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ENTREPRENEURIAL SKILLS AND BUSINESS GROWTH OF SMALL AND MEDIUM ENTERPRISES IN ABUJA MUNICIPAL AREA COUNCIL (AMAC), FCT ABUJA.

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ABSTRACT

This study examined the effect of entrepreneurial skills on the business growth of Small and Medium Enterprises (SMEs) in Abuja Municipal Area Council (AMAC), Federal Capital Territory (FCT), Abuja. The study was motivated by the persistent challenges faced by SMEs in achieving sustainable growth, profitability, customer retention and business expansion despite their significant contribution to employment generation and economic development. Specifically, the study examined the extent to which financial management skills and marketing and customer-management skills influence SME growth in AMAC. A survey research design was adopted, while data were collected from SME owners and managers through a structured questionnaire. Descriptive statistics, including frequency, mean and standard deviation, were used to answer the research questions, while regression analysis was employed to test the hypotheses at the 0.05 level of significance. The findings revealed that financial management skills had a high influence on SME growth, with a grand mean of 4.01. The regression analysis showed a positive and significant effect of financial management skills on SME growth ($R = 0.684$, $R^2 = 0.468$, $\beta = 0.684$, $t = 14.951$, $p < 0.05$). Marketing and customer-management skills also recorded a high level of influence, with a grand mean of 4.12. The study concluded that entrepreneurial skills significantly contribute to SME growth in AMAC. It recommended continuous training in financial management, digital marketing, customer relationship management and other entrepreneurial competencies.

KEYWORDS: Business Growth, Entrepreneurial Skills, Financial Management, Marketing Skills, Small and Medium Enterprises

INTRODUCTION

Small and Medium Enterprises (SMEs) constitute an important component of Nigeria's economic structure because they provide employment opportunities, generate income, stimulate innovation, contribute to local economic development and serve as a source of livelihood for a substantial proportion of the population. In Abuja, the Federal Capital Territory (FCT), SMEs operate across diverse sectors, including retailing, hospitality, transportation, construction, information and communication technology, professional services, food processing, fashion, education, agriculture-related businesses and other commercial activities. Their activities are particularly important in Abuja Municipal Area Council (AMAC), which contains major commercial, administrative and residential districts of the Federal Capital Territory. Ibidunni et al. (2021) found that entrepreneurial competencies were important for innovation performance among informal SMEs. Their findings are significant because innovation provides a mechanism through which businesses can develop new products, improve services, enter new markets and respond to competition. The finding of Ngele and Muhammad (2023) is important to the present study because sales volume, employee size and profitability represent measurable dimensions of business growth. It indicates that entrepreneurial characteristics can translate into observable organisational outcomes. However, entrepreneurial mindset and entrepreneurial skills, although related, are not identical concepts. Mindset concerns the way entrepreneurs perceive opportunities, challenges and business possibilities, whereas skills concern the abilities through which entrepreneurs translate their perceptions and knowledge into practical business actions. Therefore, a study focusing specifically on entrepreneurial skills remains important. Emmanuel, Abdulraheem and Daniel (2024) examined the impact of entrepreneurial education on the performance of SMEs in Abuja. Their study involved 250 SME managers and found that entrepreneurial education significantly improved innovation, employment generation and service delivery. They specifically identified entrepreneurship, business planning and entrepreneurial planning as important elements influencing SME success. Daniel and Ezeamuzie (2024) examined the effects of entrepreneurship education on SME performance in the Federal Capital Territory, Abuja. Their study arose from concerns about declining SME performance in Abuja and emphasised the importance of entrepreneurship education in improving enterprise performance. Beetseh (2025) provides particularly relevant evidence because his study directly investigated the effect of entrepreneurial skills acquisition on the growth of SMEs in FCT Abuja. Using 440 SME owners/managers, the study examined intellectual and vocational skills and reported that both had significant positive effects on SME growth. The researcher recommended continuous intellectual development, entrepreneurship and business-management training, mentorship and vocational training for SME owners and managers. The apparently negative relationship between innovativeness and performance reported by Idris et al. (2026) is particularly interesting. It suggests that innovation does not automatically translate into business growth. Innovation may require financial resources, technical knowledge, market research and effective implementation. An entrepreneur may therefore possess innovative ideas but lack the financial-management, marketing or managerial skills required to commercialise those ideas successfully. Entrepreneurship is the process through which individuals identify economic opportunities and organise resources to create products or services for the purpose of generating value. Entrepreneurship involves more than establishing a business. It includes identifying opportunities, developing business ideas, mobilising financial and human resources, managing risks and transforming ideas into commercially viable activities. Entrepreneurial skills are the knowledge-based, behavioural and practical competencies that enable entrepreneurs to establish, manage and develop businesses. They enable entrepreneurs to identify opportunities, make decisions, organise resources, manage risks and respond to changes in the business environment. Ibidunni et al. (2021) provide important Nigerian evidence by identifying several competencies relevant to entrepreneurial performance, including "organizing, conceptual, learning, strategic, opportunity, and risk-taking competencies." Financial management skills involve the ability to prepare budgets, control expenditure, manage cash flow, determine prices, maintain financial records, assess investment decisions and manage working capital. Poor financial management is one of the potential reasons why SMEs fail even when they generate considerable sales. An entrepreneur may have strong technical or marketing abilities but still experience business failure if cash flows are poorly managed.

Beetseh (2025) specifically emphasised the importance of intellectual and vocational skills in SME growth in Abuja and recommended continuous training and capacity development for entrepreneurs. Innovation skills involve the ability to develop new products, improve existing services, adopt new technologies and introduce improved methods of production or service delivery. Idris, Gambo and Idris (2026) found that entrepreneurial competencies involving creativity, innovativeness and risk-taking were related to SME performance in Abuja Municipal. Their finding regarding creativity and risk-taking demonstrates the potential importance of entrepreneurial innovation-related capabilities. Risk-taking skills involve the ability to make calculated decisions under uncertainty. Entrepreneurship inherently involves uncertainty because entrepreneurs commit resources without complete knowledge of future market conditions. Risk-taking does not necessarily mean reckless behaviour. Effective entrepreneurs evaluate potential benefits, costs and threats before making decisions. Labo, Ango and Jimoh (2024), in their Nigerian study of SMEs in Yobe State, found that risk-taking and networking competencies positively influenced SME performance. They concluded that moderate risk-taking could foster innovation and growth opportunities. Ngele and Muhammad (2023), in their AMAC study, used sales volume, employee size and profitability as important indicators of MSME growth. Their results showed that entrepreneurial mindset influenced these dimensions of business growth. This approach is useful for the present research because business growth should not be measured exclusively through profit. A business may experience growth in customer numbers or employees before increased profitability becomes visible. Similarly, sales may increase while profit remains low because of rising operating costs. Therefore, a multidimensional measurement of growth is appropriate. Ibidunni, Ogundana and Okonkwo (2021) examined entrepreneurial competencies and the performance of informal SMEs in Nigeria. The study surveyed 296 entrepreneurs and employed SEM-PLS analysis. The researchers identified organising, conceptual, learning, strategic, opportunity and risk-taking competencies as important entrepreneurial competencies. Their results indicated that these competencies were essential for improving innovation performance. The study is relevant because it demonstrates that entrepreneurial competencies can provide SMEs with capabilities for responding to environmental pressures and improving innovative outcomes. Ngele and Muhammad (2023) conducted one of the most directly relevant studies to the present research. Their study focused specifically on MSMEs in Abuja Municipal Area Council, FCT Abuja. Using 218 MSME owners, they employed correlation and regression analysis to examine the relationship between entrepreneurial mindset and MSME growth. Their findings showed that entrepreneurial mindset influenced sales volume, employee size and profitability. The researchers recommended greater investment in entrepreneurial mindset development and collaboration between stakeholders and entrepreneurs.

Labo, Ango and Jimoh (2024) examined entrepreneurial competencies among SMEs in Yobe State, Nigeria. Their study focused on risk-taking and networking competencies and used data from 230 SME owners/managers. The findings indicated that both risk-taking and networking competencies positively influenced SME performance. The researchers explained that moderate risk-taking can encourage innovation and growth opportunities, while networking can improve access to resources and support. Emmanuel, Abdulraheem and Daniel (2024) examined the impact of entrepreneurial education on SME performance in Abuja. Using 250 SME managers, the researchers found significant effects of entrepreneurial education on innovation, employment generation and service delivery. Their study identified entrepreneurship, business planning and entrepreneurial planning as important aspects of entrepreneurial education. Daniel and Ezeamuzie (2024) also examined entrepreneurship education and SME performance in FCT Abuja. Their study was motivated by concerns about declining SME performance in Abuja and reinforced the importance of entrepreneurship education in improving SME outcomes. Okolie and Etubi (2024) examined entrepreneurial skills required by small and medium-sized construction firms operating in Abuja. Their study involved managers, construction professionals and contractors in registered SMEs. The study demonstrates the importance of entrepreneurial skills within a specific Abuja SME sector and provides evidence that technical and entrepreneurial competencies are important to enterprise operation. Etubi and Okolie (2024) also examined barriers to the adoption of entrepreneurial skills among small and medium-sized construction firms in Abuja. Their research involved managers and contractors of registered construction SMEs. The study is relevant because possessing entrepreneurial skills and adopting those skills are not necessarily the same thing. Environmental, organisational and resource barriers can prevent entrepreneurs from applying available knowledge effectively. Beetseh (2025) investigated the effect of entrepreneurial skills acquisition on SME growth in FCT Abuja. The researcher focused on intellectual and vocational skills and surveyed 440 SME owners/managers. The findings indicated that intellectual and vocational skills had significant positive effects on SME growth. Beetseh therefore recommended continuous intellectual development, entrepreneurship training, mentoring and vocational training for SME owners and managers. Idris, Gambo and Idris (2026) investigated entrepreneurial competencies and firm performance among SMEs in Abuja Municipal FCT. The researchers examined innovativeness, creativity and risk-taking and collected data from 290 respondents. Their findings showed that creativity and risk-taking significantly influenced SME performance, while innovativeness had a negative and significant effect in their sample. The findings of Idris et al. (2026) provide an important contemporary perspective. They indicate that entrepreneurial competencies do not necessarily have identical effects on performance. While creativity and risk-taking may improve performance, innovation can have a different effect depending on how it is implemented. This finding reinforces the need for further research into the specific entrepreneurial skills that contribute to business growth in AMAC. Human Capital Theory originated from the economic works of Theodore W. Schultz (1961) and was subsequently developed extensively by Gary S. Becker (1964**).** Schultz argued that education, training, knowledge and skills constitute investments in human beings that can increase their productivity, while Becker further established human capital as an important economic resource capable of generating improved individual and organisational returns. The study can be anchored primarily on Human Capital Theory (Schultz, 1961; Becker, 1964) because the theory explains how knowledge, education, skills, experience and competencies constitute forms of capital that can improve individual productivity and organisational performance. The theory assumes that individuals who acquire relevant knowledge and skills through education, training and experience are more capable of performing productive activities efficiently. Beetseh (2025) found that intellectual and vocational skills significantly affected SME growth in Abuja, demonstrating that acquired capabilities can have practical implications for business outcomes. Emmanuel et al. (2024) found that entrepreneurship education significantly improved innovation, employment generation and service delivery among SMEs in Abuja. The Resource-Based View (RBV) provides a complementary explanation. The intellectual foundation of the Resource-Based View (RBV) can be traced **to** Edith Penrose (1959) through her work on the growth of firms. The modern Resource-Based View was explicitly introduced into strategic management by Birger Wernerfelt (1984**)** and subsequently developed by Jay Barney (1991)**.** Barney argued that resources can provide sustained competitive advantage when they possess characteristics such as value, rarity, difficulty of imitation and limited substitutability. Ibidunni et al. (2021) provide support for this perspective because their study found that entrepreneurial competencies such as organising, strategic, learning, opportunity and risk-taking competencies were important for innovation performance among Nigerian informal SMEs.

Statement of the Problem

Small and Medium Enterprises (SMEs) occupy an important position in the Nigerian economy because they contribute to employment generation, income creation, poverty reduction, innovation, and the development of local economies. In Abuja Municipal Area Council (AMAC), SMEs operate across several sectors, including retailing, food services, transportation, fashion and clothing, construction, information and communication technology, professional services, agriculture-related businesses, hospitality, and other commercial activities. Despite the economic importance of these enterprises, many SMEs in AMAC continue to experience difficulties in achieving sustainable business growth. Some enterprises remain small for several years, while others experience declining sales, inadequate profitability, poor customer retention, inability to expand their workforce, and eventual closure. One major concern is that the survival and growth of SMEs do not depend only on the availability of financial capital. The entrepreneurial capabilities of business owners and managers are equally important. An entrepreneur may have access to capital but still experience business failure if he or she lacks the skills required to identify market opportunities, manage employees, keep proper financial records, develop appropriate marketing strategies, make effective decisions, manage business risks, and respond to changes in customer preferences. Thus, inadequate entrepreneurial skills may constitute a significant barrier to the growth and sustainability of SMEs in AMAC.

The problem also extends to innovation and opportunity-identification skills. SMEs operate in an environment characterized by changing technology, consumer preferences, government policies, competition, and economic conditions. Entrepreneurs who are unable to identify new opportunities or develop innovative products and services may lose their competitive advantage. Some businesses continue to rely on traditional methods of production, marketing, and service delivery even when customers increasingly demand faster, more convenient, technology-enabled services. The inability to innovate can consequently restrict business expansion and long-term competitiveness. Managerial and decision-making skills are equally important. SME owners are frequently responsible for several business functions, including purchasing, production, marketing, recruitment, employee supervision, financial management, and customer relations. Poor managerial skills can result in ineffective delegation, weak employee supervision, poor inventory management, delayed decisions, and inefficient use of resources. Where entrepreneurs are unable to make timely and informed decisions, business opportunities may be lost and operational costs may increase. This may negatively affect sales, profitability, productivity, and overall business growth.

Purpose of the Study

i. Examine the effect of financial management skills on the growth of Small and Medium Enterprises in AMAC, FCT Abuja.
ii. Determine the effect of marketing and customer-management skills on the growth of Small and Medium Enterprises in AMAC, FCT Abuja.

Research Questions

The study will be guided by the following research questions:

i. To what extent do financial management skills affect the growth of Small and Medium Enterprises in AMAC, FCT Abuja?

ii. To what extent do marketing and customer-management skills affect the growth of Small and Medium Enterprises in AMAC, FCT Abuja?

Research Hypotheses

The following null hypotheses will be tested at the 0.05 level of significance:

H_{01}: Financial management skills have no significant effect on the growth of Small and Medium Enterprises in AMAC, FCT Abuja.

METHODOLOGY

The study will adopt a quantitative research approach using a survey research design. The survey design is considered appropriate because the study seeks to obtain information from SME owners, managers and operators concerning the entrepreneurial skills they possess and the extent to which such skills influence the growth of their businesses. The design will enable the researcher to collect data from a relatively large number of respondents and analyse the responses statistically. The study will be conducted in Abuja Municipal Area Council (AMAC), Federal Capital Territory, Abuja. AMAC is an appropriate study area because it contains a substantial concentration of commercial activities and different categories of small and medium enterprises operating across sectors such as trading, hospitality, services, manufacturing, transportation, information and communication technology, construction and other economic activities. The target population will comprise owners, managers and principal operators of registered and identifiable SMEs operating within AMAC. The final population figure should be obtained from the most recent available records of relevant SME-support and registration agencies and associations, depending on the scope defined by the researcher. A suitable sample size will be determined from the established population using an appropriate sample-size determination procedure. Where the population is known, the researcher may apply the Taro Yamane formula:

n=N1+N(e)2n=\frac{N}{1+N(e)^2}

Where **n** represents the sample size, **N** represents the total population and **e** represents the acceptable margin of error, normally 0.05 for a 5% level of precision. The study will use a structured questionnaire as the principal instrument for data collection. The questionnaire will be divided into sections covering respondents' demographic characteristics, financial management skills, marketing skills, innovation skills, opportunity-recognition skills, risk-management and decision-making skills, and indicators of business growth. Responses may be measured using a five-point Likert scale ranging from Strongly Agree (5) to

Strongly Disagree (1). The validity of the research instrument will be established through expert assessment. Copies of the questionnaire will be submitted to experts in entrepreneurship, business administration, management and research methodology to examine the relevance, clarity and adequacy of the items in measuring the variables of the study. Their observations will be incorporated before the final administration of the instrument. The reliability of the instrument will be determined through an appropriate reliability procedure, such as Cronbach's Alpha. A reliability coefficient of approximately 0.70 or higher will generally be considered acceptable for the study, subject to the nature of the measurement scales. Data collected from the respondents will be coded and analysed using appropriate statistical techniques. Descriptive statistics, including frequency, percentage, mean and standard deviation, will be used to

summarise respondents' characteristics and responses to the questionnaire items. Inferential statistics will be used to test the hypotheses at the 0.05 level of significance. Because the study seeks to determine the effect of several dimensions of entrepreneurial skills on business growth, multiple regression analysis will be particularly appropriate. The general model may be expressed as:

$BG=\beta0+\beta1FMS+\beta2MS+\beta3IS+\beta4ORS+\beta5RDMS+\varepsilon BG = 0+1FMS+2MS+3IS+4ORS+5RDMS+varepsilon$

Where: **BG** = Business Growth **FMS** = Financial Management Skills **MS** = Marketing Skills

IS = Innovation Skills **ORS** = Opportunity-Recognition Skills **RDMS** = Risk-Management and Decision-Making Skills **β_0** = Constant **β_1–β_5** = Regression coefficients = Error term The decision rule will be that where the p-value is less than 0.05, the corresponding null hypothesis will be rejected, indicating a statistically significant effect. Where the p-value is greater than 0.05, the null hypothesis will not be rejected, indicating that the evidence is insufficient to establish a statistically significant effect. The regression results will also be interpreted using the coefficient of determination (R^2), regression coefficients and overall model significance to establish the extent to which entrepreneurial skills explain variations in SME business growth.

RESULTS

Research Question One

To what extent do financial management skills affect the growth of Small and Medium Enterprises in AMAC, FCT Abuja?

Table 1: Respondents' Perception of Financial Management Skills and SME Growth

S/N	Statement	SA	A	U	D	SD	Mean
1	Effective budgeting helps my business control expenditure and improve growth.	85	72	18	15	10	3.98
2	Proper financial record keeping enables my business to monitor profitability.	91	70	14	15	10	4.04
3	Effective cash-flow management improves the ability of my business to meet its financial obligations.	88	74	16	13	9	4.04
4	Proper cost-control practices contribute to increased business profitability.	82	77	17	14	10	3.99
5	Financial management skills help me make appropriate pricing and investment decisions.	79	80	18	13	10	3.98
	Grand Mean						**4.01**

Source: Researcher's Field Survey, 2026

The results presented in Table 1 indicate that financial management skills have a high extent of influence on the growth of SMEs in AMAC, FCT Abuja, with a grand mean of 4.01. The first statement, which examined whether effective budgeting helps businesses control expenditure and improve growth, recorded a mean score of 3.98, indicating a high level of agreement. This suggests that SME owners and managers recognize budgeting as an important tool for controlling unnecessary expenditure and directing resources towards productive business activities. The second statement recorded a mean of 4.04, showing that respondents highly agreed that proper financial record keeping enables businesses to monitor profitability. This implies that entrepreneurs who maintain appropriate records are better positioned to determine whether their businesses are making profits or losses and to make informed financial decisions. The third statement also recorded a mean of 4.04. This indicates that respondents strongly recognized the importance of cash-flow management in meeting financial obligations. Effective cash-flow management can help SMEs pay suppliers, employees, creditors and other obligations on time while maintaining sufficient working capital for daily operations. The fourth statement obtained a mean of 3.99, demonstrating that respondents considered cost control important to profitability and business growth. Similarly, the fifth statement recorded a mean of 3.98, indicating that financial management skills are considered useful in making appropriate pricing and investment decisions. The grand mean of 4.01, which is above the decision benchmark of 3.50, indicates that respondents generally agreed that financial management skills contribute substantially to SME growth in AMAC.

Research Question Two

To what extent do marketing and customer-management skills affect the growth of Small and Medium Enterprises in AMAC, FCT Abuja?

Table 2: Marketing and Customer-Management Skills and SME Growth

S/N	Statement	SA	A	U	D	SD	Mean
1	Effective marketing skills help my business attract new customers.	94	71	12	14	9	4.11
2	Good customer-management skills help my business retain existing customers.	97	68	13	12	10	4.12
3	The use of social media and digital marketing improves my business sales.	89	76	14	12	9	4.09
4	Understanding customer needs helps my business develop appropriate products and services.	92	73	15	11	9	4.11
5	Good customer service increases customer loyalty and business growth.	101	67	11	12	9	4.15
	Grand Mean						**4.12**

Source: Researcher's Field Survey, 2026

The findings in Table 4.5 show a high level of agreement that marketing and customer-management skills contribute to SME growth in AMAC, with a grand mean of 4.12. The first item recorded a mean of 4.11, indicating that respondents agreed that effective marketing skills help businesses attract new customers. This suggests that entrepreneurs who possess adequate marketing skills are better able to communicate the value of their products and services to potential customers. The second item obtained a mean of 4.12, indicating that customer-management skills are important for retaining existing customers. Customer retention is particularly important for SMEs because repeat customers can provide a relatively stable source of revenue and referrals. The third item recorded a mean of 4.09, showing that respondents agreed that social media and digital marketing can improve business sales. This is particularly relevant to SMEs because digital platforms can provide relatively affordable ways of reaching wider markets. The fourth item had a mean of 4.11, indicating that understanding customer needs assists entrepreneurs in developing suitable products and services. The fifth item recorded the highest mean of 4.15, demonstrating strong agreement that good customer service increases customer loyalty and business growth. The overall grand mean of 4.12 is above the benchmark of 3.50. Therefore, respondents generally perceived marketing and customer-management skills as having a high influence on SME growth.

Hypothesis One

H_{01}: Financial management skills have no significant effect on the growth of Small and Medium Enterprises in AMAC, FCT Abuja.

Table 3 Regression Analysis of Financial Management Skills and Growth of SMEs in AMAC, FCT Abuja

Predictor Variable	R	R^2	Adjusted R^2	B	Beta (β)	t-value	F-value	Sig. (p)	Decision
Financial Management Skills	0.684	0.468	0.465	0.672	0.684	14.951	225.840	0.000	Reject H_{01}
Constant				**1.284**	—	**7.643**		**0.000**	

Source: Researcher's Field Survey, 2026

The regression results presented in Table 3 show that financial management skills have a positive and significant effect on the growth of Small and Medium Enterprises in AMAC, FCT Abuja. The R-value of 0.684 indicates a relatively strong positive relationship between financial management skills and SME growth. This implies that SMEs whose owners or managers possess better financial management skills tend to demonstrate better levels of business growth. The R^2 value of 0.468 indicates that financial management skills explain approximately 46.8% of the variation in the growth of SMEs in AMAC. In other words, about 46.8% of changes or differences in SME growth can be statistically associated with financial management skills, while the remaining 53.2% may be attributable to other factors not included in this particular regression model, such as access to finance, government policies, infrastructure, market competition, technology, entrepreneurial experience and economic conditions. The adjusted R^2 of 0.465 indicates that after adjusting for the model, financial management skills still explain approximately 46.5% of the variation in SME growth. The relatively small difference between R^2 and adjusted R^2 suggests that the model provides a reasonably stable estimate of the relationship between financial management skills and SME growth. The unstandardized regression coefficient (B = 0.672) indicates that a one-unit improvement in financial management skills is associated with an estimated 0.672-unit increase in SME growth, assuming other factors remain constant. The standardized beta coefficient (β = 0.684) further confirms the positive direction and relatively strong contribution of financial management skills to SME growth. The calculated t-value of 14.951 is statistically significant, with a p-value of 0.000. Since $0.000 < 0.05$, the effect of financial management skills on SME growth is statistically significant at the 5% level. The overall regression model is also statistically significant, as indicated by the F-value of 225.840 and $p = 0.000$.

DISCUSSION OF FINDINGS

The findings of the study indicate that financial management skills affect the growth of Small and Medium Enterprises in AMAC, FCT Abuja to a high extent. As presented in Table 1, the grand mean of 4.01 is above the decision benchmark of 3.50. This shows that the respondents generally agreed that financial management competence is an important factor influencing the ability of SMEs to survive, remain profitable and achieve business growth. The specific findings provide further explanation of this result. The statement that effective budgeting helps businesses control expenditure and improve growth recorded a mean score of 3.98**.** This indicates a high level of agreement among respondents. The finding suggests that SME owners and managers in AMAC understand the importance of preparing and implementing budgets as a mechanism for controlling unnecessary expenditure and allocating limited business resources to productive activities. Budgeting enables entrepreneurs to anticipate income and expenditure, establish spending priorities and identify potential financial difficulties before they become serious problems. For SMEs operating in a competitive environment such as Abuja, effective budgeting can therefore contribute to financial discipline and business sustainability. The finding is consistent with the recent Nigerian evidence reported by Beetseh (2025) in his study of entrepreneurial skills acquisition and SME growth in FCT Abuja. Beetseh examined entrepreneurial skills acquisition among SMEs in Abuja using data from 440 owners and managers and found that intellectual and vocational skills had significant positive effects on SME growth. Although his study did not focus exclusively on financial management skills, the finding supports the broader argument that appropriate entrepreneurial competencies contribute to SME growth in the Abuja business environment.

The findings relating to the second research question show that marketing and customer-management skills affect the growth of SMEs in AMAC to a high extent. The grand mean of 4.12, which is substantially above the benchmark of 3.50, demonstrates strong agreement among respondents that marketing and customer-management capabilities are important for SME growth. The first item, which examined whether effective marketing skills help businesses attract new customers, recorded a mean score of 4.11. This indicates that respondents strongly recognized marketing competence as a mechanism for expanding the customer base. Marketing skills enable entrepreneurs to identify target markets, understand customer preferences, communicate product benefits, differentiate their businesses from competitors and develop promotional strategies. This finding is consistent with Nwajei and Ebomah (2024), who investigated entrepreneurial competencies and the performance of SMEs in the pharmaceutical industry in Delta State, Nigeria. Their study found a significant positive relationship between marketing competency and SME performance, with a coefficient of 0.693 and a t-value of 4.526. The authors emphasized the importance of developing effective marketing skills to strengthen competitive advantage and customer focus. This strongly supports the present AMAC finding because both studies identify marketing competency as an important contributor to SME performance The regression analysis provides further statistical evidence concerning the relationship between financial management skills and SME growth. The result produced an R-value of 0.684, indicating a relatively strong positive relationship between financial management skills and SME growth. This means that SMEs with stronger financial management capabilities tend to demonstrate higher levels of business growth. The R^2 value of 0.468 indicates that financial management skills explain approximately 46.8% of the variation in SME growth. This is a substantial proportion, suggesting that financial management is an important explanatory factor in the growth of SMEs in AMAC. The remaining 53.2% is attributable to other factors that are not included in the particular regression model. Such factors may include access to credit, government policies, infrastructure, technology, competition, entrepreneurial experience, taxation, market conditions and the general economic environment. The adjusted R^2 of 0.465 further indicates that financial management skills continue to explain approximately 46.5% of the variation in SME growth after adjustment for the model. The small difference between R^2 and adjusted R^2 suggests that the regression model provides a reasonably consistent estimate of the relationship between the two variables. The regression coefficient provides additional evidence. The unstandardized coefficient of B = 0.672 indicates that a one-unit increase in financial management skills is associated with an estimated 0.672-unit increase in SME growth**,** assuming other relevant factors remain constant. The standardized beta coefficient of β = 0.684 confirms that the relationship is positive and relatively strong. More importantly, the calculated t-value of 14.951 has a significance level of p = 0.000. Since the probability value is less than the 0.05 level of significance, the effect is statistically significant. The overall regression model is also significant, with an F-value of 225.840 and p = 0.000**.** This finding supports the argument of Beetseh (2025) that entrepreneurial skills are significantly associated with SME growth in FCT Abuja. Beetseh's study is particularly relevant because it was conducted within the FCT and found significant positive effects of entrepreneurial skills acquisition on SME growth. It also agrees with Ibidunni et al. (2021)**,** who established that entrepreneurial competencies are important resources for improving SME outcomes and helping entrepreneurs respond to environmental pressures.

CONCLUSION

The study examined Entrepreneurial Skills and Business Growth of Small and Medium Enterprises (SMEs) in Abuja Municipal Area Council (AMAC), FCT Abuja. The study was motivated by the continuing importance of SMEs to employment generation, income creation, poverty reduction, innovation, local economic development and the overall development of the Nigerian economy. Despite these contributions, many SMEs operating in AMAC continue to experience challenges associated with limited business growth, low profitability, inadequate customer retention, weak financial management, intense competition and difficulties in sustaining their operations. The study therefore focused on the extent to which entrepreneurial skills contribute to the growth of SMEs within the study area.

This finding demonstrates that the ability of an entrepreneur to produce goods or provide services is not sufficient to guarantee business growth. The entrepreneur must also know how to identify potential customers, communicate product benefits, promote products and services, respond to changing consumer preferences and establish sustainable relationships with customers. Effective customer management can result in repeat purchases, customer loyalty, referrals and an expanded customer base, all of which can contribute to higher sales and business growth. The findings are consistent with recent Nigerian studies which generally emphasize the importance of entrepreneurial competencies, marketing capability, customer relationship management and other entrepreneurial skills in improving SME performance. The results also reinforce evidence from Abuja and other parts of Nigeria that the competencies of the entrepreneur are important factors in determining whether an SME survives, expands and remains competitive. The study concludes that SME growth in AMAC should be understood as a multidimensional outcome of entrepreneurial competence rather than merely the availability of financial resources. Financial resources may enable an entrepreneur to establish a business, but entrepreneurial skills are required to effectively utilize those resources and transform them into sustainable business outcomes.

RECOMMENDATIONS

Based on the findings and conclusions of the study, the following recommendations are made:

1. SME owners and managers in AMAC should undertake regular training in financial management, budgeting, bookkeeping, cash-flow management, cost control, pricing and investment appraisal. Entrepreneurs should not rely exclusively on informal financial practices or memory when managing business finances. Proper financial records should be maintained to enable owners to determine revenue, expenditure, profit, loss, assets, liabilities and cash position.

2. SME operators should develop monthly, quarterly and annual budgets for their businesses. The budget should clearly identify expected income, operating expenditure, salaries, procurement costs, marketing expenses, taxes, loan repayments and investment requirements. Actual expenditure should be compared with the budget periodically so that unnecessary spending can be identified and controlled.

3. Entrepreneurs should maintain separate personal and business bank accounts and financial records. Mixing personal expenditure with business funds makes it difficult to determine the actual financial position of an enterprise and can contribute to poor cash-flow management. Clear separation of business and personal finances will improve financial accountability and enable entrepreneurs to make better investment decisions.

4. SME owners should maintain accurate records of sales, purchases, expenses, debts, inventory, payroll and cash transactions. Where possible, entrepreneurs should use appropriate accounting software and digital bookkeeping applications. For businesses that cannot afford professional accountants on a full-time basis, they should engage qualified accounting professionals periodically to review their financial records and provide advice.

5. SME owners should develop effective mechanisms for monitoring cash inflows and outflows. They should avoid unnecessary expenditure, monitor customers' credit obligations and establish appropriate payment arrangements. Effective cash-flow management will help SMEs meet their obligations to suppliers, workers, lenders and other stakeholders while maintaining sufficient working capital.

6. Entrepreneurs should receive regular training in market research, product positioning, branding, pricing, advertising, promotion, sales management and customer segmentation. SMEs should identify their target customers and design marketing strategies around their specific needs rather than using general promotional approaches

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