

# SOCIAL SKILLS AS A DRIVER OF ENTREPRENEURIAL PERFORMANCE: EVIDENCE FROM SMALL AND MEDIUM SCALE ENTERPRISES (SMES) IN IKORODU LOCAL GOVERNMENT AREA OF LAGOS STATE, NIGERIA

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## ABSTRACT

Social skills refer to the abilities and strategies used to effectively interact, communicate, and build relationships with others. The study adopted a survey research design. The main objective of the work is to evaluate the impact of social skills on entrepreneurial performance of small and medium enterprises (SMEs) in Ikorodu local government area of Lagos State, Nigeria. The population of the study was 1441 SMEs in Ikorodu local government area of Lagos State. 264 questionnaires were collected for analysis from the sample size of 313 determined through Taro Yamane at 95% confidence level. Response rate was 84.3%. The four hypotheses were tested using multiple linear regression at 5% level of significance. Drawing on a quantitative approach, analysis revealed that conflict resolution ability and empathy skills have positive significant relationship ( $Adj.R^2=0.92$  and  $Adj.R^2=0.91$  respectively,  $p<0.05$ ) while communication skills, emotional intelligence have weak relationship ( $Adj.R^2=0.184$  and  $Adj.R^2=0.060$   $p>0.05$ ) with entrepreneurial performance of SMEs. The study therefore concluded that entrepreneurs of SMEs with strong social skills in conflict resolution and empathy tend to perform better in their business. It further highlighted that entrepreneurs need social skills in order to succeed in today's complex and dynamic business environment. The study recommended that entrepreneurs particularly SMEs owners should be encouraged to periodically assess their social skills and identify areas for improvement and policymakers should provide support to initiates and promote social skills development and among owners of SMEs. The study suggested that future research can focus on longitudinal approach where long-term impact could be examined.

**Keywords:** Social skills, Entrepreneurial Performance, Communication Skills, Emotional Intelligence, Conflict Resolution, Empathy.

## 1.0 INTRODUCTION

In Nigeria, small and medium-sized businesses (SMEs) have been recognized as a key solution to the country's economic downturn and high unemployment rate. Since 2015, the establishment and development of SMEs in Nigeria have consistently been a national priority. As a result, several governments' economic policies have been designed to diversify the country's revenue in order to foster the growth of SMEs. Nigeria's economy depends heavily on small and medium-sized enterprises (SMEs), which also help to reduce poverty and create jobs. SMEs play a key role in promoting local economic development and the eradication of poverty in areas like Lagos State's Ikorodu Local Government Area. However, the success of these businesses frequently depends on the social skills of their owners in addition to their financial and technical resources. The researcher therefore considered communication, empathy, conflict resolution skills and emotional intelligence as critical determinants of entrepreneurial performance of SMEs in Ikorodu local government of Lagos State, Nigeria.

The importance of social capital in enhancing the performance of small and medium-sized businesses (SMEs) has been emphasized by recent studies. According to Akintimehin and Ogbachie (2021), social capital, both internal and external, has a favorable impact on the business outcomes of female-owned SMEs in Nigeria's unorganized sector. According to their findings, performance metrics are more strongly impacted by external social capital, which is made up of networks and connections outside of the immediate corporate context. Likewise, Danlyan (2024) investigated the relationship between social entrepreneurship and the sustainability of SMEs in Lagos State and found a strong positive correlation. According to the survey, business owners who incorporate social innovation into their plans typically see an improvement in their financial security. These insights reinforce the idea that social competencies equip entrepreneurs to identify and exploit opportunities that support long-term business success.

It has been demonstrated that the cognitive, structural, and relational aspects of social capital affect how well small and medium-sized businesses (SMEs) function. Customer satisfaction and market size among manufacturing SMEs in Lagos and Oyo States were shown to be strongly predicted by relational and cognitive factors in a study by Ojokuku et al. (2024). According to the study, stronger interpersonal ties, upholding shared values, and developing trust all lead to greater commercial results. The impact of social skills on entrepreneurial performance in the Ikorodu Local Government Area has, however, not been extensively studied. Examining how social competences affect SME success is crucial given the unique socioeconomic features of this area. The results of such studies could direct the creation of initiatives and policies meant to enhance the sustainability and performance of SMEs in Ikorodu.

In regions like Lagos State's Ikorodu Local Government Area, the interaction of social skills specifically, communication abilities, emotional intelligence, conflict resolution, and empathy is essential to improving the entrepreneurial performance of SMEs. For entrepreneurs to successfully negotiate, establish connections, and express ideas, they must have strong communication skills. This promotes the expansion and longevity of their businesses. In order to successfully traverse the complexities of interpersonal relationships, manage stress, and make wise decisions, entrepreneurs need emotional intelligence, which includes self-awareness, self-regulation, social awareness, and relationship management.

By addressing and managing disagreements in a constructive manner, SME owners may preserve a positive work atmosphere and encourage teamwork among their employees. Understanding and sharing another person's emotions, or empathy, improves employee satisfaction and customer interactions, which in turn increases productivity and loyalty. The entire performance and competitiveness of SMEs are greatly influenced by these social competences taken together.

According to Umar et al. (2024), traits of emotional intelligence including empathy and self-awareness have a favorable impact on SME owners' leadership efficacy, which in turn improves overall business performance. In a related study, Akintimehin and Ogbechie (2021) highlighted how social capital which is created via productive social interaction helps female-owned SMEs in Nigeria's informal sector operate better. Furthermore, research by Ojokuku et al. (2024) showed that among manufacturing SMEs in Lagos and Oyo States, the relational and cognitive aspects of social capital play a major role in customer satisfaction and market expansion. When taken as a whole, these studies demonstrate how critical social and emotional skills are to fostering business success.

In the Ikorodu Local Government Area, small and medium-sized businesses (SMEs) are essential to the creation of jobs and the expansion of the local economy, but many of them still have poor and erratic growth, customer retention, and operational efficiency. According to empirical research conducted in Nigeria, interpersonal skills like communication, empathy, conflict resolution, and emotional intelligence have a major impact on entrepreneurial performance (Onoja et al.,

2024; Emele, 2024). Despite this data, localized SME contexts like Ikorodu receive little attention in current research, which mostly adopts a broad national or regional focus. Consequently, there is insufficient empirical understanding of how these interpersonal skills specifically affect the performance of SMEs in Ikorodu Local Government Area, creating a gap that constrains effective policy formulation and targeted capacity-building interventions aimed at improving entrepreneurial outcomes.

### **OBJECTIVES OF THE STUDY**

The broad objective of the work is to evaluate the impact of social skills on entrepreneurial performance of small and medium enterprises (SMEs) in Ikorodu local government area of Lagos State, Nigeria while the specific objective are:

- 1) To ascertain the effect of communication skills on performance of SMEs;
- 2) To evaluate the effect of emotional intelligence on performance of SMEs;
- 3) To determine the effect of conflict resolution on performance of SMEs;
- 4) To investigate the effect of empathy on performance of SMEs.

## **2.0 LITERATURE REVIEW**

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### **2.1 Social Skills**

Social skills refer to abilities needed to perform competently in social situations, including using languages in conversation, expressing emotions, perspective-taking, and deciding on a course of action (Grover et al., 2020). The importance of social skills, which are primarily positioned within the larger concept of social competency, in the success of small and medium-sized businesses (SMEs) is becoming more widely acknowledged. These skills help entrepreneurs manage complex social situations, communicate clearly, and form lasting relationships which are essential for the expansion and long-term viability of their businesses. John (2024) asserts that these social competence components improve non-financial performance metrics like internal business procedures, organizational learning, and customer satisfaction in SMEs. Social skills are especially crucial in Nigeria's informal economy, where a great number of SMEs rely on both internal and external social capital for their business success. Akintimehin and Ogbechie (2021) found that internal relationships within organizations and external networks beyond the business environment significantly influence performance outcomes.

### **2.2 Communication Skills**

Successful entrepreneurship requires effective communication, particularly in SMEs where consistent engagement with stakeholders is crucial. These abilities, which support entrepreneurs in establishing trust, retaining client loyalty, and handling business obstacles, include effective involvement, clear communication, and active listening. While Umoru and Ademiluyi (2022) highlighted the importance of written, oral, and digital communication in marketing, team management, and negotiation, Afolabi et al. (2021) discovered that excellent speaking and listening skills lead to sustainable corporate success. Gaining proficiency in these areas improves competitiveness and corporate performance. According to Afolabi (2018), entrepreneurs are innovators and job creators

who depend on effective oral, written, and interpersonal communication in their day-to-day interactions. Effective communication is essential to successful corporate operations since it makes it easier to share information and coordinate important procedures, as noted by Aaron (2019).

### **2.3 Emotional Intelligence**

The capacity to identify, comprehend, and effectively regulate emotions is known as emotional intelligence. It includes the ability to control one's emotions and react to others in a suitable manner, as well as self-awareness and empathy (Harahap et al., 2023; Ayat, 2021). High emotional intelligence people are able to manage stress, regulate their emotions, and form wholesome relationships that are essential for both professional and personal success (Pesamaa, 2021; Kiishi, 2024). These abilities are essential in social and professional contexts because they improve cooperation, communication, and trust (Andiani et al., 2020). Emotional intelligence is crucial for leaders in order to manage disputes, inspire teams, and create productive workplaces (Cahyono et al., 2023; Purwati, 2020). Emotionally intelligent leaders make better decisions and provide better organizational results, according to research (Aquino et al., 2021; Issah, 2018; Suleman et al., 2020). Such leaders foster trust, encourage teamwork, and propel long-term success by skillfully comprehending and controlling their emotions (Ausat & Suherlan, 2021; Alharbi & Alnoor, 2022; Zen et al., 2023).

### **2.4 Conflict Resolution Ability**

Effective conflict resolution supports the maintenance of good relations between staff, clients, and suppliers in competitive settings like Ikorodu, Lagos State. According to Longe (2015), conflict will inevitably arise in organizations, and how it is handled can either improve or impair performance. Hence, SME owners must cultivate strong conflict resolution abilities to improve teamwork and organizational efficiency. Salami and Ososuakpor (2022) discovered that effectively handled disagreements enhance overall performance and service quality, which lends credence to this idea. According to Adejuwon et al. (2024), employee involvement in manufacturing companies in Southwest Nigeria is positively impacted by traditional conflict resolution procedures. According to their findings, employees are more cooperative, respectful, and dedicated when traditional and modern conflict management techniques are used. By using these strategies, SMEs can improve long-term company success, employee happiness, and productivity.

### **2.5 Empathy**

A key element of social skills and emotional intelligence, empathy has a big impact on the sustainability and performance of SMEs. Adebayo and Adebisi (2021) opined that empathy enables SME owners to build stronger relationships with employees and customers, leading to loyalty and improved organizational performance. Empathetic leadership, therefore, contributes to a positive work culture, which enhances employee satisfaction and retention. Empathy is essential in Nigerian business interactions, both internal and external. Okoro and Chukwu (2022) argued that teamwork and production are increased when SME management and staff communicate empathetically. Similarly, companies that prioritize empathic customer service have higher customer satisfaction and loyalty, which strengthens their competitive edge, according to Eze and Nwankwo (2023). However, a lack

of emotional control and empathy might impede the expansion of a firm. According to Barsade (2018), executives may find it difficult to sustain employee morale in the absence of empathy, while Adebisi (2020) remarked that a lack of self-control in the face of economic uncertainty might result in rash judgments and disputes.

### **3.0 EMPIRICAL STUDIES**

The entrepreneurial success of small and medium-sized businesses (SMEs) is considerably improved by social skills, according to empirical data. Dimitriadis and Koning (2022) conducted a randomized controlled trial (RCT) involving 1,500 micro-entrepreneurs in Togo to test the causal impact of social-skills training on business outcomes. The study measured network links and profit changes using a mixed-method technique that included survey data and field observations. Due to better networking and peer collaboration, the results showed that entrepreneurs who got social skills training had a 20% boost in monthly revenues when compared to those in the control group. Similarly, Neneh (2019) discovered that social competency (networking ability, interpersonal skill, and persuasion) substantially predicted business growth and profitability using hierarchical regression analysis and a cross-sectional survey of 400 SME owners in South Africa. Both studies highlighted the methodological rigor in linking social skills with measurable performance indicators.

Musa and Daniel (2023) employed structured questionnaires and Pearson correlation analysis in a survey-based study of 250 SME managers in Nigeria to evaluate the influence of communication skills on entrepreneurial outcomes. According to their findings, market share, profit margins, and customer retention were all favorably impacted by proficient verbal and nonverbal communication. In a similar vein, Uchebulam et al. (2022) demonstrated that team members' clarity and frequency of communication greatly enhanced operational efficiency and innovative outcomes using a descriptive-correlational methodology including 180 SMEs in Lagos State. Both researches used self-reported Likert-scale tools and found a statistically significant correlation between entrepreneurial performance and communication ability.

The Wong and Law Emotional Intelligence Scale (WLEIS) was used by Onoja (2024) to survey 350 SME owners in North-Central Nigeria. Multiple regression analysis was then used to investigate the impact of EI on business performance. The results demonstrated that staff motivation, the quality of customer relationships, and business profitability were all significantly predicted by the self-awareness and social awareness components of emotional intelligence. Similar findings were made by Alqarni and Alshammari (2024), who applied a structural equation modeling (SEM) technique to data from 412 Saudi Arabian SME employees and discovered that organizational citizenship behavior (OCB) acted as a mediating factor between emotional intelligence and improved organizational performance. These studies show that employees and entrepreneurs with greater EI make better decisions and manage relationships, which improves business outcomes.

Performance results in SMEs have also been empirically linked to conflict resolution. Using the Thomas–Kilmann Conflict Mode Instrument to gauge conflict-handling techniques and

multiple regression to link them to performance indicators, Raghunath and Bhat (2015) surveyed 320 SME owners in Karnataka, India. The findings showed that team satisfaction and production were greater among entrepreneurs who used collaborative and compromise strategies as opposed to those who used dominance or avoidance. In a similar vein, John and Ogbor (2019) discovered that organizational cohesiveness and productivity were strongly predicted by conflict management skills in a cross-sectional study of 210 SMEs in Nigeria. Both researches showed that good dispute resolution techniques promote performance through stronger interpersonal ties within businesses using quantitative correlational methods.

Empathy is a critical element of emotional competence that improves business performance, according to empirical studies. Hale et al. (2022) used structural equation modeling in a quantitative survey of 235 entrepreneurs from technology-based SMEs in the UK. The study stated further that entrepreneurial orientation was positively impacted by perspective-taking and empathetic care, which in turn improved the performance of new ventures. Using SEM on data from 513 Chinese student entrepreneurs, Yi et al. (2020) found that emotional control and empathy had a substantial impact on entrepreneurial self-efficacy and opportunity recognition. According to a study on a subset of SMEs in Ikorodu, Lagos State, entrepreneurial competency—which includes financial literacy, opportunity recognition, and strategic planning—had a significant positive impact on business survival ( $\beta = 0.353$ ,  $\beta = 0.336$ ,  $\beta = 0.218$ ,  $p < 0.05$ ). This suggests that owner/managers' competencies significantly contribute to the sustainability and competitive advantage of SMEs (Nana et al., 2025). Although this study demonstrated the value of general entrepreneurial skills in Ikorodu, it did not explicitly assess the influence of interpersonal skills like communication, empathy, conflict resolution, or emotional intelligence. This suggests a lack of localized data on psychosocial competencies and performance outcomes.

#### 4.0 THEORETICAL FOUNDATION

Social Capital Theory, which provides a thorough and contextually relevant paradigm for comprehending the importance of social ties in company performance, serves as the foundation for this investigation. Pierre Bourdieu created the theory in 1985, and James Coleman developed it further in 1988. The "aggregate of the actual or potential resources linked to possession of a durable network of institutionalized relationships" is how Bourdieu defined social capital (Bourdieu, 1985). Coleman developed this idea further, stressing its value in promoting coordinated efforts and improving human capital, especially in organizational and entrepreneurial settings (Coleman, 1988). The elements of social skills that contribute to the development of networks and trust, like empathy, communication, and dispute resolution, are strongly related to the Social Capital Theory. This study uses the idea to investigate how Ikorodu entrepreneurs use social connections to improve the sustainability and performance of their businesses. The framework offers useful insight into tactics that improve entrepreneurship through the development of social skills and is in line with the sociocultural realities of Nigerian SMEs.

Given the community-based and network-oriented nature of business contacts in the area, applying Social Capital Theory

to SMEs in Ikorodu is particularly pertinent. The idea that social capital is essential to enhancing business results in Nigeria is supported by empirical research. Akintimehin et al. (2019) observed that internal social capital relationships within firms and close networks significantly enhances both financial and non-financial performance among Lagos-based enterprises. Similarly, Ozigi (2020) found that the structural, relational, and cognitive dimensions of social capital positively influence SMEs' financial outcomes in Nigeria. These studies affirm that strong social connections and interpersonal competencies are essential for fostering trust, collaboration, and overall entrepreneurial success.

#### 5.0 METHODOLOGY

The study aimed on the impact of social skills on entrepreneurial performance owners of small and medium scale enterprises (SMEs). Descriptive survey research design was adopted. A structured questionnaire was likewise used to elicit data from SMEs owners in Ikorodu environment. The sample size consisted of 313 SMEs owner determined through the through the use of Taro Yamane at 95% confidence level from a population of 1441 as provided by National Bureau of Statistics. However, 264 copies of the questionnaire directly administered to the respondents were retrieved. The study adopted a random sampling technique. In analyzing data, descriptive and inferential statistics was adopted to analyze the bio-data information as well as the research questions raised and in testing the four hypotheses formulated. Validity and reliability test were carried. The instrument was subjected to content validity while the reliability test ascertains that it measures consistently as proposed. Alpha Cronbach values between of 0.912 and 0.993, which indicates that the instrument of data collection measure consistently what it supposed to measure.

**Table 1: Alpha Cronbach Reliability Test**

Variables	Cronbach's Alpha	N of items	
Communication skills	0.957		5
Emotional intelligence	0.993	5	
Conflict resolution	0.919		5
Empathy	0.923		5
Entrepreneurial performance	0.912		5

Four hypotheses were generated:

Ho1: There is no significant relationship between communication skills and SMEs performance.

Ho2: There is no significant relationship between emotional intelligence and SMEs performance.

Ho3: There is no significant relationship between conflict resolution and SMEs performance.

Ho4: There is no significant relationship between empathy and SMEs performance.

#### Model Specification and Estimation

The regression model for the study is specified and estimated below;

The regression equation is stated below:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e(i)$$

Where:

Y= Entrepreneurial performance (as dependent variable).

a= Constant

$\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  are unknown parameters associated with changing variables which must be estimated.

The explanatory variables are:

X1= Communication skills

X2= Emotional intelligence

X3= Conflict resolution  
X4= Empathy

## 6.0 RESULTS AND DISCUSSION

### 6.1 Descriptive Statistics

Descriptive statistics of the responses of the respondents (SMEs owners) according to the survey items based of the variables (communication skills, emotional intelligence, conflict resolution, and entrepreneurial performance) was used.

**Table 2: Communication Skills**

Items	Mean	Std. Dev	Remarks
1 I clearly explain my business ideas.	4.17	1.08	Agree
2 I communicate confidently with clients and suppliers.	4.09	1.14	Agree
3 I use different communication channels effectively.	4.16	1.12	Agree
4 I persuade customers easily through communication.	4.25	1.04	Agree
5 Good communication improves my business performance.	4.11	1.16	Agree

Table 2 revealed the responses of the respondents as regards items on communication skills section of the questionnaire. The respondents agreed to all the items (1-5).

**Table 3: Emotional intelligence**

Items	Mean	Std. Dev	Remarks
1 I control my emotions during stressful business situations.	3.16	1.47	Agree
2 I understand the emotions of my employees and customers.	2.73	1.46	Disagree
3 I stay calm and composed when facing business challenges.	2.78	1.26	Disagree
4 I use emotional awareness to improve business relationships.	3.24	1.43	Agree
5 I handle customer complaints with emotional sensitivity.	2.87	1.49	Disagree

Table 3 revealed the responses of the respondents' concerning items on emotional intelligence section of the questionnaire. The respondents agreed to all items except items number 2 and 3.

**Table 4: Conflict resolution**

Items	Mean	Std. Dev	Remarks
1 I find solutions that satisfy all parties during disputes.	3.66	1.41	Agree
2 I involve employees in finding solutions to workplace conflicts.	3.13	1.62	Agree
3 Resolving conflicts quickly has boosted my business performance.	3.61	1.43	Agree
4 I see conflicts as opportunities to strengthen my business.	3.47	1.48	Agree
5 My ability to resolve conflicts has helped retain customers and staff.	3.54	1.44	Agree

Table 4 revealed the responses to the questionnaire as regards items on conflict resolution. The respondents agreed to all the items which indicates a high level of conflict resolution ability.

**Table 5: Empathy**

Items	Mean	Std. Dev	Remarks
1. I listen carefully to customer complaints and concerns.	3.66	1.41	Agree
2. I consider employees' personal challenges when making decisions.	2.78	1.61	Disagree
3. Empathy has helped me build loyal customer relationships.	3.59	1.43	Agree
4. I support employees going through personal difficulties.	3.53	1.48	Agree
5. Showing empathy has positively impacted my business growth.	3.58	1.45	Agree

Table 5 revealed the responses as regard empathy in the questionnaire. The respondents agreed in all the items except item 2. They disagree with item number 2.

**Table 6: Entrepreneurial performance**

Items	Mean	Std. Dev	Remarks
1. My business has experienced steady growth over time.	3.73	1.40	Agree
2. My business has expanded its customer base recently.	2.70	1.59	Disagree
3. I introduce new products or services to meet customer needs.	3.69	1.38	Agree
4. My business adapts quickly to changes in the market.	3.53	1.46	Agree
5. My business operations are becoming more efficient.	3.39	1.52	Agree

Table 5 indicates the respondents' responses to entrepreneurial performance section of the questionnaire. The table revealed that the respondents agreed with all the items except item number 2.

**Table 6: Summary Statistics (N = 264)**

Variable	Mean	Std. Dev	Skewness	Std Error	Skewness Interpretation
Communication Skills	4.16	1.11	0.02	0.0682	Approximately Symmetrical
Emotional Intelligence	2.96	1.42	0.19	0.0874	Approximately Symmetrical
Conflict Resolution	3.48	1.48	-0.28	0.0910	Approximately Symmetrical

Variable	Mean	Std. Dev	Skewness	Std Error	Skewness Interpretation
Empathy	3.43	1.48	-0.59	0.0910	Moderately Negatively Skewed
Entrepreneurial Performance	3.41	1.47	-0.51	0.0906	Moderately Negatively Skewed

Table 6 reveals the mean, standard deviations and skewness with their standard error. From the table, the low variation of the standard deviations and the mean's values indicates that data gathered fits together properly. However, skewness shows normality for most variables, especially Communication Skills, Emotional Intelligence, and Conflict Resolution skills while Empathy and Entrepreneurial Performance show moderate negative skew, which slightly deviates from a normal distribution.

**Table 7: Model Summary (Communication skills on Entrepreneurial performance)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.623	0.388	0.184	Approx. 2.51 (from residual std error)

- Predictor: Communication skills
- Dependent Variable: Entrepreneurial Performance

Table 7 indicate that R which is the correlation between communication skills and entrepreneurial performance has a positive value of 0.623. The covariance measured by R<sup>2</sup> (0.388) means 38.8% variation in entrepreneurial performance is due to communication skills.

**Table 8: Regression Coefficients (Communication skills on Entrepreneurial performance)**

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig. (p-value)
	B	Beta		
(Constant)	-13.644		-1.103	0.351
Communication Skills	4.103	0.623	1.378	0.262

- Dependent variable: Entrepreneurial Performance
- Tables 7 and 8 reports regression analysis of communication skills and entrepreneurial performance. The Adjusted R Square has a value of 0.184, this is more reliable that our R<sup>2</sup> value because it takes into account the sample size. The B value (4.103) for Communication Skills means: every unit increase in average communication skill corresponds to a 4.1-point increase in entrepreneurial performance. The Beta (standardized coefficient = 0.623) shows a moderate positive relationship. The p-value (0.262) indicates the result is not statistically significant at p < 0.05.

**Table 9: Model Summary (Emotional Intelligence on Entrepreneurial performance)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.543	0.295	0.060	Approx. 2.51 (inferred)

- Predictor: Emotional intelligence
- Dependent Variable: Entrepreneurial Performance

Table 9 indicate that R which is the correlation between emotional intelligence and entrepreneurial performance has a positive value of 0.543. The covariance measured by R<sup>2</sup> (0.295) means 29.5% variation in entrepreneurial performance is due to emotional intelligence.

**Table 10: Regression Coefficients (Emotional Intelligence on Entrepreneurial performance)**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig. (p-value)
	B	Std. Error			
(Constant)	0.474	2.624	-	0.181	0.868
Emotional Intelligence	0.992	0.885	0.543	1.121	0.344

a. Dependent variable: Entrepreneurial Performance  
Tables 9 and 10 reports regression analysis of emotional intelligence and entrepreneurial performance. The Adjusted R<sup>2</sup> has a value of 0.060, this is more reliable that our R<sup>2</sup>value because it takes into account the sample size. The B value (0.992) indicates that for every unit increase in Emotional Intelligence, Entrepreneurial Performance increases by approximately 0.99 units. The Beta (0.543) shows a moderate positive correlation. The p-value (0.344) is not statistically significant, suggesting that the relationship could be due to chance.

**Table 11: Model Summary (Conflict resolution skills on Entrepreneurial performance)**

Model	R	Adjusted R Square	R Std. Error of the Estimate
1	0.971	0.943	0.114

a. Predictor: Conflict Resolution skill  
b. Dependent Variable: Entrepreneurial Performance  
Tables indicate that R which is the correlation between conflict resolution and entrepreneurial performance has a positive value of 0.971. The covariance measured by R<sup>2</sup> (0.943) means 94.3% variation in entrepreneurial performance is due to conflict resolution skills.

**Table 12: Regression analysis (Conflict resolution skills on Entrepreneurial Performance)**

Predictor	B	Std. Error	Standardized Coefficients	T	Sig.
Constant	3.228	0.941	-	3.430	0.042
Conflict Resolution	1.907	0.270	0.971	7.061	0.006

a. Dependent variable: Entrepreneurial Performance  
Tables 11 and 12 reports regression analysis of conflict resolution skills and entrepreneurial performance. The Adjusted R<sup>2</sup> has a value of 0.924, this is more reliable that our R<sup>2</sup> value because it takes into account the sample size. R<sup>2</sup> = 0.943 indicates that 94.3% of the variation in entrepreneurial performance is explained by conflict resolution. The p-value (Sig.) for conflict resolution is 0.006, which is statistically significant at the 0.05 level, meaning conflict resolution significantly predicts entrepreneurial performance. The standardized coefficient ( $\beta = 0.971$ ) shows a strong positive relationship.

**Table 13: Model Summary (Empathy on Entrepreneurial performance)**

Model	R	Adjusted R Square	R Std. Error of the Estimate
1	0.966	0.933	0.096

a. Predictor: Empathy  
b. Dependent Variable: Entrepreneurial Performance  
Table 13 indicates that R which is the correlation between empathy and entrepreneurial performance has a positive value

of 0.966. The covariance measured by R<sup>2</sup> (0.933) means 93.3% variation in entrepreneurial performance is due to empathy.

**Table 14: Regression Analysis (Empathy on Entrepreneurial performance)**

Model Predictor	B	Std. Error	Standardized Coefficients	T	Sig.
Constant	0.367	0.587	-	0.626	0.576
Empathy	1.101	0.170	0.966	6.462	0.008

a. Dependent variable: Entrepreneurial Performance  
Tables 13 and 14 reports regression analysis of empathy and entrepreneurial performance. The Adjusted R<sup>2</sup> has a value of 0.911, this is more reliable that our R<sup>2</sup>value because it takes into account the sample size. The model shows a strong positive correlation (R = 0.966) between empathy and entrepreneurial performance. R<sup>2</sup> = 0.933 indicates that about 93.3% of the variance in entrepreneurial performance is explained by empathy. The p-value for empathy (0.008) is statistically significant ( $p < 0.05$ ), meaning empathy significantly predicts entrepreneurial performance. The standardized coefficient (Beta = 0.966) confirms empathy is a strong predictor.

## 7.0 DISCUSSION OF FINDINGS

The findings of the study revealed that conflict resolution and empathy are major social skills that are determinants of entrepreneurial performance. Any variation in the level of entrepreneurial performance, conflict resolution skills account for 94.3% of such variation. This implies that as conflict resolution skills increase, entrepreneurial performance increases as well, any reduction in entrepreneurial performance can be attributed to reduction in conflict resolution skill 94.3% of the times. Furthermore, the regression predicted that any significant improvement or increment in conflict resolution can trigger an increase in entrepreneurial performance level by 97.1%. This corroborates the findings of Salami and Ososuaokpor (2022) in their study that revealed that adequately managed conflicts lead to increased service quality and productivity within organizations.

Empathy likewise significantly predicts entrepreneurial performance. It reveals 93.3% variation in entrepreneurial performance is been account for by empathy skills exhibited by owners if small and medium scale enterprises. The regression model predicts that empathy has strong positive relationship with entrepreneurial performance. The predicted percentage stood at 93.3% which suggest that variation in empathy can either increase or decrease level entrepreneurial performance by 93.3%.

However, the results of other variables tested; communication skill and emotional intelligence show a rather weak relationship with the dependent variable (entrepreneurial performance). While communication skill indicates covariance measured by R<sup>2</sup> (0.388) which implies 38.8% variation in entrepreneurial performance is due to communication skills. Similarly, the R<sup>2</sup> value for emotional intelligence stands at 0.295 which means weak relationship with entrepreneurial performance.

Finally, from the linear regression model, both conflict resolution and empathy skills are functions of entrepreneurial performance of small and medium scale enterprises (SMEs) in Ikorodu local government area of Lagos. This implies that conflict resolution and empathy are necessary social skills that

owners of SMEs need to abide with in order to improve on the performance of their trade.

### **8.0 CONCLUSION AND RECOMMENDATIONS**

To find out how social skills affect entrepreneurial performance, the study used a survey research approach. Respondents included 264 proprietors of SMEs in Lagos' Ikorodu neighborhood. Linear regression was utilized for analysis, along with descriptive and inferential statistics. The results show that empathy and conflict resolution abilities both significantly predicted and functioned as determinants of entrepreneurial performance.

Therefore, owners of SMEs in Ikorodu area of Lagos must;

- i) Make an effort to consistently resolve conflicts within their particular organizations. Employees must also be included in the conflict resolution process. Lingering issues are to be addressed because a fall or rise in in conflict resolution skills can either reduce or increase the level of entrepreneurial performance of SMEs.
- ii) SMEs must create a new culture of attentively hearing client grievances and concerns and offering appropriate resolutions. Employees are not to be left alone in their difficulty times. Owner of SMEs should equally consider their employees personal challenges and opinions when making decisions.
- iii) Empathy always has a favorable effect on SMEs, according to the study. When resolving disputes between staff members, clients, and business partners, managers should develop empathy. Empathetic leadership boosts client loyalty, decreases resistance, and increases employee retention which have a beneficial impact on SMEs performance.
- iv) SMEs are urged to develop their emotional intelligence abilities, especially in handling their own feelings and reacting to others in conflict. Business owners with high emotional intelligence are able to maintain composure under duress, stop conflicts from getting worse, and foster a positive work atmosphere. Employee involvement, decision-making quality, and flexibility in response to market shifts are all improved by this emotional stability.

### **LIMITATIONS AND FUTURE RESEARCH**

- i) Because the study only included the Ikorodu local government area of Lagos, certain cultural, economic, and environmental factors may limit the findings' generalizability to other areas. Therefore, additional geographic areas of Lagos could be considered in future research on the subject.
- ii) The study's sample size might be small, and thus might not accurately reflect all of the SME population in the Ikorodu Local Government Area. For a more generalizable outcome, future research could therefore take into account broader coverage.
- iii) The study used a cross-sectional approach for data collection, which would not have been able to capture how social skills and SMEs' performance change over time. Therefore, it is recommended that future research take into account using a longitudinal study design, which can capture the dynamic character of social skills.

### **IMPLICATIONS OF THE STUDY**

- i) By emphasizing the value of interpersonal abilities in professional contexts, the study's findings may further add knowledge on the role social skills play in entrepreneurial success.
- ii) Training programs emphasizing the development of social skills could be advantageous for managers and owners of SMEs. The findings could also be applied to SMEs' hiring and selection processes, emphasizing the value of social skills in both employees and business owners.
- iii) SMEs owners could likewise use the findings to inform their business strategies and decision-making processes. Government and various policymakers could use the study's findings to inform the development of entrepreneurship support programs that focus on social skills development.

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