

Impact of Entrepreneurship Practices on small and Medium Enterprises Performance in Lagos State, Nigeria

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ABSTRACT

This study explored the impact of entrepreneurial practices on SMEs' performance in Lagos State, Nigeria. The study examined two specific objectives: determining the influence of entrepreneurial practices (mentoring, entrepreneurial mindset, creativity and innovation, and product development) on entrepreneurial skill acquisition; and investigating the impact of entrepreneurial practices (mentoring, entrepreneurial mindset, creativity and innovation, and product development) on income generation of SMEs in Lagos State, Nigeria. The study employed a descriptive survey research design to collect data from the focus respondents. The sample size of 387 was determined using the Taro Yamane formula from a population of 11,663 registered SMEs in Lagos State. Data collection involved distributing 387 structured questionnaires, and after retrieving and assessing them, 355 questionnaires were found suitable for analysis using the SPSS Statistical Package Version 26. The results revealed that entrepreneurship practices ($R^2 = 0.452$, $\text{Adj.}R^2 = 0.449$, $P < 0.05$) have a significant influence on entrepreneurial skill acquisition, and entrepreneurship practices ($R^2 = 0.688$, $\text{Adj.}R^2 = 0.686$, $P < 0.05$), have a significant impact on income generation of SMEs. The study concludes that mentoring, entrepreneurial mindset, creativity and innovation, and product development positively influence entrepreneurial skill acquisition and income generation. The study recommends that the government and stakeholders should create a multifaceted entrepreneurship

training programme, involving mentorship, mindset cultivation, creativity, innovation, and, in collaboration with local educational institutions to bridge skills gaps.

Keywords: entrepreneurial skill acquisition, income generation, mentoring, SMEs performance

1.0 INTRODUCTION

The growth of an economy is contingent upon the configuration of the internal and external productive forces in the economy. The promotion of growth has been significantly influenced by implementing entrepreneurial practices (Ogundele, 2007). Duru (2011) posits that while entrepreneurship may entail risk-taking, it is imperative to note that effective planning processes are crucial for successful entrepreneurial practices. The entrepreneurial activities in Nigeria can be perceived as the actions of individuals with a business-oriented mindset who undertake calculated risks, recognise business prospects, procure resources and strategies and execute plans to achieve their intended business goals (Anyadike, Emeh, & Ukah 2012).

Recently, many scholarly perspectives have been on entrepreneurship and its importance in global development. The enactor of entrepreneurship practice could be an individual or a group called an entrepreneur. An entrepreneur is a business-minded person or entity that searches for change and responds to and exploits it as an opportunity (Abubakar, 2010). Business-minded individuals or entities are generally conscious of their present status and hence the inner compulsion to strive to achieve a better status by taking advantage of all available opportunities in their external environment. Entrepreneurship practices are therefore rooted in the understanding of what an entrepreneur does. In other words, activities revolve around an entrepreneur that distinguishes the entrepreneur from other professions or fields of study. Hence, entrepreneurship is a process whereby an individual or a group uses organised efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources are controlled (Chukwunenye, 2011).

Meanwhile, despite the importance and contribution of SMEs to the Nigerian economy, SMEs in Nigeria still need to overcome many challenges, including limited access to finance, inadequate infrastructure, and an unfavourable business environment. However, prior studies have shown that an entrepreneurial mindset, creativity, and innovation are essential for the survival and growth of SMEs (Akanbi et al., 2019), product development, as it enables them to create new and improved products that meet the needs of their customers (Ogunnaike et al., 2017). Mentoring, which can provide guidance and support to SMEs owners (Adeyemo, Oyewole, & Adekoya, 2019), impacts SMEs' performance positively. Additionally, skill acquisition has been identified as a crucial element in SMEs' development in Nigeria. It enables SMEs owners to acquire the knowledge and skills to manage their businesses effectively (Adeyemo et al., 2019). Although previous studies suggested that these practices can positively impact SMEs' performance, there is a need to explore the specific context of SMEs in Lagos State,

Nigeria, as the entrepreneurial ecosystem and cultural factors in the region may influence the effectiveness of these practices. Also, only some studies or none have examined the specific mechanisms through which entrepreneurship practice dimensions (product development, entrepreneurial mindset, creativity and innovation, and mentoring) jointly influence the performance of SMEs (skill acquisition and income generation). Therefore, this study aims to build on prior studies by examining the collective influence of these various practices on the performance of SMEs in Lagos State, Nigeria, with a particular emphasis on skill acquisition and income generation. This objective was achieved with two specific objectives to:

- i. determine the influence of entrepreneurship practices (mentoring, entrepreneurial mindset, creativity and innovation, and product development) on entrepreneurial skills acquisition of SMEs in Lagos State, Nigeria.
- ii. investigate the impact of entrepreneurship practices (mentoring, entrepreneurial mindset, creativity and innovation, and product development) on income generation of SMEs in Lagos State, Nigeria.

2.0 LITERATURE REVIEW

2.1 Entrepreneurship Practices

Tijani-Alawe (2015) sees entrepreneurship practices as processes, functions, or cycles. All activities in an entrepreneurship cycle form a system. An entrepreneurship system consists of an interdependent and interrelated set of components, practices, or activities that operate according to a predetermined sequence to achieve objectives and success. Oghojafor and Tijani-Alawe (2012) see entrepreneurship's cycle as the totality of activities or practices chronologically sequenced and functionally perpetuated to achieve desired objectives. Entrepreneurship underpins all activities pivotal to business growth; most businesses today grow out of the effort of one business-minded man who craves to make a profit by creating innovative products or services that meet the needs of a market segment or the whole market. Any business-minded entrepreneur's quality depends on applying appropriate entrepreneurial practices. This attribute also determines whether capital would grow rapidly or slowly. Thus, this study will proxy entrepreneurship practises with four sub-variables following Akanbi, Ismail, and Emenike (2019), who identified an entrepreneurial mindset; Ogunnaike, Iyiola, and Popoola (2017), who identified product development; Adeyemo et al. (2019), who identified mentoring; and Krasniqi and Kelmendi (2018), who identified creativity and innovation.

2.2 Mentorship

Adeyemo, Oyewole, and Adekoya (2019) define mentoring as guidance and support from experienced and knowledgeable individuals to less experienced ones. They see it as an essential dimension of business entrepreneurship practices that can enhance SMEs' skills, knowledge, and performance. Kram (1983) defines mentoring as "a process

for the informal transmission of knowledge, social capital, and psychosocial support relevant to work, career, or professional development." The researcher highlights the role of mentors in providing guidance, feedback, and role modelling to help mentees develop their skills, knowledge, and confidence in their career or business endeavours. Therefore, mentoring is a guidance and support process from a more experienced and knowledgeable person to a less experienced one in a particular field or domain. It involves a relationship-based approach to learning and development. The mentor provides advice, feedback, and constructive criticism to help the mentee develop new skills, knowledge, and insights to advance their personal and professional growth.

2.3 Entrepreneurial Mindset

Akanbi et al. (2019) define an entrepreneurial mindset as the characteristics, skills, and attitudes that enable individuals to identify and pursue opportunities, take calculated risks, and innovate to create value. They see it as a critical dimension of entrepreneurship practices that can influence the performance of SMEs. Similarly, Hmieleski and Corbett (2006) define an *entrepreneurial mindset* as a combination of cognitive and behavioural characteristics that allow individuals to recognise and act on opportunities. They highlight the importance of this mindset for entrepreneurs to navigate the challenges and uncertainties of starting and growing a business. Therefore, an entrepreneurial mindset is a set of attitudes, beliefs, and behaviours that enable individuals to recognise and pursue opportunities to create value, take calculated risks, and overcome challenges. In addition, it involves an innovative and proactive approach to problem-solving, a willingness to learn from failures, and a passion for creating something new and meaningful.

2.4 Creativity and Innovation

Krasniqi and Kelmendi (2018) define creativity as the ability to generate novel and useful ideas or solutions, while innovation refers to implementing those ideas to create value. They see creativity and innovation as critical drivers for SMEs' competitiveness and sustainable growth. Amabile (1997) defines creativity as "the production of novel and useful ideas," while innovation involves implementing those ideas to create new or improved products, services, or processes. The researchers emphasise that creativity and innovation require a supportive environment and personal and organisational factors, such as motivation, expertise, resources, and collaboration. Therefore, creativity means generating new and original ideas, concepts, or solutions. At the same time, innovation refers to implementing those ideas to create new or improved products, services, processes, or business models. It involves using imagination, experimentation, and critical thinking to explore new possibilities and develop innovative solutions to address existing or emerging needs and challenges.

2.5 Product Development

According to Ogunnaike et al. (2017), product development involves the systematic process of creating, designing, and improving products to meet the needs and expectations

of customers. They define it as "the creation of new or improved products through a systematic and structured process that involves identifying customer needs, generating ideas, selecting the most promising ideas, and developing and testing prototypes." Adeyemo et al. (2019) define product development as creating new products or services or improving existing ones to meet customers' changing needs and preferences. They view it as an essential dimension of business entrepreneurship practices that can enhance the competitiveness and performance of SMEs. Therefore, product development refers to creating, improving, or modifying goods or services to meet the needs and expectations of customers. It involves a structured and systematic approach to identify and analyse customer needs, generate new ideas, select the most promising ones, develop and test prototypes, and launch the product.

2.6 SMEs Performance

Small and medium-sized enterprises are a vital component of the economic landscape of any country, contributing significantly to job creation, innovation, and economic growth. Fatoki and Asah (2011) state that Small and medium-sized enterprises (SMEs) are identified as significant contributors to any country's economic growth and development. The performance of SMEs can be measured in various ways. However, two primary dimensions are often considered: skill acquisition and income generation, in line with the suggestions of Okorie and Eze (2021), who identified entrepreneurial skill acquisition as an essential dimension of SMEs performance, and Agwu and Ezejiofor (2019) that suggested income generation as a critical dimension of SMEs performance.

2.7 Entrepreneurial Skill Acquisition

In order to be successful in business, it is necessary to acquire the necessary skills and behaviours through training (Chukwunenyne & Igboke, 2011; Ibru, 2009). In addition, it encourages business owners to build their sense of worth and confidence to participate in decision-making. Revenue generation, the expansion of informal educational institutions, advancements in foundational and applied knowledge, and expanded professional competence are only some of how skill acquisition has benefited the national economy. Entrepreneurial skill acquisition, as defined by Obaji and Adegbuyi (2017), is "the process of acquiring the knowledge, skills, and abilities necessary to recognise and capitalise on business opportunities." They consider it an essential facet of entrepreneurial practises that can boost SMEs' efficiency and ability to compete in the market. Opportunity recognition, creativity, invention, risk-taking, and networking are all talents and characteristics that Yusuf and Adesope (2019) identify as essential to entrepreneurial success. Therefore, learning to be an entrepreneur means picking up the skillset essential to launching, running, and expanding a business.

2.8 Income Generation

Oyekanmi and Akindele (2020) define income generation as creating and earning revenue through various entrepreneurial activities, such as product development,

marketing, and sales. They see it as a crucial outcome of business entrepreneurship practices that can lead to economic growth and development. Similarly, Lawal, Oladele, and Akinyemi (2019) define income generation as generating income or wealth through various business activities, such as production, marketing, and sales. They view it as a critical driver of poverty reduction and economic empowerment, especially for disadvantaged individuals and communities. Therefore, income generation refers to generating revenue through various activities such as employment, entrepreneurship, investment, or any other means that generates income. It involves utilising one's skills, knowledge, resources, and opportunities to earn money and improve their financial well-being.

3.0 THEORETICAL FRAMEWORK

3.1 Richard Cantillon and Jean Baptiste Say's Physiocratic Thoughts

The present study's theoretical framework is based on the seminal concepts of Richard Cantillon and Jean Baptiste Say, renowned economists of the 18th century who were affiliated with the Physiocratic school of economic thought. The viewpoints of individuals regarding entrepreneurship and economic development serve as the basis for comprehending the influence of entrepreneurship practises on the performance of small and medium-sized enterprises in Lagos State, Nigeria. Richard Cantillon (1685-1744) is widely acknowledged as the originator of concepts subsequently examined by economists. The individual in question was among the initial thinkers to formulate the notion that the entrepreneur's function involves expertise in undertaking risks.

Cantillon's Richard underscored the pivotal role of the entrepreneurial function in economic theory. Cantillon's recognition of the risks assumed by entrepreneurs established a foundation for comprehending their distinctive contributions to economic endeavours. The concept of entrepreneurship was expanded upon by Jean Baptiste Say (1767-1832), who posited that the entrepreneur serves as both a manager within a firm and an input in the production process. Say highlighted the significance of exercising sound judgement as the primary characteristic of an entrepreneur. The author's research emphasised the importance of entrepreneurial decision-making in influencing economic results.

Cantillon and Say were proponents of the economic doctrine of physiocracy, which informed their economic perspectives. The objective of Physiocracy was to enhance the existing concepts of British Mercantilism, German Cameralism, and Austrian Cameralism. The text highlights the significance of entrepreneurship and universal regulations in advancing the progress of a country's economy. Hence, in the context of this investigation, Cantillon and Say's theoretical viewpoints enhance comprehension of entrepreneurship as a career decision between self-employment and wage employment. Drawing from their observations, the research suggests that individuals are inclined towards entrepreneurship when self-employment's potential monetary gains and non-monetary advantages surpass the total remuneration and supplementary benefits obtained from wage-based employment.

4.0 EMPIRICAL REVIEW

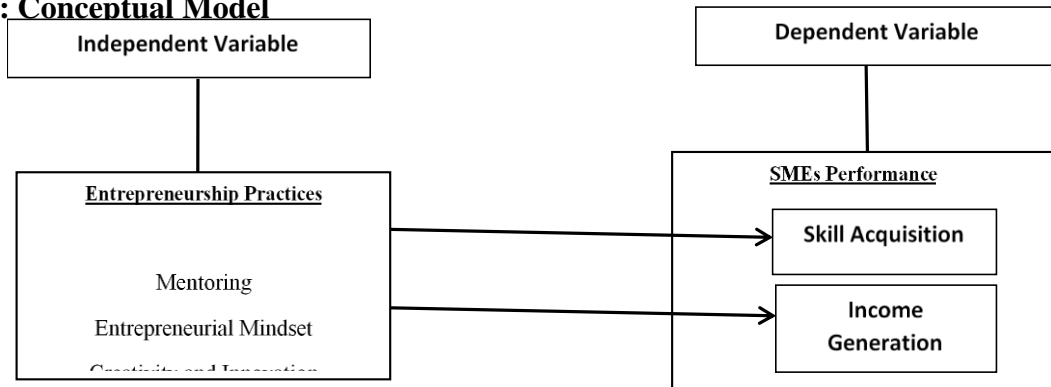
Emery, Williams, and Griffiths (2002) opined on employment generation through entrepreneurial development. In recent years, unemployment has become a global problem, with developing nations having the lion's share of the phenomenon. This has resulted in the migration of people from one region to another in search of greener pastures. However, using secondary data sources, they found that several intervention programmes introduced by successive governments in the country still needed to produce the expected results.

Ogundele, Akingbade, and Akinlabi (2012) investigated the intensity of entrepreneurship Training and Education as Strategic Tools for poverty alleviation in Nigeria. They select 250 entrepreneurs from five recognised local government areas of Lagos State, South Western Nigeria. They used a stratified random sampling technique through a self-monitored questionnaire survey and simple regression analysis to test the relationship between entrepreneurship training and education and poverty alleviation. They found that training and education had a positive impact on poverty reduction.

Kanothi (2009) also assessed the impact of entrepreneurship skill acquisition on poverty in the Kogi State of Nigeria. They used structured questionnaires for collecting primary data from six local government areas of the state and used descriptive statistics of frequencies and percentages. They found that 65% of the respondents accepted that the lack of entrepreneurship skills among youth is responsible for the high rate of poverty in Nigeria. However, the result also revealed that at least 60% of the people that benefitted from the skill acquisition programme can afford the basic necessity of life.

Salami (2013) researched youth unemployment in Nigeria under the auspices of a time for creative and innovative intervention. He said that unemployment in Nigeria is a time bomb waiting to explode unless effective interventions are implemented to mitigate the unsavoury impact of high youth unemployment. His work established a link between entrepreneurship and youth unemployment. It noted that if adequate attention is focused on creating an enabling socio-economic and political environment, it can galvanise a culture where the youths employ other means of creating job opportunities. As a result, the idea of searching for a job will be erased in the mindset of job seekers.

2.1: Conceptual Model



Source: Author's Concept (2023)

Figure 2.1 represents the conceptual model for this study, On the model, each SMEs performance indicator (skill acquisition, and income generation) would be tested with the entrepreneurial practices' indicators (Mentoring, Entrepreneurial Mindset, Creativity and Innovation, and Product Development).

5.0 METHODOLOGY

This research adopted a descriptive survey research design using structured questionnaire to collect data from the focus respondents, who are the owners/managers of SMEs in Lagos State that is registered with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). The total population is 11,663 SMEs; registered and in operation as at end of 2022 (Field Survey, 2022). The sample size determination was carried out using Taro Yamane (1967) Formula: $n = \frac{N}{1 + Ne^2}$, where N = population size, n = sample size, e = error estimate (5%). Calculation of sample size $n = \frac{11,663}{1 + (11,663) 0.05^2} = 386.73$, $n = 386.73$, thus sample for this study was approximately 387. Therefore, 387 copies of questionnaire were distributed using simple random sampling across three senatorial districts in Lagos State. The questionnaire was used as a powerful instrument to source primary data from the focus respondents for this study. The reliability test revealed results as entrepreneurial practices (0.713), mentoring (0.821), entrepreneurial mindset (0.750), creativity and innovation (0.819), product development (0.736), skill acquisition (0.782), income generation (0.700), and scale with good internal consistency using Cronbach's alpha coefficient. The study employed Multiple Regression analyses for data analysis and testing of hypotheses.

5.1 Model Specification

Y = Dependent Variable, X = Independent Variable

Where: Y = SMEs Performance (SP); X = Business Entrepreneurship Practices (BEP)

$Y = (y_1, y_2)$: Where: y_1 = Skill Acquisition (SA); y_2 = Income generation (IG)
 $X = (x_1, x_2, x_3, x_4)$: x_1 = Mentoring (MT); x_2 = Entrepreneurial Mindset (EM); x_3 = Creativity and Innovation (CI); x_4 = Product Development (PD)

The regression equation is given then as; $y_1 = f(x_1, x_2, x_3, x_4)$
 $= f(MT, EM, CI, PD)$

$$y_1 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \mu_i$$

$$SA = \alpha_0 + \beta_1 MT + \beta_2 EM + \beta_3 CI + \beta_4 PD + \mu_i \dots \dots \dots \text{Eqn. 3.1}$$

$$y_2 = f(x_1, x_2, x_3, x_4)$$

$$= f(MT, EM, CI, PD)$$

$$Y_2 = \alpha_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \mu_i$$

$$IG = \alpha_0 + \beta_1 MT + \beta_2 EM + \beta_3 CI + \beta_4 PD + \mu_i \dots \dots \dots \text{Eqn. 3.2}$$

Where α = the constant of the equation

$\beta_1 - \beta_4$ = the coefficient of variables in the equations;

μ_i = the stochastic function that accounts for the errors that may arise in the equation.

5.2 Test of Hypotheses

Hypothesis One

H_{01} : There is no significant influence of entrepreneurship practices on skill acquisition among SMEs in Lagos State, Nigeria

Table 1. Interaction between Entrepreneurship Practices and Skill Acquisition

Model Summary					
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.673a	.452	.449	19.394	2.347
a. Predictors: (Constant), Product development, Entrepreneurial Mindset, creativity innovation, mentoring					
b. Dependent Variable: Skill Acquisition					

Source: Author's Computation 2023

The table1 presents the model summary of entrepreneurship practices' impact on SMEs' skill acquisition in Lagos State, Nigeria. The result revealed an R-Squared of .452 and an Adjusted R-squared of 0.449. This implies that entrepreneurial practices explain around 45% of the variation in skills acquisition of SMEs operators in Lagos State, Nigeria, at a significant value of less than 5%.

Table 2: Significance of Entrepreneurship Practices to Skill Acquisition

ANOVA						
Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	131173.508	4	43724.503	116.249	.000b
	Residual Total	158725.807	350	376.128		
	Total	158725.807	354			

a. Dependent variable: Skills acquisition

b. Predictors: (Constant), Product development, Entrepreneurial Mindset creativity innovation, mentoring

Source: Author's Computation, 2023

The table 2 above presents the analysis of variance (ANOVA) for the model, F-statistic shown value of 116.249; indicating goodness of fit, and under a probability value less than 5%. This further revealed that entrepreneurship practices such as mentoring, creativity, innovation and product development jointly have a significant influence on skills acquisition of SMEs in Lagos State, Nigeria.

Table 3: Contribution of each Dimension of Entrepreneurship Practices to Skill Acquisition

Model	Unstandar- dised Coefficients		Standar- dised Coeffi- cients	T	Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tole- rance	VIF
(Constant)	10.007	1.420		7.048	.000		
Mentoring	.367	.055	.395	6.676	.000	.371	2.694
Entrepreneurial Mindset	.178	0.01	.184	3.932	.002	.431	2.182
Creativity and Innovation	.128	.052	.135	2.462	.014	.432	2.316
Product Development	.208	.049	.217	4.282	.000	.506	1.976

a Dependent Variable: Skills Acquisition

b Independent Variable: (Constant), Product Development, Entrepreneurial Mindset, Creativity and Innovation, Mentoring

Source: Author's Computation 2023.

Table 3 shows Lagos State SMEs' skill acquisition coefficients influenced by entrepreneurship practices. The outcome reveals how each predator variable—mentoring, creativity, innovation, product development, and entrepreneurial mindset—positively affected skill acquisition. These variables have statistically significant positive effects. Each probability value is below 0.05 (5% significance level). Mentoring, creativity and innovation, product development, and entrepreneurial mentality boost skills acquisition in Lagos State by 0.367, 0.178, 0.128, and 0.208, respectively. The standardised coefficients also demonstrate which entrepreneurial practices most affect Lagos State SMEs' skill

acquisition. Mentoring is 10.395; entrepreneurial attitude is 0.184; creativity and innovation are 0.135; and product development is 0.217. Mentoring significantly impacts SMEs in Lagos State's skill acquisition, followed by product development, entrepreneurial mentality, creativity, and innovation.

Hypothesis Two

H0₂: There is no significant impact of entrepreneurship practices on income generation among SMEs in Lagos State, Nigeria.

Table 4. Interaction between Entrepreneurship Practices and Income Generation

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.829a	.688	.686	13.130	2.399
a. Predictors: (Constant), Product development, Entrepreneurial Mindset creativity innovation, mentoring					
b. Dependent Variable: Income generation					

Source: Author's Computation 2023

Table 4 presents the model summary of entrepreneurship practices' impact on SMEs' income generation in Lagos State, Nigeria. The table shows an R-square value of 0.688 and an adjusted R-squared value of 0.686. This implies that entrepreneurship practices explain about 69% of SMEs' income generation variation in Lagos State, Nigeria, at less than 5% significant value.

Table 5: Significance of Entrepreneurship Practices and Income Generation

ANOVA						
Model		Sum of Square	df	Mean Square	F	Sig
1	Regression	160250.422	4	40062.605	231.820	.000b
	Residual Total	72756.244	350	172.817		
	Total	233006.667	354			

a. Dependent variable: Income Generation

b. Predictors: (Constant), Product Development, Entrepreneurial Mindset, Creativity and Innovation, Mentoring

Source: Author's Computation, 2023

Table 5 presents the analysis of variance (ANOVA) for the model. The F-statistic was shown with a value of 231.820; indicating goodness of fit, and under a probability value less than 5%. This implies that the overall model is fit. This further revealed that entrepreneurship practices such as mentoring, creativity and innovation, entrepreneurial mindset, and product development significantly impact the income generation of SMEs in Lagos State, Nigeria.

Table 6: Contribution of each Dimension of Entrepreneurship Practices to Income Generation

Model	Unstandar- disd Coefficient		Standar- disd Coeffi- cient	T	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tole- rance	VIF
(Constant)	5.435	.961		5.653	.000		
Mentoring	.358	.037	.430	9.630	.000	.371	2.694
Entrepreneurial mindset	.238	.034	.259	4.862	.000	.482	2.513
Creativity & innovation	.251	.035	.295	7.123	.000	.432	2.316
Product development	.171	.033	.199	5.206	.003	.506	1.976

a dependent Variable: Income generation

b independent variable: (Constant), Product development, Entrepreneurial Mindset creativity innovation, mentoring

Source: Author's Computation 2023

Table 6 shows Lagos State SMEs' income generation coefficients from entrepreneurship practices. Mentoring, creativity, innovation, product creation, and entrepreneurial mindset positively impact income generation. These variables have considerable beneficial effects. Their probability values below 0.05 indicate this. Mentoring, creativity and innovation, product development, and entrepreneurial mindset increase SMEs' income by 0.358, 0.251, 0.171, and 0.238, respectively. The standardised coefficients reveal the entrepreneurship practice that generates the most income for Lagos State SMEs. Mentoring is 0.430, and creativity and innovation are 0.295. Product development is 0.199, and entrepreneurial mindset is 0.259. Mentoring significantly impacts SMEs' income generation, followed by creativity and innovation, entrepreneurial mindset, and product development.

6.0 DISCUSSION OF FINDINGS

Hypothesis one demonstrates that R squared is 0.452, indicating that the constant variables (Product development, entrepreneurial mentality, creativity and innovation, mentoring) explained 45.2% of the variation in skill acquisition. The estimated F-value (116.249) in the table has a significance value of 0.000, which is smaller than the p-value of 0.05 ($p < 0.05$), indicating that the explanatory variables can collectively influence the dependent variable. The table showed Beta values of 0.395 for Mentorship, 0.184 for an entrepreneurial mindset, 0.135 for creativity and innovation, and 0.199 for product development, showing an individual contribution to SMEs' skill acquisition with a p-value less than 0.05 significance level. This result was supported by the study of Akanbi et al. (2019) and Obaji and Adegbuyi on entrepreneurial practises and SMEs performance.

Hypothesis two shows that R Square is 0.688, indicating that the constant variable (product development, entrepreneurial mindset, creativity and innovation, mentoring) explained 68.8% of the dependent variable (income generation). However, the calculated F-value (231.820) in the table had a significance value of 0.000, which is less than the p-value of 0.05 ($p < 0.05$), indicating that the explanatory variable elements can collectively affect change in the dependent variable. A Beta value of 0.430 for mentoring, 0.259 for an entrepreneurial mindset, 0.295 for creativity and innovation, and 0.217 for product development indicated an individual contribution to SMEs' performance through income generation, with a p-value less than 0.05. Entrepreneurship practices affect SMEs' performance at 5% importance. This corroborated Oyekanmi and Akindele (2020) and Agwu and Ezejiofor (2019)'s findings that SMEs that regularly generate revenues are more likely to survive, grow, create jobs, and boost the nation's economy.

7.0 CONCLUSION AND RECOMMENDATIONS

The implementation of entrepreneurship practises among SMEs greatly influences entrepreneurial skills. Mentoring, entrepreneurial mindset, creativity and innovation, and product development help small and medium-sized enterprises (SMEs) in the state build entrepreneurial abilities and income growth among SMEs in Lagos State. Mentoring, entrepreneurial mindset, creativity and innovation, and product development techniques improve performance and income for small and medium-sized enterprises in Lagos State.

7.1 Recommendations

- i. The government and stakeholders should create a diverse training program for skill acquisition in entrepreneurship by blending mentoring, fostering an entrepreneurial mindset, promoting creativity and innovation, and highlighting product development; involve aspiring entrepreneurs and SMEs owners in mentorship, workshops, and practical training sessions, while fostering partnerships with local educational and vocational institutions to bridge skills gaps.
- ii. The government and stakeholders should create a comprehensive support system, including mentorship, mindset development, innovation, and product focus within entrepreneurship hubs, while also integrating financial literacy and access to capital to empower individuals and small businesses, enabling them to maximize income and stimulate economic growth.

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