E-ISSN: 1115 - 8530 P-ISSN: 3026-8958
MPRI-JFRBD | INTERNATIONAL JOURNAL OF FINANCIAL RES. AND BUSINESS DEVELOPMENT
VOL. 04 NO. 7 – APRIL, 2024

DETERMINANTS OF ENTREPRENEURIAL COMPETENCIES DEVELOPMENT AMONG STARTUPS IN LAGOS

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Keywords: Entrepreneurial Competencies, Startup, Startup Ecosystem, Entrepreneurial Education, and Human Capital Theory

Abstract

The main objective of this study was to investigate drivers of entrepreneurial competencies development among startups in Lagos. The research focuses on four key determinants: education level, family business background, training prior to startup business, and professional experience. A cross sectional and explanatory design was adopted and used to collect and analyse data from 218 startups in Lagos with operations as fintech, retail, marketing and distribution, mobility, health, legal, prop- tech. The sample size was determined using Taro Yamane. Multiple linear regression analysis was used to analyse the data and test the research hypotheses. The findings revealed that all the study variables exhibit a normal distribution with Kolmogorov-Smirnov significant values ranging from 0.383-1.393. The coefficient of determination R^2 was 0.502 indicating approximately 50.2% of the variance in entrepreneurial competencies can be explained by the predictor variables in the model. The adjusted R^2 was 0.493. All p-values indicated a value of 0.0000 leading to the acceptance of the hypotheses indicating that education level, family business background, training prior to startup business, and professional experience have positive and significant effects on entrepreneurial competencies among startups in Lagos. The study highlights the importance of human capital investment and experiential learning in

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fostering entrepreneurial competencies in the startup ecosystem. Through professional experience, entrepreneurs may acquire domain-specific expertise, technical skills and a deeper understanding of market trends and customer preferences. The implication for policy makers and the entrepreneur ecosystem is to devote more resources to entrepreneurial training and education. Future research could explore additional factors and conduct comparative studies across different regions and industries to enhance the understanding of entrepreneurial competencies' dynamics.

Introduction

Startup ventures play a pivotal role in fostering economic development, contributing to growth, job creation, and acting as a breeding ground for future corporations (Blank, 2013; Rafique, 2022). These are new business in pursuit of a repeatable and scalable business model, operating in an environment of high ambiguity (Blank, 2013; Ries, 2011; Hasani et al., 2014). Both in developed and developing economies, startups, akin to SMEs, are instrumental in driving innovation, creating new products, services, and markets, and even contributing to export earnings, financial inclusion, and per capita income and GDP growth (Omokayode, 2020). Recognizing the significance of startups in Nigeria's economic growth, the Federal Government passed the Startup Act of 2022, aiming to nurture innovation and sustainable development. The Act is targeted at fostering the creation and development of an enabling environment for startups in Nigeria (Nigerian Startup Ecosystem, 2022).

These startup ventures have been observed to evolve into thriving global enterprises over time (Omokayode, 2020). In Nigeria, Lagos stands out with the highest number of startups, followed by Abuja and Ibadan, contributing to the country's position as having the largest startup ecosystem in Africa, hosting more than 500 active startups (Nigerian Startup Ecosystem, 2022). Despite challenges within the business environment, other cities like Aba, Kano, and Ibadan are emerging as notable startup hubs (Nigerian Startup Ecosystem, 2022). The success and performance of startups largely depend on the entrepreneurial competencies possessed by their owners or managers, including skills, attitudes, training, education, and knowledge (Mitchelmore & Rowley, 2010).

Entrepreneurial competencies encompass a range of individual attributes critical for success in entrepreneurship, such as personality traits, attitudes, and specific knowledge and skills (Man & Lau, 2005). Possessing these competencies enables entrepreneurs to identify profitable opportunities and enter the market with innovative products or services (Pepple & Enuoh, 2020). The Nigerian startup landscape has experienced significant growth in recent years, with hundreds of tech startups employing thousands of people (Nigerian Startup Ecosystem, 2022). Nigeria earned a substantial portion of startup funding raised in Africa in 2021, underscoring the country's thriving startup

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ecosystem (Adepetun, 2021). Recognizing the potential of the digital economy, the Nigerian government enacted the Startup Act to foster an enabling environment for startups in the country (Nigerian Startup Ecosystem, 2022). This article aims to explore the determinants of entrepreneurial competencies development among startups in Lagos, shedding light on the factors that contribute to their success in this dynamic and vibrant ecosystem. By understanding and analysing these determinants, stakeholders can further support and strengthen the growth of startups in Lagos and beyond.

Problem Statement

In the dynamic and competitive modern business landscape, the success of startups goes beyond mere financial capital; possessing the necessary entrepreneurial competencies is crucial for survival and growth (Tehseen *et al*., 2019). These intangible resources, including traits, behaviors, attitudes, skills, and knowledge, constitute the core elements of an entrepreneur's entrepreneurial competencies.

While the Nigerian startup ecosystem has witnessed a continuous increase in the number of emerging startups, the business environment poses various challenges and threats to their success, such as weak institutional frameworks. Nevertheless, startups in Lagos and across Nigeria have managed to thrive and survive, suggesting that specific entrepreneurial competencies may be at play. In 2021, Lagos outperforms the other African direct competitors Nairobi, Cape Town and Johannesburg in startup attractiveness by international investors.

According to Disrupt Africa (2022), Lagos, the Nigerian capital, serves as a prominent tech hub and contributes approximately 10% to Nigeria's overall GDP of $432.3 billion. Over the past eight years, the Nigerian Startup Ecosystem has consistently been at the forefront of tech startup funding across the African continent. Notably, from January 2015 to August 2022, a remarkable 383 tech startups in Nigeria collectively raised around USD 2.06 billion, surpassing the funding totals of any other country. Nigeria's dominance in this aspect continues to grow stronger, with 107 Nigerian startups securing funding in 2022, accounting for roughly one-third of all funded startups on the continent this year. As of now, the country's total funding for 2022 stands at approximately USD 747 million, nearing last year's impressive total, as reported by Disrupt Africa (2022).

The existing empirical studies have explored the influence of university enterprise programs, entrepreneurship education, and micro-enterprise development training on the development of entrepreneurial competencies among students and microentrepreneurs in different regions.

However, there is a research gap in understanding the determinants of entrepreneurial competencies development specifically among startups in Lagos, Nigeria. While the mentioned studies have provided valuable insights into the relationship between educational programs and entrepreneurial competencies, they have focused on different contexts and populations. The study by Solesvik (2019) examined university enterprise

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programs in Ukraine, Nazari and Abd Rani (2022) focused on entrepreneurship education in Malaysia, and Mavrina and Mingaleva (2017) explored entrepreneurial learning in various university programs. On the other hand, Delim et al. (2022) and Al Mamun et al. (2019) investigated pre-university entrepreneurship education and micro-enterprise development training, respectively, in the Philippines and Malaysia.

The lack of research specifically targeting startups in Lagos, Nigeria, creates a research gap in understanding how factors such as level of education, family business background, training prior to starting the business, and professional training contribute to the development of entrepreneurial competencies among startups in this vibrant and dynamic ecosystem. Exploring these determinants in the context of Lagos startups would provide valuable insights into the unique challenges and opportunities faced by entrepreneurs in this region, shedding light on the factors that foster their success and competitiveness.

Therefore, the present study aims to fill this research gap by investigating the determinants of entrepreneurial competencies development among startups in Lagos. By examining the influence of level of education, family business background, training prior to starting the business, and professional training on entrepreneurial competencies, the study seeks to provide practical implications for practitioners, policymakers, and educators in fostering a conducive environment for startup growth and development in Lagos, Nigeria. To achieve this, the research aims to address the following research objectives.

Objectives of the Study

The broad objective of the study is to investigate and identify the factors or determinants that influence the development of entrepreneurial competencies among startups in Lagos. This may include factors like education, training, professional experience, and family business background. The specific objectives of the study are :

1. To determine if the level of education influences the development of entrepreneurial competencies among startups in Lagos, Nigeria.
2. To find out if family business background influences the development of entrepreneurial competencies among startups in Lagos, Nigeria.
3. To ascertain if training prior to startup business influences the development of entrepreneurial competencies among startups in Lagos , Nigeria.
4. To determine if professional experience influences the development of entrepreneurial competencies among startups in Lagos, Nigeria.

Research Questions

i. Does the level of education influence the development of entrepreneurial competencies among startups in Lagos, Nigeria?
ii. Does family business background influence the development of entrepreneurial competencies among startups in Lagos, Nigeria?

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iii. Does training prior to startup business influence the development of entrepreneurial competencies among startups in Lagos?
iv. Does professional experience influence the development of entrepreneurial competencies among startups in Lagos?

Hypotheses

To investigate the determinants of entrepreneurial competencies among startup entrepreneurs in Lagos, four hypotheses will be tested.

H_1: Level of education has influence on the development of entrepreneurial competencies.Among startups in Lagos, Nigeria

H_2: The family business background has influence on entrepreneurial competencies. Development among startups in Lagos, Nigeria

H_3: Trainings received prior to starting business has influence on entrepreneurs.competencies development among startups in Lagos, Nigeria.

H_4: Professional experience has influence on entrepreneurial competencies development among startups in Lagos, Nigeria

Conceptual model

The conceptual model visualizes the relationship between the independent and dependent variables of the study. The dimensions of the determinants of entrepreneurial competencies were constructed as family business background (Hieu & Loan 2022) level of education, professional experience and pieces of training received prior to the startup business (Umar, Cob, Umar & Hamzah 2019).

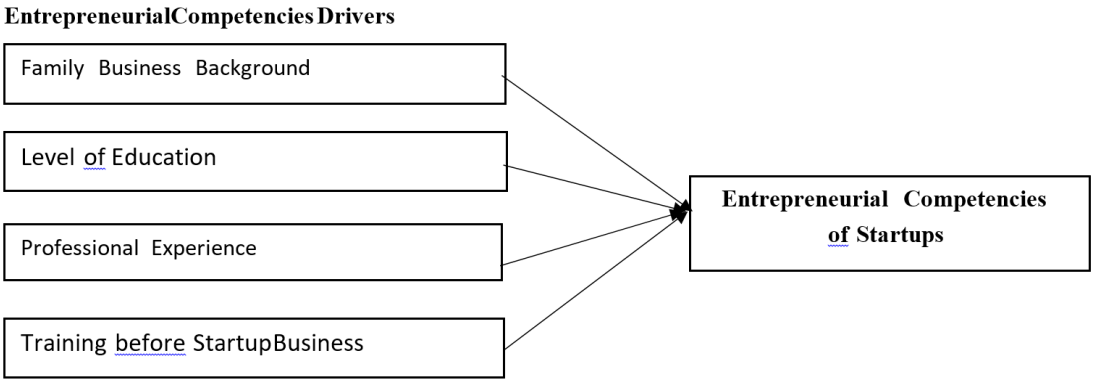


Figure 1: Conceptual Model

Source: conceptualized by the researcher.

Literature Review

Entrepreneurial Competencies

The concept of entrepreneurial competencies encompasses a range of underlying characteristics, knowledge, motives, traits, self-images, social roles, and skills that contribute to the birth, survival, and growth of ventures (Bird, 1995). It is the total ability of an entrepreneur to successfully perform their role, mobilizing and combining resources

such as knowledge, qualities, and attitudes to initiate, consolidate, and expand the enterprise (Soares de Noronha et al., 2022). These competencies are learnable and can be developed over time, and they play a vital role in enabling entrepreneurs to identify and exploit opportunities while creating value in the marketplace (Dimitratos et al., 2014).

The classification of entrepreneurial competencies varies among researchers. Man et al. (2002) identified six main clusters of related competencies, including opportunity, relationship, conceptual, organizing, strategic, and commitment competencies. On the other hand, Rajendra (2022) categorized entrepreneurial competencies into personal entrepreneurial competencies and venture initiation and success competencies, encompassing enterprise launching and management competencies. Several specific personal characteristics have been identified as essential components of entrepreneurial competencies, such as self-efficacy, proactivity, and risk-taking capability (Sanchez, 2013). Furthermore, entrepreneurial competencies are linked to dynamic capabilities, which involve the ability to sense, identify, and reconfigure tangible and intangible resources within the organization to achieve effective outcomes (Man & Lau, 2005).

Entrepreneurial competencies are instrumental in guiding entrepreneurs in their decision-making processes and actions, influencing their willingness and ability to engage in entrepreneurial activities (Lackeus, 2015). These competencies include a combination of personality traits, skills, and knowledge that collectively enable entrepreneurs to perform their work successfully (Man et al., 2002). In conclusion, the concept of entrepreneurial competencies is multidimensional and plays a crucial role in fostering entrepreneurial success. By understanding and developing these competencies, entrepreneurs can effectively navigate challenges, exploit opportunities, and drive the growth and sustainability of their ventures in dynamic and competitive markets

Determination of entrepreneurial competencies

The major determining variables of entrepreneurial competencies development in SMEs have been identified as demographic variables like the level of education attainment by entrepreneurs, the training received prior to setting up the business and professional experiences (Umar, Cob, Umar & Hamzah (2019). Hieu and Loan (2022) added that family background/support and entrepreneurial education drives entrepreneurial intentions. In determining the entrepreneurial competencies development, the determining instruments shall be how these variables influence the development of entrepreneurial competencies of startups in Lagos. The following four sections are the determinants of entrepreneurial competencies adopted for this study.

Educational Level and Entrepreneurial Competencies

Educational level refers to the highest level of formal education attained by an individual, typically measured in terms of degrees, diplomas, or certifications (Nziali, & Fayolle, 2015). It plays a significant role in influencing entrepreneurial competencies. A higher level of

education often provides individuals with a broader knowledge base, critical thinking skills, and the ability to analyse complex problems (Kusumojanto, Indrayani & Hapsari, 2021). Such competencies can be advantageous in identifying business opportunities, making informed decisions, and managing risks effectively. Additionally, education can enhance communication and interpersonal skills, which are crucial for networking, building partnerships, and innovative behaviour (Zhao, Hu, Ahmed & Huang, 2022). Moreover, continuous learning and exposure to diverse disciplines through higher education can foster adaptability and innovation, key components of entrepreneurial competencies.

Family Business Background and Entrepreneurial Competencies

Family business background refers to the individual's experience or involvement in a family- owned enterprise. Entrepreneurial competencies can be influenced by exposure to such an environment (Ljubotina, 2020). Growing up in a family business setting can provide firsthand experience in entrepreneurship, offering insights into the challenges, risks, and rewards of running a business (Georgescu & Herman, 2020). This exposure can cultivate traits like risk-taking propensity, business acumen, and resilience (Ljubotina, 2020). Additionally, individuals from family business backgrounds may inherit tacit knowledge, unique networks, and industry-specific expertise, contributing to their entrepreneurial competencies (Georgescu & Herman, 2020). However, it is essential to recognize that exposure to family business may not guarantee entrepreneurial success, and individuals must still develop and refine other necessary competencies to thrive in their ventures.

Training Prior to Starting the Business and Entrepreneurial Competencies

Training prior to starting a business involves formal or informal education, workshops, or courses designed to equip individuals with relevant skills and knowledge related to entrepreneurship. Such training can significantly impact entrepreneurial competencies (Al Mamun et al., 2019). Specific training programs may focus on opportunity recognition, financial management, marketing strategies, and leadership skills (Meyer & Hamilton, 2020). By acquiring these competencies, aspiring entrepreneurs can enhance their ability to formulate viable business models, effectively manage resources, and navigate the complexities of the business landscape (Mavrina & Mingaleva, 2017). Moreover, training can boost self-confidence, improve problem-solving abilities, and foster a proactive mindset, all of which are vital traits for successful entrepreneurship.

Professional Training and Entrepreneurial Competencies

Professional training refers to specialized education and skill development relevant to a particular field or industry. It can have a substantial influence on entrepreneurial competencies, especially for individuals transitioning from corporate careers to

entrepreneurship (Bondar et al., 2019). Professional training can provide a strong foundation in specific technical skills, industry knowledge, and market trends (Purwanto, 2023). Entrepreneurs with such training may be better equipped to identify and exploit niche opportunities within their domain. Moreover, professional training can instil professionalism, discipline, and project management skills, which are valuable for running a successful venture. Additionally, exposure to diverse perspectives and experiences during professional training can foster creativity and innovation, bolstering overall entrepreneurial competencies. (Purwanto, 2023).

Startups

A startup is a newly established company or business enterprise that is typically characterized by its innovative and entrepreneurial nature. Startups are often founded by one or more entrepreneurs who aim to develop and bring to market a unique product, service, or technology, often with the goal of solving a specific problem or addressing a particular market need.

Traditionally entrepreneurship is classified as scalable startups, small businesses, large companies, and social entrepreneurs. Startups are new business venture designated to bring to the market new products or services and validate a scalable business model (Ries , 2010). Blank and Dorf (2012) argued that startups are " temporary organizations designed to search for a repeatable and scalable business model. Startups are innovation driven , with intent to be disruptive and experimental while operating under a relatively high-risk environment. Startup entrepreneurs are referred as nascent entrepreneurs as must of their products and services are still in their nascent stages of their life cycle . These companies are generally in the early stages of their development, and they typically face a high level of uncertainty and risk.

Key characteristics of startups include:

i. **Innovation:** Startups often introduce innovative ideas, products, or services that have the potential to disrupt existing industries or create entirely new markets.
ii. **Growth Potential**: Startups are typically focused on rapid growth and scaling the operations to capture a larger market share.
iii. **Agility**: Startups are known for their ability to adapt quickly to changing market conditions and customer feedback.
iv. **Limited Resources**: Startups often operate with limited financial resources and a small team of founders and early employees.
v. **Fundraising**: Many startups seek external funding from venture capitalists, angel investors, or crowdfunding to fuel their growth.
vi. **Vision:** Startups are often driven by a clear vision or mission, and the founders are passionate about their goals.

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vii. **Risk:** Startups face a high level of uncertainty and risk, as success is not guaranteed, and many startups fail.

Although the term "startup" is commonly associated with technology companies, it can apply to businesses in various industries, including healthcare, finance, retail, and more. The definition of a startup can vary, but the common thread is the pursuit of innovation, growth, and the willingness to take on significant risks in the pursuit of their goals.
Startups are like SMEs , but not all SMEs are startups (Tharum, 2022). Unlike startups SMEs generally sell well known products or services to known customers in known local market environments.

Theoretical framework

The Human Capital Theory provides the relevant theoretical framework to understand the relationship between the determinants (level of education, family business background, training prior to starting the business, and professional training) and entrepreneurial competencies development among startups. This theory, developed by Becker (1964), emphasizes the significance of investments in human capital, which refers to the knowledge, skills, and capabilities possessed by individuals, as valuable assets that contribute to their productivity and economic success.
The Human Capital Theory provides a relevant framework for understanding the relationship between certain determinants and the development of entrepreneurial competencies among startups. This theory emphasizes investing in human capital, which includes knowledge, skills, and experiences that contribute to individual productivity and economic success. Higher levels of education are seen as investments in human capital. Formal education provides valuable knowledge, critical thinking, and problem-solving skills, enhancing entrepreneurs' ability to identify opportunities and make informed decisions (Zhao *et al*., 2022). Additionally, higher education fosters creativity, adaptability, and a continuous learning mindset, all essential for entrepreneurial success ((Kusumojanto *et al*., 2021).
Experiential learning from a family business background also contributes to entrepreneurial competencies.
Early exposure to entrepreneurship nurtures traits like risk-taking, business acumen, and resourcefulness (Georgescu & Herman, 2020). Formal and informal training programs offer targeted knowledge and practical skills in entrepreneurship, improving problem-solving abilities and decision-making confidence among startup entrepreneurs. Professional training equips entrepreneurs with specialized skills and industry-specific knowledge, giving them a competitive edge in their fields and enabling them to create innovative solutions (Al Mamun et al., 2019). In summary, the Human Capital Theory emphasizes the importance of investing in knowledge, skills, and experiences to enhance human capital. The determinants of entrepreneurial competencies, such as education

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level, family business background, training prior to starting the business, and professional training, all positively influence the capabilities of startup entrepreneurs, contributing to their overall success.

Empirical review

According to existing studies and research, majority of the factors driving the development of entrepreneur's competencies among small business and nascent enterprises is the demographic variables like trainings received prior to setting the business as well as those afterwards, level of education attained by the entrepreneurs, working experience. However, previous studies (Elidrissi, Hauch & Loufrani-Fedida 2017) did not emphasize the specific understanding of competences in startups or how they arise and perform in entrepreneurial management process. Umar, Cob, Umar and Hamzah (2019) and other existing literature identified major factors affecting the development of entrepreneurs' competencies in SMEs as demographic variables like level of education attainment by entrepreneurs, the training received prior to setting up of the business and professional experiences. Hieu and Loan (2022) in their study on Vietnamese university graduate, concluded that entrepreneurial competencies, entrepreneurial education, and family support have positive effect on entrepreneurial intention.

Several studies have investigated the relationship between various educational programs and entrepreneurial competencies in different regions. Solesvik (2019) aimed to explore the impact of university enterprise programs on entrepreneurial competencies and skills among students in Ukraine. The findings revealed that students who participated in these programs reported higher levels of entrepreneurship-related skills compared to their counterparts who did not take part. In another study, Nazari and Abd Rani (2022) examined the connection between entrepreneurship education and entrepreneurial competencies among university students in Malaysia. They found a positive relationship between entrepreneurship education dimensions, including teaching methods and infrastructure facilities, and the development of entrepreneurial competencies among the students. Similarly, Mavrina and Mingaleva (2017) focused on entrepreneurial learning in various university programs and its significance in fostering positive attitudes, skills, and knowledge among students, which positively influenced their intentions to venture into new businesses. Delim et al. (2022) explored the impact of pre-university entrepreneurship education on entrepreneurial intention among Grade 12 students in the Philippines, discovering that Entrepreneurial Competencies (EC) and Entrepreneurial Mindset (EM) partially mediated the relationship between Entrepreneurial Education (EE) and Entrepreneurial Intention (EI). Lastly, Al Mamun et al. (2019) investigated the influence of micro-enterprise development training programs on entrepreneurial competencies among microentrepreneurs in Peninsular Malaysia, particularly from low-income households. The study found that these training programs significantly influenced three of the six entrepreneurial competencies, including opportunity recognition

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competency, organizing competency, and relationship competency among microentrepreneurs. These studies collectively shed light on the important role of educational programs and training in nurturing and enhancing entrepreneurial competencies in various contexts.

Methodology

This study utilized a quantitative approach to investigate the drivers of entrepreneurial competencies among startups in Lagos.

Area of Study

The study's population consisted of 480 startups in Lagos, and a purposive sampling technique was used to select a sample size of 218 startups. Data analysis involved inferential statistics, particularly multiple linear regression, using the Statistical Package for Social Sciences (SPSS version 25) software.

Table 1: Operational Definition of Research Variable

Variable	Definition	Dimensions	Indicators
Drivers of entrepreneurial competencies development (Y)	Collection of factors that enables or are responsible for the development of entrepreneurial competencies	(i) Level of education	The formal education attainment of startup entrepreneurs (owner/manager)
		Family business background	The family business background of startup entrepreneurs.
		Training received before startup business	The informal and formal training received by the startup entrepreneur before embarking on the startups
		Professional experience	Professional knowledge in the field of startup entrepreneurship

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Entrepreneurial competencies (Xi)	**Entrepreneurial competencies refer to both acquired skills, knowledge, expertise and possessed traits, attitudes and cognitive abilities of the entrepreneur which leads to superior performance in the marketplace**	Opportunity competency	Recognition Exploitation ability General Awareness Identification Maintain a high level of energy

The research variables consisted of the dependent variable, entrepreneurial competencies, and the independent variables, which were the drivers of entrepreneurial competencies, including level of education, family business background, training prior to starting the business, and professional experience. The research employed a well-structured questionnaire with a 5-point Likert scale to collect primary data from startup entrepreneurs. The questionnaire was distributed using the hard copy method. The study used Cronbach's alpha to measure the internal reliability of the questionnaire items and establish validity. All the measures used in this study demonstrated good reliability, as indicated by Cronbach's alpha values exceeding 0.7. Table 1 presents the variables and corresponding indicators utilized in this study.

Results

Descriptive statistical analysis

According to Table 2, approximately 45% of the respondents are associated with fintech startups, 15.6% with retail, 2.8% with health, 25.7% with distribution startups, 1.8% with mobility, 3.2% with legal, and 4.6% with social startups, while the rest are from various other sectors. This suggests that most of the respondents are from the fintech sector, which dominates the startup landscape in Lagos. In terms of gender distribution, 52.8% of the respondents are male, while 42.4% are female. Most of the respondents fall within the age bracket of 31-40 years, accounting for 45% of the total. Regarding marital status, 47.2% of the respondents are single, 38.1% are married, 12.4% are separated, and 2.3% are widowed. In terms of educational qualifications, 68.3% hold a bachelor's degree, 23.4% hold a master's degree, and 1.4% have a Ph.D., while the rest have other degrees. In terms of startup experience, the majority of the respondents (58.7%) have 1-10 years of experience, followed by 23.9% with 11-20 years of experience, and 13.3% with 21-30 years of experience. Only a small percentage (4.1%) have more than 31 years of startup experience.

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Table 2: Demographic Profile

Demographic Profile	Categories	Frequency	Percent
Area of Start-Up	Fintech	98	44.95
	Retail	34	15.60
	Health	6	2.75
	Distribution	56	25.69
	Mobility	4	1.83
	Legal	7	3.21
	Social	10	4.59
	Others (Specify)	3	1.38
	Sub-Total	**218**	**100.00**
Gender	Male	97	44.50
	Female	121	55.50
	Sub-Total	**218**	**100.00**
Age Distribution	21 - 30 Years	37	16.97
	31 - 40 Years	98	44.95
	41 - 50 Years	51	23.39
	51 - 60 Years	29	13.30
	Above 60 Years	3	1.38
	Sub-Total	**218**	**100.00**
Marital Status	Single	8	3.67
	Married	26	11.93
	Divorced	33	15.14
	Widow (er)	2	0.92
	Sub-Total	**69**	**31.65**
Education	PhD	3	1.38
	Master's	51	23.39
	Bachelor's	149	68.35
	Others	15	6.88
	Sub-Total	**218**	**100.00**
Startup Experience	1 - 10 Years	128	58.72
	11 - 20 Years	52	23.85
	21 - 30 Years	29	13.30
	Above 31 Years	9	4.13
	Sub-Total	**218**	**100.00**

Normality Test

To fulfil the prerequisites for multivariate data analysis, the responses underwent a normality test using the Kolmogorov-Smirnov method with a confidence level (α) of 5%.

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The findings indicate that all variables exhibit a normal distribution for their respective data, with Kolmogorov-Smirnov significance values ranging from 0.383 to 1.393.

Table 3: Normality Test (Kolmogorov-Smirnov test)

Variables	Min.	Max.	Kolmogorov-Smirnov	Significance factor (sig)
Education level	2.64	4.55	3.588	0.409
Family business background	2.55	4.45	3.399	0.383
Training prior to startup business	2.33	4.5	3.443	0.461
Professional experience	2.4	4.5	3.316	0.432
Entrepreneurial competencies	1	8	4.310	1.393

Multiple linear regression

In this research, multiple linear regression analysis was employed to assess the influence of predictors on the predicted variable. The predictors in focus are education level, family business background, training prior to startup business, and professional experience, while the predicted variable is entrepreneurial competencies. The data underwent coding and analysis using SPSS, and the outcomes are presented in Table 4.

Table 4: Multiple linear regression Result

Variable	Regression coefficient	Beta value	p-value	Result
Constant	6.525		0.0000	
Education level	0.251	0.338	0.0000	H01 Accepted
Family business background	0.371	0.487	0.0000	H02 Accepted
Training prior to startup business	0.202	0.311	0.0000	H03 Accepted
Professional experience	0.105	0.121	0.0430	H04 Accepted
R^2 = 0.502				
Adj. R^2 = 0.493				

The results of the multiple linear regression analysis are presented in Table 4. The coefficient of determination (R-squared) is 0.502, indicating that approximately 50.2% of the variance in entrepreneurial competencies can be explained by the predictor variables in the model. The adjusted R-squared, which considers the number of predictor variables and the sample size, is 0.493.

The regression coefficient for education level is 0.251, with a beta value of 0.338. The p-value is 0.0000, leading to the acceptance of the hypothesis H_{01}, indicating that education level significantly influences entrepreneurial competencies among startups in Lagos.

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Similarly, the regression coefficient for family business background is 0.371, with a beta value of 0.487. The pvalue is 0.0000, resulting in the acceptance of the hypothesis H_{02}, suggesting that having a family business background significantly impacts the development of entrepreneurial competencies. Furthermore, the regression coefficient for training prior to startup business is 0.202, with a beta value of 0.311. The p-value is 0.0000, leading to the acceptance of the hypothesis H_{03}, indicating that training prior to starting the business plays a significant role in enhancing entrepreneurial competencies. Lastly, the regression coefficient for professional experience is 0.105, with a beta value of 0.121. The p-value is 0.0430, resulting in the acceptance of the hypothesis H_{04}, suggesting that professional experience also has a significant and positive effect on the development of entrepreneurial competencies. Overall, the results of the multiple linear regression analysis indicate that education level, family business background, training prior to startup business, and professional experience are all significant predictors of entrepreneurial competencies among startups in Lagos. These variables collectively account for approximately 50.2% of the variation in entrepreneurial competencies. The multiple linear regression equation can be represented as follows:

Entrepreneurial Competencies = 6.525 + (0.251 ***** Education level) + (0.371 ***** Family business background) + (0.202 ***** Training prior to startup business) + (0.105 ***** Professional experience) This equation allows us to predict the value of entrepreneurial competencies for a given startup based on the values of the predictor variables: education level, family business background, training prior to startup business, and professional experience. The constant term (6.525) represents the intercept, and the coefficients of the predictor variables (0.251, 0.371, 0.202, and 0.105) indicate the strength and direction of their influence on entrepreneurial competencies. By plugging in the values of the predictor variables for a specific startup, we can estimate the expected value of its entrepreneurial competencies.

Discussion

The main objective of this study was to investigate the drivers of entrepreneurial competencies among startups in Lagos. The finding that education level has a positive and significant effect on entrepreneurial competencies among startups in Lagos implies that higher levels of education are associated with higher levels of entrepreneurial competencies. Entrepreneurs with a better educational background are likely to possess valuable knowledge, critical thinking skills, and problem-solving abilities that contribute to their ability to identify and exploit business opportunities, make informed decisions, and navigate the challenges of entrepreneurship successfully.

The finding that family business background has a positive and significant effect on entrepreneurial competencies among startups in Lagos implies that individuals who have been exposed to family businesses from an early age are more likely to possess valuable insights and practical knowledge about entrepreneurship. This early exposure can nurture entrepreneurial traits such as risk-taking propensity, business acumen, and resourcefulness, leading to the development of strong entrepreneurial competencies.

The finding that training prior to startup business has a positive and significant effect on entrepreneurial competencies among startups in Lagos implies that formal and informal training programs designed to equip individuals with entrepreneurial skills are valuable investments. These programs offer focused knowledge and practical skills related to

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entrepreneurship, enhancing problem-solving abilities, decision-making confidence, and overall entrepreneurial competencies.

The finding that professional experience has a positive and significant effect on entrepreneurial competencies among startups in Lagos implies that prior work experience in a relevant field or industry can greatly contribute to an individual's ability to develop and demonstrate key entrepreneurial skills. Through professional experience, entrepreneurs may acquire domainspecific expertise, technical skills, and a deeper understanding of market trends and customer preferences. This can give them a competitive advantage, enabling them to create innovative solutions and make informed decisions, ultimately enhancing their overall entrepreneurial competencies and increasing their likelihood of success in the startup ecosystem of Lagos.

The findings on each of education level, family business background, training prior to startup business, and professional experience align with the existing literature on the factors influencing the development of entrepreneurial competencies among startups and small businesses. Previous studies, such as Elidrissi, Hauch & Loufrani-Fedida (2017) and Umar, Cob, Umar, and Hamzah (2019), have identified demographic variables like education level, training, and professional experience as significant drivers of entrepreneurial competencies in SMEs. Additionally, Hieu and Loan (2022) found that entrepreneurial competencies, entrepreneurial education, and family support positively affect entrepreneurial intentions among Vietnamese university graduates.

The findings of this study are consistent with other research on the relationship between educational programs and entrepreneurial competencies. Solesvik (2019) demonstrated that university enterprise programs positively impact the development of entrepreneurship-related skills among students. Similarly, Nazari and Abd Rani (2022) revealed a positive association between entrepreneurship education dimensions and entrepreneurial competencies among university students in Malaysia. Mavrina and Mingaleva (2017) emphasized the importance of entrepreneurial learning in fostering positive attitudes and skills among students, influencing their intentions to start new businesses. Delim et al. (2022) highlighted the significance of pre-university entrepreneurship education in shaping entrepreneurial intention through the mediation of entrepreneurial competencies. Finally, Al Mamun et al. (2019) found that micro-enterprise development training programs significantly influenced specific entrepreneurial competencies among microentrepreneurs from low-income households in Peninsular Malaysia.

Conclusion and Recommendation

The findings of this study highlight the critical role of education, family business background, training prior to startup business, and professional experience in shaping and enhancing entrepreneurial competencies among startups in Lagos. The positive and significant effects observed in each of these determinants underscore their importance in influencing the success and performance of entrepreneurs in the vibrant startup ecosystem of Lagos. The study contributes to the growing body of research on entrepreneurial competencies by providing empirical evidence specific to the context of startups in Lagos.

Based on the study's findings, several recommendations are proposed to support and promote the development of entrepreneurial competencies among startups in Lagos.

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Policymakers and educational institutions should collaborate to design and implement effective entrepreneurship education programs that equip aspiring entrepreneurs with the necessary knowledge, skills, and mindset to succeed. These programs should focus on practical learning experiences and opportunities for real-world application. Furthermore, recognizing the positive impact of family business background, support initiatives should be developed to encourage intergenerational knowledge transfer and mentorship within family businesses. This could involve creating platforms for networking and knowledge sharing among family business owners and successors. In addition, providing training opportunities prior to starting a business is crucial for fostering entrepreneurial competencies. Entrepreneurial training programs should be accessible and tailored to the needs of potential startup entrepreneurs, emphasizing skill development and problem- solving abilities. Lastly, encouraging entrepreneurs to gain professional experience before venturing into startups can significantly contribute to their competencies. Policies that promote entrepreneurship as a viable career path after gaining industry-specific expertise should be encouraged.

Limitation and Suggestion for Future Studies

The present study focused on examining the influence of education level, family business background, training prior to startup business, and professional experience on entrepreneurial competencies among startups in Lagos. However, the study did not delve into other potential factors that could also impact entrepreneurial competencies, such as access to financial resources, networking opportunities, and regulatory support. Additionally, the study was conducted in a specific geographical location, which may limit the generalizability of the findings to other regions.

Future research could explore the role of financial resources, networking, and government policies in shaping entrepreneurial competencies among startups. Comparative studies across different regions and industries could provide valuable insights into the contextual factors that influence entrepreneurial competencies. Longitudinal studies could also track the development of competencies over time, offering a deeper understanding of how these competencies evolve and impact startup success. Furthermore, qualitative research approaches, such as in-depth interviews and case studies, could provide a more nuanced understanding of the experiences and challenges faced by startup entrepreneurs in developing their competencies.

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