Assessment of Core Competencies and Entrepreneurship Development among Small and Medium Scale Enterprises in Abuja

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Abstract
The study assesses core competencies and entrepreneurship development among small and medium enterprises (SMEs) in Abuja. Despite SME firms having core competency in terms of core product with much skills, knowledge, technology, and attitude yet their products are imitated by others making the customers of the product to buy imitation of the product believing that it is the original product produced by such SMES. Point in time data were collected from primary source using questionnaire. The study adopted a survey research design. The population of the study is 1260 and a sample size of 348 is gotten using Taro Yamane formula. The regression and correlation statistical tools were adopted to analyse the data and findings reveal that core competencies and entrepreneurship development among SMEs in Abuja is significant. It was also found that there is a relationship between core product and entrepreneurship development among SMEs in Abuja. The study concluded that core competencies contribute to entrepreneurship development among SMEs in Abuja. The study recommends that SMEs in Abuja should ensure that they adopt creativity, innovation and should also try to add value to their existing products since it helps in maintaining core competency of the SMEs.

Keywords: Core competency, Core product, Entrepreneurship development and SMEs

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Background to the Study
A core competency is a deep proficiency that enables a company to deliver unique value to its customers. A company can have more than one core competences hence successful enterprises see themselves as a portfolio of competencies versus a portfolio of businesses. These competencies empower individual businesses to adapt quickly to changing opportunities (Prahalad and Hamel 1990). Core competency is required by SMEs in Abuja FCT in order to successfully perform duties required to meet the organization’s mission, vision, values and strategic plan as being an entrepreneur.

Core competencies are valuable to SMES since they are sources of entrepreneurship development such as helping them to develop new business, adding value to existing business, ensuring innovation and creativity of their businesses. Core competency enable the SMEs to have competitive advantage over other firms within the industry since the SMEs rests on possession of unique, difficult to imitate skills, knowledge, resources and competencies that enhances entrepreneurship abilities. These ambiguous inimitable core capabilities serve to provide entrepreneurship skills to SMEs. Firms core competency enhances entrepreneurship development of SMEs in Abuja and also determines the success or failure of SMEs if imitated by other SME firms within the industry. It should be noted that, when an SME has strong core competency, that firm stands a chance in the future against financial crises. Firms that have core competency (core product) can ensure entrepreneurship development.

Despite SMES firms having core competency in terms of core product with much skills, knowledge, technology, and attitude yet their product is imitated by others making the customers of the product to almost at all time buy imitation of the product believing that it is the original product produced by such SMES. There are repeatedly imitations of SMEs products in Abuja indicating the same production name but different taste and having similar packaging. Consumers hence start to deride from buying the firm’s product and this decreases entrepreneurship development in the sector because other related firms in the industry are busy imitating the product instead of creating a new product, adding value to the existing product, creating an entirely different product and innovating another product. From the extant literature, it is observed that there are few studies that addressed core competence. However, there is a need to conduct this study since the previous studies were not able to address core competence and entrepreneurship development using SMEs in Abuja.

Objectives of the Study
The general objective of this study is to examine the impact of core competencies on entrepreneurship development using SMEs in Abuja. The specific objective of this study is to: Evaluate the impact of core product on entrepreneurship development among SMEs in Abuja.

The significance of this study is that, it will help the SMES to maintain a standard in producing their core product which yields them maximum profit and helps them to achieve entrepreneurship abilities and skills in developing new product, adding value to the existing product, creating a different product and innovating new product design or configurations. It will also enable the, them to know how to protect their product against imitations. This study
shall also add to existing literature on core competency and entrepreneurship development in Abuja. The study shall serve as a reference material to those who shall be interested in carrying out research on core competency and entrepreneurship development in Nigeria.

This study is limited to SMEs in Abuja and included the variables of core competencies and entrepreneurship development. The study is restricted to the owners of SMEs who are the respondents that participated in the exercise. The study is limited to 6 (six) Area Councils in Abuja, FCT. However, it is only one core competency that is studied in this work which is core product. The period of study is 5 years from 2011 to 2016. The reason for this period is that there is a lot of imitation of SMEs product during this period in Abuja.

The study indicates a null hypothesis such as:

\[ H_0: \text{Core product does not significantly impact on entrepreneurship development among SMEs in Abuja.} \]

**Conceptual Framework**

![Conceptual Framework Diagram]

**Source:** Researcher View, 2017

**Concept of Core Competencies**

Prahalad and Hamel (1990) defined core competencies as the collective learning of the organization, especially how to coordinate diverse production skills and integrate multiple streams of technology. It is an area of specialized expertise that is the result of harmonizing complex streams of technology and work activities.

Hafeez and Peteraf (2002) sees core competence as strategic flexibility that regards resource deployment and routine reorganization. To them, the integration of key capabilities in the company wide business activities is known as core competency. The concept of core competency is viewed as a group of competencies just belonging to an organization and could not be imitated (Ali & Akhavayn, 2001). Hoffman (2000) stated that businesses organizations convert their resources as well as skills into core competencies which cause them to create stable competency advantage in unique environments. According to Barney (1991)
organizations competencies is a competitive advantage that includes rarity, not to be imitated, not to be replaced, permanency and be under control, where these factors are the basics of factor analysis for current research.

The core competence revival draws on a rich tradition from the literature of economics and management. Authors such as Scumpeter (1939), Coase (1937), Selznick (1957), Penrose (1959), O'Brien (1959) have suggested that firm uniqueness can help develop competitive advantage and that uniqueness and innovation in a firm often leads to long term firm success.

Pisano and Shuen (1990) defined core capabilities/competencies as a set of differentiable skills, complementary assets and routines that provide the basis for a firm's competitive capacities and sustainable advantages. Prahalad and Hamel (1990,1994), Teece, Pisano and Shuen (1990) are of the opinion that the supplier's core competencies/capabilities determine product and market development. Researchers such as Morone (1993), Hitt and Ireland (1990) and Teece, Pisano and Shuen (1990) have identified successful firms that have used strategies built on core capabilities and core competencies.

Core competence can be defined as communication, involvement and a deep commitment to working across organizational. Core competence can be assessed on the basis of three criteria: value to customers benefit, access to a wide variety of markets and difficult for competitors to imitate. If a company has made an outsourcing decision and transferred a part of its services, the executives and the staff can accumulate more resources and pay more attention to the development its core competencies (Gimzauskiene & Staliuniene, 2010). The core competence is identified as the focal point while developing the creative potential for innovation and in the customer-focused market it is important to think on behalf of the customer (Kamdamuly, 2004). It is often believed that competence is a combination of knowledge skills and attitudes which are required by employees in their jobs or tasks. For example, Stoof, (2005) Gibb (1990), defines competence as “an ability to perform certain tasks for which knowledge, skills attitude and motivations are necessary. The individual competencies activate the tangible and intangible resources that take part in the value creation process (Cannavaciulo et al., 2003). This concept is conceptualize in this study as a unique idea or skills/resources which a firm employed to bring out quality product that is difficult to imitate by competitors in similar industry.

Core products are a company's products or services which are most directly related to their core competencies. They refer to the use, benefit or problem-solving service that the consumer is really buying when purchasing the product (Gibb, 1990).

Hitesh (2017) sees core product as a concept that describes the utility a consumer derives by using a product. He maintained that it is the main need that is satisfied for which the product is made. Core products are a company’s product which are manufactured from the company's core competencies. Morone (1993) perceives that core capabilities/core competencies are necessary to produce and sustain the production of a core product. He also recognizes that buyer demands for core product may drive the development of distinctive core capabilities/core competencies.
Prahalad and Hamel (1990) and Euroconsult (1984) sees core product as those products that embody the core capabilities of a firm. This concept is conceptualized in this study as a unique benefit derived from a firm’s product which cannot be gotten from similar products.

**Concept of Entrepreneurship**

The business dictionary defined entrepreneurship as the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make profit. For example, starting a new business. It is the concept of developing and managing a business venture in order to make profit by taking several risks in the corporate world.

Tijani-Alawiye (2004) defines entrepreneurship as the process of increasing the supply of entrepreneurs or adding to the stock of existing small, medium and big enterprises available to a country by creating and promoting many capable entrepreneurs, who can successfully run innovative enterprises, nurture them to growth and sustain them, with a view to achieving broad socio-economic developmental goals. One of these goals is sustaining employment. Acs and Szerb (2007) noted that entrepreneurship revolves around the realization of existence of opportunities in combination with decision to commercialize them by starting a new firm. Martin and Osberg (2007) assert that entrepreneurship is the product of a combination of three elements: the context in which the opportunity arises or is created, a set of personal competences necessary to identify and use the opportunity and the capacity to actualize the opportunity by transforming it into business.

According to Odeigiai (2012), Entrepreneurship development refers to the process of enhancing entrepreneurial skill and knowledge through structured training and institution building programmes. It basically aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created. These accelerates employment generation and economic development. This concept is conceptualize in this study as the process of developing a new product or adding value to an existing product using creativity and innovation in order to make profit.

**Theoretical Framework**

**The Resource Based Theory**

The resource based theory, maintained that, firm’s competitive advantage is based on the possession of tangible and intangible resources, which are difficult or costly for other firms to obtain (Barney, 1991; Peteraf, 1993). The foundations of the resource-based view (RBV) of the firm can be found in the work by Penrose in the middle of the XX century (1959) that conceived the firm as an administrative organization and a collection of productive resources, both physical and human. Material resources, as well as human resources, can provide the firm a variety of services. The same resources can be put to use in different ways. There is a close relationship between the knowledge that people in the organization retain and the services obtained from the resources, so that firms are really repositories of knowledge. The RBV of the firm focuses specially on the inside of the firm, its resources and capabilities, to explain the profit and value of the organization (Penrose, 1980; Wernerfelt, 1984; Barney, 1991; Grant, 1991; Peteraf, 1993; Makhija, 2003). This theory is applied to explain differences in performance within an industry (Hoopes et al., 2003). The RBV of the firm states that differences in
performance happens when well succeeded organizations possess valuable resources that others do not have, allowing them to obtain a rent in its quasi-monopolist form (Wernerfelt, 1984).

**Competence Based Theory**

Competence-based theory is a way of thinking about how organizations gain high performance for a significant period of time. Established as a theory in the early 1990s, competence-based strategic management theory explains how organizations can develop sustainable competitive advantage in a systematic and structural way. The theory of competence-based is an integrative strategy theory that incorporates economic, organizational and behavioural concerns in a framework that is dynamic, systemic, cognitive and holistic (Sanchez & Heene, 2004). This theory defines competence as: the ability to sustain the coordinated deployment of resources in ways that helps an organization achieve its goals (creating and distributing value to customers and stakeholders).

**The Knowledge Based Theory**

The economic change of material-based production to information-based production created a revaluation of the firm workers. Increasingly we find knowledge-based workers at the core of the organization functions: concept and technology designers, as well as finance and management people. Other individuals are considered to be in the firm’s periphery, as a consequence their responsibilities change permanently and they are defined by the tasks they perform at the moment. This way, a new differentiation in labour arises (Child & McGrath, 2001). Many firms consider that to act with efficacy in today’s economy, it is imperative for them to become a knowledge-based organization. But few understand what that means, and how to make the changes necessary to achieve it. Perhaps the most common mistake firms make is considering that the higher the knowledge-based content of their products and services, the closer they are to being true knowledge-based organizations. But the products and services are only the visible and tangible reality they present to their clients—the tip of the iceberg. As in real icebergs, the largest reality that allows the firm to produce is located below the surface of the water, hidden in the intangible assets of the organization, and it entails the knowledge of what the firm does, how it is done, and why it is done that way (Zack, 2003).

**Empirical Review**

Venter and Eeden (2003) study was to identify the management competencies possessed by small business owner–managers in the Nelson Mandela Metropole. A quantitative research design based on the positivistic paradigm was used. A judgmental sample of 242 small businesses in the Nelson Mandela Metropole was utilized. The empirical results indicated that the managerial competencies evident in successful small businesses are planning and administration, strategic action and self-management (balance).

Shigang (2011) builds a conceptual model to investigate the relationship between core competence and performance within Chinese construction SMEs. Based on data collected from 121 construction SMEs in China, this research has confirmed the importance of entrepreneur capability, relationship marketing and project management to achieve their superior performance.
Walsh and Kirchhoff (1992) carried out a related study titled, can entrepreneurial core competencies and capabilities overcome poor strategies? This study was set to find out whether entrepreneurial core competencies and capabilities affect success as well as the market strategy that creates the best entrepreneurial success. The silicon industry is used to examine the experience of 34 entrepreneurs who entered the industry in the last 47 years. Data was collected through an interview and telephone survey. Findings showed that core competencies and capabilities greatly affect entrepreneurs' choice of market strategies. However, they make little difference in determining success or failure. Entry strategies dominate the determination of success or failure. The results support the conclusion that entrepreneurs with the greatest core competencies and capabilities choose the best strategies and then use their competencies and capabilities to achieve the greatest entrepreneurial success.

Methodology
The study employed a survey research design and the reason for using a survey research design is that data needed for this study is a point in time data. The area of Study is Abuja, FCT which comprises of six (6) area councils. These Area councils are Gwagwalada, Aba, Bwari, Kuje, Kwali and Abuja Municipal. The study sampled all the SMEs in these area Councils in Abuja. The population of this study comprises of SMEs in the Federal Capital Territory (FCT) of Nigeria. According to a recent survey by the Small and Medium Scale Enterprises Development Agency of Nigeria (SMEDAN) as corroborated by the National Bureau of Statistics (NBS) (2013), the population of (SMEs) in Abuja is 2,690. The sample size of the study is 348 and was obtained using the Taro Yamane formula and it is stated below:

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

Where \( N \) is the population size
\( e \) is the margin error (assume 5%)
\( I = \text{constant} \)
\( e = 0.05 \)
\[ n = \frac{2690}{1 + 2690(0.05)^2} \]
\[ n = \frac{2690}{1 + 2690(0.0025)} \]
\[ n = \frac{2690}{1 + 6.725} \]
\[ n = \frac{2690}{7.725} \]
\[ n = 348 \]

The study employed simple random sampling method to administer the questionnaire to the respondents who are the owners of SMEs in Abuja and the reason for adopting simple random sampling is that this method offered the respondents an equal opportunity of being selected during the exercise. The study considered the nature of business in administering the questionnaire randomly based on the six Area Councils in Abuja on a pro rata basis. Primary source of data was used. The instrument used is the questionnaire administered to owners of SMEs. The reason for using primary data is that data needed in this study required the use of structured questionnaire to obtain vital information regarding core competency and entrepreneurship development. The study relied heavily on the use of structured questionnaire to elicit responses from the research subjects. The structured questionnaire is
administered to target respondents and retrieved afterwards. Data from the field survey is presented using tables while statistical tools are used to analyze and aid interpretation towards testing hypothesis. The questionnaire is designed in five point likert scale of SA, A, U, SD, and D with the scale of 5,4,3,2, and 1 respectively and the questions are designed in two sections such that section A comprises of demographic variables and section B comprises of research question such that there are core competency related questions and entrepreneurship development related questions.

The study used an analytical model such as multiple regressions to analyze the data as well as correlation. Regression is used in this study to ascertain the cause and effect relationship between the dependent variable and independent variable. The proxies for dependent variable are new product, adding value, creativity and innovation and the proxies for the independent variable are production skills, new technology, knowledge and imitation. The correlation is used to ascertain the strength of the relationship that existed between the dependent variable and independent variable. Regression model and Pearson correlation models are stated below:

\[ ED = \alpha + \beta CP + \mu \]  \hspace{1cm} \text{........1}

\[ r = \frac{\sum xy}{\sqrt{\left(\sum x^2\right)\left(\sum y^2\right)}} \]  \hspace{1cm} \text{........2}

ED = Entrepreneurship Development  
CP = Core Product  
\( \alpha \) = Intercept  
\( \beta \) = Independent variable  
\( \mu \) = error term

\( r \) = correlation coefficient  
\( \Sigma \) = Summation  
x = dependent variable (ED)  
y = independent variable (CP)

**Results and Discussion**

Descriptive statistics of frequencies and percentages were used to analyses the demographic characteristics of the respondents; analytical model of regression was used to test the hypothesis in line with objective of the study. The decision criterion for the hypothesis was set at 0.05 percent.

**Response Rate**

A total of 348 questionnaires were administered to the respondents who are owners of SMEs in Abuja. However, 341 was retrieved and was used for the study. The questionnaire was administered on a pro rata basis.
Table 1: Return Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>No of Questionnaires Administered</th>
<th>No of Questionnaires not Returned</th>
<th>No of Questionnaire Returned/used</th>
<th>Percentage (%) of returned questionnaire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gwagwalada</td>
<td>58</td>
<td>2</td>
<td>56</td>
<td>16.42</td>
</tr>
<tr>
<td>Abuja Municipal</td>
<td>58</td>
<td>1</td>
<td>57</td>
<td>16.71</td>
</tr>
<tr>
<td>Abaji</td>
<td>58</td>
<td>1</td>
<td>57</td>
<td>16.71</td>
</tr>
<tr>
<td>Kuje</td>
<td>58</td>
<td>1</td>
<td>57</td>
<td>16.71</td>
</tr>
<tr>
<td>Bwari</td>
<td>58</td>
<td>1</td>
<td>57</td>
<td>16.71</td>
</tr>
<tr>
<td>Kwali</td>
<td>58</td>
<td>1</td>
<td>57</td>
<td>16.71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>348</td>
<td>7</td>
<td>341</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, (2017)

The table above shows the percentage of respondents who returned their questionnaire and from the table, only Gwagwalada area council SMEs returned 16.42% of the copies of questionnaire sent to them but other area councils return 16.71% of the questionnaire sent to them.

Table 2: Demographic Characteristics of Respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>Characteristics</th>
<th>Respondents’ Category</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td>18 -30</td>
<td>56</td>
<td>16.42</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31-45</td>
<td>97</td>
<td>28.45</td>
</tr>
<tr>
<td></td>
<td></td>
<td>46-60</td>
<td>188</td>
<td>55.13</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>341</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Gender</td>
<td>Male</td>
<td>221</td>
<td>64.81</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>120</td>
<td>35.19</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>341</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Educational Qualification</td>
<td>PGD/MBA/MSC</td>
<td>67</td>
<td>19.64</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BSC/HND</td>
<td>123</td>
<td>36.07</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OND</td>
<td>87</td>
<td>25.11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SSCE</td>
<td>64</td>
<td>18.76</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>341</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data, 2017

Table 2 shows that the ages between 18-30 constitute, 16.42 percent while ages 31-45 constitute 28.45 percent which are the economic active group in Nigeria. The remaining 55.3 percent are made up of respondents’ between the ages of 46-60. The implication is that Abuja SMEs is dominated by people within the ages of 46 to 60 years and this implies that most youth in Abuja are not keen or interested in establishing their own business in Abuja.

The male respondents indicate 64.81% percent which is more than the female respondents of 35.19%. The implication is that majority of SMEs are owned by males and this indicates that females’ do not owned much SMEs in Abuja.
The table also shows the educational qualification of respondents’ 19.64 percent for post graduate respondents’ 36.07 percent for B.Sc/HND holders, 25.51 percent for OND holders and 18.76 percent for SSCE holders. This indicates that the B.Sc/HND respondents had the highest response rate. The implication is that B.Sc and HND holders dominated the SMEs sector in Abuja and others with PGD/MBA/M.Sc, OND and SSCE established few SMEs in Abuja.

Table 3: Nature of SMEs in Abuja

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Frequency</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>0.63</td>
</tr>
<tr>
<td>Minning and quarrying</td>
<td>6</td>
<td>1.91</td>
</tr>
<tr>
<td>Accommodation &amp; Food Serv.</td>
<td>87</td>
<td>27.70</td>
</tr>
<tr>
<td>Agriculture</td>
<td>44</td>
<td>14.01</td>
</tr>
<tr>
<td>Wholesale/Retail Trade</td>
<td>67</td>
<td>21.33</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
<td>0.31</td>
</tr>
<tr>
<td>Transport and Storage</td>
<td>9</td>
<td>2.86</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>5</td>
<td>1.59</td>
</tr>
<tr>
<td>Education</td>
<td>22</td>
<td>7.00</td>
</tr>
<tr>
<td>Administrative activities</td>
<td>2</td>
<td>0.63</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>3</td>
<td>0.95</td>
</tr>
<tr>
<td>Others services activities</td>
<td>50</td>
<td>15.92</td>
</tr>
<tr>
<td>Water supply, Sewerage, waste management</td>
<td>1</td>
<td>0.31</td>
</tr>
<tr>
<td>Remediation activities</td>
<td>13</td>
<td>4.10</td>
</tr>
<tr>
<td>Total</td>
<td>314</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, (2017)

The table indicates that 0.63% of the respondents said that they had a manufacturing SMEs in Abuja, 1.91% of the respondents said that they had minning and quarrying SMEs firm in Abuja, 27.70% of the respondents said that they had Accommodation & Food Services SMEs firm in Abuja, 14.01% of the respondents said that they had Agricultural SMEs firm in Gwagwalada Area Council, 21.33% of the respondents said that they had wholesale/retail trade SMEs firm in Abuja, 0.31% of the respondents said that they had construction SMEs firm in Abuja, 2.86% of the respondents said that they had transport and storage SMEs firm in Abuja, 1.59% of the respondents said that they had information and communication firm in Abuja, 7.00% of the respondents said that they had education firm in Abuja, 0.63% of the respondents said that they had education firm in Abuja, 0.63% of the respondents said that they had administrative activities such consulting firm in Abuja, 0.95% of the respondents said that they had Arts, Entertainment & Recreation firm in Abuja, 15.92% of the respondents said that they had Others services activities firm in Abuja, 0.31% of the respondents said that they had Water supply, Sewerage, waste management firm in Abuja and 4.10% of the respondents said that they had Remediation activities firm in Abuja.

The implication is that majority of the SMEs in Abuja are engaged in accommodation and food business which is followed by wholesale and retail trades.
Analysis of Research question and Test of Hypothesis

Table 6: Core Product

<table>
<thead>
<tr>
<th>Items - core product</th>
<th>(SA)5</th>
<th>(S)4</th>
<th>(U)3</th>
<th>(SD)2</th>
<th>(D)1</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is proper product skills development among SMEs in Abuja</td>
<td>68(19.94)</td>
<td>117(34.31)</td>
<td>48(5.27)</td>
<td>66(19.35)</td>
<td>72(21.11)</td>
</tr>
<tr>
<td>SMEs adopted new technology in developing product in Abuja</td>
<td>76(21.33)</td>
<td>167(53.18)</td>
<td>1(0.31)</td>
<td>31(9.87)</td>
<td>48(15.28)</td>
</tr>
<tr>
<td>SMEs have proper knowledge in designing new product</td>
<td>86(18.78)</td>
<td>33(10.51)</td>
<td>2(0.63)</td>
<td>98(31.21)</td>
<td>122(38.85)</td>
</tr>
<tr>
<td>There is no imitation of SMEs product in Abuja</td>
<td>45(14.33)</td>
<td>87(27.71)</td>
<td>4(1.27)</td>
<td>110(35.03)</td>
<td>68(21.65)</td>
</tr>
</tbody>
</table>

Source: Survey, 2017

The above table implies that majority of the respondents agreed that there is proper product skills development among SMEs in Abuja. Also, greater majority of the respondents agreed that SMEs adopted new technology in developing product in Abuja while greater number of respondents strongly disagreed that there is no imitation of SMEs product in Abuja.

Table 7: Mean of Core Product

<table>
<thead>
<tr>
<th>Variables</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>FX</th>
<th>N</th>
<th>Mean</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productions skills</td>
<td>68</td>
<td>117</td>
<td>18</td>
<td>66</td>
<td>72</td>
<td>1066</td>
<td>341</td>
<td>3.12</td>
<td>High</td>
</tr>
<tr>
<td>New technology</td>
<td>67</td>
<td>167</td>
<td>1</td>
<td>31</td>
<td>48</td>
<td>1116</td>
<td>341</td>
<td>3.27</td>
<td>High</td>
</tr>
<tr>
<td>Knowledge</td>
<td>86</td>
<td>33</td>
<td>2</td>
<td>98</td>
<td>122</td>
<td>886</td>
<td>341</td>
<td>2.59</td>
<td>Poor</td>
</tr>
<tr>
<td>Imitation</td>
<td>45</td>
<td>87</td>
<td>4</td>
<td>110</td>
<td>68</td>
<td>873</td>
<td>341</td>
<td>2.56</td>
<td>Poor</td>
</tr>
</tbody>
</table>

Source: Author’s Computation, 2017

From the table, it shows that core product among SMEs in Abuja is poor hence the sectoral mean of 2.88 is less than average of 3.00. That means that SMEs in Abuja are not really involved in core product development in order to realize core competency of a product.

Table 8: Entrepreneurship Development

<table>
<thead>
<tr>
<th>Items- entrepreneurship development</th>
<th>(SA)5</th>
<th>(S)4</th>
<th>(U)3</th>
<th>(SD)2</th>
<th>(D)1</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs in Abuja developed entirely new product</td>
<td>87(25.51)</td>
<td>144(42.22)</td>
<td>2(0.58)</td>
<td>34(9.97)</td>
<td>74(21.70)</td>
</tr>
<tr>
<td>SMEs in Abuja always add value to existing product</td>
<td>55(16.12)</td>
<td>41(12.02)</td>
<td>3(0.87)</td>
<td>119(34.89)</td>
<td>123(36.07)</td>
</tr>
<tr>
<td>SMEs in Abuja apply creativity concept always in conducting their businesses</td>
<td>79(25.15)</td>
<td>133(42.35)</td>
<td>2(0.63)</td>
<td>43(13.69)</td>
<td>57(18.15)</td>
</tr>
<tr>
<td>There is proper innovation among SMEs owners in Abuja</td>
<td>156(49.68)</td>
<td>117(37.26)</td>
<td>3(0.87)</td>
<td>2(0.63)</td>
<td>39(12.42)</td>
</tr>
</tbody>
</table>

Source: survey, 2017
The implication of this table is that there is new product development among SMESs in Abuja since majority of respondents agreed. The table also indicated that SMEs in Abuja hardly added value to existing product and that there is creativity among SMEs in Abuja while the respondents strongly agreed that there is product innovation among SMEs in Abuja.

**Table 9: Mean of Entrepreneurship Development**

<table>
<thead>
<tr>
<th>Variables</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
<th>FX</th>
<th>N</th>
<th>Mean</th>
<th>Remarks</th>
<th>Sectoral mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Product</td>
<td>87</td>
<td>144</td>
<td>2</td>
<td>34</td>
<td>74</td>
<td>1159</td>
<td>341</td>
<td>3.39</td>
<td>High</td>
<td>3.17</td>
</tr>
<tr>
<td>Adding value</td>
<td>55</td>
<td>41</td>
<td>3</td>
<td>119</td>
<td>123</td>
<td>809</td>
<td>341</td>
<td>2.37</td>
<td>Poor</td>
<td></td>
</tr>
<tr>
<td>Creativity</td>
<td>79</td>
<td>133</td>
<td>2</td>
<td>43</td>
<td>57</td>
<td>1073</td>
<td>341</td>
<td>3.14</td>
<td>High</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>156</td>
<td>117</td>
<td>1</td>
<td>2</td>
<td>39</td>
<td>1294</td>
<td>341</td>
<td>3.79</td>
<td>Very high</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Author’s Computation, 2017

From the table, it shows that entrepreneurship development among SMEs in Abuja is high. Hence, the sectoral mean of 3.17 is above the average of 3.00. That means that SMEs in Abuja are really involved in entrepreneurship development practices of developing new product, adding value to the existing product, using innovation and creativity in order to be better entrepreneurs in Abuja.

**Table 10: Correlation Matrix**

<table>
<thead>
<tr>
<th></th>
<th>ED</th>
<th>CP</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CP</td>
<td>0.893166</td>
<td>1</td>
</tr>
</tbody>
</table>

**Source:** Excel output, 2017

The above correlation matrix indicates that there is a strong positive association between the variables, that is, the independent variable is correlated with the dependent variable. This shows that core product have a strong positive association with entrepreneurship development among SMEs in Abuja.
Regression Result

Dependent Variable: ED
Method: Least Squares
Date: 06/24/17   Time: 16:21
Sample: 1 341
Included observations: 341

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>0.573567</td>
<td>0.044214</td>
<td>12.97239</td>
<td>0.0000</td>
</tr>
<tr>
<td>CP</td>
<td>0.704376</td>
<td>0.015285</td>
<td>46.08359</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

R-squared: 0.859902
Mean dependent var: 2.330460
S.D. dependent var: 1.114480
Akaike info criterion: 1.097858
Schwarz criterion: 1.119997
Log likelihood: -189.0273
Hannan-Quinn critier: 1.106672
Durbin-Watson stat: 1.099112
Prob(F-statistic): 0.000000

The analysis indicates that the coefficients core competency proxy as core product is positive and significant in achieving entrepreneurship development in Nigeria. The p-value and t-statistic value of the independent variable is significant. However, the f-statistic value of 2123.697 is significant at p statistic value of 0.00 and a Durbin Watson value of 1.09 which provides evidence of existence of linear relationship between core competency (core product) and entrepreneurship development among SMEs in Abuja. The $R^2 = 0.85$ indicates that only 85% of core competency (core product) embarked upon by SMEs in Abuja can be used to explain entrepreneurship development but 15% can be explained by other factors not noted in the regression model which is referred to as error term. Therefore we accept the alternative hypothesis that there is a significant relationship between core competency (core product) and entrepreneurship development among SMEs in Abuja.

Source: E-view Output, 2017

Discussion of Findings

From the above analysis and results, it is evident that core competency and entrepreneurship development among SMEs in Abuja is significant. This implies that there is a significant relationship between core product and entrepreneurship development among SMEs in Abuja. This finding is in tandem with the findings in previous studies such as Venter and Eeden (2003) who found that there is a significant relationship between core competency and entrepreneurship development. The finding is also in line with Walsh and Kirchhoff (1992) who found that entrepreneurs with the greatest core competencies and capabilities chose the best strategies and then use their core competencies and capabilities to achieve the greatest entrepreneurial success. The study aligns with the Resources Based theory which believes that a firm competitive advantage lies in position of tangible and intangible which are difficult or costly to obtain by other firms. This explains the reason why some of these firms in spite of good business ideas still strive to maintain the standard of their product and monitor them against imitation by other firms in the market.
Conclusions and Recommendation
In light of the findings of this study, the study concludes that core competency and entrepreneurship development among SMEs in Abuja is significant. It was also found that there is a relationship between core product and entrepreneurship development among SMEs in Abuja. The study recommends that SMEs in Abuja should ensure that they adopt creativity, innovation and should also try to add value to their existing product since it helps in maintaining core competency of the product. Owners of SMEs are also advised to be aware that the most successful product or strategy will fail unless it is continually monitored and refreshed to meet changing market conditions being in mind the impact of globalization and dynamism in the world market.

References


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Kulshrestha, R. S. (1971). Profitability in India’s Steel Industry during the Decade 1960-70, a thesis submitted to University of Rajasthan, University of Rajasthan Press.


