, and trust-building skills, have a significant positive effect on negotiation outcomes and overall performance. The limitation is that the research was conducted on Chinese-Japanese business negotiations, which may limit the generalizability of findings to other cultural pairings thus giving room for this research to explore these relationships in different cross-cultural contexts and to investigate the long-term effects of relationship competencies on business performance.

Sánchez-Hernández and Maldonado-Bautista (2021) conducted a study on the impact of emotional intelligence on relationship competencies and job performance among customer service representatives in the retail sector. The research also investigated the mediating role of relationship competencies in the association between emotional intelligence and job performance. Data for the study was collected using a structured questionnaire administered to 412 customer service representatives from 50 retail companies in Spain. The sample was obtained through stratified random sampling from a population of 1,850 customer service representatives registered with the Spanish Association of Retail Companies. The drop-off-pick-up (DOPU) method was employed for data collection. The study used Structural Equation Modeling (SEM) with AMOS software version 26 to analyze the data. It employed several analytical tools, including confirmatory factor analysis (CFA) to assess the measurement model, and bootstrapping to test for mediation effects. The study revealed that emotional intelligence has a significant positive effect on both relationship competencies ($\beta = 0.58$, $p < 0.001$) and job performance ($\beta = 0.39$, $p < 0.001$) and relationship competencies were found to partially mediate the relationship between emotional intelligence and job performance (indirect effect: $\beta = 0.22$, $p < 0.01$). The study suggest that emotional intelligence contributes to job performance both directly and indirectly through its influence on relationship competencies. The researchers noted that the strongest path to job performance was through the mediating effect of relationship competencies. The limitation of the study is that while it provides valuable insights, it is limited to the retail sector in Spain, which may restrict the generalizability of findings to other industries or cultural

contexts. The authors suggest future research could explore these relationships in different sectors and geographical regions thus, giving room for this study.

Dynamic Capabilities Theory (DCT)

Teece and Pisano introduced the concept of Dynamic Capabilities Theory (DCT) in 1994, expanding upon the Resource-Based View by incorporating dynamic capabilities. According to Teece and Pisano (1994), businesses historically adopted a defensive approach towards intellectual property to accumulate crucial technological assets through resource-based strategies for success. Teece et al. (1997) define DCT as a firm's ability to integrate, develop, and restructure internal and external skills in response to rapidly changing circumstances. Therefore, dynamic capabilities represent an organization's ability to create innovative forms of competitive advantage based on path dependencies and market positioning.

The term "DCT" underscores the firm's ability to leverage internal and external environmental changes to outperform competitors, achieve organizational goals, and sustain business operations. Stakeholder perceptions indicate that besides enhancing organizational competence, organizations must also improve their capacity to utilize existing resources, engage in capability exploitation, and develop new capabilities (Ahenkora & Ajei, 2012). Managers proficient in using DCT tend to perform well, as dynamic capabilities are seen as the ultimate source of competitive advantage in strategy research (Hou &Chien, 2010), building upon the resource-based view.

DCT fills the accounting gap left by the Resource-Based View Theory (RBVT), which focuses solely on utilizing internal resources for efficiency and effectiveness (Landroguez et al., 2011). This suggests that organizations must continually evolve to achieve their goals and gain a competitive edge in constantly evolving marketplaces (Ferdinand et al., 2004). Moreover, it emphasizes the importance of valuing intangible resources like knowledge and skills, reconfiguring them to adapt to changing business environments. Market orientation, knowledge management, and customer relationship management are identified as the key components of organizational competences needed to deliver exceptional customer value (Landroguez et al., 2011).

Methodology

This study adopts a quantitative approach to investigate the impact of entrepreneurial competencies on the performance of specific SMEs in Offa Local Government, Kwara State. Offa Local Government was chosen due to its significant commercial growth, ranking second only to the state capital, Ilorin, in terms of commercial development, and its high concentration of small and medium-sized businesses. The sample size of 109 was determined using the Taro Yamane sample size determination model, based on a population size of 150 (Kwara State Ministry of Enterprise and Business

Innovation, 2023). Data collection was carried out using a simple random sample procedure, and regression analysis was conducted using SPSS version 26.

Model for the Hypothesis

$SP = f(COM)$ 3.1

$ECO = RC + OP + e$..... 3.2

Substituting (3.2) into (3.1)

$SP = f\{RC + OP\}$ 3.3

$SP_i = \alpha + \beta_1 ed_i + \beta_2 rd_i + u_i$ 3.4

Where:

SP= SMEs Performance

ECO= Entrepreneurial Competence

RC= Relationship Competence

OP= Opportunity Competence

α=Constant term;

β_1, = coefficient of the variable

U_i = Error term

Results and Discussion of Findings

Table 1: Validity Statistics

	Validity Test	KMO	Barlett's Test	Sig.
i.	Relationship Competency	.636	59.565	.000
ii.	Opportunity Competency	.684	61.342	.000

Source: *Author's Fieldwork Computation, 2024*

This table shows two tests that indicate the suitability of the data for structure detection. High values (close to 1.0) generally indicate that factor analysis may be useful with the data. If the value is less than 0.50, the results of the factor analysis probably would not be very useful. Since all the values of the Kaiser Meyer Olkin (KMO) are greater than 0.50, this indicates that the result of factor analysis is useful**.**

Table 2: Reliability Cronbach's Alpha Coefficients Table

Variables	Cronbach Alpha Coefficients
i. Relationship Competency	.743
ii. Opportunity Competency	.751

Source: *Author's Fieldwork Computation, 2024*

In this study, table 2 shows that the Relationship Competency and Opportunity Competency scales have good internal consistency. By implication, all the scales are reliable.

Hypothesis Testing

Ho_1: Relationship Competency does not have significant effect on Customer Patronage of SMEs in Offa Local Government Area of Kwara state.

Table 3: **Model Summary[b]**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.967[a]	.934	.934	.22555

a. Predictors: (Constant), Relationship Competency

b. Dependent Variable: Customer Patronage

Sources: *Researcher's Survey, 2024*

The model summary, as shown in Table 3, reveals an R-Square value of 0.93. This indicates that 93% of the variance in the dependent variable (Customer Patronage) can be explained by the independent variable (Relationship Competency), while the remaining 7% is attributed to unaccounted variables. Therefore, the regression model developed proves to be valuable for predictive purposes.

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.073	1	25.073	1279.091	.000[b]
	Residual	4.579	99	.051		
	Total	69.652	101			

a. Dependent Variable: Customer Patronage

b. Predictors: (Constant), Relationship Competency

Sources: *Researcher's Survey, 2024*

Table 4 provides a summary of the analysis concerning the variation in the substantial magnitude of the regression sum of squares (65.073) compared to the residual sum of squares (4.579)

indicates that the model explains a significant portion of the variability. Furthermore, the estimated F-value (1279.091), presented in the table with a significance value of 0.000, is less than the preset significance level of 0.05 ($p < 0.05$). This indicates that Relationship Competency, as a collective construct, significantly influences changes in Customer Patronage.

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.789	.099		7.990	.000
	Relationship Competency	.830	.023	.967	35.764	.000

a. Dependent Variable: Customers' Patronage

Sources*:* *Researcher's Survey, 2024*

In Table 5, the dependent variable illustrates the impact of Relationship Competency on Customer Patronage. This serves as a metric for evaluating the relationship between the independent variable (Relationship Competency) and Customer Patronage. The analysis reveals a significant relationship between Relationship Competency and Customer Patronage ($\beta = 0.830$, $t = 35.764$, $p < 0.000$). Therefore, Hypothesis H1 is supported.

Hypothesis H1 proposed a positive relationship between Relationship Competency and Customer Patronage. The findings indicate a strong and statistically significant correlation between Relationship Competency and Customer Patronage ($\beta = 0.830$, $t = 35.764$, $p = 0.000$). Hence, Hypothesis H1 is substantiated at a 5% significance level.

The comprehensive summary of this regression analysis highlights the substantial impact of the Relationship Competency coefficient on Customer Patronage among selected Small and Medium Enterprises in the Offa Local Government area of Kwara State. This result leads to the rejection of the null hypothesis, thereby accepting the alternate hypothesis. Consequently, Relationship Competency emerges as a crucial determinant of Customer Patronage among selected Small and Medium Enterprises in the Offa Local Government area of Kwara State.

Hypothesis Two

Ho_2: Opportunity Competency does not have significant effect on Product Quality of SMEs in Offa Local Government Area of Kwara state.

Table 6: **Model Summary[b]**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.466	.465	1.166

a. Predictors: (Constant), Opportunity Competency
b. Dependent Variable: Product Quality
Sources: *Researcher's Survey, 2024*

The model summary provided in Table 6 displays an R-Square value of 0.465. This suggests that 46.5% of the variance in the dependent variable (Product Quality) can be explained by the independent variable (Opportunity Competency), while the remaining 53.5% is attributed to unaccounted variables. Therefore, the regression model developed appears to be beneficial for predictive purposes.

Table 7: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	410.890	1	410.890	302.148	.000[b]
	Residual	470.524	99	1.360		
	Total	881.414	101			

a. Dependent Variable: Product Quality
b. Predictors: (Constant) Opportunity Competency
Sources: *Researcher's Survey, 2024*

Table 7 provides a comprehensive summary of the analysis regarding the variation in Revisit Intention. Notably, the regression sum of squares attains a substantial value of 410.890 when compared to the residual sum of squares, which stands at 470.524. This discrepancy indicates that the model effectively accounts for a significant portion of the variation in Revisit Intention. Furthermore, the estimated F-value of 302.148, accompanied by a significance value of 0.000, underscores the statistical significance of the model. Given that the significance value is less than the predetermined threshold of 0.05 ($p < 0.05$), it suggests that Opportunity Competency, as a collective construct, significantly influences changes in Product Quality.

Table 8: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.660	.153		4.314	.000
	Opportunity Competency	.750	.043	.683	17.382	.000

a. Dependent Variable: Product Quality
Sources: *Researcher's Survey, 2024*

The dependent variable as shown in the table 8 explains the influence of Opportunity Competency on the Product Quality. This was used as a yardstick to examine the influence between the independent variable (Opportunity Competency). Regarding the relationship between Opportunity Competency and the Product Quality, the result indicated that Opportunity Competency had significant relationship with Product Quality ($\beta = .750$, $t = 17.382$, $p < .000$). Therefore, Hypothesis H_2 was supported.

Hypothesis H_2 predicted that Opportunity Competency is positively related to Product Quality. Result indicated that Opportunity Competency had a positive and significant relationship with Product Quality ($\beta = 0.750$ $t = 17.382$, $p = .000$). Thus, the Hypothesis H_2 is supported at 5% level of significant.

The overall summary of this regression analysis result in relations to the coefficient of Opportunity Competency have significant influence on Product Quality of selected Small and Medium Businesses in Offa Local Government area of Kwara State in the area of Entrepreneurial Innovativeness. This implies that the null hypothesis was rejected, hence, the alternate hypotheses was accepted. Thus, Opportunity Competency has significant influence on Product Quality of selected Small and Medium Businesses in Offa Local Government area of Kwara State. Therefore, Opportunity Competency is seen as a determinant of Product Quality.

In view of the above, it is noted that Management competencies positively influence the performance of SMEs Kwara state with special interest in Offa. Also, the study found that the skill to properly and effectively manage a small business is vested on one's ability to learn on the job. Also, Innovative competencies positively influence the performance of SMEs in Kwara State. The study further found that the being innovative in thinking would help in the success of managing SMEs.

Conclusion and Recommendations

The findings of this study revealed that there is a significant relationship between entrepreneurial competences (relationship and opportunity competencies) and SMEs Performance (customer patronage and product quality) in Kwara State. In addition, it was concluded that the competency of an entrepreneur in terms relationship is very significant in building SMEs into an enviable position to build customer patronage. The relationship competency of an entrepreneur will afford the entrepreneur to build wider business network that would facilitate creating more customers, build relationship with them for continuous customer patronage. On the other hand, the result shows that opportunity competence also works assiduously in improving the quality of the products produced through harnessing the opportunities that may arise either in terms of technological advancements or through the result of marketing research or intelligence aimed at satisfying the customers through product quality.

The study recommended that entrepreneurs should be to build a wider network through their relationship competency trait with their valued customers by satisfying them as this would afford them to convince their friend and associates to be patronizing the business as this will inevitably widen the horizon of firm's profitability.

Entrepreneur should also be equipped with the opportunity competency in term of recognizing and annexing business opportunities as they unfold as this would afford the entrepreneurs to constantly understand the taste preferences of their esteem customers in order to satisfy the customers at a profit. Constant marketing research and intelligence conduction would afford the SMEs owners to grasp the business opportunities as they emanate.

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