Effect of Entrepreneurial Skills on the Performance of Women-Owned Enterprises in Makurdi Metropolis, Benue State

Emmanuel Lubem Asenge1*, Joseph Abraham Anase2, Nyiayange Florence Asenge3

1*PhD, Department of Business Management, Benue State University, Makurdi-Nigeria.
2CAN, Office of the Accountant General, Benue State-Nigeria.
3Department of Business Administration, Joseph Sarwuan Tarka University, Makurdi-Nigeria.

Corresponding Email: 1*easenge@gmail.com

Received: 06 July 2023  Accepted: 23 September 2023  Published: 07 November 2023

Abstract: Women entrepreneurs play a fundamental role to the development of economies across the nations. The success of women-owned enterprises depends on the possession of different entrepreneurial skills. The research is carried out to investigate the effect of entrepreneurial skills on the performance of women-owned enterprises in Makurdi Metropolis. The study employed a survey research method and a questionnaire was distributed to 127 owner-managers of businesses owned by women in Makurdi Metropolis. Data retrieved from the participants were analysed and presented in tables. Regression was used as the technique of data analysis and test of hypotheses using SPSS version 23. The outcomes of the study revealed that accounting skills, marketing skills and human relations skills have a significant and positive effect on the performance of women-owned businesses. The study concludes that entrepreneurial skills are vital for business performance. It recommended amongst others that owners and managers of small scale businesses should improve their accounting skills for proper record keeping and marketing skills in identifying business opportunities.

Keywords: Entrepreneurial Skills, Accounting Skills, Marketing Skills, Human Relations Skills, Performance, Women-Owned Enterprises.

1. INTRODUCTION

The impeccable role of entrepreneurship to the development of economies has continually received the attention of scholars because of prevalent economic challenges facing countries across the globe. Governments across the world are increasingly paying attention to the momentous impact that the creation of new businesses can have on employment levels and
Entrepreneurship presents copious benefits to individual business owners and the society in general, in terms of job creation, wealth creation and Gross Domestic Product (GDP). The competitive nature of today’s business environment requires every entrepreneur to possess an array of entrepreneurial skills (Wickstrøm, Liu & Schøtt, 2017; Chatterjee & Das, 2016).

Business owners need skills that are necessary in starting, developing, financing and marketing their businesses (Sambo, Gichira & Yusuf, 2015). Entrepreneurial skills are the attributes needed for entrepreneurs to successfully manage their firms. They are business attributes which individuals acquire to enable them effectively function in the ever-changing business environment as entrepreneurs, and these skills come through learning and practicing (Ekong, Mfon & Ibok, 2023). Accounting skills, marketing skills, customer service skills and human relations skills are common entrepreneurial skills needed by entrepreneurs in successfully managing their enterprises (Mutuku, Kiilu, Mathuku & Auka, 2022).

Accounting skills are the capabilities of business owners to manage financial transactions, analyze financial data and generate financial reports (Popescu, Iancu, Avram, Avram & Popescu, 2019). Marketing skills are traits that help entrepreneurs in understanding trends in the market and handling customer needs (Mkenda & Rand, 2020). Human relations skills have to with attributes that enable entrepreneurs to create a good working environment and relationship with employees at work. The performance of firms is contingent on their possession of the skills and effective application thereof. Performance measures changes in outputs of the business over time in term as of sales growth, market share, revenue, and customer patronage (Hamsani, Prihardini & Ayu, 2020).

The persistent challenges of unemployment facing developing countries today have triggered many women to start-up businesses for to generate wealth and create jobs for themselves and others. The question of how to integrate women effectively into development projects has been emphasized across the globe (Orji, Akhimien & Egwuatu, 2023). The objective of development policies in many countries has focused more on how to increase women’s access to education, skills training, credit, and other productive resources to enable them to participate fully in economic activities. Globally, women’s entrepreneurship is increasingly understood to be a key driver of economic growth and job creation (Khamism & Gumawa, 2020).

Today, women in advanced market economics own more than 25 percent of all businesses and women-owned businesses in Africa, Asia, Eastern Europe, and Latin America are growing rapidly. The transformation of the market economy has increased the participation of women entrepreneurs in businesses (Sadera, Macaspac & Bueno, 2019). There are many business skills that business women possess, which are essential for the success of their businesses. However, in Nigeria the identification of how small businesses can be transformed into growth-orientated firms remains elusive and there is contention regarding variations in the performance of women-owned enterprises. The research therefore delves into the entrepreneurship skills that contribute to the performance of women-owned enterprises in Nigeria.
Literature Review

Entrepreneurship Skills

Entrepreneurship refers to the process of bringing together creative and innovative ideas, together with management and organisation skills using people, money and resources to meet create wealth in the society (Ng’ora, Mwakalobo & Lwesya, 2022). It is thus the willingness and ability of individuals to seek out investment opportunities, establish and run enterprises successfully to generate revenue and create wealth for others. There are however, skills required to assume the risk of starting up an enterprise (Sambo, Gichira & Yusuf, 2015). Entrepreneurship skills entail business skills which individuals possess to allow them successfully operate as entrepreneurs (Ekong, Mfon & Ibok, 2023). Mutuku, AKiilu, Mathuku and Auka (2022) identified skills acquired by entrepreneurs in managing their businesses include accounting skills, marketing skills and human relations skills. Accounting skills are the totality of skills ranging from record keeping, attention directing, financial management and reporting skills that are expected to promote effective decision, performance evaluation and business reporting of any business enterprise (Lwesya, Mwakalobo, & Mbukwa, 2021). Accounting skills are the capabilities of entrepreneurs to effectively manage financial transactions and keep records of business operations such as financial literacy, book-keeping, financial statements amongst others (Onyebu, 2015). These skills are accordingly indispensable for the successful performance of women-owned enterprises.

Marketing skills are also vital skills that determine the very success or failure of a business. Marketing skills are the attributes that keep the entrepreneurs informed, knowledgeable and confident in determining the most efficient method of physical distribution of goods and services (Khamism & Gumawa, 2020). Marketing skills required for the success of enterprises include: knowledge of seasonal fluctuation of goods; capability to ascertain which product(s) will sell; identifying current trends in sales of products, understanding what customers need and shortage of such goods; having knowledge of advertising and competitors, and capacity to ascertain the availability of raw materials need for business (Asabi, Alabi & Olaleye, 2023).

Human relations skills are also qualities possessed by entrepreneurs. Human relations skills refer to the abilities of managers to establish and maintain good contacts with subordinates, other managers, suppliers, and competitors (Okoli & Nwosu, 2021). Human relations skills entail the capabilities to relate with others and effectively communicating with them. This includes being able to understand and empathize with others, delegating functions and being able to communicate effectively (Okoli & Ezenwafor, 2015). Delegation is a human relations skill that is essential for small enterprises owners and critical for business success. A good knowledge of human relations skills help entrepreneurs to effectively communicate with others, and treat others with respect and dignity by demonstrating patience and understanding (Haroon & Malik, 2018).

Performance of Women-Owned Enterprises

Women-owned enterprises are businesses in which at least 51% is owned by who are women. They are small businesses in which a woman or group of women operate and have control. In
such enterprises, the ownership, management and control are dominated by women. Firm performance refers to the degree to which business entities are able to effectively utilize their resources to attain set goals (Shehnaz & Ramayah, 2015). Performance of women-owned enterprises is the ability of such businesses to achieve stated objectives over a period of time such as sales revenue, market share, and customer patronage and business expansion (Gidado & Babakura, 2019). It is a change in operations of firms over time, usually measured using different indices (Khamism & Gumawa, 2020).

Sales growth and profitability are frequently used indicators of business performance. Sales growth is the amount a company derives from sales in comparison with previous periods (Atandi, 2021). It is a percentage of sales made by a business over time. Sales growth is a vital indicator of firm performance. Profitability reflects the ability organizations to make profit from business activities. Profit margins are computed by dividing profits by total operating revenue (Arnaout & Esposito, 2018). These measures help in determining the performance of women-owned enterprises.

Entrepreneurial Skills and Performance of Women-Owned Enterprises

A plethora of studies have demonstrated the monumental roles of entrepreneurial skills in enhancing the growth and performance of small businesses. A study by Sambo, Gichira, and Yusuf (2015) found that entrepreneurial skills have significant impact on the performance of SMEs in Nigeria. Olowu and Aliyu (2015) in their study averred that human relation skills, such as goal-setting, conflict management, communication, organization, and control, are important determinants of SMEs performance.

Entrepreneurial skills as postulated by Esubalew and Raghurama (2020) promote innovation in businesses and enable small business owners to identify new market opportunities. Sadera, Macaspac and Bueno (2019) emphasized the important role of entrepreneurial skills of women in their research. The study concluded that marketing (selling) skills, record keeping skills, business management, critical thinking skills, decision-making skills, and communication skills. Bello (2023) found in their research that the lack of managerial skills results to the liquidation of many small businesses.

Asabi, Alabi and Olaleye (2023) researched on the effect of managerial skills on the performance of small businesses in Nigeria and reported that managerial skills (planning, organizing, and controlling skills) significantly affect the performance of small-scale firms. A study by Orji, Akhimien and Egwuatu (2023) on managerial skills and SME performance in Abuja, Nigeria, affirmed the positive effect of technical skills, conceptual skills, interpersonal relation skills, and budgeting skills on SMEs performance. Ekong, Mfon and Ibok (2023) reported in their study a statistical significant effect of marketing skills on business performance.

Akhademe, Ikegwu and Ige (2022) examined the effect of human relations skills on the job performance of SMEs managers in Nigeria and found that human relations skills have a negative and insignificant effect on manager’s performance. A research in Tanzania by Ng’ora, Mwakalobo and Lwesya (2022) established that the managerial skills of business owners
significantly and positively affect MSMEs performance. Similarly, Alabi, Asabi and Amusat (2022) affirmed the significant effect of business operation skills (financial management, records keeping, interpersonal interactions, and customer relations) on business performance. In Kenya, Mutuku, Kiilu, Mathuku and Auka (2022) showed a consequential effect of communication and entrepreneurial literacy skills on SMEs performance. Ayiku and Grant (2021) investigated on entrepreneurial marketing skills and small-scale business performance in Ghana, and reported that marketing skills significantly enhance the performance of SMEs. The important role of human relations skills was also emphasized by Okoli and Nwosu (2021). In support of the studies, Khamism and Gumawa (2020) concluded that managerial skills have significant effect on SMEs performance. Chepkoech and Nassiuma (2019) and Aladejebi and Oladimeji (2019) affirmed a positive association between record keeping skills and SMEs performance in Kenya and Nigeria respectively.

2. MATERIALS AND METHODS

Research Design
The research utilized a survey design. The adoption of this approach helped in the collection of diverse opinions of the respondents who are business owners. The views expressed by the participants are used for data analysis to achieve objectives of the study.

Population of the Study
The population of the study includes 127 registered small-scale businesses owned by women in Makurdi Metropolis, Benue State. The population of the study consists of entrepreneurs and business owners who are engaged in different lines of businesses such as Retail and wholesale, Agriculture, Food and Beverages, Textile/Arts and Services.

Sampling Techniques
The research adopted a census method in which all members of the target population were included into the study sample. This method was used since the population size was manageable.

Method of Data Collection
The study relied on primary data collected through the administration of questionnaire. The instrument which was designed with close-ended questions helped in eliciting information from business owner on entrepreneurial skills and business performance.

Validity and Reliability of the Instrument
To ensure validity of the instrument, both content and construct validity were carried out. Experts in the field of Entrepreneurship vetted the instrument and factor analysis was employed to test construct validity of the instrument. The result of the validity test shows that the Kaiser-Meyer- Olkin (KMO) = 0.875 while the Bartlett’s Test of Sphericity was significant (App. chi-square= 307.629, sig. = .000). The reliability of the instrument was done ensure consistency of the items and the outcomes were thus: Accounting Skills (α=0.840), Marketing Skills (α=0.869), Human Relations Skills (α=0.826) and Performance (α=0.817).
Data Analysis Techniques
The data retrieved from the participants were collated, sorted, cleaned, analysed and presented in tables. A multiple regression statistical tool was employed in analyzing the data using the Statistical Package for Social Sciences (SPSS 23).

Data Presentation and Results
The results collected from the respondents were presented and analysed using regression model as illustrated in the tables below.

Table 1: Model Summary

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>.768</td>
<td>.590</td>
<td>.584</td>
<td>.46570</td>
<td>1.738</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Human Relations Skills, Marketing Skills, Accounting Skills
b. Dependent Variable: Performance

The outcome of the regression model illustrates a positive relationship between the predictor variables and dependent variable (R=.768). The coefficient of determination (R²) as shown by the .590 implies that there is a 59.0 % variation in the performance of women-owned enterprises. This is explained by accounting skills, marketing skills and human relations skills.

Table 2: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>56.561</td>
<td>3</td>
<td>18.854</td>
<td>86.931</td>
<td>.000^b</td>
</tr>
<tr>
<td>Residual</td>
<td>39.255</td>
<td>123</td>
<td>.238</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>95.816</td>
<td>126</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance
b. Predictors: (Constant), Human Relations Skills, Marketing Skills, Accounting Skills

Table 2 reveals the F-value (86.931) and a significant value which is lower than 0.05 (P-value = .000 < 0.05), implying that the model is statistically significant, valid and fit. It also shows that entrepreneurial skills (accounting, marketing and human relations) jointly contribute to the performance of women-owned enterprises in Makurdi Metropolis, Benue State.

Table 3: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.121</td>
<td>.194</td>
<td></td>
<td>3.626</td>
<td>.000</td>
</tr>
<tr>
<td>Accounting Skills</td>
<td>.226</td>
<td>.048</td>
<td>.155</td>
<td>2.282</td>
<td>.020</td>
</tr>
<tr>
<td>Marketing Skills</td>
<td>.359</td>
<td>.061</td>
<td>.142</td>
<td>3.598</td>
<td>.010</td>
</tr>
<tr>
<td>Human Relations Skills</td>
<td>.451</td>
<td>.051</td>
<td>.268</td>
<td>5.153</td>
<td>.000</td>
</tr>
</tbody>
</table>
a. Dependent Variable: Performance  
Table 3 indicates the outcomes of the regression coefficient, which explains the contribution of each variable (accounting skills, marketing skill and human relations skills) to changes in business performance. The result explicitly demonstrates that a unit change in accounting skills will result to an increase in performance by 22.6% and a unit change in marketing skills would affect the performance of women-owned businesses by 35.9% while a unit change in human relations skills would lead a 45.1% improvement in firm performance. The result further shows that human relations have the highest effect on business performance.

Test of Research Hypotheses

H₀₁: Accounting skills has no significant effect on the performance of women-owned enterprises in Makurdi Metropolis

In testing hypothesis one, the effect of accounting skills on performance was determined by the calculated p-value = .020 which is less than the significance level (α) of 0.05, hence the null hypothesis is rejected and alternate hypothesis accepted. This entails that there is a positive and significant effect of accounting skills on the performance of women-owned enterprises.

H₀₂: Marketing skills has no significant effect on the performance of women-owned enterprises in Makurdi Metropolis

To test hypothesis two, the strength of the effect of marketing skills on performance is measured by the calculated p-value = .010 at a significance level (α) of 0.05 and the null hypothesis is rejected and alternate accepted. It is concluded that marketing skills have a significant effect on business performance.

H₀₃: Human relations skills has no significant effect on the performance of women-owned enterprises in Makurdi Metropolis

To test this hypothesis, the strength of the effect of human relations skills on performance is illustrated by the computed p-value which is less than the significance level (α) of 0.05 (p .000< α 0.05), the null hypothesis is rejected. The result shows clearly that human relations skills have a significant effect on the performance of women-owned businesses.

3. DISCUSSION OF FINDINGS

The outcomes of hypothesis showed that accounting skills have a significant effect on business performance. The result is supported by Khamism and Gumawa (2020) whose study reported a positive and significant effect of financial skills on the performance of SMEs. The research by Sadera, Macaspac and Bueno (2019) showed the consequential role of accounting skills the performance of businesses owned by women. Aladejebi and Oladimeji (2019) also asserted that there is a positive and significant effect of record keeping skills on the performance of SMEs. The implication of the finding is that the knowledge of accounting skills helps small scale businesses to understand how to properly keep records of financial transactions and how to prepare reports for their transactions.
The finding of the study indicated a positive significant effect of marketing skills on business performance. In agreement with the outcome, Ekong, Mfon and Ibok (2023) and Ikupolati (2017) affirmed that marketing skills significantly affect the performance of SMEs in Nigeria. Esiwowu (2015) and Olowu and Aliyu (2015) also agreed that marketing skills affect SMEs performance. The result is also supported by Olowu and Aliyu (2015) whose study affirmed a significant effect of marketing skills on the sales growth and profitability of small-scale businesses. Similarly, Ayiku and Grant (2021) reported an affirmative effect of marketing skills on small-scale business performance. The implication of the result is that marketing skills help small scale businesses to identify business opportunities and develop positive relationships with customers to improve performance.

The result from the analysis pointed out that there is a significant effect of human relations skills on business performance. This result is corroborated by Asabi, Alabi and Olaleye (2023) who established that human relations skills significantly affect the performance of small businesses. Correspondingly, Akande and Alabi (2020) human relations skills such as communication and teamwork are potential determinants of business performance. In support of the result, Ng’ora, Mwakalobo and Lwesya (2022) found that managerial skills such as human relations have a positive and significant effect on MSMEs performance. The result clearly demonstrated that human relations skills help to improve communication mechanism and interpersonal relationships between employees in enterprises.

4. CONCLUSION AND RECOMMENDATIONS

The research deduced from the findings that entrepreneurial skills (accounting, marketing and human relations) are significant predictors of women-owned enterprises performance. The study concludes that accounting skills significantly affect the performance of women-owned businesses in Makurdi Metropolis. The study also concludes that marketing skills have helped women entrepreneurs to identify opportunities in the market and establish optimistic relations with the customers gain higher customer patronage and market share. Finally, the study concludes that human relations skills have helped to improve the performance of businesses owned by women entrepreneurs in Makurdi Metropolis.

Recommendations
In line with the outcomes, the following suggestions are paramount for business owners:

i. Owners and managers of women-owned businesses should improve their knowledge of accounting practices such as budgeting skills, record-keeping skills, credit management skills and tax compliance skills.

ii. Women entrepreneurs should improve on their marketing expertise to help them discover gaps in the market and develop ways of filling them. They should also have good knowledge of market situations to keep abreast with fluctuations in the market.

iii. Women entrepreneur should pay keen attention to improving the knowledge and skills of their employees. They should create an open working atmosphere that allows employees to freely share their views and ideas.
5. REFERENCES


Copyright The Author(s) 2023. This is an Open Access Article distributed under the CC BY license. (http://creativecommons.org/licenses/by/4.0/)


