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Entrepreneurial Competencies and Business Success of Small and Medium Enterprises in Port Harcourt, Rivers State

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Abstract:
Small and medium-sized businesses in Port Harcourt, Rivers State, were the focus of this research, which aimed to determine how entrepreneurial competences impacted their success. The research population included 1,749,911 registered small and medium firms, with 348 chosen using the Krejecie & Morgan sample table. The research used a well-structured questionnaire to collect data, which was then analysed using descriptive statistics like percentages. To test the hypotheses, regression analysis was used, along with individual tests and probability values at a 5% confidence level. Market growth, profitability, and branch expansion are positively and significantly affected by self-efficacy, risk-taking, and innovativeness, according to the research. In Rivers State, Nigeria, small and medium-sized businesses are more likely to succeed when their owners possess entrepreneurial personal qualities. Based on these results, the research suggests that small and medium business owners should aim to have the skills that help their company succeed by expanding into new markets, increasing profits, and establishing new branches. Small business owners and entrepreneurs must believe in their own abilities to consistently provide high-quality items that meet client demands. Every business owner, employee, and entrepreneur in Rivers State and beyond should want to produce high-quality goods, earn client loyalty, and maximise profits, since this research has shown that taking risks is crucial to these goals. Entrepreneurial inventiveness is critical to a company's profitability and success, as this study's data shows. In order to make investments that will lead to the success of their businesses, small and medium company owners need take measured financial and social risks.

Keywords: Entrepreneurial Competencies, Business Success, Small and Medium Enterprises.

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INTRODUCTION

Researchers and policymakers throughout the world have long recognised and recorded the significant contributions of small and medium enterprises (SMEs) to national economies' growth and development (Martey et al., 2018). As a result of the greater contribution that SMEs provide to their economies, many developed and developing nations have shifted their attention from LSEs—the previous method of economic growth and development—to SMEs. Over 90% of all new businesses in the globe are SMEs, according to estimates. The Western economies have seen them as a major tool for generating wealth and employment opportunities. A great deal of focus in developing nations is on small and medium-sized enterprises (SMEs) and their contributions to economic development, regeneration, and job creation. Their contributions to political, social, and economic progress have earned them global renown (World Bank, 2014). Small and medium-sized enterprises (SMEs) account for more than 65% of employment and 55% of GDP in high-income nations, according to empirical research. In low-income nations, small and informal businesses make up more than 60% of GDP and more than 70% of total employment. In middle-income countries, the numbers are even higher: SMEs and informal operations generate more than 95% of total employment and over 70% of GDP (Nyagah, 2018). Growth in the economy is inversely proportional to the share of the informal sector and small and medium-sized enterprises (SMEs). While the informal sector provides a livelihood for the vast majority of the world's poorest people, small and medium-sized enterprises (SMEs) in the least developed countries contribute less to employment and GDP (Okpara, 2021).

One emerging nation that has shifted its attention in the past 30 years is Nigeria. Successive administrations there have demonstrated a strong desire to support the expansion and development of small and medium-sized enterprises (SMEs). Therefore, a nation's economic basis is beneficial and stable when its citizens can handle small businesses. Successive administrations in Nigeria have recognised the importance of small and medium-sized enterprises (SMEs) and have implemented various policies to further integrate the sector into the country's economic fabric. In order to create a climate where companies might thrive, the government had prioritised and given them various policies, subsidies, incentives, programmes, and agencies. Small and Medium Industries Equity Investment Scheme (SMIEIS) in 2006, Micro Finance Institutions (MFI) in 2005, and the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) in 2003 are among these entities. Among the most recent are the Train to Work (TRATOW) programme, Youth Enterprise with Innovation in Nigeria (YOU WIN), and many more. A faster rate of industrialization and more entrepreneurial spirit among the general public were the guiding principles of these development programmes.

Small and medium-sized enterprises (SMEs) do not progress as anticipated from micro to small, small to medium, and giant firm, despite many government interventions and supporting measures. There are 17, 284,671 SMEs in Nigeria, according to a 182-page 2012 National SMEs joint research by the Nigerian Bureau of Statistics and the Small and Medium Enterprise Development Agency of Nigeria (NBS/SMEDAN). approximately 17,261,753 (or 99.87%) of all companies are micro businesses, while approximately 21,264 (or 0.12) are small enterprises and about 1,654 (or 0.01%) are medium-scale organisations. In addition, NEDEP found that microenterprises account for 60–75% of Nigerian jobs, small businesses for 20%, and medium-sized businesses for 5%–10%. Considering that micro companies make up 99.87% of all SMEs in Nigeria, it's clear that SMEs in this nation struggle with performance and can't progress to higher levels of company (SMEDAN, 2012). Charles and Babatunde (2012) and Fatoki (2021) both agree that ineptitude is the primary cause of SMEs' poor performance. Inadequate entrepreneurial abilities may have limited the schemes' ability to make good use of the large financial resources made available to them. According to Van der Laan, Driessen, and Zwart (2020), a company's most valuable asset is its capable management.

Akindele et al. (2022) state that managers achieve success when they routinely oversee the activities of a company on a continuing concern basis and fulfil the demands of all stakeholders, which means that the firm may continue to operate despite numerous problems. In order to stay in business, companies constantly monitor the factors that impact their survival. Hurst (2020) agrees and quickly adds that it's the capacity to avoid company failure and develop into a respectable, robust, and steady success. Of course, some firms that make it through the tough times don't expand much; in fact, they remain little the whole time. Nonetheless, it doesn't matter; what matters is that they are still there. Although entering new markets is not too difficult, some businesses struggle to stay in business. The average number of years that a company has been in operation without a break was considered a success metric in this analysis. Entrepreneurial competence is essential for a company's success since it ensures the stability of the company's liquidity, profitability, and branch expansion plan (Sanchez, 2012). Startups have a number of challenges when entering the market, including a lack of capital and the fact that their early financial setbacks increase the likelihood that the business will fail. According to Barbosa (2016), SMEs may have difficulties in establishing buffers against unexpected shocks due to liquidity restrictions. This, in turn, might impair their investment plans and ultimately their chances of survival. In the context of working capital, prudent cash flow forecasts, balances, inventory, and related receivables should play a pivotal role. Firms can only remain in the market when they are lucrative, according to basic economic theory (Barbosa, 2016). Improved chances of success are a direct outcome of increased efficiency, which in turn leads to better production, which is a direct outcome of high firm profitability. A company's asset base grows as it reaps earnings from innovation, which makes the company more resilient. The expansion of a company's branches is believed to increase the likelihood of success for small and medium-sized enterprises (SMEs) due to the fact that it greatly reduces the income volatility (Sohl, 2022). Some examples of this kind of branching out are product branches that develop new goods, market branches that expand into new markets, and corporate branches that engage in adjacent activities that supplement the core operation.

A business manager's entrepreneurial competencies are their unique set of traits, abilities, and goals that contribute to effective company management. When it comes to starting, growing, and running a small or medium-sized enterprise (SME), there are many different types of entrepreneurial abilities that are necessary (Garba, 2020). The common entrepreneurial competencies that are related to the Nigerian business milieu are self-efficacy, risk-taking and innovativeness (Gwadabe & Amirah, 2017). Self-efficacy connotes how an individual perceives his/her capacity to accomplish a given tasks. Building and leading a company to success in an unpredictable market is one of these challenges. When people believe they can't do anything, they end up failing miserably. It is impossible to overstate the value of having a capable entrepreneur, considering the many obstacles encountered by SMEs. Ogechukwu (2021) posits that SMEs success largely depend on a competent entrepreneur. However, the influence of the varying levels of risk-taking on firms has not been sufficiently brought to the fore (Llopis *et al.,* 2013). This inability to take risk has occasioned the lack of innovativeness in some manufacturing firms in Nigeria. However, some of the firms still show higher tendencies to innovate even with the lack of research and development (R&D) resources (Peters *et al.,* 2013). Innovative firms introduce innovative products and services as survival strategies (Mmbengwa *et al.*, 2012). More recent researches are of the view that the ways firms (irrespective of type and size) innovate are still unclear Zizile & Chimucheka, 2018). Most of the studies on SMEs have focused on the causes of the poor performance; neglecting the entrepreneurial competencies, survival strategies and intermediating role of business environmental scanning (Abdu *et al.,* 2021). In light of the lack of research on the topic, the current study sets out to address this knowledge gap by examining the connection between entrepreneurial abilities and the financial performance of SMEs in the Port Harcourt, Rivers state area.

Aim and Objectives of the Study

The goal of this research is to identify the factors that contribute to the success or failure of small and medium-sized businesses in Rivers State in relation to entrepreneurial abilities. The primary objectives of the research were to:

1) Look at how SMEs in Rivers State fare when it comes to self-efficacy and how it relates to their market growth.
2) do research on how SMEs in Rivers State do when it comes to self-efficacy and profitability.
3) find out how SMEs in Rivers State may increase their market share by taking risks.

Research Questions

The following research questions are raised for this study.

1) How strong is the correlation between SMEs in Rivers State's self-efficacy and their market growth?
2) How strong is the correlation between SMEs in Rivers State's self-efficacy and their profitability?
3) How may SMEs in Rivers State benefit from taking risks in order to expand their market share?

Research Hypotheses

This research examined the following theories.

HO_1: SMEs in Rivers State do not see a correlation between self-efficacy and increased market share.

HO_2: Small and medium-sized businesses in Rivers State do not have a correlation between self-efficacy and profitability.

HO_3: In Rivers State, small and medium-sized businesses, taking risks does not correlate with increased market share.

Conceptual Review

In this part, we will go over the fundamental ideas behind this research. The ideas include becoming competent as an entrepreneur and being successful in company.

Concept of Entrepreneurial Competencies

Entrepreneurial competencies are the individual skills, knowledge, expertise, professional experience or acumen that is required to start and grow a new venture (Agbenyegah & Mahohoma, 2020). Based on ability, entrepreneurial competencies connote entrepreneur's ability to identify strengths, weaknesses and opportunities, and the ability to be creative and innovative (Zizile & Chimucheka, 2018). They stand for the capacity to execute a job with the resources at one's disposal, or the ability to mobilise one's resources to take advantage of chances, according to Bacigalupo et al. (2016). Competence as an entrepreneur also includes knowing how to plan, launch, and oversee risky projects (Muhammad & Aina, 2017). An entrepreneur's competency may be defined as their overall capacity to carry out the duties of their position effectively. Based on these explanations, entrepreneurial competences are the set of traits that an entrepreneur or employee offers to a company: their knowledge, talents, skills, values, and attitudes. The research defines entrepreneurial competences as the set of abilities, both intrinsic and acquired, that enable a person to create, run, and ultimately succeed in a business venture while making the most of the resources at their disposal. This person could or might not be aware of the importance, depending on whether they are a manager or not.

The entrepreneurial competencies constitute the characteristics of the individuals which facilitate new venture creation and development (Garba, 2020), and business success (Agbenyegah & Mahohoma, 2020). Entrepreneurial competencies make entrepreneurially competent individuals leaders in their field of activity and enables them to do their jobs well and offer products or services with the promised quality (Curras-Perez *et al.*, 2017).

Megahed (2015) aver that entrepreneurial competencies enhance higher job performance, promotes business effectiveness and success. Entrepreneurial competencies help entrepreneurs to tackle business challenges from the immediate and/or external environment (Wickramaratne *et al.,* 2014), and to adapt to the external environment of business. Ibidunni *et al.* (2018) assert that entrepreneurial competencies facilitate the maintenance of the internal operations of firms. Strategic, conceptual, opportunity, learning, ethical, and personal competence were the ways in which they classified entrepreneurial competencies. Opportunity, dedication, strategy, organisation, and interpersonal competences are the kinds of entrepreneurial abilities outlined by Wickramaratne et al. (2014). Garba (2020) classified entrepreneurial talents into five categories: opportunity, relationships, concepts, organising, and commitment and strategy. The capacity to recognise, evaluate, and pursue possibilities in the market is known as an opportunity competency. Competencies in building and maintaining relationships with the firm's constituents are important. An entrepreneur's conceptual competences highlight their actions in relation to intuition, creativity, risk-taking, and market judgements. Competencies in organising include management tasks including planning, leading, encouraging, distributing, and regulating. competences in setting, evaluating, and implementing a firm's strategy are known as strategic competences. Working diligently to manage the challenges that come with running a company is an example of a commitment competency. Additionally, Garba included particular and generalised abilities, motivations, characteristics, self-perceptions, social roles, and knowledge as competences for entrepreneurs. It is uncertain if the people who have these skills realise how important they are. You may learn and improve some of these skills naturally, while others are more of a product of your upbringing.

Additionally, the ability to effectively manage one's time, one's communication, one's marketing, one's decisions, and one's finances are all essential competences for entrepreneurs (Onwuchekwa et al., 2017). Creativity, self-assurance, problem-solving, resource utilisation, opportunity identification, networking, and technology expertise were the categories into which the Organisation for Economic Cooperation and Development (2018) placed entrepreneurial abilities. As far as entrepreneurial abilities go, Aruni et al. (2014) included strategic, commitment, organising, relationship, conceptual, and opportunity. According to Kaluarachchige et al. (2021), there are many types of entrepreneurial competences, including conceptual, relational, technical, strategic, and opportunity competencies. Ameira (2016) outlines the following capabilities as essential for small and medium-sized enterprise (SME) development: entrepreneurial learning, experiences, knowledge, interpersonal skills, information seeking abilities, and the capacity to discover and capitalise on possibilities. As to Kaluarachchige et al. (2021), there are more ways to classify entrepreneurial skills. These include conceptual, strategic, opportunity, learning, personal, networking, and ethical competence.

Dimensions of Entrepreneurial Competencies

This research utilises self-efficacy, risk-taking, and innovativeness as characteristics of entrepreneurial abilities.

i. Belief in one's own abilities

A person's self-efficacy may be defined as their confidence in their own abilities to carry out the actions that would lead to desired outcomes in terms of performance (Hendra & Lusiah, 2017). A person's physical ability is their own subjective assessment of how well they can do certain activities. One definition of self-efficacy is "the degree to which an individual believes in and has faith in his or her own abilities to achieve a goal" (Njele, 2019). According to these explanations, self-efficacy means that people act based on their confidence in their own talents rather than their actual level of education or experience. It cares more about one's potential than about one's actual abilities (Dimopoulou, 2014).

The beliefs formed by these individuals about their abilities and skills shape their subsequent behaviours (Hendra & Lusiah, 2017). A strong self-efficacy is related to enhancement personal achievements and level of job accomplishment (Cherian & Jacob, 2013). In addition, a person who has high self-efficacy is more responsible, purposeful, and peaceful when undertaking difficult activities. On the other hand, when one lacks confidence in their own abilities, they tend to see things as more challenging than they really are. This, in turn, may lead to feelings of tension, sadness, and limited perspective (Njele, 2019).

Thus, self-efficacy is a measure of one's belief in one's ability to complete a task; this belief evolves in response to new knowledge and experience; and something drives one's judgmental actions (Hendra & Lusiah, 2017). As such, entrepreneurs and employees who have very high level of entrepreneurial competence see difficult activities as challenges and goals to be interested in, explored, exploited, and to be committed to, and not as dangers to be avoided (Njele, 2019). When business owners and workers have faith in their own abilities, they are more likely to take action that leads to a positive outcome. Reason being, having faith in something causes one to put in more effort and stay the course when faced with adversity. The ability to choose one's own life choices (Dimopoulou, 2014) and one's own judgement of one's own entrepreneurial abilities (self-efficacy) enable individuals to cope with failures and setbacks, regardless of how difficult the tasks at hand may be. An entrepreneur's self-perception, rather than their actual degree of competence, is the focus of self-efficacy. A business owner's or employee's self-efficacy expectation is their belief in their ability to carry out the work at hand, while their outcome expectancy is their assessment of the probable results of carrying out the task at the anticipated level of entrepreneurial competences.

Risk-taking

Risk is a condition that is characterized by the existence of a possibility of deviation from the outcome that is expected (Mongid & Muazaroh, 2017). Risk-taking has been employed in entrepreneurship to refer to venturing into the unknown (Olaniran *et al.*, 2016). Taking risks is a mindset that involves devoting substantial resources to endeavours with high failure probability (Llopis et al., 2013). Risk-taking include venturing into unknown markets, investing so much resources into ventures with little or no probability of success, and borrowing heavily to create a start-up (Olaniran *et al.*, 2016). The determinants of risk-taking are risk propensity and risk perception. Entrepreneur’s risk-taking propensity is the tendency to take or avoid risks, while entrepreneur’s risk-taking perception is the uncertainty and potential losses associated with the outcomes of risky actions (Olaniran *et al.*, 2016).

Risk-taking propensity is influenced by the decision makers’ perception of the risks involved and risk preference. In business, the decision maker can be an entrepreneur or employee. Entrepreneurs and employees differ in their risk-taking attitudes. Risk-taking attitudes influence the decision on the business sector to venture into, the business strategies to adopt, the amount of investment to make, the type of products or services to offer, the pricing strategy to employ, and the profit that will be made. As such, entrepreneurs and employees who are risk averse are most likely to accept average task performance and lower profit, while the risk takers accept good task performance and higher profits (Tran, 2020).

The three types of risk-taking commonly associated with entrepreneurship are personal risk-taking, financial risk-taking and business risk-taking. Personal risk-taking represents the risks managers undertake to achieve a strategic goal. Financial risk-taking is associated with borrowing and investing heavily to grow the business. Business risk-taking is related to venturing into unknown markets (Olaniran *et al.,* 2016). The value, essence and significance of risk-taking are not only evident in innovativeness, but also in explaining innovation performance. That is, the development of products involves risk-taking (Llopis *et al*., 2013). Moreover, risk-taking is inherent in innovation (Wong & Tong, 2012).

Concept of Business Success

Examining the organization's progress towards its objectives and purpose is one way to gauge its success. How well the organisation does in comparison to its stated aims will decide it. The 'key' metrics that many businesses use to evaluate their performance are growth, profit, and revenue. In 2018, Marina et al. However, you can't get the complete picture of your organization's prospects from these lagging signs of success. A foundation's revenue statement says nothing about it. The selling of assets might cause it to increase. Consequently, businesses should create a harmony between leading and trailing metrics to gauge performance. In business, leading indicators are measures that show a good chance of future success. Take client relationships as an example. They may reveal a lot about your competitive edge, growth potential, and future sales.

Companies, according to Hendra and Lusiah (2017), should plan forward for their company's success by considering how they will operate in the future. Depending on their perspective, organisations might see their obstacles as chances to compete or as opportunities to grow and achieve their maximum potential. Their level of success is directly proportional to the path they pursue. How well a corporation achieves its specific goals outlined in its business plan is a good indicator of its organisational performance. Among these aims is the maintenance of open and honest communication on expectations and progress with all parties engaged in the process, as well as the establishment of goals and the development of strategies to achieve those goals in the face of setbacks.

Measures of Business Success

i. Market Growth

The growth of a market is the proportion of that market that a certain business controls, measured in units or dollars. According to Armstrong and Greene (2017), market share is considered a crucial measure of a company's competitiveness in the market. With the addition of variations in sales revenue, this indicator aids managers in assessing the market's main and selective demand. In other words, it allows one to make a determination about the overall growth or fall of the market as well as patterns in client choices among rivals.

The expansion of a company's customer base is a direct reflection of how well received its goods and services are by consumers. The level of rivalry in a given industry or market is one factor that affects this external indicator of company growth. A company's market share may rise either because of internal initiatives to expand the company's reach or because of external factors, such the departure of a rival, that make it more likely that the market will reward the company for its efforts. There are two ways to measure market growth: by industry or by product category (Kerin et al., 2022).A company might reinvest its earnings from a growing market into the company's infrastructure or the training of new employees. However, the capacity of a company to meet client demand for its goods or services is crucial to the expansion of that market.

Profitability

A company's profit is the money it makes from all of its business operations. The capacity of a business to turn a profit is, hence, profitability. According to Shosha (2014), a company's profitability is a good indicator of its success. Profitability is a financial metric that shows how efficient a company is and how much more revenue it has, according to Garba (2020). An additional metric for evaluating a company's success is its profitability. Integral to any set of financial accounts, it shows how much money a company made during a certain time frame from its assets, sales, and capital (Fareed et al., 2016). One way in which a company might evaluate its own success is by looking at its profitability (Fakoki & Machirori, 2013). The prosperity of the company's owners and shareholders is directly proportional to the level of profitability, which in turn helps ensure the company's continued existence and good name (Shosha, 2014). As a result, businesses are better able to weather competition and boost their bottom lines. A company's primary objective should be to increase profits (Nguyen & Nguyen, 2020).

Profitability is a primary goal of financial management, with the possible exception of start-ups that incur losses due to the high costs and investments associated with creating new ventures. For the simple reason that increasing the owner's net worth is a primary objective of financial planning (Nuwatuhaire & Ainomugisha, 2019). Through the use of profitability measures, one may learn about a company's financial health. Among the many financial measures available, profitability ratios are among the most common. To find out how much money the company makes and how much money the investors get, they utilise it. Management makes choices based on profitability measures, which show how efficient and successful a corporation is overall (Margaretha & Supartika, 2016). Companies with a high profit margin not only pay taxes, but they also generate more jobs, are better at what they do, and are socially conscious (Lazar, 2016). Profitability data makes it easier to attract investors from outside the company.

By taking a measurement of the likelihood, one may learn more about it. According to Popa and Ciobanu (2014), ROIC, EBIT, OPM, and turnover and working capital are all ways to measure profitability. Other methods include ROE, ROA, NIM, and ROCE. Income and expenditures, Return on Sales (ROS), and Return on Investment (ROI) are other metrics for evaluating profitability (Garba, 2020). ROIC is a measure of how well an organisation is able to turn its assets into profit before accounting for financing costs. EBIT stands for all operational activities' revenue. Return on equity (ROE) measures financial health by comparing a company's net earnings after taxes and interest to its equity investment book value. According to Popa and Ciobanu (2014), this rate helps entrepreneurs and investors determine whether their venture is lucrative. A company's income is its gross profit for the accounting period from its regular operations. In addition, a company's income is the sum total of all its outgoing cash flows. But funds obtained via means other than investing or saving do not generate income. Spending throughout the reporting period reduces assets and capital and increases liabilities; this is because costs are outflows.

Many aspects influence a company's profitability. These include its size, capital structure, sensitivity, financial leverage, liquidity, solvency, and financial sufficiency (Nguyen & Nguyen, 2020). No matter how bad these things are, a business that isn't making money will eventually fail. A hostile business climate is another factor contributing to companies' declining profit margins (Odusanya et al., 2018). A company's success or failure is dependent on its external environment. Accordingly, entrepreneurs guarantee their companies' success and longevity by competence and interaction with environmental elements (Garba, 2020). According to Hartini (2012), enterprises are able to outperform their competitors and stay afloat in a highly competitive market by constantly monitoring their surroundings for relevant and current information on these elements.

To evaluate how well a business is doing, analysts utilise profitability ratios, which are measures of profitability. The many measures of financial performance include gross profit margin, return on assets (ROA), return on equity (ROE), return on sales (ROS), and return on investment (ROI).

You may learn about the profitability of your products and services by looking at the gross margin. Here you may find the product's production cost. To get it, take your net sales (NS), divide it by your gross profit (GP), and then multiply the result by 100. One hundred times the product of gross profit and net sales is the gross margin.

Operating Margin accounts for non-production-related production costs, such administrative and overhead expenditures, when calculating the product or service's profitability. For operating margin, the formula is operating profit divided by net sales multiplied by 100. A high return on assets indicates that a business is efficient at turning its assets into cash. The formula for return on assets is net income divided by assets multiplied by 100. A company's return on equity is the amount of money it earns for every naira that investors invest. To calculate return on equity, divide net income by shareholders' investment and multiply the result by 100.

Theoretical Framework

The resource-based hypothesis put forward by Penrose in 1959 forms the basis of this research. Success and performance of firms vary across sectors, and this article aims to shed light on why. A firm's diverse, immovable, precious, scarce, and inimitable resources are the source of its enduring competitive advantage, according to this idea. So, it hypothesises that, within an industry, firms' success or performance varies due to their unique resources that rivals can't simply replicate. Measuring a company's performance in comparison to its rivals is the foundation of the concept of competitive advantage. Entrepreneurial self-efficacy, inventiveness, abilities, and traits that allow the business to handle its resources efficiently and effectively are therefore seen to be crucial to the firm's performance and growth prospects. To fulfil their role as an agent for management in small and medium-sized enterprises (SMEs), entrepreneurs must possess the necessary competences. Businesses need to take stock of their unique assets and figure out how to make the most of them if they want to succeed. Brady, Dale, Iles, Cliffs, and Hall (2007) backed this up when they said that resources can't create value on their own but need good management to provide a company a competitive edge. Successful resource management therefore required intrinsic motivation, proper self-efficacy, and a willingness to take risks on the part of the entrepreneur. The capacity of the business to make good use of its resources is, thus, believed to be dependent on the entrepreneurial spirit's risk-taking, inventiveness, and self-efficacy. To fulfil their role as an agent for management in small and medium-sized enterprises (SMEs), entrepreneurs must possess the necessary competences.

Relevance of the Resource-Based Theory

The importance of the resource-based theory lies in the study of a firm’s internal strengths and weaknesses. This therefore makes resource-based theory a very useful approach in understanding the impact of entrepreneurial competencies on the business success. Resource-based theory has helped firms to look inward into the resource heterogeneity in a market and their connections to each firm’s competencies over other market players. It has also given support to the explanation on the link between firm resources and firm performance and survival (Ichrakie, 2013). As such, entrepreneurial competencies are valuable resources to firms. The valuable skills, knowledge and abilities of an entrepreneur may help a firm to survive the uncertainties in the environment. Specifically, the competencies of firm owners or managers can serve as a catalyst for their success and survival. Thus, the resource base theory is adopted for this study because entrepreneurial competencies enhance the performance, success and survival of firms.

Methodology

The researchers in this study used a cross-sectional survey to get a good look at people's thoughts and feelings from all walks of life without influencing their actions in any way. The focus was on 1,749,911 SME owners-managers in Rivers State, a population selected for its organization, registration with SMEDAN, and sectoral diversity, enhancing the study's generalizability. The research utilized a sample of 384 enterprises, determined using the Krejcie & Morgan Table, reflecting responses from the CEO/manager of each. A purposive sampling technique was applied, targeting a range of sectors to ensure broad representation. Data collection hinged on questionnaires, meticulously crafted to probe demographics and relevant variables via a five-point Likert scale, emphasizing clarity and respondent engagement. Questionnaire administration was pivotal, leveraging the method's reach, cost-effectiveness, and potential for anonymity to encourage candid responses. A total of 384 questionnaires were distributed across selected SMEs, aided by three research assistants, ensuring thorough coverage and data integrity. The structured format, with sections for demographic details and study-specific queries, aimed to facilitate analysis and foster understanding of the research themes

We used Pearson's product-moment correlation to assess our study's assumptions at the 5% significance level. The decision criteria was to accept the null hypothesis unless the p-value was less than 0.05 and tc was more than 1.96. If the p-value for the linear regression is less than or equal to 0.05, then the null hypothesis is rejected. Otherwise, it is not rejected. We used SPSS (Version 25.0 for Windows) to test all of our hypotheses.

Data Presentation and Analysis

Hypotheses Testing

To determine the level of the significance effects of the employed predictors (self-efficacy, risk taking and innovativeness) on market growth, profitability and branches extension of small and medium enterprises in Port Harcourt Rivers State, the stated hypotheses were tested and the outcome presented in the tables below:

$H_{01:}$ Self-efficacy is not significantly related to market growth of small and medium enterprises in Rivers State.

Correlations 1

		Self-efficacy	market growth
Self-efficacy	Pearson Correlation	1	.689**
	Sig. (2-tailed)		.000
	N	383	383
market growth	Pearson Correlation	.689**	1
	Sig. (2-tailed)	.000	
	N	383	383

**. Correlation is significant at the 0.01 level (2-tailed).

Above, we can see that there is a positive correlation (0.689) between self-efficacy and market growth, which is statistically significant (p-value of 0.000 < 0.05). We may so conclude that the alternative hypothesis is correct and reject the null hypothesis. To sum up, we find that SMEs in Port Harcourt, Rivers State, benefit greatly from self-efficacy when it comes to expanding their customer base and revenue.

$H_{02:}$ There is no correlation between SMEs' self-efficacy and their profitability in Rivers State.

Correlations 2			
		Self-efficacy	profitability
Self-efficacy	Pearson Correlation	1	.618**
	Sig. (2-tailed)		.000
	N	383	383
profitability	Pearson Correlation	.618**	1
	Sig. (2-tailed)	.000	
	N	383	383
**. Correlation is significant at the 0.01 level (2-tailed).			

Above, we can see that there is a positive correlation (0.618) between self-efficacy and profitability (p-value of 0.030 < 0.05) and that this correlation is statistically significant. We may so conclude that the alternative hypothesis is correct and reject the null hypothesis. To sum up, we find that small and medium-sized businesses in Port Harcourt, Rivers State, benefit greatly from self-efficacy when it comes to profitability.

$H_{03:}$ Among small and medium-sized businesses in Rivers State, there is no correlation between risk-taking and increased market growth.

Correlations 3			
		Risk-taking	market growth
Risk-taking	Pearson Correlation	1	.519**
	Sig. (2-tailed)		.000
	N	383	383
market growth	Pearson Correlation	.519**	1
	Sig. (2-tailed)	.000	
	N	383	383
**. Correlation is significant at the 0.01 level (2-tailed).			

The last correlation (p-value of 0.000 < 0.05) indicates that there is a positive and statistically significant relationship between risk-taking and market growth (r=0.519). As a result, we accept the alternative hypothesis and reject the null hypothesis. Our research leads us to believe that SMEs in Port Harcourt, Rivers State, benefit greatly from taking risks in order to expand their customer base and revenue.

Summary of Major Findings

1) SMEs in Port Harcourt, Rivers State, have a strong correlation between self-efficacy and increased market share.
2) SMEs in Port Harcourt, Rivers State, have a strong correlation between self-efficacy and profitability.
3) Thirdly, SMEs in Port Harcourt, Rivers State, are more likely to take risks while expanding their customer bases.

2. Discussion of Findings

Researchers in Rivers State found that SMEs' self-efficacy was positively and significantly correlated with their market growth. The answers provided by the respondents corroborate this, demonstrating that SMEs are capable and brave enough to take on any challenge. Because of this ability, they have been able to boost product quality, which has resulted in higher patronage and client growth. Hypothesis testing using a t-test and probability value confirms this impact, demonstrating a positive and statistically significant association between self-efficacy and market growth. Based on their research titled "The influence of employees' self-efficacy on their quality of work life: The case of Cape Coast, Ghana," Mensah and Lebbaeus (2013) found similar results. The findings demonstrated a strong positive relationship between workers' self-efficacy, educational level, and QWL. The results of Mensah and Lebbaeus (2013), who demonstrated a favourable correlation between self-efficacy and product quality, further support this idea.

Profitability is positively and significantly correlated with self-efficacy, according to the research. This demonstrates that the firm's economic worth is rising as a consequence of rising ROI and ROA. A higher return on equity indicates that small and medium-sized businesses have been more profitable over the last few years, thanks to rising ROI and asset prices. Consistent with the results of Herath and Mahmood (2014) and Nzeribe and Nwaubani (2019), this indicates that self-efficacy is an attribute of successful business owners and workers who bring in money.

Researchers in Rivers State also found that SMEs' willingness to take risks was positively and significantly correlated with their market growth. The results of the hypothesis testing corroborate this, showing that companies have found success by investing extensively in manufacturing and entering new markets without fully appreciating the dangers involved. The results are consistent with those of a study by Ghotbabadi et al. (2016) and another by Zizile and Chimucheka (2018), which looked at the link between customers' perceptions of risk and their level of satisfaction. The authors concluded that taking risks leads to better products, happier customers, and more successful businesses.

Conclusion

Results show a strong correlation between SMEs' self-efficacy and critical financial results in Port Harcourt, Rivers State. To start, the data points to the fact that the confidence of SME managers and owners is a key factor in the expansion of this region's market. Those who have faith in themselves are more likely to seize chances when they arise and overcome obstacles in the market, which in turn helps businesses grow.

The second point is that managers and owners need to have faith in their own abilities to make decisions and run the business efficiently if they want to see a return on investment. Success strategies for small and medium-sized enterprises (SMEs) may include empowerment and skill development, as people with high self-efficacy are more likely to make profitable strategic decisions.

There is a strong relationship between taking risks and the expansion of the market, which suggests that the business climate in Port Harcourt is quite dynamic. A calibrated attitude to risk-taking is vital for surviving in competitive marketplaces, since entrepreneurs who are ready to accept risks tend to achieve better market penetration and growth.

Overall, these findings advocate for fostering an environment that boosts self-efficacy and judicious risk-taking among SME owners and managers, as these factors are instrumental in achieving market growth and profitability in the context of Port Harcourt's business landscape.

Sequel to the findings and conclusion, the following recommendations were made.

1) The owners of small and medium businesses should work hard to acquire the skills that will help their companies succeed in the market, increase profits, and open new branches.
2) Owners of small and medium businesses should work to acquire the skills that will help their companies succeed by expanding their customer base, increasing profits, and diversifying their revenue streams.

3) Thirdly, build self-efficacy: Small and medium-sized enterprises (SMEs) should prioritise building self-efficacy in their leaders and staff. A person's self-efficacy may be defined as their confidence in their own abilities to handle challenging conditions or complete a job. Training, mentoring programmes, and giving workers the chance to tackle tough tasks are all ways to accomplish this goal. Small and medium-sized enterprises (SMEs) may encourage their employees to believe in themselves and their abilities, which will allow them to take the lead in the company's entrepreneurial efforts.

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