

Managerial Competencies and Growth of Small and Medium Enterprise (SMEs) in Abuja Metropolis, Nigeria

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Abstract

Purpose: This study aimed at investigating the effect of managerial competencies on the growth of SMEs in Abuja Metropolis, Nigeria.

Research methodology: The study adopted Raosoft to determine a sample size of 395. A structured questionnaire was used for data collection, while regression was used for data analysis.

Results: It was found that both technical and personal competencies have a positive and strong effect on the growth of SMEs, while conceptual skills recorded a negative and insignificant effect on the growth of SMEs in the Abuja Metropolis.

Limitations: This study is limited to SMEs operators in Abuja Metropolis (the political capital of Nigeria), Leaving Lagos (the economic capital of Nigeria untouched). It is only when Lagos is covered that one can give a clear direction if Nigerian SMEs operators are changing with the changing business world.

Contribution: Operators, owners as well as policymakers in SMEs are expected to benefit from this study as it will serve as an eye-opener to the hidden and untapped potentials embedded in the proper application of managerial skills.

Keywords: Managerial-Competencies, Technical-Competency, Personal-Competency, SMEs, and Growth

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1. Introduction

As a result of new technologies, digital businesses are playing out globally where very small remote businesses have turned into global ones and local players into world players. This reality no doubt has collapsed all the business bricks and walls and consequently changed the rules of the business game globally. Managers and businessmen who desire to establish a sustainable business venture, grow it, and survive in the global business market must think, calculate, and be competently qualified to face the global business jungle (Umar, 2018). Managerial competencies are seen as the skills required to carry out duties as expected, motives to drive and attitudes required by managers in a competitive and dynamic business environment today to succeed as a person and technically grow a business successfully. Such competencies include technical, personal, conceptual skills, decision-making, leadership skills, responsibility-taking, conflict resolution ability, team building, and good communication skills that are required for the effective and efficient running of the business (Abel, 2019). Whereas other factors of production have long been capable of analyzing, utilizing, and putting into use the financial assets to navigate through the troubled business waters, the human assets required in managerial capabilities/ abilities are yet to fully play their role (Madya, 2015).

Given the perceived contributions of managerial competencies on the growth of SMEs in Abuja, managers, and operators of SMEs invest heavily in material and human resources to be competent and remain relevant in the ever-changing business environment. However, despite these huge investments,

SMEs operators are persistently performing lesser than expected and the need to investigate its importance to the growth of SMEs in Abuja Metropolis becomes necessary.

Due to the negative impact of covid 19 on Small and Medium Enterprises globally and Nigeria's business environment especially Abuja Metropolis was not spared; it is believed that for such depressed economies to navigate through the troubled business waters and bounce back, small and medium business operators must play their constitutional role(s) of economic sustainability and managerial competency is pivotal in achieving this-hence the motive behind the objective of the study which is to investigate the effect of managerial competencies on the growth of SMEs in Abuja Metropolis.

As Nigeria is the most populous nation in West Africa and a key player in global business, and Abuja is the seat of power with most Small and Medium Enterprises (SMEs) within the Western African countries having their corporate offices there, the choice of Abuja Metropolis as the study domain of this study is a square peg in a square hole.

In agreement with the objective of the study, the formulated hypotheses were tested:

Ho1: Technical competency affects small and medium enterprises (SMEs) growth in Abuja Metropolis.

Ho2: Personal competency affects SMEs' growth in Abuja Metropolis.

Ho3: Conceptual skill affects SMEs' growth in Abuja Metropolis.

2. Literature Review

2.1 Managerial Competencies

In today's dynamic and highly competitive business world, business owners, entrepreneurs, and operators of small and medium enterprises need effective, competent, efficient, and skilled managers who can think outside the box to succeed. It is therefore pertinent for those entrepreneurs and enterprise owners to identify, develop, maintain, and retain talented people who are creative, innovative, and with the required skills to foster and push the business to an enviable height. To achieve this, every manager who wants to be efficient, effective, and successful should possess specific and general managerial competencies that will enable him to perform efficiently, creditably, and effectively at any managerial level. Managerial competencies are the knowledge, skills, technical know-how, abilities, and behavior needed for efficient managerial performance.

[Onu \(2018\)](#) opined that the relationship between managerial competencies and small business growth remains a topical issue in the contemporary business world. Managerial competencies can help a firm have a competitive advantage over its rivals. To keep a focused business, managers, and operators of these small businesses, as well as those who managers already established businesses with good market shares and good profit margins, should develop and maintain good managerial skills that can be transferred from one generation to the other in the organization. Managerial competencies can also be said to be advancing when all that is needed to be accomplished and achieved within and outside the organization are realized as at when due and without compromise of standard or quality. Those core competencies that are difficult to duplicate and retain in the organization can be developed through the firm's reputation. It can also be imported and adopted from one firm to another as a working tool.

[Anoke, Osita, Okafor, and Agagbo \(2021\)](#) noted that competencies vary depending on the type of business and management's orientation, company's core competencies, which can change with a variable such as time, location of the business, and other external factors that are beyond the control of the firm and or managers. [Hariri \(2020\)](#) noted that transformational and transactional leaders are positively and significantly linked to the productivity outcomes and organizational competency while the laissez-faire leaders affects the organization negatively depending on the structure and type of the organization.

[Chandler and Jansen \(2019\)](#) argued that for managers to carry out creditably, competently, and effectively organizational role(s), they must have the ability to identify, recognize, distinguish,

diagnose, and spot hidden business opportunities, take advantage of such opportunities for the overall interest of the organization. They equally need a political will to drive and see the firm from creation to fruition, which involves a total commitment to the set-out goals and objectives, willingness to uncover the hidden business secret, ability, and capacity not only to produce concentrated effort for long hard working hours but also to retain them.

Therefore, managerial competencies and skills comprise those brands, collections of interrelated information; required attitudes, knowledge, and gained or acquired skills that a business person is expected to gain through creativity, constant training, and continual self-development that will enable the person to yield a rewarding result, fruitful performance, and maximize return on investment while managing his or her business entity. It has been noted nowadays that little, or less value is attached to these serious success variables in the managerial world; rather key attention is paid to financial resources, input, and output differences. Business owners do attribute the failures of their businesses to unavailability of finance, unfavorable government policies, and unfriendly business environment rather than managerial lapses and incompetency on the part of decision-makers in the firm or industry ([Boyalzis, 2008](#)).

[Baum \(2019\)](#) noted that there are differences between specific competency and general competency in managing a business. Specific competencies according to him are those competencies that are largely spelled out over and above others because they are considered very necessary and essential to achieve a particular task or purpose in the organization. while general competencies which are key to organizational achievement are competencies conceptualized as cross-subjects that are vital in the development of a person, a group of persons that are required for personal accomplishment, and the development of personal and group skills at the moment and later in life. [Man \(2018\)](#) defined managerial competencies as higher-degree individualities encompassing personality characteristics, gained skills, and acquired knowledge, which is the overall ability of the manager to perform an assigned job successfully and profitably.

[Hoffmann \(2019\)](#) noted three different ways that managerial competencies are measured in the business environment. These include the standard of performance attributed to the manager because of managerial skills invested in the industry, noticeable and positive output or result achieved, performance tied to knowledge gained, skills and capabilities that represent the underlying qualities of the person behind the wheel. Some studies have adopted the third definition of competency (that refers to knowledge gained, skills, and capabilities) to appreciate managerial competencies ([Ropega, 2017](#); [Man, 2018](#); [Sunny & Inusa, 2019](#)). Similarly, [Boyalzis \(2008\)](#) defined managerial competency as basic characteristics embedded in an individual such as skill, abilities, capacities, motives, traits, attributes, and knowledge of an individual that enables him to perform any assigned work creditably. [Baum \(2011\)](#) asserted that management competencies are the individual characteristics and acquired skills necessary to successfully ease business world anxiety. When properly developed, management competencies reassure better leadership qualities and contribute handsomely to business accomplishment. The intangible and human assets required for managerial competency are essential for a fruitful workforce.

[Browell \(2018\)](#) defined managerial competencies as definite skills, motives, positive attitudes, and attributes/abilities necessary to perform a task timely. Such characteristics are but are not limited to, communication skills, the ability to work within a defined setting, problem-solving, customer-focused ability, ability to predict and forecast business changes. As business financial standards and status can easily be analyzed, utilized, and fix into the progressive map of the firm, human assets involved in managerial competencies have not been able to fit into such a business equation. On the other hand, some researchers have linked managerial competencies with the individual behaviors shown in the management and control of an organization. [Amegayibor \(2021\)](#) noted that leaders who blend autocratic, charismatic, and paternalistic leadership styles are seen to be competent as they influence employees' performance, reduce error and increase the quality of work in the organization. In addition, [Shukla, Prasad, and Itam \(2021\)](#) opined that behavioral, functional and strategic competencies are competency clusters considered necessary by the main stakeholders in every organization.

Similarly, [Brophy and Kiely \(2002\)](#) maintained that traditionally, it is believed that the accomplishment or otherwise of a business venture depends squarely on the skills and knowledge of the manager. However, modern knowledge has shown that there is an impartment component that is often neglected in the managerial competency equation, which is the mindset, beliefs, and attitude that the manager takes to the job. It is therefore noteworthy that a competent and qualified computer programmer who refuses to interact with the development team in the organization on vital project execution can turn out to be a liability than an asset despite his technical, personal, and conceptual skills. Managerial competence, therefore, is a blend of many factors like experience, capabilities, talents, vision, and mindsets that employees need to perform excellently in their jobs or tasks. [Stoof \(2015\)](#) likened managerial competence to an ability to accomplish certain jobs or responsibilities for which knowledge, idea, skills, attitude, and motivations are highly required and necessary. [Stoof \(2015\)](#) argued that specific competency triggers the seen and intangible hidden potentials that contribute to the creation of value in an organization. If separate competencies in managerial processes are the key drivers or take-off points required to stimulate and kindle crucial proficiencies, skills, and capabilities that reactivate the value-creation process in an organization, then firms in this era need to employ appropriate methodologies and mechanisms to support, protect, maintain and retain the progress of these competencies for the organizational benefit.

Similarly, [Umar \(2018\)](#) noted that currently, knowledge management is key to any successful business venture. Globalization makes distances much shorter than one can imagine and has triggered the need for global thinking and global knowledge. Technologies and knowledge-driven businesses have taken the center stage and financial capital is gradually taking the back seat. Non-tangible and human assets and the ability to apply them purposefully are seen today to be crucial in every organization. Managerial competencies should therefore be given the required attention as their identification and development are pivotal to human capital requirements needed to drive home the mission, vision, strategic goals, and set out objectives of the organization. [Chiekezie, Nzewi, and Erhinmwionose \(2016\)](#) noted that managers with good managerial knowledge perceive business opportunities where others fail, searching for changes and responding to the dynamic business environment for optimal performance and increased productivity.

As seen above, numerous definitions of managerial competency and its components have been postulated to identify and find which competencies are central to developing, starting, and sustaining business activities. Various scholars viewed the subject matter from the angle they perceived it as many definitions were offered accordingly and this has resulted in a mix-up concerning the proper denotation of the concept of competency. To this end, managerial competencies refer to behavior, skills, knowledge, and ability which enable a manager to perform and achieve a task timely and purposefully within an organization.

The economic impact of SMEs on any contemporary economy like Nigeria cannot be over-emphasized as it is the engine room for economic growth, development, and sustainability to those economies that paid the required attention to it ([Bell, 2017](#)). To this end, competent managers are the unseen hands behind the wheel. Managerial competencies are therefore clusters of similar knowledge, skills, and attributes that are essential to effectively perform an assigned task. Such competencies are but are not limited to creativity, the ability to network effectively and efficiently, and innovativeness. These skills and competencies will enable SME-owned operators to navigate and grow their business in a competitive business environment like Nigeria ([Amos, 2020](#)).

2.2 Technical Competency and SMEs Growth

Technical business skills give insight and direction as to how a specific skill will be used in performing a particular task. Technical skills include knowing when and how to apply a particular method to achieve the desired result, practices, and procedures involved in carrying out a specific function such as programming, data analysis, production, and or finance involved in running the firm. It can also involve specialized knowledge acquired through training and creativity, analytical ability, and

knowledgeable use of equipment and techniques to resolve the problem(s) in a specific area in the business world. Small and medium business owners and operators are expected to have some technical knowledge in the field they operate to manage the business profitably, effectively, and efficiently.

Technical competency is also seen as the application of the right knowledge at the right time and in the right direction that required skills to perform effectively and efficiently in a defined job or group of works in an organization. It is technical know-how and the skills required to carry out a certain type of work or action to achieve the set-out goal(s). This includes skills in a specialized division, analytical capacity, and the ability to use suitable tools and techniques to achieve personal and organizational goals ([Ani, 2019](#)). [Yusuf \(2017\)](#) argued that technical competencies help the manager to acquire knowledge and techniques to attain certain organizational goals. Many researchers ([Bongos, 2011](#); [Usman, 2019](#)) maintained that there is a strong relationship between technical skills and business growth. For managers to succeed in the modern business environment, technical skill is unavoidable.

2.3 Personal Competency and SMEs Growth

In the business world, business owners are guided by their acquired skills, knowledge, gained abilities, pieces of training, and business networks at their disposal. An entrepreneur uses his skills for and on behalf of the organization intending to expand the business horizon. This may involve bringing to play new approaches, techniques, and best practices to serve as input in achieving creativity and innovation for the organizational goal ([Igbokwe, 2018](#)). [Yang, Chen, and Yang \(2020\)](#) asserted that competent and proactive managers in every organization need to first assure quality service encounters with their customers, and constantly upgrade the implementation levels processes to maintain their loyalty and repeat purchases. [Nasiruka \(2016\)](#) argued that an entrepreneur's skills help him to have a defined set of business vision, mission, and core business values for the overall interest of the organization.

2.4 Conceptual Skills and SMEs Growth

Conceptual knowledge is the cognitive ability to see business as a whole and the connection among its parts. This involves the business owner, manager, and or operator thinking outside the box, sourcing the needed information, processing, analyzing the raw data, making meaning out of it, and planning from the idea gotten for the organizational goal. [Nzewi \(2017\)](#) noted that conceptual knowledge is the ability to think and act strategically which is needed by small and medium business operators to strategically position their businesses to compete effectively in the competitive business environment. They must perceive important pointers in the business environment. Comparative conceptual skills like good decision-making, proper resource allocation, timely changing with the changing environment as well as innovative and creative inclinations are required by firebrand managers who operate in a highly competitive business environment like ours today to succeed in business.

A conceptual skill in business is the ability to work with business ideas and within the model. These skills are central to creating a vision and strategic plan required for the firm's survival. [Anyim \(2019\)](#) noted that with the help of conceptual skills in an organization, managers see the organization as a whole and solve problems from a systemic point of view rather than on an individual basis, which is an evil wind that blows nobody any good. [Ndukwe \(2019\)](#) noted that conceptual skills are required by managers in achieving organizational goals more than technical or interpersonal skills because it involves the ability to analyze business situations and differentiates between causes and effects thereby providing a workable solution to the perceived business problems.

2.5 Growth of Small and Medium Enterprises

There is no single conventional definition of Small and Medium Enterprises today as scholars tend to define the subject matter according to how they perceive it at that material time. Different institutions have adopted different definitions depending on what they want to achieve or what their focus is now.

Usually, the principles used in defining and explaining SMEs include the following: the number of employees in the business, the volume of sales in any given financial period, the customer retention ability, the market areas the firm can cover and maintain for a given period, capital investment, annual

gross turnover ([Anoke, 2019](#)). To achieve these, however, managerial competencies have a vital role to play. [Opusunjo, Anoke, and Mural \(2019\)](#) postulated that there is a strong connection between managerial competencies and the no of employees in an organization. [Opusunjo, Anoke, and Mural \(2019\)](#) believed that if the manager of an organization is competent enough, more hands will be engaged, and the volume of production will increase which will result in to increase in sales volume through adequate promotional tools and proper distribution channels to the satisfaction of customers. This no doubt will lead to customer retention which will undoubtedly expand the market frontier.

2.6 Conceptual Framework

The main variable of concern in this study is the dependent variable of the growth of SMEs which is gauged by the number of employees, sales volume, customer retention, and market share retained. The independent variables that are likely to affect the dependent variable as captured by this study are the technical, Personal, and conceptual skills of SMEs owners and or operators. The connections between the two variables are stated here and are shown in figure 1.

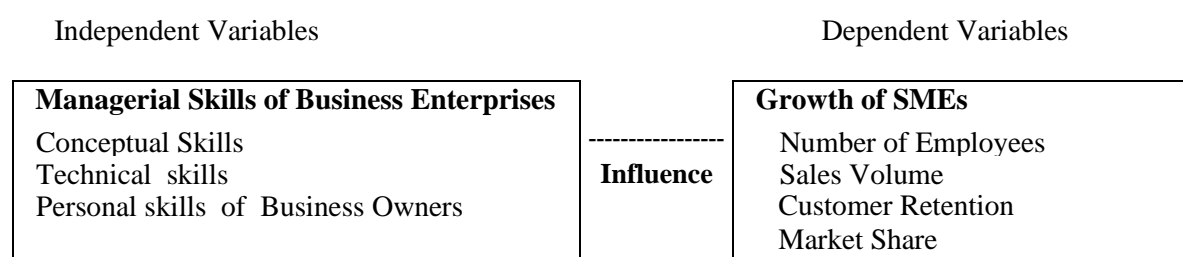


Figure 1. Conceptual Framework

2.7 Empirical Studies

[Olofu \(2018\)](#) studied the effect of managerial competencies and the growth of SMEs in Nigeria. Karu LGA of Nasarawa State was the study area. The population of the study was 658 selected SMEs operators in the study area and 248 respondents were arbitrarily selected from the population as sample size. The study adopted a research design while regression analysis was used to analyze the collected data. A structured questionnaire administered to respondents was used as a data collection instrument. The study found conceptual skills to have a strong and positive effect on SMEs growth in Nigeria. The study equally revealed an inverse bond between SMEs growth in Nigeria and creativity and recommended that there is a need for SMEs operators to network among themselves so that ideas and information gained can be shared among business partners.

The study of [Olofu \(2018\)](#) though well-constructed, did not state statistical evidence to back up the purported 658 population of SME operators used in the study area. Additionally, Karu LGA out of 774 LGAs in Nigeria is grossly insufficient to rely on and draw a conclusion and make a recommendation(s) in a sensitive research area like SMEs growth in Nigeria. This current study will put this identified gap into consideration and come up with an acceptable recommendation backed up by statistical evidence.

[Onu \(2018\)](#) investigated entrepreneurial competencies on the business growth of women entrepreneurs in Enugu Metropolis. The study used a descriptive survey research design. 911 registered women entrepreneurs in Enugu Metropolis were used as the population of the study. The study employed [Yamane \(1967\)](#) sample size determination to select 278 women entrepreneurs that were used the sample size for the study. Data for the study were collected through a closed-ended questionnaire. Regression was adopted to analyze the data. The finding revealed that personal competencies have a positive and significant effect on the business growth of women entrepreneurs in Enugu Metropolis while technical competencies have an insignificant and negative effect on the business growth of women entrepreneurs in Enugu Metropolis. The study then recommended that women entrepreneurs should equip themselves with personal entrepreneurial competencies for business success.

The study of [Onu \(2018\)](#) though well-constructed with a modern statistical tool for data analysis, narrowed her study to one segment of the sector (women entrepreneurs) thereby leaving the male wing

that is important in this business unattended to. There is a need for holistic investigation into this all-important sector of the economy and this study has taken the right step in the right direction toward bridging the identified gap.

[Martin and Stains \(2014\)](#) investigated the effect of managerial competencies on the growth of SMEs in Scotland. The research was both quantitative and qualitative. Thirty business operators were interviewed one on one while 150 responded through a mail-out survey. The study found technical skills to be vital for business success and recommended technical talent and ability should be developed by managers for optimal performance.

Although the population, sample, and method of data collection were stated, the method of data analysis was missed out in the study.

[McGee and Peterson \(2009\)](#) studied managerial competencies and business performance in the USA. 255 sovereign marketing pharmaceuticals were used as the population of the study. The result revealed a positive association between competencies and business performance. The study recommended that managerial competencies are pivotal in modern-day businesses.

The study was not specific on the managerial competencies like technical, personal, or conceptual that are key to business performance.

Additionally, [Van Der \(2014\)](#) carried out a study on schooling and experience and their impact on women's entrepreneurship performance. Samples were collected from 20 African countries. The study found with statistical evidence that entrepreneurs who are educated, creative, innovative, and experienced yield more positive entrepreneurial results than those who do not have such entrepreneurial knowledge, skills, and mindset. The study of [Van Der \(2014\)](#) cannot be relied upon since the location of the study was not stated. The study did not also state the method used in selecting 20 African countries used in the study from the 54 countries in Africa according to the [United Nations Report \(2019\)](#) and how the selected twenty were favored against others not selected.

2.8 Theoretical Framework

The study used managerial competency theory to drive home the point. This theory focuses on the development of each sector of workers and organizations. [Castle \(1984\)](#) viewed managerial competencies as the systematic approach used in the organization that helps to x-ray and understand the inter-relationship and connections between management in one part and workers in the other, in all organizational settings.

[Wilson \(1984\)](#) found that key generic managerial competency models situated in the available literature confine business skills, creativity, innovativeness, intra-personal skills; interpersonal skills; and good leadership skills as key factors for effective and efficient managerial performance in any given society. Though, while these competencies are essential and needed for effective, efficient, and modern managerial functions, the models did not put into consideration career and mentoring skills, which are as important as managerial competencies in a contemporary and challenging environment.

3. Research Methodology

This study adopted the survey research design to determine the effect of managerial competencies on small and medium enterprises' growth in Abuja Metropolis since the data for the analysis was gotten from a predefined cluster of respondents. The target population of this study was registered small and medium enterprise operators within Abuja Metropolis. According to the Enterprise Agency of [Nigeria \(2020\)](#), there are 10,951 small-scale enterprises and 669 medium-scale enterprises in Abuja Metropolis, given a total of 11,620 SMEs in Abuja metropolis that were used for the study. Using Raosoft sample of 395 was determined, at a 95% confidence level and 5% margin of error while a questionnaire was employed to collect data in the study.

The questionnaire was coded into a five-point Likert scale, ranging from 5, 4,3,2,1 which stands for Strongly Agree, Agree, Undecided, Disagree, Strongly Disagree respectively.

To ensure the validity of the instrument, the initial draft of the questionnaire was subjected to face and content confirmation. The instrument was given to experts in Jemec West Africa Ltd (A top management consultancy firm) in Abuja. These specialists were asked to scrutinize the questionnaire and air their views on the originality, correctness, and other observed errors in the questionnaire. Their comments, suggestions, and corrections were used to adjust and produce the final instrument.

To establish the degree of reliability, and consistency of the instrument, a trial test was conducted. The trial test was carried out using 50 respondents in the Wuse and Garki Areas of Abuja. The duly completed instrument by the respondents was collected and analyzed. Cronbach Alpha method was used to measure the internal consistency of the items.

Table 1. Reliability Estimates for the Measurement of the Variables

Constructs	Number of Items	Cronbach's Alpha
SMEs growth	50	$\alpha = .92$
Personal competency	50	$\alpha = .94$
Technical competency	50	$\alpha = .90$
Conceptual Skills	50	$\alpha = .93$

Source: Field Survey, 2021

The Cronbach's Alpha for the major variables in the conceptual framework registered scores above the minimum value of 0.70 as shown above. The high-reliability index indicates that the instruments were reliable.

The statistical tools used were regression and simple percentages. The regression was used to determine the effect of the independent variables on the dependent variable.

This is expressed in this study as follows:

$$GSMEs = \beta_0 + \beta_1 TC + \beta_2 PC + \beta_3 CS + \mu_i \dots \dots \dots (1)$$

Where:

β_0	=	the autonomous parameter estimates (Intercept or constant)
β_1, β_3	=	Parameter coefficients of Managerial Competencies
GSMEs	=	Growth of Small and Medium Enterprises
TC	=	Technical Competencies
PC	=	Personal Competencies
CS	=	Conceptual Skills
μ	=	Error terms

4. Results and Discussions

Table 2. Assessment of Managerial Competencies on SMEs in Abuja Metropolis

Items	5	4	3	2	1
Technical competencies are vital in solving SMEs- related problems.	140(35.44)	130(32.91)	15(3.80)	60(15.19)	50(12.66)

SMEs in Abuja Metropolis has increased due to the impact of Personal skills	135(34.18)	150(37.97)	20(5.06)	36(9.11)	54(13.67)
Conceptual skills help a manager to solve complex issues in business	161(40.76)	155(39.42)	18(4.56)	39(9.87)	22(5.57)

Source: Survey, 2021

From table 2, it was revealed that the majority of the respondents strongly agreed (35.44%) that technical competencies are vital in solving SMEs-related problems. While 32.91% agreed, 3.80% were undecided. The remaining 15.19% and 12.66% of the respondents disagreed and strongly disagreed with the idea respectively.

The issue of SMEs in Abuja Metropolis has increased due to the impact of personal competencies, the majority of the respondents (37.97%) agreed with the statement, and 34.18% strongly agreed. While 9.11% and 13.67% of the respondents disagreed and strongly disagreed respectively with the statement, 5.06% of the respondents were neutral.

Conceptual skills help the manager to solve complex issues in business, the respondents strongly agreed 40.76%, 39.42% agreed, 4.56% were undecided, 9.87% disagreed, and 5.57% of the respondents strongly disagreed.

Table 3. Managerial Competencies and SMEs Growth in Abuja Metropolis

Variables	5	4	3	2	1	FX	N	Mean	Remarks	Ranking	Sectorial mean
Solving problem	140	130	15	60	50	1435	395	3.63	High	3 rd	3.78
Increased SMEs	135	150	20	36	54	1461	395	3.70	High	2 nd	
Solve complex problem	161	155	18	39	22	1579	395	4.00	High	1 st	

Source: Authors' Computation, 2021

Table 3, revealed that managerial competencies have impacted greatly the growth of SMEs in Abuja Metropolis as all the mean values ranked high and the sectorial mean(M3.78) is above average (M3.00)

Table 4. Assessment of SMEs Growth in Abuja Metropolis

Items	5	4	3	2	1
Technical competence helps SMEs operators/managers in Abuja Metropolis to increase the number of employees and increase sales volume	158 (40.00)	125(31.65)	9(2.27)	75(18.99)	28(7.09)
Personal competence helps in creating good networking and value that boost market shares	171(43.29)	100(25.32)	26(6.58)	62(15.70)	36(9.11)
Conceptual skills help small and medium business operators to understand the firm, retain customers and solve business problems	30(7.59)	50(12.66)	25(6.33)	120(30.38)	170(43.04)

Source: Survey, 2021

Table 4 revealed that 40% of the respondents who are the majority strongly agreed that technical competence helps SMEs operators/managers in Abuja Metropolis to increase the number of employees and increase sales volume, 31.65% of the respondents agreed with the statement. Only 2.27% were neutral as 18.99% and 7.09% of the respondents disagreed and strongly disagreed with the statement respectively.

In the table 4, 43.29% of the respondents strongly affirmed that personal competence helps in creating good networking and value that boost market shares. While 25.32% agreed, 15.70% and 9.11% of them disagreed and strongly disagreed with the statement respectively. The remaining 6.58% of the respondents were undecided.

It was also recorded in the same table 4 that only 7.59% of the respondents strongly agreed that conceptual skills help small and medium business operators to understand the firm, retain customers and solve business problems, 12.66% agreed, and 6.33% of the respondents undecided. While 30.38% disagreed with the statement, the remaining 43.04% who are majority strongly disagreed with statement.

Table 5. Mean of SMEs Growth in Abuja Metropolis

Variables	5	4	3	2	1	FX	N	Mean	Remarks	Ranking	Sectorial mean
Technical Competency	158	125	9	75	28	1495	395	3.78	High	1 st	3.22
Personal Competency	171	100	26	62	36	1493	395	3.77	High	2 nd	
Conceptual Skills	30	50	25	120	170	835	395	2.11	Low	3 rd	

Source: Authors' Computation, 2021

Table 5 revealed that both technical and personal competencies have impacted greatly the growth of SMEs in Abuja Metropolis as the ranking was high in both variables. The mean value is M=3.78, M=3.77 which is above the acceptable standard (M=3.00). While conceptual skills recorded a low mean (M2.11).

4.1 Findings and Discussion

T-statistics was employed to test the hypotheses. The decision rule to agree or reject the null hypothesis for any of these tested hypotheses depends on the Probability Value (PV). If the PV is less than 0.05 (that is $PV < 0.05$), it means that the variable in question is significant and accepted; else, it will be rejected.

Table 6. Regression Results

Method	OLS-Approach				
Source	Sum of Square	DF	MCE	No. of obs	395
Model	318.852934	3	318.852934	F(3, 395)	8.17
Residual	75.7918025	392	0.33536195	Prob> F	0.0000
Total	394.644737	395	1.73852307	R-squared	0.8512
				Adj. R-squ.	0.8261
				Root MCE	0.5341
GWE	Coef.	Std. Err.	t(P> t)	[95% Conf. Interval]	
_Cons	0.0243812	0.0757742	0.32 (0.748)	-0.124933	0.173695
TC	0.9796185	0.2557750	2.53 (0.003)	0.917015	1.042222
PC	0.648185	0.0365039	9.53(0.000)	0.576254	0.720116

CS	-0.161136	0.0839251	-1.92(0.062)	0.036871	0.285402
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Source: Researchers' Computation, 2021(STATA 16)

It was seen from the result that the model has a good fit as expressed by the probability F-statistic value of 0.000, which is less than 0.05.

The(R-square) that was employed to determine the goodness of fit shows that the model is fit for prediction as about 85.12 percent change in the growth SMEs in Abuja Metropolis was due to managerial competencies, while 14.88 percent uncovered variations were captured by the error term.

Test of Hypothesis One

From table four 4.1, it was observed that there is a strong relationship between technical competencies and SMEs growth in Abuja Metropolis. This was captured by the value of the t-statistic (t) 2.53 and an associated PV of 0.003 which is less than 0.05. Therefore, the study accepts the first alternate hypothesis (H1) and concludes that technical competencies have a significant effect on SMEs growth in Abuja Metropolis.

Test of Hypothesis Two

It was also recorded in Table 4.1 that personal competency has a significant effect on the growth of SMEs in Abuja Metropolis as captured by the t-statistic value of 9.53 and its associated PV of 0.000 which was found to be less than 0.05. Therefore, the study accepts the second alternate hypothesis (H2) and concludes that personal competencies have a significant influence on SMEs growth in Abuja Metropolis.

Test of Hypothesis three

Lastly, the result from Table 4.1 revealed that conceptual skills have no significant relationship with SMEs growth in Abuja Metropolis. This was captured by the value of the t-statistic value of 1.92 and a PV of 0.062 which is greater than 0.05. The study rejects the third alternate hypothesis (H3) and concludes that conceptual skill does not affect small and medium business growth in Abuja Metropolis.

4.2 Discussion of findings

It was revealed from the result that technical competency has a positive and significant effect on SMEs growth in Abuja Metropolis as seen in the regression analysis in Table 4.1. It was revealed that the value of the t-statistic (t) was 2.53 and an associated PV is 0.003 which is less than 0.05. The study, therefore, accepted the first alternate hypothesis (H1) and concluded that technical competencies have a positive and significant effect on small and medium business growth in Abuja Metropolis. This research finding contradicts the findings of [Onu \(2018\)](#) who found an inverse relationship between technical competencies and business growth of women entrepreneurial businesses in Enugu Metropolis.

The study also found that personal competencies recorded a positive and significant effect on small and medium business growth in Abuja Metropolis. This was depicted in table 4.1. From the table, it was seen that the t-statistic value of 9.53 and its associated PV of 0.000 which was found to be less than 0.05. This implies that the alternate hypothesis should be accepted. This research finding agrees with the findings of [Onu \(2018\)](#) who found a positive and significant relationship between personal competencies and business growth of women entrepreneurs in Enugu Metropolis.

However, findings from the study revealed that conceptual skill has a negative and insignificant effect on small and medium business growth in Abuja Metropolis. This implies that small and medium business operators and managers of those small firms in Abuja Metropolis cannot envisage, forecast, and picture the direction firms should go for optimal growth, development, and sustainability of such firms. The finding equally contradicts the findings of [Olofu \(2018\)](#) who found a strong and positive relationship between conceptual skills and SMEs growth in Karu, Nasarawa State, Nigeria.

5. Conclusion

The effect of managerial competencies on the growth of SMEs in Abuja Metropolis was investigated in this study. It hypothesized that technical competency, personal competency, and Conceptual skills have no significant effect on the small and medium business growth in Abuja Metropolis. The study, from the result of the analysis (the t-statistic (t) 2.53 and an associated PV of 0.003; the t-statistic value of 9.53 and its associated PV of 0.000 respectively) which is less than the 0.05 revealed that both technical and personal competencies have a positive and significant influence on the growth of SMEs in Abuja Metropolis. It was equally found that conceptual skill (t-statistic value of -1.92 and a PV of 0.062) is greater than 0.05, therefore, has no impact on the growth of SMEs in Abuja Metropolis. The study then concluded that technical and personal competencies are vital tools for achieving SMEs growth in Abuja Metropolis and should be combined by managers and owners of firms for optimal growth of SMEs. Since technical and personal competencies are seen as catalysts for SMEs growth, sustainability, and development in developing countries like Nigeria, it is, therefore, recommended that more emphasis needed to be placed on the technical and personal competencies of result-oriented managers to develop, grow, and sustain SMEs in Abuja Metropolis, Nigeria.

5.1 Limitation of the Study

Since this study is carried out in Abuja Metropolis (the political capital and seat of power of Nigeria), it is expected that a similar study should be carried out in Lagos (The Commercial capital of Nigeria) with variables like creativity, networking and innovativeness, and growth of SMEs. This will give a clear direction if Nigerian SMEs operators and small business owners are changing with the changing business world.

5.2 Contribution to Knowledge

All over the world, the private sector is the driver of every economy if the required attention is paid to this important segment. Operators, owners as well as policymakers in SMEs are expected to benefit from this study as it will serve as an eye-opener to the hidden and untapped potentials embedded in the proper application of managerial skills.

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