

**ENTREPRENEURIAL MINDSET AND GROWTH OF MICRO SMALL AND
MEDIUM ENTERPRISES (MSME'S) IN NIGERIA: A CASE STUDY OF ABUJA
MUNICIPAL AREA COUNCIL (AMAC) FEDERAL CAPITAL TERRITORY (FCT)
ABUJA**

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Abstract

The launch of entrepreneurship mind-set in recent times as an expedient instrument for growth of MSME's in Nigeria. From the study, entrepreneurship mind-set is not rooted on some paradigm shift as there are major concentrations on the evaluation of sales volume, employees' size and profitability as they relate to MSME growth in Nigeria. The study conducted used a survey method while adopting stratified sampling technique. The sample size of 218 is obtained from the 480 MSME owners' resident in AMAC-FCT using the Taro Yamani formula. The study rightly adopts correlation test to examine the linear relationship while regression analysis is used reporting coefficients with P-value at 0.05 significance. The findings divulged that entrepreneurial mind-set influences sales volume, employees' size and profitability as an improvement on entrepreneurial mind-set will bring an outstanding improvement on the MSME's characteristics. The study appreciably recommends more investment be made on building entrepreneurial mind-set, more collaborations between the stakeholders and MSME entrepreneurs so as to increase data on improving entrepreneurial mind-set finally set up of regulatory guidelines on entrepreneurial mind-set applicable to those in professional institutions.

Keywords: *Entrepreneurship, Mind-set, MSMEs, Growth, Profitability, Nigeria.*

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1. Introduction

The relevance of entrepreneurial mind-set in modern business can be attributed to live support of any business or economy in dire need of innovative salvation from its deplorable state of economic and business turmoil. Entrepreneurial mind-set is the propeller of positive futuristic

projection that ensures growth, expansion, profitability, increased sales volume, tremendous employee capacity etc. of MSME's (Swan, 1956). The entrepreneurial mind-set is an alert mind provoking significant proactive initiative to suite and counter all circumstances in favour of the entrepreneur and its affirmative translation into the environment (Thaddeus, 2012).

Without a doubt, entrepreneurial businesses are seen as engines for growth and employment, and as a result, they are the focus of public policy initiatives in both established and developing countries. According to reports, public-private partnerships that promote the creation of capital venture and entrepreneurship centers are a frequent practice among countries. Khan & Luintel (2006) argued that firms such as these should receive adequate public support. First, access to finance has become increasingly difficult for micro, small and medium-sized businesses experience adverse selection because they lack a track record that would enable them to overcome information asymmetries. (a situation where customers have adequate knowledge of products quality and choose from an array of products that suits them) and moral hazard problems (that is the tendency of intentionally causing harm to business because the risk is borne by the insurance company). Second, due to their inability to adequately guard against unwelcome information spillovers and the consequent low appropriability of investments in their internal R&D capacity, these firms may invest less in R&D. Third, because to the unknowns surrounding their technology and (potential) products, these companies would not be desirable for private sector investment.

Entrepreneurial mind-set entails the personality of the individual involved including the field in which he/she has chosen to work. More significantly, the term "entrepreneurial mind-set" refers to a group of attitudes, abilities, and behaviors that people require in order to be successful in their chosen fields of personal or professional endeavor. They consist of self-initiative, taking risks, being adaptable and flexible, being creative and innovative, and having critical thinking and problem-solving skills (Simpeh, 2011). Others include having the capacity to spot opportunities, gather resources, and add value etc. As a result, sustained entrepreneurship mind set not only enhances growth of the MSMEs but also influences innovations through R&D, increases sales, profit and may even influence employee size positively. For instance, evidences from literature have shown that relationship between firm innovation, growth and the entrepreneurial growth (mind set of the entrepreneur in relation to profits, sale and employee size) exists (Kao et al., 2002). According to a separate study, the latter do have an impact on innovation, especially in the context of company size and other

business growth factors like profitability and sales. This is particularly true for small businesses, where the entrepreneur is frequently more directly involved in decision-making and, as a result, is anticipated to have a greater impact on the organization, management, and growth performance of the company.

The relationship between innovation propensity, entrepreneurial personality and growth of small businesses has been tested empirically by (De Mel et al., 2009b). Despite testing for various personality qualities and motivations, they all discover a sizable impact on firm innovation and expansion. Martínez-Román & Romero (2017) also explored how divergent motivations to start a business affect the probability of introducing innovations and growth in small businesses (firms). The study found differentials in intrinsic, extrinsic and necessity driven entrepreneur's mind-sets. For instance, intrinsic motivation, is thought to be driven by the desire for success and professional advancement, whereas extrinsic motivation is thought to be motivated by monetary gain and material success. Finally, necessity motivation is thought to be related to those who are driven to start their own business due to unemployment or dissatisfaction with their current jobs.

Stel et al. (2005), agreed that both intrinsic and extrinsic motivated entrepreneur mind-sets have a higher probability of introducing innovations while necessity motivated entrepreneurs are less innovative; although, as others equally motivates innovation drive and small business growth. More so, an entrepreneurial mind set triggers and attracts sales due to degree of creativity attached to a products or services provided, optimum productivity and profitability geared towards proper financial and managerial literacy, expansion (in terms of machineries, employees size, growth/ diversification of product/ service, location etc) (Swan, 1956).

The belief that having an entrepreneurial mind-set contributes to economic growth has its most direct roots in a straightforward intuition and unclouded economic sense observation: the core activities of entrepreneurship are those that turn ideas into business prospects. A creative and innovative mind-set fosters innovation and variation, which boosts economic competitiveness, productivity, and profitability (Kozul-Wright & Rayment, 2004). Therefore, starting a small business is certainly not the only definition of entrepreneurship. However, small businesses continue to be an excellent vehicle for most people to channel their entrepreneurial aspirations and mind-sets. According to Lumpkin & Dess (1996), small businesses become an extension of the person in charge. Entrepreneurship, however, is not merely limited to those who create

or run a (new) small business. Entrepreneurial persons working for major corporations, known as "intrapreneurs" or "corporate entrepreneurs," also take entrepreneurial initiatives.

Several policy intercessions that were aimed at stimulating entrepreneurship development via micro, small and medium scale enterprises (MSMEs) upgrade, based on technology transfer strategy, have failed to achieve the preferred goals as it led to the most indigenous entrepreneurs becoming dispersal agents of imported products as opposed to building in-country entrepreneurial capacity for manufacturing, automated agriculture and expert services (Thaddeus, 2012).

The above was generally as a result of most people involving in 'entrepreneurship' activities are merely "survivals" Furthermore that people were merely forced in undertaking entrepreneurial activities by economic necessity as opposed to entrepreneurial mind-set/ spirit and need for achievement (Olomi, 2009). More importantly is that the rapport between entrepreneurial mind-set and MSMEs growth which invariably leads to economic advancement has been a subject of great interest and debate among policy makers and academia for many years in recent time. The debate has conventionally revolved around two issues (Asemokha et al., 2019).

The first relates to whether concentration in entrepreneurial mind-set development has in any way increasingly lead to the growth of MSMEs sales volume amongst emerging economies like Nigeria, the second focuses on whether a relationship exists between entrepreneurial mind-set and MSME growth in relation to employee capacity and the third relates to whether entrepreneurial mind-set can be understood to be a precondition for growth of MSMEs profitability in Nigeria.

Lamentably, at both the theoretical and empirical levels, a sizable body of literature has developed in an effort to provide an answer to the aforementioned conundrum. However, neither party has come to a firm agreement (Pagano, 1993). The study's broad goal is to analyse MSMEs' development and entrepreneurial mind-set in Nigeria. The following elements of this study are also included: a literature review; the methodology; the findings; and, finally, the conclusions.

2. Literature Review

2.1 Entrepreneurial Mindset

Entrepreneurship is not just a thought but a concept of wealth and employment creation while entrepreneurial mindset is the backbone or spine of MSME growth. This view can be broadly seen in the predisposition resilience of business ventures, the unusual thirst of financial risk and consistent pursuit of viable and productive investments. However, entrepreneurial mindset is concealed by not easily visible but conceivable basic fundamentals of business. This really refers to how entrepreneurial roles and managerial roles are intertwined (Ngele, 2020). The entrepreneurial roles shed light on the importance of strategic and innovative decision in the day to day running of the business while the managerial roles involve maintaining a contemporary operational routine that ensures efficiency and effectiveness of MSME growth. Generally speaking, successful entrepreneurs are said to enjoy what they do, dedicated and highly focused.

They have a great focus on the details and are goal-oriented (De Noble et al., 1999). The ability and willingness of people to distinguish and create new economic and business prospects (new products, new production methods, new organizational patterns, and new product-market combinations) as well as to present their concepts in the market, in spite of ambiguity and other obstacles, by making pronouncements on location, form, and the use of resemblances is what is meant by having an entrepreneurial mindset. As a result, "the engine of national advantage" is an entrepreneurial attitude (Porter, 1990). For implementing innovations, it is of utmost importance.

Entrepreneurial mindset is fully present through the expression of one's thoughts and ideas. An environment that limits free thinking and expression can greatly discourage and distort entrepreneurial mindset and activities. Hence an essential attribute of entrepreneurial mindset "innovation or creation" is born when an individual is given the liberty of expression and free thinking. Entrepreneurship/ self-employment can be triggered when one's ideas are misunderstood or not supported by some organizations and institutions. Nations willing to inculcate entrepreneurial mindset into their culture and values encourage existing and potential MSME's because the entrepreneurial spirit is piloted by opportunists who are innovation-driven and have the capacity to create social and economic value (Carree & Thurik, 2010).

2.2 Entrepreneurial Mindset and MSME's Growth

It is widely held that entrepreneurship is essential for the growth and success of the economy. In the past three decades, countries that significantly reduced poverty have seen a remarkable resurgence of entrepreneurship (Naudé, 2013). There was a resurgence of interest in supply side economics and the factors driving growth during the stag-inflation and high unemployment of the 1980s. Expectedly, the 1980s and 1990s witnessed groundbreaking re-evaluation of the role of MSME's and philosophy of entrepreneurship (Hanushek & Woessmann, 2020; Mason & Brown, 2014) In fact, understanding the role of entrepreneurship as it relates to the growth of MSME's requires the decomposition of the concept of entrepreneurial mind-set (Wennekers & Thurik, 1999). From the fore goings, it became imperative to try to establish a link between them i.e. entrepreneurial mindset and growth of MSEM's.

The idea that entrepreneurial mindset (entrepreneurship) impels MSMEs which in turn enhances economic growth is said to be closely and positively linked together has as it has recognizably existed since the early works of Schumpeter otherwise known as the Schumpeterian theory. Economic growth increases as the number of entrepreneurs increases. This outcome is a result of their abilities, or more specifically, their inclination to create, which serve as a tangible manifestation of their entrepreneurial mindset. Schumpeter (1963), has already described this innovative activity, as the outburst of new combinations”, thus he assumed by distinguishing five cases:

- (i) “The inception of a new good – that is one with which consumers are not yet familiar with – or a first-hand quality of a good.
- (ii) The introduction of a new technique of production, that is one not yet tested by knowledge in the branch of manufacture concerned, which does not essentially need to be established upon a new discovery scientifically new, and can also exist as a new way of treating a commodity commercially.
- (iii) The opening of a new market, that is, a market into which the particular branch of industry of the country in question has not initially entered, whether or not this market has been in existence before.

- (iv) The quest of a new source of supply of raw materials or half-manufactured goods, again regardless of whether this source already exists or whether it has first to be created.
- (v) The carrying out of the new institution of any industry, like the creation of a monopoly position or the disengagement of a monopoly position” (Schumpeter, 1963). The Schumpeterian entrepreneur looks to develop new business prospects through their entrepreneurial attitude (innovative activities). These opportunities may arise as a result of productivity gains, in which case their connection to the expansion of MSMEs is extremely obvious.

In terms of how having an entrepreneurial mindset has been a stimulant in MSEM’s growth, there exist enormous discussions and debates but it is however eminent to realize the importance of constant innovations and rivalry enhancement (Tödtling & Wanzenböck, 2003). The precise contributions to the growth of MSMEs have been made more difficult by the difficulty in defining and measuring entrepreneurial mindset. In addition, Carree & Thurik (2010) explained that the concept of entrepreneurship is multidimensional and largely ill-defined. Understanding the impression of entrepreneurial mindset in the process of MSEM growth will therefore require a framework because of the nature of intermediate variables and connections which exist (Bygrave & Minniti, 2000). The rivalry primarily characterized by company entry and exit, variety of supply, and special energy and effort invested by entrepreneurs are the best examples of these intermediate variables. Other conditions of entrepreneurial mindset also add up when it comes to their contributions to MSME growth (Robbins *et al.*, 2000).

In addition, Ahiauzu (2010) assert that there is a constructive relationship between entrepreneurial mind-set and MSME growth while explained that entrepreneurship is increasingly being recognized as a primary engine of economic growth. By combining existing resources with innovative ideas, entrepreneurs add value through the commercialization of new goods, the formation of new jobs, and the building of new firms (Henderson, 2002). According to the Global Economic Monitor, countries with greater rates of entrepreneurship experience rapid MSME growth. In essence, having an entrepreneurial mindset is the link between new ideas and MSME growth.

2.3 Concept of Entrepreneurial Mind-set in Relation to Sales

Entrepreneurs are applauded for their ability to foresee a need that is yet to be satisfied or inadequately satisfied (Martínez-Román & Romero, 2017). They close the gap of needs that people might not be fully aware that they had. Entrepreneurial sales mind-set is the building block in modern sales skill that organizations need to adopt to precipitate their businesses to the desired level. MSME sale is driven by the ability of the sales team or representative to adopt an entrepreneurial mind-set as customers expect them to solve issues that they (the customers) are faced with. When MSME's are fortified with the right mind-set, they are able to look beyond what is in front of them and give a more dignified projection of a much promising picture thus they can position themselves beyond the transactional mode of selling. Having an entrepreneurial mind-set (i.e. having a vision and been insightful) can sky rocket sales, aloft the MSME profile and enable the company to be an esteemed strategic partner to their customers. Employees are to be motivated to treat the business like they are the CEO of the business rather than been confined to think and operate like a typical employee. When an MSME owner is asked to choose between the products offered or how the product is sold. It is without doubt that the product will be chosen with utmost confidence because the company cannot give what it does not have and as well a business cannot function if it has nothing to sell.

2.4 Concept of Entrepreneurial Mind-set in Relation to Employee Size

In the case of the employment contribution of MSMEs, it was discovered that for earlier stages of development or smaller firms, both product-market regulation and labor regulation were significant; however, as income levels rise or firms grow, it is primarily product-market regulation that may play a deciding role. Companies that are new or have the potential to grow may be able to secure and expand market transactions, which, in turn, may allow them to hire more employees, thanks to the simplification of the regulation of entry and exit along with the regulation of credit, registering property, enforcing contracts, and trade (Wennekers & Thurik, 1999). More specialized and practical discoveries can be made as a result of the interaction between governance level and regulation. It is more likely that streamlined regulations for labor (sharing in employment), taxes (employment growth), and a higher capacity for collaboration (employment growth) will support the growth of the small company sector when levels of governance are generally good.

On the other hand, and for the reasons indicated above, a complicated regulatory framework combined with low levels of supervision may lead to unnaturally large small business sectors that are constrained in their capacity to grow or renew. The more developed countries may then find it convenient to streamline the regulatory processes for these regulatory areas, while the less developed countries may support the development of the small business sector by bolstering governance (for example, democratizing regulation by making it available to and applicable to all actors in the same way, enhancing enforcement, improving flows of information within and among institutions, etc.). Macroeconomic stability (employment growth), product-market regulation (share in employment, employment growth, and number of permanent full-time employees), and tax (permanent full-time employees) are some of the elements that affect governance.

In these cases, an improvement towards more business friendly regulation will have a positive impact regardless of the constrained governance levels (Thaddeus, 2012).

2.5 Empirical Review

Entrepreneurship is no doubt an important mechanism that permeates the knowledge filter; facilitating knowledge gain and ultimately creating economic growth (Audretsch, 2007). As an outcome, below highlights studies that tested entrepreneurship or entrepreneurial mind-set and growth of MSMEs:

Van Praag & Versloot (2007) provides an empirical overview on the connection between entrepreneurial and growth variables, but they did not scrutinize the long-term relationship, either from a static or from a dynamic perspective, between entrepreneurship and production. They adopted OLS (econometric regression analysis) ADF and error correlation model in their study to achieve the stipulated results.

Carree & Thurik (2010) in their study of entrepreneurship used descriptive statistics (frequencies & percentages) T-test analysis, Cronbach's alpha reliability analysis. They understood how to differentiate between the short and long term effects of starting new businesses on growth, but they only discovered a sizable positive short-term effect of entrepreneurship. It is impressive to find the study was consistent with the Schumpeterian position in his pioneering work on entrepreneurship almost ten decades ago.

The relationship between innovation propensity and entrepreneurial personality and motivation has been tested empirically by (De Mel et al., 2009b; Martínez-Román & Romero, 2017). In their test they used ARDL co-integration, ADF test, Philip-Perron unit root test for their analysis. Given the fact that they test for different personality traits and motivations, they all found a significant influence on firm innovation. (Martínez-Román & Romero, 2017) for example explore how different motivations to start a business affect the probability of introducing innovations in Andalusian small firms and found that both intrinsic and extrinsic motivated entrepreneurs have a higher probability of introducing innovations.

The relationship between personality traits, innovation generation, and adoption was examined by Pérez-Luo et al (2011). Their research used survey data as its primary source, which was then tested using percentage analysis and examined using both descriptive and inferential statistical methods. Co-integration and an error correction model were applied while the secondary data was gathered and analyzed using the ordinary least square method. They discovered that higher innovation is linked to an entrepreneur's proactivity and risk-taking, however this is true more for innovation generation than for innovation adoption using a sample of innovative Spanish businesses.

Finally, De Mel et al. (2009a) data gathered for the study were analysed using percentages, autocorrelation (Dubin Watson technique) and Chi-square test statistics. They deduced that impatient entrepreneurs are more likely to innovate from a sample of micro, small, and medium urban enterprises in Sri Lanka, while no significant effect was identified for risk-taking behavior. Other attributes of the entrepreneur, in addition to personality factors, have been discovered to have a substantial impact on corporate innovation.

A study on experienced entrepreneurs utilised SPSS, frequencies, means, standard deviations and percentages and (ANOVAs) in its method of data analysis as the query was investigated by (Robson et al., 2009; Ucbasaran et al., 2009). It was discovered that the more seasoned business owners were understudied and measured by the proportion of failed businesses over the total number of businesses owned. As a result, these seasoned business owners with an entrepreneurial mindset may have developed the tacit knowledge and expertise needed for better opportunity identification.

3. Methodology

The study’s research design is descriptive survey which enables a causal design to be derived and as such ensures a relationship between the independent variable Entrepreneurial Mindset and the dependent variable MSME growth (sales volume, employee size and profitability).

The survey is conducted using a systematic, closed-ended questionnaire to gather cross-sectional data from the area council's functioning MSMEs, and the ordinal scale was customized for the questionnaire (five-point Likert scale). The research population includes MSMEs in Abuja Municipal Area Council (AMAC), Federal Capital Territory (FCT).

The SMEDAN & National Bureau of Statistics (2013) survey on National MSMEs which covered business enterprises in Nigeria that employ below 200 individuals (Micro, Small and Medium Enterprises); the study conducted by SMEDAN in all the 36 States of the Federation and the Federal Capital Territory Abuja where, the data was canvassed through the National Integrated Survey of Household and/or Enterprises (NISH/E) Schedule. It was learned that out of 4,000 Micro, Small and Medium Enterprises that were selected for study across the country, a total of 480 registered MSMEs operate in AMAC. The Taro Yamane sample size determination formula was used to derive the sample size of 218 MSME’s in FCT. Descriptive statistics and linear regression were employed as the method of data analyses to determine the relationships between entrepreneurial mind-set and MSME’s growth in Nigeria. The Cronbach alpha coefficient is used to measure the reliability of items (scales) of the questionnaire while the pilot test is conducted on 10% of the actual size for the validity.

3.1 Model specification

The model comprises a simple regression model which had organisation performance as dependent variable with proxies (Sales Volume, Number of Employees and Profitability) as a function of the independent variable: Entrepreneurial mind-set (EM).

The model is stated as thus:

$$SV = \alpha + \beta_1 (EM) + \mu \dots\dots\dots \text{equation 1}$$

$$NE = \alpha + \beta_1 (EM) + \mu \dots\dots\dots \text{equation 2}$$

$$P = \alpha + \beta_1 (EM) + \mu \dots\dots\dots \text{equation 3}$$

Where:

- SV = Sales Volume
- NE = Number of Employees
- P = Profitability
- EM = Entrepreneurial mind-set
- α = Intercept
- β = Independent variable coefficient
- μ = Error terms

4. Findings

Test of Hypotheses

H₀₁: Entrepreneurial mind-set has not led to the growth of MSME's in terms of its sales volume in Nigeria.

Table 4.1 Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.631 ^a	.398	1.55895

a. Predictors: (Constant), Entrepreneurial mind-set

Source: SPSS output, v25.0

Table 4.2 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.472	1	4.472	1.840	.180 ^b
	Residual	162.832	67	2.430		
	Total	167.304	68			

Source: SPSS output, v25.0

- a. Dependent Variable: sales volume
- b. Predictors: (Constant), Entrepreneurial mind-set

Table 4.3 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.603	.520		5.005	.000
	Entrepreneurial mind-set	.177	.131	.163	1.356	.180

a. Dependent Variable: sales volume

Source: SPSS output, v25.0

Dependent Variable: Sales Volume

$$\text{Model 1: } SV = b_0 + b_1EM + u \quad \dots (1)$$

$$\text{Sales Volume} = 2.603 + 0.177\text{Entrepreneurial Mind-set}$$

The effect of the independent variable on the dependent variable is demonstrated by hypothesis one using a simple regression finding. A close examination of this finding reveals a positive (0.631) association between Sales Volume and Entrepreneurial Mind-set (EM) (SV). According to the t-statistics, the measurement parameter is not significant. The explanatory power of the independent variable on Sales Volume (SV) is revealed by the R-Square of 0.398, and the result demonstrates that Entrepreneurial Mind-set accounts for 39.8% of the variation on Sales Volume (SV) (EM). The general model parameter is not significant at 0.180, which is more than the 0.05 level of significance, according to the F-statistic. As a result, the parameters assessed collectively do not statistically explain the Sales Volume (SV). Therefore, the null hypothesis is accepted, demonstrating that an entrepreneurial mind-set has not contributed to the expansion of MSMEs in Nigeria in terms of their sales volume.

H₀₂: There is no relationship between entrepreneurial mind-set and MSME growth in terms of its employee size.

Table 4.4 Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.530 ^a	.149	1.19775

a. Predictors: (Constant), Entrepreneurial mind-set

Source: SPSS output, v25.0

Table 4.5 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.084	1	.084	.059	.009 ^b
	Residual	96.119	67	1.435		
	Total	96.203	68			

a. Dependent Variable: number of employees

b. Predictors: (Constant), Entrepreneurial mind-set

Source: SPSS output, v25.0

Table 4.6 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.533	.400		6.339	.000
	Entrepreneurial mindset	.024	.100	.030	.243	.009

a. Dependent Variable: number of employees

Source: SPSS output, v25.0

Dependent Variable: Number of Employees

$$\text{Model 1: } NE = b_0 + b_1EM + u \quad \dots (2)$$

$$\text{Number of Employees} = 2.533 + 0.024\text{Entrepreneurial Mind-set}$$

The simple linear regression result of the independent variable's impact on the dependent variable is shown by hypothesis number two. A close examination of this finding reveals a positive (0.530) association between the number of employees and entrepreneurial mind-set (EM) (NE). The parameter estimations are substantial, as the t-statistics showed. The explanatory power of the independent variable on the number of employees (NE) is indicated by the R-Square of 0.149; the result demonstrates that the expressed entrepreneurial mind-set accounts for 14.9% of the variation in the number of employees (NE) (EM). The general model parameter is significant at 0.009, which is less than the 0.05 level of significance, according to

the F-statistic. This indicates that the parameters are statistically significant in explaining the number of employees when considered as a whole (NE). Therefore, the alternative hypothesis, which indicates that there is a linear association between having an entrepreneurial mind-set and MSME growth in terms of workforce size, is accepted and the null hypothesis is rejected.

H₀₃: Entrepreneurial mind-set is not a prerequisite for profitability of MSME in Nigeria.

Table 4.7 Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.600 ^a	.360	1.15969

a. Predictors: (Constant), Entrepreneurial mind-set

Source: SPSS output, v25.0

Table 4.8 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.328	1	.328	.244	.023 ^b
	Residual	90.107	67	1.345		
	Total	90.435	68			

a. Dependent Variable: profitability

b. Predictors: (Constant), Entrepreneurial mindset

Source: SPSS output, v25.0

Table 4.9 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.787	.387		7.203	.000
	Entrepreneurial mindset	-.048	.097	-.060	-.494	.023

a. Dependent Variable: profitability

Source: SPSS output, v25.0

Dependent Variable: Profitability

$$\text{Model 1: } P = b_0 + b_1EM + u \quad \dots (3)$$

$$\text{Profitability} = 2.787 - 0.048\text{Entrepreneurial Mind-set}$$

The third hypothesis provides a simple linear regression result showing how the independent variable affects the dependent variable. A close examination of this finding reveals a positive

(0.600) association between Entrepreneurial Mind-set (EM) and Profitability (P). The parameter estimations are substantial, as the t-statistics showed. The explanatory power of the independent variable on Profitability (P) is indicated by the R-Square of 0.360, and the result suggests that the claimed entrepreneurial mind-set accounts for 36.0% of the variation in Profitability (P) (EM). The general model parameter is significant at 0.023, which is below the 0.05 level of significance, according to the F-statistic. In order to explain the Profitability, the parameters estimated together are statistically significant (P). As a result, the alternative hypothesis is accepted and the null hypothesis is rejected, demonstrating that an entrepreneurial mind-set is not necessary for MSME profitability in Nigeria.

Discussion of Research Findings

From the study findings, majority of the respondent (52.3%) were female while (47.7%) were male, this indicates a gender gap in MSMEs in AMAC-FCT Abuja, Nigeria. The age composition was well distributed with majority (50.5%) being within 31 - 40 years of age. Findings further revealed the following:

- (i) That Entrepreneurial Mind-set (EM) being the independent variable Influences MSMEs characteristics such as Sales Volume (SV), Number of Employees (NE), Profitability (P) positively. This invariably implies that an improvement on the Entrepreneurial Mind-set (EM) will bring a corresponding improvement on MSMEs growth.
- (ii) This finding strongly supports the study of Martínez-Román & Romero (2017) which shows that there is a strong relationship between innovation propensity and entrepreneurial personality and motivation has been tested empirically which strongly supports the findings of this study as per the relationship between the Entrepreneurial Mind-set and the other performance variables.
- (iii) This study also corroborates the work of Pérez-Luño et al. (2011) who explore and discovered a positive relationship between personality traits, innovation generation of the entrepreneur as it links with the performance of the entrepreneur. They discovered that greater entrepreneurship is linked to greater initiative and risk-taking, however this is true more for innovation generation than for innovation uptake.

5. Conclusion

The study enumerates that Entrepreneurial Mind-set depends on the individual's personality as well as the desired career of pursuit. Furthermore, the study reveals that Entrepreneurial

Mind-set includes been (a risk taker, adaptive, flexible, opportunist, innovative, proactive, critical thinker, problem solver etc.) as all the aforementioned growth attributes enhances the growth (i.e. sales volume, employee size and profitability). Furthermore, the study discloses Entrepreneurial Mind-set (EM) has an impact on MSMEs growth this indicates that Micro, Small and Medium Enterprise (MSME), entrepreneur need to have a sound Entrepreneurial Mind-set in-order to make investment decisions. Because they significantly influence the choices made by MSMEs entrepreneurs in Nigeria, the criteria or elements that influence entrepreneurial mind-set can be classed as rational or analytical factors, which suggests that EM has a strong positive link with MSMEs growth. According to the study's findings, it is crucial to adopt and use the Entrepreneurial Mindset (EM) while measuring the growth of MSMEs because people in all organizations make entrepreneurial decisions. Consequently, the study suggested the following:

(i) Entrepreneurial mind-set is undoubtedly a propeller of creative instincts and ideas and as such organizations and individuals are endorsed to invest in building mental capacity in terms of Entrepreneurial Mind-set (EM) where it is required. As a result, it would encourage the making of well-informed decisions and lessen the incidence of unfavorable events on MSMEs growth such as decrease in Sales Volume (SV), declined Profitability (P) and high rate of employee turnover due to redundancy resulting from the detrimental effect of inactive usage of entrepreneurial mind-set as well as its lack of / inappropriate application.

(ii) The researcher advocates via this study that expeditious partnership be made between MSMEs owners (entrepreneurs) stakeholders (government and relevant institutions) in increasing the amount of information available for usage in cultivating Entrepreneurial Mind-set (EM) as this enables entrepreneurs make unblemished investment decisions with ample information available to entrepreneurs on harnessing opportunities that leads to increase in sales volume, efficiency and effectiveness of employees size capacity and MSME profit ability. More so, simplified financial courses should be made available to knowledge institutions in all sectors.

(iii) The researcher also suggests through this study that additional regulatory guidelines be made regarding entrepreneurial mind-set (EM) in key institutions such as finance and procurement because accountants and procurement officers who need certification to actively engage in their professional activities are key determinants of the rise or fall of any MSME

and because entrepreneurs (MSME owners) seek professional advice from the aforementioned officers in relation to entrepreneurship characteristics (i.e., characteristics of entrepreneurship) (such as sales, employee size, profit etc).

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