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Entrepreneurial Competencies and Firm Performance of SMEs in Abuja Municipal FCT

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Abstract*: The economic growth of many nations, especially developing ones, has often hinged on empowering small businesses. One thing that most investors put in mind is the issue of SMEs performance. This study therefore examines the effect of entrepreneurial competencies (innovativeness, creativity and risk taking) on performance of SMEs in Abuja Municipal. The study employed survey research design with a population of 2066 and a sample 327. Data was collected from 290 respondents through primary data with the help of designed questionnaires. The data collected were analysis using the SPSS V 22 to test for correlation analysis; regression analysis was well as other diagnostic test. The study found that creativity and risk taking has significant effect on performance of SMEs in Abuja Municipal. But innovativeness has negative and significant effect of performance. The study concluded that entrepreneurial competencies (innovativeness, creativity and risk taking) have effect on performance of SMEs in Abuja municipal. The study then recommends that stock holders should ensure they put more effort on creativity and risk taking as it has impact on performance and also SMEs should look forward on other avenue of being innovative as well as inventing on new opportunities in area of business.*
Keyword: innovativeness, creativity, risk-taking, sales growth

INTRODUCTION

Small and Medium Enterprises (SMEs) contribute over 90% of the private sector production; they are the major sources of jobs in developing countries and also play a vital role in income generation in developing countries. They played very important roles in the process of industrialization as well as sustainability in every economy. According to World Bank (2019), SMEs play a major role in most economies, particularly in developing countries. They account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses, more than 50% of employment worldwide with formal SMEs contributing up to 40% of national income (GDP) in emerging economies.

The economic growth of many nations, especially developing ones, has often hinged on empowering small businesses (Bishar, 2024). The emergence of small businesses in such nations gives impetus to youth employment, alleviates poverty, and encourages general socio-economic development. From diverse industries, small businesses, characterized by robust entrepreneurial skills, spring up to drive sustainable development agendas and policies of nations (Gbadebo, 2024), becoming micro contributors to the macro business environment in the areas of innovation, entrepreneurial training, and apprenticeship. Large and multinational corporations can rely on these businesses for ready labour and sources of raw materials for further business engagements (Al-hakimi & Saleh, 2022).

Many of these SMEs, however, collapse within a few years after their inception. Several factors could cause these problems. One of the possible causes of SMEs' extinction is a lack of access to management accounting services(Adugyemfi & Chipewere, 2023). SMEs in the developing economies, including Ghana, are confronted by several constraints. These constraints include low marketing education levels, consumer preferences for foreign products, low patronage of local products and services, and relatively high costs of production. There is also the high cost of credit, lack of storage facilities, lack of scientific preservation methods, high cost of transport, insufficiency of packaging materials, application of inappropriate technology, and low volumes of personal savings (Premand & Robilano, 2020).

Peprah and Koomson (2022) indicated that studies in Ghana have shown that about 70% of SMEs are unable to operate efficiently, manage their businesses effectively, deliver quality products and services consistently, and meet customer expectations on time due to a combination of internal and external constraints. A study by Okafor (2025)shows that over 50% of SMEs fail in their first year of operation. More specifically, the research shows further that more than 95% of SMEs fail during their first five years. Over 40% of small businesses fail due to no market demand for their products or services. These are problems that require many investigations and testing to ascertain or establish a fact as stated in literature (Abdurahman & Dastene, 2018).

Furthermore, Mahohoma (2020) recommended that a similar study could be conducted among SMEs in specific sectors for example, tourism and engineering, to fill out the existing knowledge gap, this study will investigate the mediating effect of entrepreneurial marketing on the relationship between entrepreneurial competencies and firms performance of SMEs in Abuja Municipal. The entrepreneurial variables that will be tested in the study would be innovativeness, creativity, and risk-taking. Firm's performance will be treated as a whole. Most of the SMEs lack entrepreneurial marketing and this has been asserted as a major gap in Nigeria's industrial development process over the years. This research work was carried out to examine the effect of entrepreneurial competencies on firm performance of SMEs in Abuja Municipal, Abuja FCT. The aim of the study would be to ascertain the effect of entrepreneurial competencies on the performance of SMEs in the Abuja Municipal. However, the sub-objectives would be to examine the effect of innovativeness and Creativity and risk-taking on Sales growth of SMEs In Abuja

Municipal. Based on the objectives of the study, the following hypotheses were raised for the study:

$H0_1$: Innovativeness have no significant effect on Sales growth of SMEs in Abuja Municipal.
$H0_2$: Creativity have no significant effect on Sales growth of SMEs in Abuja Municipal.
$H0_3$: Risk taking have no significant effect on Sales growth of SMEs in Abuja Municipal.

LITERATURE REVIEW

Conceptual review

This segment presents a detailed discussion on the impact of entrepreneurial competencies on firm performance, the concepts of entrepreneurial competencies and firm performance, entrepreneurial marketing, innovation, creativity, risk taken.

Innovativeness

Innovativeness is described in the Merriam-Webster dictionary as "the skill and imagination to create new things", which speaks to the duality of the attribute but just scrapes the surface of the importance of innovativeness to business growth and sustainability. The first part; skill assumes that there is an amount of expertise involved in the development of innovations. This assertion is relative to the environment or subject matter involved in the innovation development process. For example, to develop innovations in financial management, one should have a deep understanding of the financial management strategies and tactics. Conversely, think about trying to implement an internal innovation for example, around a communications process and the responsible personnel has no expertise in the details of executing a communications plan. Even the most inexperienced leader would suspect this to be a disaster while instead of creating innovation, they create a source of confusion. So it goes without saying that an innovator should have some skill, expertise, and ability the discipline that they are looking to produce innovations

Johan, (2019), defined innovativeness as doing things differently in the realm of economic life. Sheppard, (2023), innovativeness reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, and technological processes. It can also be termed as applying new knowledge to change organizational processes while generating commercially viable services and products (Sheppard, 2023). Innovativeness can also be described as the willingness to adopt novelty and uniqueness in the products or services, through creative processes and experimentation. This aims at the development of new processes, products, and services (Capra, 2018). Hunter (2019), innovativeness is the implementation or creation of something new that has realized value to others. Innovativeness studies have commonly also included the latter phase of idea implementation (Chen, Tzeng & Ou, 2019). The skills for carrying out entrepreneurial or

innovativeness endeavors proficiently are framed socially, economically, and politically and as such they are valued.

Creativity

Hunter (2019), creativity is the capability or act of conceiving something original or unusual. Creativity is typically examined at the stage of idea generation. Creativity is a means to unlock the entrepreneurial potential of individuals, entrepreneurs, and organizations since new ideas and approaches are key ways of promoting an entrepreneurial culture (Neneh, 2021). Creativity in an entrepreneur is critical. It results in major exhibits such as; Knowledge - having a relevant understanding that an individual brings to bear on a creative effort; Creative thinking - which shows how people approach problems and depends on personality and thinking style and Motivation - acting on an intrinsic passion that drives one to perform better (Anthony, Eneh, Effiong, & Etuk, 2022). The extent to which an entrepreneur exhibits these three attributes determines whether an individual has a creative entrepreneurial mindset or not, and that is what makes a difference in business performance. Performance is measured by increased market share, sales, and profitability as well as increased employment levels (Neneh, 2021).

According to Nwafor, Chinweuba-Eze, & Chukwuka, (2021), the entrepreneurial mindset is about creativity, innovativeness, and taking opportunities that lead to organizational wealth creation and success. This type of mindset enables entrepreneurs to make realistic decisions when faced with uncertainties. Trevisan, Grundling, and De Jager (2020), in trying to examine the importance of entrepreneurial qualities amongst small business owners and non-business owners also found creativity to be one of the strongest distinguishing characteristics. Encouraging creativity is, therefore, a strategic choice that firms should consider since it creates a significant contribution to organizational innovativeness.

Risk-taking

Risk taking is any consciously or non-consciously controlled behavior with a perceived uncertainty about its outcome, and/or about its possible benefits or costs for the physical, economic or psycho-social well-being of oneself or others. The concept of risk has been a concern of human beings from the earliest days of recorded history and most likely even before that. According to the *Harvard Business Review*, (2022), business risks are bucketed into three categories: preventable risks, strategy risks, and external risks. Preventable risks stem from within an organization (whether a team of one or 1k), are entirely controllable, and should be avoided at all costs. Examples of preventable risks include lying to potential investors, ignoring environmental regulations, or engaging in illegal business activity. Strategy risks are beneficial and necessary in entrepreneurship. These risks arise from strategic opportunities that show potential for return on investment. Some examples include launching a new product line, expanding into another country, or bringing on a new investor. The final category is external risks. As the name suggests, these risks come from beyond your business operations and are outside of your control. For example,

you'll likely have little to no influence over current economic conditions or states of emergency, but they may impact the success of your ventures.

Firm Performance

A firm's performance can be defined as the degree of fulfillment of managerial goals in business practices and realized outputs of these goals by the end of a specified period (Mitchelmore & Rowley, 2018). Firm performance is mostly determined by the type of strategies a firm implements and it is therefore a concept of business strategy. Strategy is the totality of all the decision-making processes in the form of selection, implementation, and assessment of alternative means to achieve a competitive advantage in the business environment (Anthony, Eneh, Effiong, & Etuk, 2022). Performance measures can be subjective measures composed of ten different dimensions such as; sales growth, revenue growth, growth in the number of employees, net profit margin, product/service innovativeness, process innovativeness, adoption of new technology, product/service quality, product/service variety, and customer satisfaction (Wiklund & shepherd, 2019).

Theoretical Review

The theoretical framework is the structure that can support or hold a theory of a research study and exhibits an understanding of the concepts and theories that are pertinent to the topic of the research. This study reviewed and underpinned Schumpeter's Theory of Innovation.

Schumpeter's Theory of Innovation

Schumpeter's theory of innovation was adopted for this research in determining the variables that were associated with the outcomes of entrepreneurial activities. Schumpeter (1934) claimed that the entrepreneur is the innovator. Schumpeter (1983) defines entrepreneurship, as the creation of new combinations of productive means. This new combination can be taken as innovation by entrepreneurs who come up with something new that enables them to stay ahead of the competition. The entrepreneur employs workers, capital, and natural resources to actualize the new knowledge into a tradable good (Grebel, 2019). In a radical departure from his earlier recognition of an entrepreneur as an outstanding individualist, Schumpeter says explicitly, that the term entrepreneur does not have to be one person (Clemence, 2019).

Entrepreneurship has been connected with innovation as one of its important characteristics. In actualizing innovation according to Schumpeter, Śledzik, (2018) defines innovation as a process of industrial mutation, which incessantly revolutionizes the economic structure from within, destroying the old one and creating a new one. The concepts of innovation and entrepreneurship are probably Schumpeter's most distinctive contributions to economics (Hanush & Pyka, 2020). Schumpeter argued that anyone seeking profits must innovate (Śledzik, 2019), Schumpeter believed that innovation is considered an essential driver of economic dynamics (Hanush & Pyka, 2018). In other words, innovation is the "creative destruction" that develops the economy while the entrepreneur performs the function of the change creator (Śledzik, 2019). The Schumpeter's

innovation and entrepreneur concept is universal and still evolving in the principles of Neo-Schumpeterian economics (Śledzik, 2019).

Empirical Review

A number of empirical studies have been conducted on the effect of entrepreneurial competencies on the performance of SMEs. Notable among these studies are reviewed by the researcher and summarized below:

Tomas, *et al* (2018), also studied correlations for each of the three sub-factors of market orientation (MO), - competitor orientation, customer orientation, and inter-functional coordination- and innovativeness. The findings support previous studies that investigated customer orientation, competitor orientation, and inter-functional coordination with both innovativeness and business performance. The findings showed a paradigm shift toward relationship marketing. Woodside, (2019) conducted a study applying the quick clustering method to inform relationships among statistically significant variables. He found that innovativeness was statistically significant in affecting performance in Industrial marketing management.

Kraus, Rigtering, Hughes, and Hosman, (2020), innovativeness during times of market turbulence is positively related to business performance whereas the relationship between the interaction term of risk-taking during market turbulence and business performance was negative. These are the study findings from "Entrepreneurial Orientation and the business performance of SMEs: a quantitative study from the Netherlands. The findings led to the conclusion that under conditions of high uncertainty or market turbulence, investments in innovativeness and careful management of the firm's risk-taking activities would appear wise.

Salavou, and Avlonitis (2018), in their study of product innovativeness and performance: a focus on SMEs", aimed to classify firms according to dimensions of product innovativeness (PI) and identify differences in performance. The study revealed different levels of PI in the straight imitators (low PI), product innovators (high PI), and concept innovators (medium PI). These groups demonstrated differences in performance potential at the product level and not at the firm level. also, Salge, and Antonio (2019) in their study "Hospital innovativeness and organizational performance: Evidence from English public acute care", intended to introduce hospitals as vital generators of innovation and to unpack the concept of innovativeness-performance relationship. A large-scale empirical study was conducted among the entire population of public hospitals that were part of the English National Service, analyzing data using exploratory factors and regression analysis. The study indicated a significant positive relationship between science- and practice-based innovativeness and clinical performance. In particular, we find that higher levels of innovativeness are rather associated with superior quality of care than with measurable bottom-line financial benefits.

Webster (2020) examined the relationship between the interactive use of performance measurement systems, creativity and performance, and the intervening role of psychological empowerment. The study examined the effect of the interactive use of performance measurement systems (PMS) on creativity and performance. Mid-level managers of large Australian manufacturing companies were surveyed and the results of the study identified a key intervening variable, psychological empowerment as being instrumental in the interactive use of PMS leading to the enhancement of creativity and performance in individuals and the firm as a result. Psychological empowerment was also found to mediate the associations between the interactive use of PMS, creativity, and performance.

Nieuwenhuizen and Kroon (2020), revealed a strong relationship between the willingness to take risks (risk tolerance) and entrepreneurial business success, which further stresses the need for including risk in entrepreneurship education and training programs. Looking at the argument put forth by Shamsul, & Dasan, (2021), risk-taking decisions are more apparent in the new venture-creation process. Based on this argument, they conclude concerning three dimensions of the risk construct, which are: risk as a variance; risk as a downside loss and bankruptcy; and risk as an opportunity. Other studies show that risk perceptions differ due to cognitive biases that drive entrepreneurs to perceive less risk. Chelliah, Aravindan, & Muthaiyah, (2022), there is a difference between risk and uncertainty. Entrepreneurs are more likely to operate in a risky environment than in an uncertain environment. Operating in risk-protected economies made it easier to predict the outcome of the decisions made (Anthony, Eneh, Effiong, & Etuk, (2022).

METHODOLOGY

The research design adopted for this study will be survey design. The study employed the survey method in which the primary source of collection of data will be use of structured questionnaire administered to relevant representatives and analyzing same to obtain results which confirm or reject research questions on the study. The Population is the total number of elements in a study. The population in this study was be a total of 2066 SMEs in Abuja Municipal as Listed by Small and Medium Enterprises of Nigeria (SMEDAN, 2025). The research instrument will be surveyed on the firm performance because it is the key success of business determinant The sample size was calculated using the "sample size determining for research activity table" (Krejcie & Morgan, 1970). In estimating the sample size, a 5 percent margin of error (confidence interval) and 95 percent confidence level were used. The primary source of data was used for gathering data in this research work. It is the data collected for the research, these are the responses to be generated or obtained from administered questionnaires (Olamise & Olabisi, 2024). The questionnaire research instrument will be used in this research work to gather information because it helps to access a large number of respondents at a minimal cost. The data to be collected will be gathered, sorted, and analyzed with the use of the Statistical Package for Social Sciences. For the analysis of data, the statistical package for social sciences (SPSS) will be used. The statistical tools to be used to analyze the data include the following: descriptive analysis using frequency tables and

percentages. Also, simple linear and multiple regression analysis concerning the study hypothesis was used to measure the degree of the effects of independent variables on the dependent or outcome variables as well as the mediating variable. Regression analysis and descriptive statistics was used to validate the data. For this study, a standard (simultaneous) multiple regression was performed to examine how much variation in firm performance is explained by the independent variables (innovativeness, creativity, risk taken, entrepreneurial marketing). The regression analysis was performed using SPSS software.

RESULTS AND DISCUSSION

Data Presentations

Descriptive Statistics of the Variables

This section is primarily concerned with the descriptive statistics for the variables used in the study. Descriptive statistics in the form of means and standard deviations for the variables were computed using the SPSS software version 25. As earlier stated, all the variables used in the study are measured using a five-point Likert scale anchored by 1 = strongly disagree to 5 = strongly agree. Table 3 shows that all the variables have adequate and above average mean with a moderate standard deviation (SD).

Table 4.3: Descriptive Statistics of Variables

Variables	Mean	Std. Deviation
Performance	3.6014	0.79409
Innovativeness	2.9386	0.74497
Creativity	3.5697	0.92869
Risk-Taking	3.4690	0.86272

Source: Survey, 2026**.**

Performance as a dependent variable of the study has a Mean of 3.6014, and SD of 0.79409. This shows that the variable has adequate mean and SD values, the mean is above the rule of thumb cutoff point of 2.5 (Kerlinger, 1986) when using 5 points Linkert scale, while the SD, is not up to 1.0. This implies that the respondents agreed with the items of the construct under study. Innovativeness has a Mean of 2.9386and SD of 0.74497. This shows that the variable has adequate mean and SD values, the mean is above the rule of thumb cutoff point of 2.5 when using 5 points Linkert scale, while the SD, is not up to 1.0. This implies that the respondents agreed with the

items of the variable, Innovativeness Creativity has a Mean of 3.5697and SD of 0.92869. This shows that the variable has adequate mean and SD values, the mean is above the rule of thumb cutoff point of 2.5 when using 5 points Linkert scale, while the SD, is not up to 1.0. This implies that the respondents agreed with the items of the variable, Creativity. Risk- Taking has a Mean value of 3.4690 and SD of 0.86272. This shows that the variable has adequate mean and SD values, the mean is above the rule of thumb cutoff point of 2.5 when using 5 points Linkert scale, while the SD, is not up to 1.0. This implies that the respondents agreed with the items of the variable.

Test of Normality

Also, the normality of the data is tested using descriptive outputs such as 5% trimmed mean and Skewness and Kurtosis with their Standard errors. However, for sample size >300, normality of the data is depending on the histograms and the absolute values of skewness and kurtosis. Either an absolute skewness value ≤2 or an absolute kurtosis (excess) ≤4 may be used as reference values for determining considerable normality (Mishra, et., 2019). Therefore, the result of the normality test shows that the dataset is normal as all the Skewness and Kurtosis values are below the rule of thumb value of ±1.96 and ±3 (see appendix III for SPSS output). Conclusively, most sample data used in behavioral studies are not normally distributed especially when sample is greater than 40. Aligning with Kniefs recent simulation that showed that the t-test is robust to non-normality and type I error rates over a wide range of conditions. They found that the most serious violation is that of independence and the least serious is that of normality (Zhou, Zhu & Wong, 2023) . The table 4 shows the normality test results of all the variables of the study. Using the 5% Trimmed Mean and Mean for all the variables are almost similar with negligible difference, indicating acceptable normality (Zhou. Et.al., 2023). Using the output of Skewness and kurtosis values of all the variables (Performance, innovation, creativity, and Risk-taking) fall between -0.643, -0.057, -0.854 and -0.673 for skewness and -0.334, -.602, 0.160, and -0.293 for kurtosis respectively, this indicates that all the variables are within the normality cut-off point of ±2.58 for sample ≥ 200 and with less standard errors (Ghasemi, & Zahediasl, 2018). Thus, it is concluded that evidence of normality of data exist.

Table 4.4: Normality Test of the Variables

Variables	5% Trimmed Mean	Skewness Values	Std. Error	Kurtosis Values	Std. Error
Performance	3.6014	-.643	.143	-.334	.285
Innovation	2.9386	-.057	.143	-.602	.285
Creativity	3.5697	-.854	.143	.160	.285
Risk-taking	3.4690	-.673	.143	-.293	.285

Source: Survey Data 2026

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Table 4.5: Factorability of the Variables

Variables	KMO	BIT Sig	% of Variance Explained
Performance	0.810	0.000	71.124
Innovation	0.715	0.000	79.513
Creativity	0.723	0.000	78.554
Risk-Taking	0.726	0.000	71.584

Source: Survey Data 2026.

Validity Analysis

However, prior to testing the theory, validity of the measures should be established (Voohieres & Peterson, 2023). For the purpose of this study, content and construct/face validities were used. In Content validity, this is where the study asked whether the content of a measure covers the full domain of the content. While, Construct Validity refers to the degree to which evidence and theory support the interpretations of test scores for proposed uses of a test. Validity is, therefore, the most fundamental consideration in developing and evaluating tests.(Clark & Watson 2019). The validity of the instrument is also measured through Exploratory Factor Analysis (EFA), using Principal Component Analysis (PCA) with the aid of IBM SPSS software version 20. However, of the five variables (Performance, innovation, Creativity, and Risk-Taking) used in the study, of which majority of the measuring items have meet the cut – off points. The outcome of EFA revealed that the variables have good KMO and BTS respectively. Thus, this is considered to be adequate and appropriate for further factor analysis (Tabachnick & Fidell, 2007).

Reliability Analysis

Internal consistency reliability refers to the extent to which all items on a particular scale are measuring the same concept. Cronbach's alpha coefficient and composite reliability coefficient are the most commonly used estimators of the internal consistency reliability of an instrument used in research. Despite the fact that, Cronbach's Alpha has been criticized for its over or under estimation of internal consistency reliability due to the fact that it is sensitive to the number of indicators in a scale. However, Cronbach's Alpha measure is mostly used in research as it provides better estimate of true reliability (Hair et al, 2018). Cronbach's Alpha measures the different outer loadings of the indicator variables and interpreted in the same manner as Cronbach's Alpha. Table 4.6, shows that all the variables have values above the Cronbach's Alpha threshold of 0.7.

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However, according to Bhatti, Hee, and Sundram (2020), a Cronbach's Alpha value of 0.60 and above can be accepted, (see Table4.6).

Table 4.6: Factor Loading and Reliability Analysis

Variables	Cronbach's Alpha
Performance	0.725
Innovation	0.686
Creativity	0.706
Risk-taking	0.700

Source: Survey, Data 2026.

Furthermore, from table 4.6 the reliability of the research instrument is tested using IBM SPSS version 25, and based on the results obtained, all the constructs met the Cronbach's Alpha requirement of 0.7 coefficient (DeVellis, 2003; Premkumar, 2003). The Cronbach's Alpha values of the respective constructs were found to be; Performance = 0.725, Innovation = 0. .686, Creativity = 0.706, and Risk-taking = 0.646 (7.0 approximately) respectively. The values of the respective Alphas are quite adequate considering the recommended value of alpha 0.7 minimum (Nunnally, 1978).

Correlational Analysis and Multicollinearity Test

Table 4.7 presents the inter-construct correlation analysis of the factors affecting the firm performance among SMEs in Abuja Municipal. The relationship between them is analysed using Pearson product-moment correlation coefficient. It is found that all the factors affecting firm performance have a strong and positive correlation between them and with the dependent variable of the study; innovation (r = 0.315** Creativity (r = 0.550** and risk Taking (r = 0.563** are correlated in a statistically significant manner with Firm Performance at the 0.01. Multicollinearity refers to a situation in which one or more independent variables become highly correlated. Furthermore, the presence of multicollinearity increases the standard errors of the coefficients, which in turn render the coefficients statistically non-significant (Tabachnick & Fidell, 2007). The multicollinearity test between independent variables in this study are within the acceptable threshold. The rule of thumb is that, when correlation values between two independent variables reaches 0.85, it shows that the variables are practically the same. Precisely, as shown in table 4.7 none of the independent variables correlated up to 0.7, this indicates that collinearity is not a point of concern.

Table 4.7: Inter-constructs Correlation and Multicollinearity Diagnostics n=290

Constructs	1	2	3	4	5	Tolerance	VIF
FP	1					-	-
Innovation	0.315**	1				0. 576	3.666
Creativity	0.550**	0.532**	1			0. 273	2.452
Risk-taking	0.563**	0.639**	0.693**	1		0.408	2.396

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).
Source: Researcher's survey, 2026.

Hypotheses Testing

In this section of the chapter, all the hypotheses formulated in chapter one are tested using multiple regression analysis.

Ho_1: Innovativeness has no significant effect on Performance of SMEs in Abuja Municipal.
The first hypothesis (Ho_1) is stated as Innovativeness has no significant relationship with Performance. The regression result suggests a negative and significant relationship between Innovativeness and Performance of SMEs in Abuja municipal. The output shows a standardized and unstandardized regression coefficient of -0.126 and -0135, with *t*-value of -2.055 and *p*-value of 0.041. Furthermore, by having P-value of <.041, it means that the result reaches statistical significance. It can be concluded that Innovativeness has insignificant influence on Performance among staff of SMEs in Abuja municipal (see Table 4.8). Hence, the null hypothesis will be accepted that Innovativeness has no significant effect on Performance of SMES in Abuja municipal.

Ho_2: Creativity has no significant effect on Performance of SMEs in Abuja municipal

The second hypothesis (Ho_2) is stated as Creativity has no significant relationship with Firm Performance.The regression result suggested a positive and significant relationship between Creativity and Performance of SMEs in Abuja municipal. The output shows a standardized & unstandardized regression coefficient of 0.330 and 0.282, with *t*-value of 5.018 and *p*-value of 0.000. Furthermore, by having P-value of <.000, means that the result reaches statistical significance. It can be concluded that Creativity has significant influence on Performance of SMEs in Abuja municipal. Therefore, Hi_2: There is significant effect of Creativity on Performance of SMEs in Abuja municipal is accepted.

Ho_3: Risk-taking does not significantly leads to Performance of SMEs in Abuja municipal

The third hypothesis ($H0_3$) is stated as Risk-taking has no significant influence on Performance." The regression result suggested a positive and significant relationship between Risk-taking and Performance of SMEs in Abuja municipal. The output shows a standardized & unstandardized regression coefficient of 0.416 and 0.383, with *t*-value of 5.753 and *p*-value of 0.000. Furthermore, by having P-value of <.001, means that the result reaches statistical significance. It can be concluded that Risk-taking has significant influence on the Performance of SMEs in Abuja municipal (see Table 4.8). Hence, Ho_3 is accepted that Risk-taking has significant effect Performance of SMEs in Abuja municipal. The hypotheses were tested using multiple regressions (MR), where all the independent variables were measured against the dependent variable, also with the mediating variable so as to identify their unique contribution towards Performance and to determine which contributes most. Overall, the factors have coefficient of determination (R^2) of 0.376. This means that combined effects of the independent variables (Innovativeness, Creativity and Risk-taking) explained firm performance by 37.6%. In other words, the error variance of Performance is approximately 62.4% of its variance for all constructs.

Table 4.8: Multiple Regression Analysis Results model 1

Constructs	R square (R^2)	Unstd. B	Std. β	*t*-value	*p*- value	Decision
Innovativeness		-0.135	-.126	-2.055	.041	Significant but not supported
Creativity		0.282	.330	5.018	.000	Significant and supported
Risk-taking	0.376	0.383	.416	5.753	.000	Significant and supported

Source: Survey Data 2026.

DISCUSSION OF FINDINGS

Model 1, this study found a negative and significant influence between innovativeness and performance (β = -0.135; t = -2.055 & P < 0.041). This finding is consistent with previous studies on innovativeness and performance. This finding supports the view of (Crespelle & Hansen, 2018) investigate the effect of entrepreneurial competencies such as innovativeness, creativity, risk-taking and entrepreneurial marketing, firm performance and he found a negative and significant relationship between Variables and performance. This study found a positive and significant influence between Creativity and performance (β= 0.282; t = 5.018 & P < 0.041). This finding is consistent with previous studies on Creativity and firm performance. This finding supports the

view of Sarasvathy, (2021); Shah and Tripsas, (2017) that entrepreneurial competencies such as innovativeness, creativity, risk-taking and entrepreneurial marketing, has significant effect on firm performance. This study founds a positive and significant influence between Risk-taking and performance (β= 0.383; t = 5.753 & P < 0.000). This finding is consistent with previous studies on Risk-taking and firm performance. This finding is in line with the view of (Brockman, Jones & Becherer, 2021), that there is a positive and significant relationship between entrepreneurial competencies such as innovativeness, creativity, risk-taking and entrepreneurial marketing, and firm performance.

CONCLUSION AND RECOMMENDATIONS

The aim of this study is to examine the effect of entrepreneurial competencies such as innovativeness, creativity, risk-taking on performance of SMEs in Abuja municipal. Though, previous studies have examined the impact of entrepreneurial competencies and firm performance, frameworks with entrepreneurial competency on the relationships with firm performance remains scarce and unknown in the literature. The test of the developed hypotheses yielded some important findings on the importance of entrepreneurial competencies. The study test for the direct relationship between innovativeness, creativity risk taking and performance. As such, the study concludes that creativity and risk taking are strong determinants for SMEs performance in Abuja Municipal. The recommendations if properly adhered would be designed to enhance the management of SMEs in Abuja municipal to improving their performance. These recommendations are

1. SMEs should ensure proper risk taking and being creative should be adhering to.
2. Managers of emerging markets should focus on more creativity, risk taking, innovative procedures, take initiatives as part of business strategies to improve product quality, provide additional benefits, differentiate the products to achieve high performances and enhance firm performances.

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