

**THE IMPACT OF ENTREPRENEURIAL EDUCATION ON THE
PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES
(SMES) IN NIGERIA**

BY

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BENIN CITY**

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**BEING A PROJECT SUBMITTED TO THE DEPARTMENT OF
ENTREPRENEURSHIP, FACULTY OF MANAGEMENT SCIENCES,
UNIVERSITY OF BENIN, BENIN CITY IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF A BACHELOR OF SCIENCE (BSc)
DEGREE IN ENTREPRENEURSHIP**

FEBRUARY, 2026

DECLARATION

I, **Emmanuel Oseghale OSEHOB**O, hereby declare that this project is based on a study undertaken by me in the Department of Entrepreneurship, Faculty of Management Sciences, University of Benin, Benin City, under the supervision of Mr. S. E. Diamond. This work has not been previously submitted for the award of any diploma or degree elsewhere. The ideas and views expressed in this work are products of my personal research, and where the views of others have been expressed, they have been duly acknowledged.

Emmanuel Oseghale OSEHOBO
MGS2207236

Date

CERTIFICATION

We, the undersigned, certify that this project was carried out by **Emmanuel Oseghale OSEHOBO** with Matriculation Number **MGS2207236** of the Department of Entrepreneurship, Faculty of Management Sciences, University of Benin, Benin City, Edo State, Nigeria, and that the work has not been presented in part or in full in any diploma or degree awarding institution. The work is adequate in scope and quality in partial fulfillment of the requirements for the award of Bachelor of Science (B.Sc.) Degree in Entrepreneurship, Faculty of Management Sciences, University of Benin, Benin City, Nigeria.

Mr. S. E. Diamond
(Project Supervisor)

Date

Dr. O. Okunbo
(Project Coordinator)

Date

Dr. Stephen Obeki Obeki
Head of Department

Date

DEDICATION

This project is dedicated to God Almighty for His grace and guidance, and to my parents, Mr. and Mrs. Clay Osehobo, whose unwavering love, support, and encouragement made this academic pursuit possible.

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I express my profound gratitude to God Almighty, the Author and Finisher of our faith, for His grace, wisdom, strength, and divine guidance throughout my undergraduate studies and the successful completion of this project.

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ABSTRACT

This study examined the impact of entrepreneurial education on the profitability of Small and Medium Scale Enterprises (SMEs) in Edo State, Nigeria. The study investigated the effect of formal education, skill acquisition, and reading of business books on SME gross profit. A survey research design was adopted, and primary data were collected through structured questionnaire administered to SME owners and managers in Egor, Oredo, and Ikpoba-Okha Local Government Areas of Edo State. Out of the questionnaire distributed, 121 valid responses were analyzed. Descriptive statistics, correlation analysis, and multiple regression techniques were employed using SPSS to examine the relationships among the variables. The findings revealed that formal education, skill acquisition, and reading of business books all have positive and significant effects on SME profitability, with skill acquisition demonstrating the strongest influence on gross profit. The study concludes that entrepreneurial education plays a critical role in improving the sustainability and financial outcomes of SMEs. It recommends greater emphasis on practical, skill-oriented training programs and continuous entrepreneurial learning initiatives to strengthen SME profitability and contribute to sustainable economic development in Nigeria.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The exponential population growth coupled with limited economic resources and ineffective government coordination of economic activities has necessitated the rise of entrepreneurial undertakings across the globe (Ayatse & Onodogu, 2024). Entrepreneurship education has gained prominence because of the vital role entrepreneurs play in economic systems (Marina, Rocha & Edson, 2022). Most countries consider entrepreneurship a permanent concern since new and small firms are major contributors to job creation, wealth generation, self-employment, and the development of viable and sustainable economies (Mpunga, 2021).

The significance of entrepreneurship education for national development has been recognized globally, with countries like Malaysia and several European nations integrating it into their development strategies. Leo (2018) categorizes entrepreneurship education into three types: "about enterprise" (awareness creation), "for enterprise" (preparation for self-employment), and "in enterprise" (training for established entrepreneurs).

In Nigeria, the inclusion of entrepreneurship education in tertiary institutions reflects its importance for employment creation, especially as the country continues to produce graduates who are primarily dependent on white-collar jobs due to inadequate skills that

would enable them to contribute effectively to economic development (Oboreh & Nnebe, 2019). Entrepreneurship education aims to foster creative skills applicable in practices, education, and environments that support innovation (Gundry, Gundry, Ofstein & Kickul, 2014). The entrepreneurial framework developed by Bacigalupo, Kampylis, Punie, and Brande (2016) identifies opportunity identification, entrepreneurial skills, and action as three critical areas of entrepreneurial competence. The role of small and medium enterprises (SMEs) in economic development is well understood by both governmental and non-governmental organizations, thus, various policies and incentives have been implemented to promote the SME sector, with entrepreneurial education and training being one of those approaches.

This is because, experts, scholars, and governments worldwide continue to acknowledge the significance of business education in equipping entrepreneurs with the necessary techniques and knowledge to become more competent, creative, and efficient (Valerio, Parton, & Robb, 2014). Therefore, entrepreneurship training is essential for business development and survival, and support for entrepreneurship education is vital for ensuring economic growth (Njoroge & Gathungu, 2013). That is why formal entrepreneurial training has become a process that begins at the elementary school level and progresses through all levels of education, including adult education, serving as a tool that equips individuals to become entrepreneurs (Abari, Mohammed & Olufemi, 2016).

In Nigeria, the potential for entrepreneurship has been recognized, particularly among the youth who demonstrate impressive levels of entrepreneurial acumen. However, this potential has been stifled by the adoption of certain industrialization strategies that were not in the country's best interest. Several intervention strategies aimed at expanding small and medium-sized businesses failed to achieve their goals because they encouraged local business owners to specialize in importing goods rather than developing in-country entrepreneurial capacity in areas such as manufacturing, motorized agriculture, and specialized services (Thaddeus, 2012).

Entrepreneurial education is now seen globally as a strategic approach to equip individuals with the mindset, skills, and tools necessary to identify opportunities, create value, and sustain viable enterprises. According to Leo (2018), entrepreneurship education encompasses learning “about enterprise,” which focuses on awareness creation, “for enterprise,” which prepares individuals for self-employment, and “in enterprise,” which is targeted at training those already operating businesses. This comprehensive perspective underscores the importance of a lifelong entrepreneurial learning process that adapts to different stages of an individual's career (Abari, Mohammed, & Olufemi, 2016; Abdelkarim, 2019).

Nigeria, like many other African nations, has acknowledged the necessity of integrating entrepreneurship education into its formal educational system. This development stems from the growing realization that traditional academic training alone is insufficient to

prepare graduates for the dynamic and competitive realities of the labor market (Oboreh & Nnebe, 2019). In response, Nigerian universities, polytechnics, and colleges of education have incorporated entrepreneurship courses into their curricula as part of broader policy initiatives aimed at reducing unemployment and promoting economic self-sufficiency (Mamman, 2014). However, the extent to which this shift has translated into measurable improvements in SME performance remains unclear.

Various studies have linked the success and survival of SMEs to the entrepreneurial competencies possessed by business owners and managers. These competencies, ranging from opportunity recognition and strategic planning to financial management and innovation; are often acquired through formal and informal entrepreneurial education (Musyimi, 2023; Valerio et al., 2014). Yet, many Nigerian SMEs continue to struggle with poor performance due to gaps in knowledge, limited business acumen, and inadequate training opportunities (Ebitu, Basil, & Alfred, 2016; Egele, 2019). In some instances, entrepreneurs lack the skills to adapt to market changes, identify growth opportunities, or effectively manage limited resources, all of which are crucial for long-term sustainability (Tocher, Oswald, & Shook, 2012; Wei, Liu, & Sha, 2019).

Moreover, the challenges facing SMEs in Nigeria are multifaceted. Internally, many SMEs suffer from a lack of managerial experience, poor planning, and inadequate access to finance. Externally, they face unfavorable regulatory environments, weak infrastructure, and limited support from government institutions (Gbandi & Amissah,

2014; SMEDAN, 2013). These constraints not only hinder business growth but also undermine the impact of entrepreneurial education programs designed to foster business development. Without the necessary enabling environment, the knowledge and skills imparted through education may not translate into tangible enterprise outcomes.

Despite these efforts, the entrepreneurial landscape in Nigeria remains largely underdeveloped. Young Nigerians possess remarkable entrepreneurial potential, but the lack of comprehensive and context-specific training continues to limit their ability to create and grow sustainable enterprises (Thaddeus, 2012; Araba, 2023). Many SMEs operate informally, rely on outdated business models, and lack access to modern tools and technologies. Inadequate institutional frameworks and the absence of robust monitoring mechanisms further exacerbate the situation. Consequently, the contribution of SMEs to economic growth has not reached its full potential, and unemployment and poverty remain pressing national challenges.

Recent policy shifts, such as the emphasis on vocational training and microenterprise development, indicate a growing recognition of the need to strengthen entrepreneurial education across all levels. For example, vocational acquisition centers have been established in various states to provide practical skills to aspiring entrepreneurs (Coombelli, Paolucci, & Ughetto, 2019). However, there is still a need for more empirical studies that examine the direct relationship between entrepreneurship education and SME performance in different regions of Nigeria.

It is against this backdrop that this study seeks to investigate the impact of entrepreneurial education on the performance of SMEs in Nigeria, with special focus on Edo state. The goal is to understand how educational interventions influence business success and to identify the specific aspects of entrepreneurial training that contribute most significantly to improved performance.

1.2 Statement of the Research Problem

Despite the increasing emphasis on entrepreneurial education in Nigeria over the past few decades, there remains a significant gap between the implementation of entrepreneurship education programs and their actual impact on Small and Medium Scale Enterprises (SMEs) performance in the country. The prevailing high failure rate of SMEs in Nigeria suggests that entrepreneurship education may not be sufficiently addressing the practical challenges faced by entrepreneurs. According to Musyimi (2023), SMEs demonstrate a high failure rate after three years of operation due to the lack of proper business training and education programs tailored to aid business growth. This observation points to possible inadequacies in the current entrepreneurship education framework, which may not be equipping entrepreneurs with the specific skills needed to navigate the unique business environment in Nigeria.

Furthermore, while the Nigerian government has recognized the importance of entrepreneurship education as a catalyst for economic development and a solution to unemployment challenges (Mamman, 2014), the implementation of entrepreneurship

education programs appears to be disconnected from the practical realities of running an SME in Nigeria. This disconnect is particularly evident in three major local government areas of Edo state namely; Egor, Oredo, and Ikpoba-Okha which have witnessed a proliferation of SMEs alongside entrepreneurship education initiatives, yet the anticipated improvements in business performance remain elusive for many enterprises. As noted by Orga, Aniezue, Unaogu, Emehelu, Ugwa, and Udeagha (2023), entrepreneurship education seeks to provide individuals with the knowledge, skills, and motivation to encourage entrepreneurial success in various settings, yet many graduates from Nigerian tertiary institutions remain unable to establish and sustain profitable business ventures.

The problem is further compounded by the multifaceted challenges facing Nigerian SMEs, as identified by Egele (2019). These include a lack of necessary business ideas, inadequate managerial and entrepreneurial investment, poor funding, and absence of contingency planning. The existing entrepreneurship education programs may not be comprehensively addressing these challenges, showing a mismatch between educational content and practical business needs.

Additionally, to the best of our knowledge, there is limited empirical evidence on the relationship between entrepreneurial education and SME performance in Nigeria, especially within the context of Edo State. Araba (2023) highlights that while many economies worldwide support formal entrepreneurial training to encourage citizens to develop positive attitudes toward establishing personally owned businesses using

managerial skills and competencies, there is still a lack of study on formally educating aspiring business owners, particularly in developing countries like Nigeria.

The educational approach to entrepreneurship in Nigeria also appears to be fragmented and inconsistent. As pointed out by Ayatse and Onodogu (2024), entrepreneurship education can be categorized into "about enterprise" (awareness creation), "for enterprise" (preparation for self-employment), and "in enterprise" (training for established entrepreneurs). However, it remains unclear which of these approaches is most effective in the Nigerian context, particularly for enhancing SME performance in Edo State.

Furthermore, there is a need to understand the specific components of entrepreneurial education that directly influence SME performance indicators such as profitability, market share, employee satisfaction, and business sustainability. Without this understanding, educational institutions and policymakers may continue to develop and implement entrepreneurship education programs that fail to address the critical determinants of business success in Nigeria.

Therefore, this study aims to bridge these gaps by investigating the impact of entrepreneurial education on SME performance in Edo State, focusing on the local government areas of Egor, Oredo, and Ikpoba-Okha. The research will examine the relationship between entrepreneurial education (formal education, skill acquisition, reading of business books) and performance (profitability) of SMEs in Nigeria, with the

goal of identifying specific educational interventions that can enhance the success and sustainability of small businesses in Nigeria.

1.3 Objectives of the Study

The main objective of the study is to examine the impact of entrepreneurial education on SMEs performance in Nigeria. The specific objectives are to;

- i. Investigate the effect of formal education on profitability of SMEs in Nigeria.
- ii. Determine the relationship between skill acquisition and profitability of SMEs in Nigeria.
- iii. Examine the impact of reading business books on profitability of SMEs in Nigeria.

1.4 Research Questions

Based on the identified objectives, the following research questions are stated.

- i. What is the effect of formal education on profitability of SMEs in Nigeria?
- ii. What is the relationship between skill acquisition and profitability of SMEs in Nigeria?
- iii. What is the impact of reading business books on profitability of SMEs in Nigeria?

1.5 Hypotheses of the Study

The following hypotheses which are stated in their null form will be tested;

- i. Formal education does not have significant effect on profitability of SMEs in Nigeria.
- ii. There is no significant relationship between skill acquisition and profitability of SMEs in Nigeria.
- iii. There is no significant relationship between reading business books and profitability of SMEs in Nigeria.

1.6 Scope of the Study

This research examines the impact of entrepreneurial education on Small and Medium Scale Enterprises (SMEs) performance in Nigeria. The study is geographically limited to Edo State, with specific focus on three key local government areas: Egor, Oredo, and Ikpoba-Okha. The target population for this study comprises owners and managers of formally registered Small and Medium Scale Enterprises operating within the selected local government areas of Edo State. The study focuses specifically on SMEs that have been in operation for at least three years, ensuring they have sufficient operational history to evaluate performance outcomes.

1.7 Significance of the Study

This research on the impact of entrepreneurial education on SME performance in Nigeria will benefit the following groups of people: students, entrepreneurs, lecturers/educators, policymakers, government agencies, SME owners, future researchers, financial institutions, business consultants and Community development organizations.

Students will benefit from this study as it will provide them with evidence-based insights on which aspects of entrepreneurial education, formal education, skill acquisition, or business literature; are most effective for future business success. This knowledge will help them make informed decisions about their educational pursuits and career preparation, enabling them to focus on the most impactful learning approaches for entrepreneurial ventures.

Entrepreneurs will gain valuable understanding of how different educational components translate into business performance. The findings will guide them in identifying which educational investments offer the greatest returns for their businesses, helping them make strategic decisions about formal education, skill development, and business literature engagement to improve their enterprise performance.

Lecturers and educators will gain insights into the most effective teaching methods and educational content for entrepreneurship programs. The research findings will help them focus their instructional efforts on the educational components that have the greatest impact on student business success, thereby improving the quality and relevance of their teaching.

Policymakers will benefit from empirical evidence on the relationship between entrepreneurial education and SME performance, enabling them to design more targeted policies for entrepreneurship development. The study will help them make inform

decisions about resource allocation for different types of entrepreneurial education programs and help create supportive frameworks for SME growth.

Government agencies responsible for SME development and job creation will gain valuable insights for designing intervention programs. The research will help them understand which educational approaches to prioritize when supporting entrepreneurship initiatives, leading to more effective use of public resources and better outcomes for economic development.

SME owners will benefit from understanding how their educational background influences their business performance. This knowledge will help them identify areas for improvement and make informed decisions about further education or training that could enhance their business operations and competitiveness.

Future researchers will benefit from this study as it provides a foundation for further investigation into entrepreneurship education and SME performance. The findings will identify research gaps and suggest areas for future studies, contributing to the advancement of knowledge in this field, particularly in developing economies like Nigeria.

Financial institutions will benefit by understanding the relationship between entrepreneurs' educational background and business performance. This knowledge can inform their lending decisions and risk assessment processes, helping them identify promising entrepreneurs and design appropriate financial products for SME support.

Business consultants will gain evidence-based insights into which educational factors contribute most to SME success. This understanding will enable them to provide more targeted advice to their clients, focusing on the educational and skill development areas that offer the greatest potential for business improvement.

Community development organizations will benefit from understanding how entrepreneurial education impacts local business performance. This knowledge will help them design community-based entrepreneurship programs that address the specific educational needs of local entrepreneurs, contributing to sustainable economic development at the grassroots level.

1.8 Limitations of the Study

The study focuses on SMEs in Edo State (specifically on Egor, Oredo and Ikpoba-Okha Local Government Areas). However, regional variations in entrepreneurial ecosystems may yield different relationships between educational interventions and business performance outcomes. To address this limitation, the researcher will acknowledge the geographic specificity in the findings and recommend future studies to replicate the research in other Nigerian states to validate the generalizability of the results across different regional contexts.

Secondly, the occupants of the study location may not provide exact information about their business operations due to confidentiality concerns or fear of tax implications. However, the researcher will ensure anonymity and confidentiality of all respondents, use

structured questionnaires with clear instructions, and employ multiple data validation techniques including cross-verification of responses where possible to enhance data reliability.

Due to resource and time constraints, this study will examine a limited number of SMEs within the selected area. While efforts will be made to ensure representative sampling, the selected enterprises may not comprehensively reflect the diverse spectrum of SME characteristics, operational scales, and industry sectors present in the region. To address this challenge, the researcher will employ stratified random sampling to ensure representation across different SME sectors and sizes, and will clearly define the study population parameters to enable proper interpretation of findings within the specified scope.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter explores the existing literature on entrepreneurial education and its impact on the performance of small and medium scale enterprises (SMEs), with particular emphasis on the Nigerian business environment. This section provides a comprehensive examination of scholarly works to understand the relationship between entrepreneurial education initiatives and SMEs performance outcomes within Nigeria. By analyzing relevant conceptual, theoretical, and empirical perspectives, this review seeks to uncover the evolving discourse surrounding entrepreneurial capacity building and its measurable effects on business performance indicators. Through a systematic analysis of pertinent literature, this chapter examines relevant theories of entrepreneurial education, performance measurement frameworks for SMEs, and the unique contextual factors that influence business success in Nigeria. This comprehensive review aims to establish a solid theoretical foundation that supports the research framework and methodology outlined in subsequent chapters, offering insights into the impact of educational interventions on SMEs performance enhancement in Edo State, Nigeria.

2.2 Conceptual Review

This section provides a comprehensive examination of the fundamental concepts that underpin this study on entrepreneurial education and its impact on the performance of small and medium scale enterprises (SMEs) in Nigeria. This section establishes clear definitions and understanding of key variables that form the foundation of the research framework. The conceptual analysis is essential for creating a shared understanding of terminology and providing the theoretical basis for empirical investigation (Bingham, Mitchell, & Carter, 2024). This section will examine the following key concepts: profitability as the dependent variable, which serves as the primary measure of SME performance in this study; formal education as the first component of entrepreneurial education; skill acquisition as the second component of entrepreneurial education; and reading of business books as the third component of entrepreneurial education. Subsequently, the conceptual relationships between each independent variable and the dependent variable will be established through linking formal education and profitability, skill acquisition and profitability, and reading of business books and profitability.

2.2.1 Profitability

Profitability represents a fundamental economic concept that measures the excess of revenues over associated expenses for business activities within a specified time period. This concept encompasses various related terminologies including 'earnings', 'income', and 'margin', all of which capture different aspects of an organization's ability to generate financial returns (Okey & Elizabeth, 2024).

Pandey (2010) conceptualizes profitability as the ability of a business to generate profits, emphasizing that this concept must be interpreted in relation to other organizational elements such as invested capital, sales volume, and operational efficiency. This relational perspective highlights that profitability is not merely about absolute profit amounts but about the efficiency with which profits are generated relative to various organizational inputs and activities. Understanding the determinants of profitability is essential for comprehending how companies finance their operations and sustain their competitive positions (Giovanis & Ozdamar, 2014). A financial benefit is realized when the revenue generated from business activities exceeds the expenses, costs, and taxes required to sustain those activities. This definition emphasizes the comprehensive nature of profitability calculation, which must account for all associated costs and obligations rather than simply comparing revenues to direct expenses.

Hijazi and Tariq (2016) provide a straightforward definition of profitability as an organization's ability to generate income, while characterizing the inability to generate income as a loss. They further clarify that when income generated exceeds input costs,

the organization demonstrates profitability, whereas when income falls short of input costs, it reflects poor performance. This binary perspective emphasizes the fundamental nature of profitability as a performance indicator, clearly distinguishing between successful and unsuccessful organizational performance. This conceptualization of profitability as a performance measure highlights its role as both an outcome indicator and a diagnostic tool, providing insights into organizational effectiveness while serving as a foundation for strategic decision-making and performance improvement initiatives. For the purpose of this empirical study, SME performance will be specifically measured using Gross Profit. This choice is motivated by the fact that Gross Profit provides a clear measure of the enterprise's operational efficiency and its ability to generate returns directly from its core business activities before the complication of fixed overheads or financial charges.

2.2.2 Formal Education

Formal education has been conceptualized by various scholars as a critical component of entrepreneurial development. Essia (2012) defines formal education as the structured and systematic delivery of entrepreneurial knowledge through established educational institutions and curricula, encompassing primary, secondary, and tertiary education systems that provide theoretical frameworks, conceptual foundations, and academic credentials relevant to entrepreneurship. Kuratko (2005) conceptualizes entrepreneurship education within formal settings as an important mechanism to influence the

competitiveness of any country or industry, positioning formal educational institutions as critical drivers of entrepreneurial capacity building.

Morris, Webb and Singhal (2013) describe formal education as a systematic approach that provides learners with comprehensive knowledge bases, analytical thinking skills, and exposure to established business theories and practices, ensuring standardized learning outcomes and foundational competencies necessary for business development and management. Fayolle and Gailly (2008) characterize formal education systems as institutional frameworks that contribute to entrepreneurial development through curriculum design integrating theoretical knowledge with practical applications, where universities and colleges foster entrepreneurial mindsets by exposing students to business concepts, market analysis techniques, and strategic planning methodologies. Souitaris, Zerbinati and Al-Laham (2007) define formal entrepreneurship education as structured learning delivered through higher education institutions that creates opportunities for students to develop both theoretical understanding and practical applications of entrepreneurial concepts, equipping them with knowledge and skills essential for entrepreneurial success.

Based on these definitions, this study adopts the position that formal education represents the institutionalized and structured acquisition of entrepreneurial knowledge, skills, and competencies through recognized educational systems (primary, secondary, and tertiary institutions) that deliver standardized curricula designed to develop theoretical

understanding, analytical capabilities, and foundational business competencies. This conceptualization emphasizes formal education as a systematic learning process characterized by structured curricula, academic credentials, and institutional delivery mechanisms that distinguish it from informal or experiential learning approaches in entrepreneurship development.

2.2.3 Skill Acquisition

Skill acquisition has been defined by various scholars as a practical dimension of entrepreneurial education focusing on competency development. Mitchelmore and Rowley (2010) define entrepreneurial skill acquisition as the development of technical, managerial, and interpersonal competencies that enable entrepreneurs to effectively manage business operations and respond to market challenges. Victor Barinua and Olatokunbo (2022) conceptualize skill acquisition as a comprehensive process that extends beyond mere technical competencies to include business development skills, financial management capabilities, marketing expertise, and leadership qualities essential for entrepreneurial success.

Okereke and Nebo (2015) describe entrepreneurial skill acquisition as not just about acquiring skills but acquiring knowledge and driving towards enterprise in skills that enhance personal livelihood through enduring business startups, emphasizing the multifaceted nature of skill development in entrepreneurship. The MSME Development Institute (2018) defines skill acquisition programs as strategically designed training

initiatives organized to upgrade skills of prospective entrepreneurs, existing workforce, and new workers through technical and skill development training programmes with objectives to provide skill upgradation and equip entrepreneurs with improved technological skills of production. Honig (2004) characterizes skill acquisition as practical, hands-on learning through workshops, apprenticeships, mentorship opportunities, and training sessions that simulate real-world business scenarios, emphasizing the application-oriented nature of skill development.

Based on these definitions, this study adopts the position that skill acquisition represents the practical and application-focused development of technical, managerial, and operational competencies through structured training programs, workshops, apprenticeships, and hands-on learning experiences designed to equip entrepreneurs with specific capabilities required for effective business operations and performance. This conceptualization emphasizes skill acquisition as a practical learning approach characterized by competency development, hands-on training, and direct applicability to business contexts, distinguishing it from theoretical knowledge acquisition in formal education settings.

2.2.4 Reading of Business Books

Reading of business books has been conceptualized by scholars as a self-directed learning approach for entrepreneurial knowledge acquisition. Corbett (2005) defines reading business books as a form of self-directed learning that has emerged as an important area

of inquiry in relation to entrepreneurial learning and performance, positioning business reading as a critical component of entrepreneurial education. Deakins and Freel (1998) conceptualize reading business books as a self-directed approach that allows entrepreneurs to access diverse perspectives, case studies, and practical strategies that provide exposure to successful business models, management techniques, and industry insights not readily available through formal education or skill acquisition programs.

Guglielmino (2013) describes the role of self-directed learning model in entrepreneurship development as demonstrating the significance of autonomous learning approaches, where reading business books enables entrepreneurs to customize their learning experiences according to specific business needs, industry requirements, and personal learning preferences for targeted knowledge acquisition. Liu, Zhao and Chen (2024) characterize business literature as encompassing a wide range of topics including strategic management, marketing, finance, operations, leadership, and innovation, providing entrepreneurs with comprehensive exposure to various business disciplines. Politis (2005) defines reading business books as an analytical learning process that contributes to the development of critical thinking skills and strategic reasoning capabilities, encouraging entrepreneurs to evaluate different approaches, assess their applicability to specific contexts, and develop informed decision-making capabilities essential for entrepreneurial success.

Based on these definitions, this study adopts the position that reading of business books represents a self-directed and autonomous learning approach through which entrepreneurs acquire knowledge, insights, and best practices from business literature covering diverse topics and perspectives, enabling customized and continuous learning outside formal institutional structures. This conceptualization emphasizes reading of business books as a flexible, accessible, and self-paced learning mechanism characterized by autonomous knowledge acquisition, critical thinking development, and continuous learning, distinguishing it from structured formal education and hands-on skill acquisition approaches in entrepreneurship development.

2.2.5 Formal Education and Profitability

The relationship between formal education and profitability represents a critical linkage in understanding how educational investments translate into measurable business outcomes for small and medium enterprises. Formal education provides entrepreneurs with foundational knowledge, analytical skills, and conceptual frameworks that directly influence their ability to generate profits and sustain business operations (Joseph, & Adewunmi, 2020). The theoretical connection between these variables is rooted in human capital theory, which posits that educational investments enhance individual productivity and decision-making capabilities, subsequently leading to improved financial performance.

Research demonstrates that entrepreneurs with higher levels of formal education exhibit superior financial management capabilities, strategic planning skills, and market analysis competencies that contribute to enhanced profitability (Van der Sluis, Van Praag & Vijverberg, 2008). The structured learning environment of formal education systems exposes entrepreneurs to established business theories, financial principles, and analytical tools that enable them to make more informed decisions regarding resource allocation, cost management, and revenue optimization. These competencies directly impact the organization's ability to control expenses, identify profitable opportunities, and implement strategies that maximize returns on investment (Pachón-Palacios, Velosa-García, & Osorio-Vera, 2021).

The credential aspect of formal education also enhances entrepreneurs' credibility with financial institutions, investors, and business partners, potentially facilitating access to capital and favorable business terms that can improve profitability margins. Educational qualifications serve as signals of competence and reliability, enabling formally educated entrepreneurs to negotiate better deals, secure lower interest rates, and attract more qualified personnel, all of which contribute to improved financial performance.

Furthermore, formal education develops critical thinking and problem-solving abilities that enable entrepreneurs to identify inefficiencies, implement cost-reduction strategies, and develop innovative solutions that enhance competitive advantage and profitability (Ramatni, 2024). The systematic approach to learning provided by formal education

creates a foundation for continuous improvement and adaptation to changing market conditions, ensuring sustained profitability over time.

However, the relationship between formal education and profitability is moderated by various factors including the relevance of educational content to business operations, the entrepreneur's ability to apply theoretical knowledge to practical situations, and external environmental factors such as market conditions and regulatory frameworks (Ferreira, Fernandes, Kraus, & McDowell, 2021). While formal education provides valuable tools and knowledge, its impact on profitability depends on effective implementation and alignment with business objectives and market demands.

2.2.6 Skill Acquisition and Profitability

The relationship between skill acquisition and profitability demonstrates a direct pathway through which practical competencies translate into improved financial performance for small and medium enterprises. Skill acquisition programs focus on developing specific technical, managerial, and operational capabilities that entrepreneurs can immediately apply to enhance business efficiency, reduce operational costs, and increase revenue generation (Victor, Olarewaju, & Olatokunbo, 2022). This hands-on approach to learning creates tangible benefits that directly impact the bottom line of SMEs through improved productivity and reduced waste.

Entrepreneurial skill acquisition encompasses the development of critical business competencies including financial management, marketing expertise, production

techniques, and customer service capabilities that directly influence profit margins (Mitchelmore & Rowley, 2010). When entrepreneurs acquire skills in cost control and budgeting, they can better manage expenses and identify areas for cost reduction without compromising quality. Similarly, marketing skills enable entrepreneurs to identify profitable market segments, develop effective pricing strategies, and implement promotional activities that increase sales volume and revenue generation (Anderson-Macdonald, 2015).

The practical orientation of skill acquisition programs ensures immediate applicability to business operations, creating measurable improvements in operational efficiency and resource utilization. Unlike theoretical knowledge, acquired skills provide entrepreneurs with actionable competencies that can be implemented immediately to address specific business challenges and opportunities (Victor et al., 2022). For instance, technical skills in production processes can reduce material waste and improve product quality, while managerial skills enhance coordination and productivity of human resources, both contributing directly to improved profitability.

Skill acquisition also enables entrepreneurs to reduce dependency on external service providers and consultants, thereby decreasing operational costs and improving profit margins. When entrepreneurs develop in-house capabilities in areas such as bookkeeping, basic legal compliance, or digital marketing, they can perform these functions internally rather than outsourcing them at higher costs (Anderson, & McKenzie, 2022). This

internalization of critical business functions not only reduces expenses but also provides entrepreneurs with better control over quality and timing of these activities.

Furthermore, skill acquisition enhances entrepreneurs' ability to identify and exploit profitable opportunities within their market environment. Practical skills in market research, competitor analysis, and customer needs assessment enable entrepreneurs to develop products and services that command premium prices and generate higher profit margins. The ability to innovate and adapt existing products or services based on acquired technical skills creates competitive advantages that translate directly into improved financial performance (Victor et al., 2022).

However, the effectiveness of skill acquisition in enhancing profitability depends on the relevance and quality of training programs, the entrepreneur's commitment to applying learned skills, and the availability of resources for implementation. Additionally, the rapidly changing business environment requires continuous skill updating to maintain competitive advantage and sustained profitability over time.

2.2.7 Reading of Business Books and Profitability

The relationship between reading business books and profitability represents a unique form of self-directed learning that enables entrepreneurs to acquire specialized knowledge and insights that can be directly applied to enhance financial performance. Business literature provides entrepreneurs with access to proven strategies, case studies, and best practices from successful organizations and thought leaders, offering cost-

effective solutions to common business challenges that impact profitability (Tseng, 2013). This form of entrepreneurial education allows for targeted knowledge acquisition that addresses specific operational and strategic needs without the time and financial constraints associated with formal education programs.

Reading business books enhances entrepreneurs' understanding of financial management principles, enabling them to implement more effective budgeting, cash flow management, and investment strategies that directly impact profitability (Williams, Hasudungan, & Azizah, 2025). Business literature covering topics such as financial analysis, cost accounting, and profit optimization provides entrepreneurs with practical tools and frameworks for improving financial decision-making. These resources often include templates, checklists, and step-by-step guides that can be immediately implemented to reduce costs, improve pricing strategies, and enhance revenue generation capabilities (Lumanauw, & Lolowang, 2024).

The strategic insights gained from business books enable entrepreneurs to identify market opportunities and develop competitive advantages that translate into higher profit margins. Business literature focusing on market analysis, competitive strategy, and customer behavior provides entrepreneurs with knowledge to position their products and services more effectively in the marketplace (Reider, 2014). This strategic positioning often results in the ability to command premium prices, expand market share, and develop sustainable competitive advantages that protect profitability over the long term.

Furthermore, reading business books exposes entrepreneurs to innovative business models and operational efficiencies that can significantly impact profitability. Case studies and examples from successful companies provide practical blueprints for improving operational processes, reducing waste, and optimizing resource utilization. The accessibility and flexibility of this learning approach allows entrepreneurs to continuously update their knowledge base and adapt to changing market conditions without significant investment in formal training programs (Walaszczyk, & Dingli, 2020).

Business books also provide entrepreneurs with insights into leadership and human resource management practices that can improve employee productivity and reduce turnover costs, both of which contribute to enhanced profitability (Omotoye, Abdulazeez, & Olusesi, 2022). Effective management practices learned from business literature can result in higher employee engagement, improved customer service, and more efficient operations, all of which have direct positive impacts on the bottom line.

However, the effectiveness of reading business books in enhancing profitability depends on the entrepreneur's ability to critically evaluate and selectively implement relevant concepts within their specific business context. The theoretical nature of some business literature may require adaptation and practical application skills to translate knowledge into measurable profit improvements (Muthusamy, 2022). Additionally, the rapidly evolving business environment necessitates continuous reading and learning to maintain relevance and competitive advantage in the marketplace.

2.3 Theoretical Reviews

This section provides a comprehensive examination of established theories that underpin the relationship between entrepreneurial education and small and medium enterprise performance, particularly focusing on profitability outcomes. This section establishes the theoretical foundation for understanding how educational interventions translate into measurable business performance improvements (Minai, Raza, Bin Hashim, Md Zain, & Ali Tariq, 2018).

This section will examine five key theories that provide theoretical grounding for this study: Human Capital Theory, which explains how educational investments enhance individual productivity and earning capacity; Resource-Based View Theory, which demonstrates how unique resources and capabilities create competitive advantage; Knowledge Spillover Theory of Entrepreneurship (KSTE), which explains how knowledge creation and dissemination lead to entrepreneurial opportunities; Social Learning Theory, which describes how individuals acquire knowledge and skills through observation and interaction; and Entrepreneurial Orientation Theory, which explains how strategic orientations toward innovation, risk-taking, and proactiveness influence business performance. These theories collectively provide a robust theoretical foundation for understanding the complex relationships between entrepreneurial education components and SME profitability outcomes.

2.3.1 Human Capital Theory

The Human Capital Theory, originally developed by Theodore Schultz in 1960 and further refined through the works of Schultz (1961), and Becker (1962), provides a fundamental theoretical foundation for understanding the relationship between entrepreneurial education components and SME profitability outcomes. The central premise of Human Capital Theory is that individuals can acquire skills, knowledge, and abilities (human capital) that enhance their productive capacity and make them more effective in generating economic returns. The theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, subsequently raising the workers' future income and lifetime earnings (Olabiri & Olagban, 2012). This principle is based on the concept that the more individuals invest in education and training, the higher their earnings potential and performance outcomes (Jones, Macphersan & Thorpe, 2010).

Human Capital Theory provides a comprehensive framework for understanding how the three components of entrepreneurial education collectively contribute to enhanced human capital development. The theory posits that entrepreneurial education, whether through formal education, skill acquisition, or reading business books, represents strategic investments in human capital that enhance an entrepreneur's productive capacity and business effectiveness (Almendarez, 2013). These educational components work synergistically to develop different dimensions of human capital - cognitive abilities through formal education, practical competencies through skill acquisition, and strategic insights through business literature - all of which combine to create a comprehensive

knowledge base that enhances entrepreneurial performance (Hogendoorn, Rud, Groot, & Maassen van den Brink, 2019). Human Capital Theory establishes a direct causal relationship between human capital investments and profitability outcomes. The theory posits that enhanced human capital directly translates into improved business performance through several mechanisms. First, higher levels of human capital enable entrepreneurs to identify and exploit profitable opportunities more effectively, leading to increased revenue generation. Second, improved human capital enhances operational efficiency and cost management capabilities, resulting in better expense control and higher profit margins. The theory explains that entrepreneurs with superior human capital demonstrate better financial management skills, more effective resource allocation decisions, and enhanced strategic planning capabilities, all of which contribute directly to improved profitability (Amin, 2018). Furthermore, Human Capital Theory suggests that the return on human capital investments manifests in the form of higher business performance, with profitability serving as a direct measure of the economic returns generated from educational investments.

When applied to the Nigerian SME context, Human Capital Theory suggests that investing in entrepreneurial education through formal education, skill acquisition, and business literature can significantly enhance SME profitability by developing the human capital of business owners and operators. The theory indicates that human capital development can help SME managers and employees become more effective in business operations, thereby improving their performance outcomes and contributing to overall

economic development (Ojokuku, & Sajuyigbe, 2015). This theoretical framework provides a clear mechanism through which educational interventions translate into improved business outcomes through enhanced human capital development, making it highly relevant for understanding entrepreneurial education impacts on SME profitability in Nigeria.

2.3.2 Resource-Based View Theory

The Resource-Based View (RBV) theory, introduced by Barney (1991) and subsequently expanded by Njeru (2013), provides a crucial theoretical framework for understanding how unique firm resources influence growth and competitive advantage in small and medium enterprises. The RBV theory suggests that organizations can outperform their rivals by developing rare and valuable resources that are difficult to replicate (Ogbonna & Ogwo, 2013). According to the Resource-Based View, resources encompass assets, processes, and capabilities that firms can leverage to create competitive advantage (Faith & Vincent, 2024). The theory posits that effective performance arises when these resources align with the firm's strategy, allowing for sustainable growth and performance superiority over competitors.

The theoretical foundation of RBV emphasizes that for resources to provide sustainable competitive advantage, they must possess four key characteristics: valuable (enabling the firm to exploit opportunities or neutralize threats), rare (not possessed by many competitors), inimitable (difficult for competitors to replicate), and non-substitutable (no equivalent alternatives exist) (Kabue, & Kilika, 2016). This VRIN framework provides the theoretical basis for understanding how educational investments create distinctive organizational capabilities that contribute to superior business performance.

The Resource-Based View theory positions entrepreneurial education as a mechanism for developing distinctive intangible resources that enhance competitive positioning and business performance. The theory explains that entrepreneurial education components collectively contribute to the creation of unique knowledge combinations, specialized skills, and strategic capabilities that are difficult for competitors to duplicate quickly (Faith & Vincent, 2024). These educational investments create firm-specific resources that become embedded in the organization's routines, processes, and decision-making frameworks, making them particularly valuable for competitive advantage. From a resource-based perspective, entrepreneurial education enables the development of what Barney (1991) categorizes as human resources and organizational resources that meet the VRIN criteria. The knowledge, skills, and competencies acquired through formal education, skill acquisition, and business literature reading become valuable intangible assets that are rare (not possessed by all competitors), difficult to imitate (requiring

similar educational investments and learning processes), and non-substitutable (cannot be easily replaced by alternative resources).

Resource-Based View theory establishes a clear causal relationship between unique educational resources and profitability outcomes through competitive advantage mechanisms. The theory posits that firms possessing superior resources can implement value-creating strategies that competitors cannot easily duplicate, leading to sustained above-normal returns and enhanced profitability (Ogbonna & Ogwo, 2013). In the context of SMEs, entrepreneurs who have invested in comprehensive entrepreneurial education possess distinctive capabilities that enable them to identify profitable opportunities, implement cost-effective strategies, and respond more effectively to market changes than competitors with limited educational resources. The theory explains that educational resources contribute to profitability through multiple pathways: enhanced operational efficiency that reduces costs, superior market analysis capabilities that identify profitable niches, improved strategic decision-making that optimizes resource allocation, and innovative problem-solving abilities that create new revenue streams (Minai, Raza, Bin Hashim, Md Zain, & Ali Tariq, 2018). These resource-based advantages translate directly into financial performance improvements as they enable firms to achieve higher margins, better cost control, and more effective competitive positioning.

For SMEs in Nigeria, the Resource-Based View suggests that entrepreneurial education serves as a critical mechanism for developing distinctive resources that can differentiate these enterprises in competitive markets. The theory implies that SMEs with better-educated entrepreneurs who possess superior knowledge and skills will demonstrate better performance outcomes, as these educational resources enable more effective resource utilization, strategic decision-making, and competitive positioning in the marketplace (Emmanuel, 2017). Given the resource constraints typical of SMEs, the development of knowledge-based competitive advantages through entrepreneurial education becomes particularly important for achieving sustainable profitability in the Nigerian business environment.

2.3.3 Knowledge Spillover Theory of Entrepreneurship (KSTE)

The Knowledge Spillover Theory of Entrepreneurship, developed by Zoltan Acs (2005), represents a contemporary approach to understanding entrepreneurship. It postulates that the creation of new knowledge expands the technological opportunity set. Unlike traditional entrepreneurship theories that generally focus on the decision-making context of the individual, this theory addresses the fundamental question of where entrepreneurial opportunities originate (Egrinya et al., 2022). The basic argument of this theory is that knowledge created endogenously through Research and Development (R&D) activities

results in knowledge spillovers, which subsequently give rise to opportunities that can be identified and exploited by entrepreneurs. According to KSTE, the creation of new knowledge gives rise to new opportunities, meaning that entrepreneurial activity involves not simply the arbitrage of existing opportunities but also the exploitation of new ideas not appropriated by incumbent firms (Kirzner, 1973). This theory bridges the gap between the subjective literature of entrepreneurship and the objective literature on the sources of opportunity, providing an explanation for how occupational choice arises within existing firms that leads to new firm creation.

The Knowledge Spillover Theory positions the three components of entrepreneurial education - formal education, skill acquisition, and reading of business books - as critical mechanisms for knowledge creation, acquisition, and dissemination that generate entrepreneurial opportunities. The theory suggests that formal education exposes entrepreneurs to systematic knowledge creation processes and research-based insights that generate spillover effects, while skill acquisition provides practical knowledge through hands-on learning that creates operational spillovers applicable to business contexts (Acs, Audretsch, & Lehmann, 2013). Reading of business books facilitates access to accumulated knowledge and best practices from diverse sources, creating knowledge spillovers through the transfer of proven strategies and innovative approaches across different business contexts. From a KSTE perspective, these three educational components function collectively as both sources of knowledge spillovers and mechanisms for developing the absorptive capacity necessary to recognize and exploit

these spillovers (Proeger, 2020). The theory explains that entrepreneurs who engage in formal education, skill acquisition, and business literature reading possess enhanced capabilities to identify knowledge spillovers from multiple sources, understand their commercial potential, and develop comprehensive strategies for exploiting these opportunities effectively. This multi-dimensional educational foundation enables entrepreneurs to bridge the gap between knowledge creation and commercial application, transforming diverse forms of knowledge into concrete business opportunities (Acs et al., 2013).

Knowledge Spillover Theory establishes a direct relationship between knowledge spillovers and profitability through opportunity recognition and exploitation mechanisms. The theory posits that entrepreneurs who can effectively identify and exploit knowledge spillovers are positioned to create new products, services, or processes that generate superior returns compared to competitors who lack this capability. These knowledge-based opportunities often lead to first-mover advantages, market differentiation, and innovative solutions that command premium pricing and enhanced profit margins (Audretsch, & Keilbach, 2007). The theory explains that profitability outcomes result from the successful commercialization of knowledge spillovers, where entrepreneurs translate new knowledge into value-creating activities that generate economic returns. Entrepreneurs with superior educational backgrounds are better positioned to recognize valuable knowledge spillovers, assess their commercial viability, and implement strategies that maximize the profit potential of these opportunities. This capability to

transform knowledge spillovers into profitable ventures represents a key mechanism through which entrepreneurial education contributes to enhanced business performance (Acs et al., 2013).

In the context of entrepreneurial education and SME performance in Nigeria, the Knowledge Spillover Theory suggests that educational programs that emphasize knowledge creation, innovation, and opportunity recognition can enhance SME profitability by enabling entrepreneurs to identify and exploit knowledge spillovers in their respective markets (Joseph, & Adewunmi, 2020). The theory implies that Nigerian SMEs led by entrepreneurs with comprehensive entrepreneurial education are better positioned to identify emerging opportunities, adapt global innovations to local contexts, and develop novel solutions that address specific market needs. This theoretical framework supports the proposition that investing in entrepreneurial education creates knowledge-based competitive advantages that translate directly into improved profitability outcomes for Nigerian SMEs.

2.3.4 Social Learning Theory

Social Learning Theory, developed by Albert Bandura (1977), provides a comprehensive framework for understanding how individuals acquire knowledge, skills, and behaviors through observation, modeling, and social interaction. The theory posits that learning occurs not only through direct experience but also through observing others, imitating successful behaviors, and receiving feedback from social environments (Jin, 2021).

Bandura's theory emphasizes that human learning is a social process that involves cognitive, behavioral, and environmental factors working together in what he termed "reciprocal determinism." This theoretical perspective is particularly relevant to entrepreneurship education as it explains how entrepreneurs acquire business knowledge and skills through various social learning mechanisms beyond formal instruction. The core principles of Social Learning Theory include observational learning (learning by watching others), modeling (imitating successful behaviors), reinforcement (receiving feedback that shapes behavior), and self-efficacy (belief in one's ability to perform specific tasks) (Harinie, Sudiro, Rahayu, & Fatchan, 2017). These principles provide a theoretical foundation for understanding how entrepreneurial education facilitates learning through multiple channels including mentorship, peer interaction, case study analysis, and practical application in social contexts.

Social Learning Theory provides a robust theoretical explanation for how the three components of entrepreneurial education - formal education, skill acquisition, and reading of business books - facilitate learning through social mechanisms. Formal education creates structured social learning environments where entrepreneurs learn through instructor modeling, peer interaction, case study discussions, and collaborative projects that demonstrate successful business practices (Rocha, Paco, & Alves, 2024). Skill acquisition programs leverage social learning through mentorship relationships, apprenticeships, and hands-on training where learners observe expert practitioners and gradually develop competencies through guided practice and feedback. Reading of

business books facilitates vicarious learning experiences where entrepreneurs observe successful business leaders and organizations through documented case studies, strategies, and experiences. This form of social learning enables entrepreneurs to model proven approaches, learn from others' mistakes, and develop self-efficacy through exposure to diverse success stories and problem-solving approaches (Harinie et al., 2017). The theory explains that these three educational components work synergistically to create comprehensive social learning experiences that enhance entrepreneurial knowledge, skills, and confidence through multiple observational and modeling opportunities.

Social Learning Theory establishes the relationship between social learning processes and profitability through enhanced business performance capabilities developed through observational learning and modeling. The theory posits that entrepreneurs who engage in social learning through educational experiences develop superior business skills, strategic thinking abilities, and problem-solving competencies that directly impact their ability to generate profits (Zozimo, Jack, & Hamilton, 2012). Through observational learning, entrepreneurs acquire knowledge of successful business practices, effective management techniques, and profitable strategies that they can adapt and implement in their own enterprises. The theory explains that social learning enhances self-efficacy beliefs, which are critical determinants of entrepreneurial performance and persistence in the face of challenges. Entrepreneurs who develop strong self-efficacy through social learning experiences are more likely to pursue profitable opportunities, take calculated risks, and persist through difficulties that might otherwise lead to business failure (Harinie et al.,

2017). This increased confidence and competence, developed through social learning mechanisms, translates directly into improved decision-making, better resource management, and more effective business operations that enhance profitability outcomes.

In the Nigerian SME context, Social Learning Theory suggests that entrepreneurial education programs that incorporate mentorship, peer learning, and practical observation opportunities will be more effective in enhancing business performance than purely theoretical approaches. The theory supports the development of entrepreneurial education initiatives that connect SME owners with successful business mentors, create peer learning networks, and provide opportunities to observe and model successful business practices (Chukwu, & Uzochukwu, 2013). This theoretical framework implies that Nigerian SMEs led by entrepreneurs who have engaged in comprehensive social learning experiences through formal education, skill acquisition, and business literature will demonstrate superior profitability outcomes due to their enhanced competencies and self-efficacy developed through social learning processes.

2.3.5 Entrepreneurial Orientation Theory

Entrepreneurial Orientation Theory, developed by Miller (1983) and further refined by Covin and Slevin (1991), provides a comprehensive framework for understanding how strategic orientations toward innovation, risk-taking, and proactiveness influence business performance (Belgacem, 2015). The theory posits that entrepreneurial orientation represents a firm-level strategic posture that reflects the extent to which organizations

engage in entrepreneurial activities and behaviors. According to this theory, entrepreneurial orientation consists of three key dimensions: innovativeness (the tendency to engage in creativity and experimentation through new products, services, or technological processes), risk-taking (the willingness to commit significant resources to opportunities with uncertain outcomes), and proactiveness (the propensity to anticipate and act on future market opportunities ahead of competitors) (Kreiser, Marino, Davis, Tang, & Lee, 2010). The theoretical foundation of Entrepreneurial Orientation Theory suggests that firms with higher levels of entrepreneurial orientation are more likely to achieve superior performance outcomes because they are better positioned to identify and exploit market opportunities, adapt to changing environmental conditions, and create competitive advantages through innovative approaches. The theory emphasizes that entrepreneurial orientation is not merely a set of behaviors but a strategic mindset that permeates organizational culture and decision-making processes, influencing how firms approach market opportunities and competitive challenges (Fayolle, Basso & Bouchard, 2011).

Entrepreneurial Orientation Theory provides a strong theoretical foundation for understanding how the three components of entrepreneurial education - formal education, skill acquisition, and reading of business books - contribute to the development of entrepreneurial orientation dimensions. Formal education enhances entrepreneurial orientation by exposing entrepreneurs to innovative thinking frameworks, analytical tools for risk assessment, and strategic planning methodologies that develop the cognitive

capabilities necessary for innovative, proactive, and calculated risk-taking behaviors (Meilani & Ginting, 2018). Skill acquisition contributes to entrepreneurial orientation by developing practical competencies that enable entrepreneurs to implement innovative ideas, manage risks effectively, and respond proactively to market opportunities. These hands-on capabilities provide entrepreneurs with the confidence and technical expertise necessary to pursue entrepreneurial initiatives that require innovation, risk management, and proactive market positioning. Reading of business books enhances entrepreneurial orientation by providing entrepreneurs with exposure to innovative business models, risk management strategies, and proactive approaches used by successful entrepreneurs and organizations (Victor et al., 2022). The theory explains that these three educational components work synergistically to develop what can be termed "entrepreneurial orientation capabilities" - the integrated knowledge, skills, and strategic mindset that enable entrepreneurs to consistently demonstrate innovative, risk-taking, and proactive behaviors. This comprehensive educational foundation creates the cognitive and practical prerequisites for entrepreneurial orientation, enabling entrepreneurs to approach business opportunities with the strategic mindset necessary for superior performance outcomes (Anderson, Covin & Slevin, 2009).

Entrepreneurial Orientation Theory establishes a direct relationship between entrepreneurial orientation dimensions and profitability through enhanced competitive positioning and market performance. The theory posits that firms with higher levels of entrepreneurial orientation achieve superior profitability because they are more effective

at identifying profitable opportunities, developing innovative solutions that command premium pricing, and maintaining competitive advantages through proactive market positioning (Kreiser & Davis, 2010). Innovation, as a key dimension of entrepreneurial orientation, contributes to profitability by enabling firms to develop unique products, services, or processes that differentiate them from competitors and create value propositions that support higher profit margins. Risk-taking orientation contributes to profitability by enabling entrepreneurs to pursue high-potential opportunities that risk-averse competitors avoid, potentially leading to first-mover advantages and superior returns (Boabeng & Li, 2018). Proactiveness contributes to profitability by enabling firms to anticipate market trends, respond quickly to emerging opportunities, and position themselves advantageously before competitors recognize these opportunities.

In the Nigerian SME context, Entrepreneurial Orientation Theory suggests that entrepreneurs who develop strong entrepreneurial orientations through comprehensive entrepreneurial education will be better positioned to achieve superior profitability outcomes (Daniel & Chukwuemeka, 2023). The theory implies that Nigerian SMEs operating in dynamic and challenging market conditions require high levels of entrepreneurial orientation to identify opportunities, manage risks, and maintain competitive positions that support sustainable profitability. This theoretical framework supports the proposition that entrepreneurial education serves as a critical mechanism for developing the entrepreneurial orientation necessary for SME success in the Nigerian

business environment, where innovation, calculated risk-taking, and proactive market positioning are essential for profitability and survival.

2.4 Theoretical Framework

This study adopts the Human Capital Theory (HCT) as the theoretical framework for examining the relationship between entrepreneurial education and the performance of small and medium enterprises (SMEs) in Nigeria. Human Capital Theory, originally developed by Theodore Schultz (1960) and further refined by Gary Becker (1962), provides the most comprehensive and relevant theoretical foundation for understanding how educational investments translate into measurable business performance outcomes.

The central premise of HCT is that knowledge, skills, and competencies acquired through various forms of education constitute a form of capital that enhances individual productivity and earning potential. The theory posits that individuals can enhance their productive capacity through investments in education, training, and skill development, which subsequently increase their ability to generate economic returns and achieve superior performance outcomes. In the entrepreneurship context, this theory suggests that entrepreneurs who invest in entrepreneurial education develop enhanced human capital that enables them to make better business decisions, manage resources more effectively, and identify profitable opportunities more readily than their less-educated counterparts (Becker, 1975). The theory establishes a direct causal relationship between educational investments and performance outcomes, making it particularly suitable for examining

how formal education, skill acquisition, and reading of business books influence SME profitability. HCT was selected as the primary theoretical framework for this study based on its direct alignment with the research variables and the specific context of Nigerian SMEs.

Firstly, the theory provides a direct and logical explanation for the relationship between the distinct components of entrepreneurial education and SME profitability. It establishes clear causal mechanisms through which educational investments translate into improved business outcomes (Ojokuku & Sajuyigbe, 2015). The theory's multi-dimensional view of human capital development aligns perfectly with the study's conceptualization of entrepreneurial education as comprising formal education, practical skill acquisition, and continuous learning through reading business books (Becker, 1975). This provides theoretical justification for expecting positive relationships between each educational component and business performance outcomes.

The theory's applicability is evident in its ability to explain how different types of educational investments contribute to human capital development: Formal education enhances human capital through systematic knowledge acquisition and cognitive skill development; skill acquisition develops human capital through practical competency development; and reading business books adds to human capital through continuous learning and strategic insight acquisition.

Furthermore, HCT's emphasis on the economic returns to educational investments provides the theoretical foundation for examining profitability as the dependent variable (Paunović, 2021). The theory predicts that entrepreneurs with higher levels of human capital will achieve superior financial performance because they possess the knowledge, skills, and competencies necessary for effective business management and opportunity exploitation.

Finally, HCT is highly relevant to the Nigerian context. Human capital development is recognized as a critical factor in entrepreneurship development and economic growth, resonating with policy initiatives aimed at enhancing entrepreneurial capabilities through educational interventions (Omowumi, Folayan, Ofoezie & Bello, 2025). This alignment between theoretical predictions and policy priorities strengthens the theory's relevance. By focusing on the human capital differences among entrepreneurs, the theory provides a valuable framework for understanding why some SMEs perform better than others, particularly in an environment where businesses face similar external constraints (Oforegbunam & Okorafor, 2010). Human Capital Theory thus provides both the conceptual foundation and analytical framework necessary for examining these relationships systematically and drawing meaningful conclusions.

2.5 Empirical Reviews

Faith and Vincent (2024) examined the effect of entrepreneurship education on the performance of SMEs in the manufacturing sector in North Central Nigeria. The study

used a survey research design with a sample of 397 SMEs selected using the Taro Yamane formula. Data was collected through structured questionnaires and analyzed using logit regression models. The findings revealed that innovative skills training and financial skills training have significant positive effects on sales growth, while technical and managerial skills training showed limited direct influence on SME performance.

Okey and Elizabeth (2024) empirically explored the relationship between entrepreneurship education and performance of SMEs in Port Harcourt, Rivers State, Nigeria. The study adopted a quantitative research approach with a sample size of 400 SME managers selected using convenience sampling. Data was collected through self-administered questionnaires and analyzed using SPSS with Spearman rank correlation coefficient. The findings revealed that affective education significantly relates to profitability, establishing a significant relationship between entrepreneurship education and SME performance.

Daniel and Ezeamuzie (2024) explored the role of practical entrepreneurship education in addressing declining SME performance in Abuja, Nigeria. The study used a survey research approach with 250 SME owners who had at least five years of post-entrepreneurial education experience. Data was analyzed using Ordinary Least Squares multiple regression analysis. The findings revealed that entrepreneurial planning and entrepreneurship workshops significantly enhance job creation and business growth among SMEs.

Akintayo, Ibrahim, Oni, and Raheem (2024) investigated entrepreneurial competencies as drivers of SME performance in Osun State, Nigeria. The study used a survey design with 377 SME operators randomly selected across the state. Data was collected through self-structured questionnaires and analyzed using descriptive and inferential statistics. The findings revealed that strategic competencies, organizational competencies, and opportunity competencies had positive and significant effects on SME performance, with organizing competencies showing the strongest association.

Orga, Aniezue, Unaogu, Emehelu, Ugwa, and Udeagha (2023) evaluated the relationship between entrepreneurship education and performance of SMEs in Enugu State, Nigeria. The study used a descriptive survey design with 282 SME staff from a population of 320. Data was collected through questionnaires and analyzed using Pearson correlation. The findings revealed that training workshops had positive relationship with problem solving skills, mentorship had positive relationship with unemployment reduction, and opportunity evaluation had positive relationship with business start-ups.

Egrinya, Ogbo, Laven and Peter (2022) investigated entrepreneurship education and SME development in North Central Nigeria. The study adopted a survey research design with a sample of 377 selected from 17,973 staff of private enterprises using Krejcie and Morgan sample size determination. Data was collected through mixed methods and analyzed using Pearson correlation and simple linear regression. The findings revealed that

entrepreneurship vocational training enhances product development and entrepreneurial skill acquisition significantly enhances SME productivity.

Poi & Opuene (2022) examined entrepreneurial competencies and business performance of SMEs in Obio/Akpor Local Government Area of Rivers State, Nigeria. The study adopted a survey design with 308 owners and managers of 256 registered SMEs. Data was collected through structured questionnaires and analyzed using Spearman Rank Correlation Coefficient with SPSS. The findings revealed that entrepreneurial competencies dimensions significantly related strongly and positively with business performance measures, with leadership competencies being particularly important.

Ugwu & Mbah (2022) assessed Igbo apprenticeship schemes on development of SMEs in Enugu State, Nigeria. The study used a survey design with 185 respondents drawn from 211 business owners and apprentices in Enugu metropolis. Data was analyzed using Z-test with SPSS. The findings revealed that knowledge-based qualification enhanced innovation and creativity, functional skills positively affected quality commitment, and competence-based qualification positively affected interpersonal skills of SMEs in Enugu State.

Joseph and Adewunmi (2020) examined the impact of entrepreneurship education on SME development in Lagos Metropolis, Nigeria. The study used a survey research design with 40 randomly selected small business owners. Data was collected through structured questionnaires and analyzed using descriptive statistics. The findings revealed that

entrepreneurship education has positive impacts on SME profitability and empowers business owners with expansion capabilities.

Egele (2019) evaluated the effect of entrepreneurial education on SME performance in Kano state, Nigeria. The study adopted a cross-sectional survey design with a sample of 393 owners, managers, and staff selected using purposive and stratified random sampling. Data was collected over a two-year period using questionnaires and interview guides, then analyzed using correlation and linear regression. The findings revealed a positive and significant relationship between entrepreneurial education and SME performance.

Table 2.1 Summary Table of Reviews of Related Literatures

S/N	Author	Year	Topic	Region	Methodology and Time Period	Findings
1	Faith and Vincent	2024	Effect of entrepreneurship education on SME performance in manufacturing sector	North Central Nigeria	Survey design with 397 SMEs using logit regression	Innovative and financial skills training significantly enhance sales growth and service quality.
2	Okey and Elizabeth	2024	Relationship between entrepreneurship education and SME performance	Port Harcourt, Rivers State, Nigeria	Quantitative approach with 400 SME managers using SPSS	Affective education significantly relates to profitability.
3	Daniel and Ezeamuzie	2024	Role of practical entrepreneurship education in SME performance	Abuja, Nigeria	Survey with 250 SME owners using OLS regression	Entrepreneurial planning and workshops significantly enhance job creation

						and business growth.
4	Akintayo, Ibrahim, Oni, & Raheem	2024	Entrepreneurial competencies as drivers of SME performance	Osun State, Nigeria	Survey design with 377 SME operators	Strategic, organizational, and opportunity competencies had positive and significant effects on SME performance.
5	Orga, Aniezue, Unaogu, Emehelu, Ugwa, and Udeagha	2023	Entrepreneurship education and SME performance	Enugu State, Nigeria	Descriptive survey design with 282 SME staff using Pearson correlation	Training workshops positively related to problem solving skills, mentorship to unemployment reduction, and opportunity evaluation to business start-ups.
6	Egrinya, Ogbo, Laven and Peter	2022	Entrepreneurship education and SME development	North Central, Nigeria	Survey design with 377 respondents using correlation and regression	Entrepreneurship vocational training enhances product development and skill acquisition improves productivity.
7	Poi & Opuene	2022	Entrepreneurial competencies and business performance of SMEs	Obio/Akpor LGA, Rivers State, Nigeria	Survey design with 308 owners and managers using Spearman correlation	Entrepreneurial competencies dimensions significantly related positively with business performance, with leadership competencies being particularly important.
8	Ugwu & Mbah	2022	Igbo apprenticeship schemes on	Enugu State, Nigeria	Survey design with 185	Knowledge-based qualification enhanced

			development of SMEs		respondents using Z-test	innovation, functional skills positively affected quality commitment, and competence-based qualification positively affected interpersonal skills.
9	Joseph and Adewunmi	2020	Impact of entrepreneurship education on SME development	Lagos Metropolis, Nigeria	Survey design with 40 small business owners using descriptive statistics	Entrepreneurship education positively impacts SME profitability and expansion capabilities.
10	Egele	2019	Effect of entrepreneurial education on SME performance	Kano State, Nigeria	Cross-sectional survey with 393 respondents over 2 years	Positive and significant relationship between entrepreneurial education and SME performance.

2.5 Research Gap

The empirical review reveals several significant gaps in existing literature concerning the impact of entrepreneurial education on SMEs performance. First, to the best of our knowledge, there is little or no studies that specifically examine the three distinct components of entrepreneurial education used in this study - formal education, skill acquisition, and reading of business books - as collective independent variables influencing SMEs profitability. While previous studies such as Faith & Vincent (2024), Egele (2019), and Daniel & Ezeamuzie (2024) have explored various aspects of entrepreneurship education, they have predominantly focused on general

entrepreneurship training or specific skill types without comprehensively investigating how these three fundamental educational components individually and collectively impact business performance. This gap is particularly evident in the Nigerian literature, where most studies have adopted broad conceptualizations of entrepreneurship education without disaggregating its key components to understand their specific contributions to business success.

Additionally, there exists a geographical and contextual gap in the existing literature, with limited empirical evidence specifically examining the relationship between entrepreneurial education and SME performance in Edo State, Nigeria. While studies have been conducted in various Nigerian states including Rivers State (Okey & Elizabeth, 2024), Abuja (Daniel & Ezeamuzie, 2024), Kano State (Egele, 2019), and North Central Nigeria (Egrinya et al., 2022), there is insufficient research focusing on Edo State's unique business environment and the specific challenges faced by SMEs in local government areas such as Egor, Oredo, and Ikpoba-Okha. Furthermore, many of the reviewed studies, particularly Mamman (2014) and Njoroge & Gathungu (2013), are becoming outdated, creating a temporal gap that necessitates current empirical evidence to reflect contemporary entrepreneurship education practices and their impact on modern SME operations in Nigeria's evolving economic landscape.

This study addresses these identified gaps by specifically investigating how formal education, skill acquisition, and reading of business books as distinct components of

entrepreneurial education influence the profitability of SMEs in Edo State, Nigeria. By focusing on these three specific educational components and their individual relationships with SME profitability, this research contributes to existing literature by providing a more nuanced understanding of which educational interventions are most effective for enhancing business performance. The study's focus on Edo State fills the geographical gap by providing empirical evidence from an understudied region, while its contemporary timeframe addresses the temporal gap by offering current insights into entrepreneurship education effectiveness. These contributions are essential for developing targeted entrepreneurship education programs, informing policy decisions, and enhancing the practical understanding of how educational investments can be optimized to improve SME success rates in Nigeria's challenging business environment.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presented the research methodology employed to investigate the impact of entrepreneurial education on the performance of Small and Medium Scale Enterprises (SMEs) in Edo State, Nigeria. It presented the method of data collection, analysis, and interpretation to ensure valid and reliable findings that address the study's objectives. The chapter covered the research design, population and sampling procedures, data sources, research instruments, variable operationalization, model specification, and analytical techniques. These methodological components ensured that the research objectives are systematically addressed through appropriate data collection and analysis processes.

3.2 Research Design

The study adopted the survey research design. According to Kothari (2004), research design is the organized framework that specifies the proper research approach. Survey research design involves systematic collection of standardized data from respondents using structured questionnaire to examine relationships between variables at a specific point in time. This design enables the researcher to gather quantitative information from multiple respondents simultaneously, facilitating statistical analysis of the relationships between entrepreneurial education components and SMEs performance indicators. This

approach is most appropriate for this study because it allows for cost-effective data collection from the geographically dispersed SMEs population across Edo State, provides the quantitative data necessary for statistical analysis, and ensures standardization for meaningful comparisons across different enterprises and sectors. This approach gives a precise picture of the connection between the elements of entrepreneurial education and the performance of SMEs, revealing how formal education, skill development, and reading of business books affect the business outcomes of entrepreneurs and SMEs owners. The advantage of this technique is that it allows the researcher to evaluate the present status of these linkages across several firms at the same time by looking at multiple variables connected to entrepreneurial education and SMEs success during a given timeframe.

3.3 Population

The population represents the target group about which conclusions will be drawn. For this study, the population consists of owners and managers of Small and Medium Scale Enterprises (SMEs) operating within Egor, Oredo, and Ikpoba-Okha Local Government Areas of Edo State, Nigeria. These three local government areas were selected as they represent the major commercial and industrial hubs of Edo State, hosting a significant concentration of SMEs across various sectors including manufacturing, trading, services, and agriculture. By including SMEs owners and managers from these areas, the study aims to capture a comprehensive view of how entrepreneurial education, specifically

formal education, skill acquisition, and reading of business books; impacts SMEs performance in the Nigerian business environment.

3.4 Sample and Sampling Technique

A sample represents a subset of the population chosen for the study to draw conclusions that can be generalized to the entire population. The targets sample for this study are SMEs that have been in operation for at least three years and whose owners/managers have acquired entrepreneurial education through formal education, skill acquisition programs, reading of business books, or a combination of these components, ensuring that respondents have sufficient experience and relevant educational background to provide meaningful insights on the impact of entrepreneurial education on business performance.

The study employed a stratified sampling technique. This sampling technique divides the population into distinct subgroups (strata) based on relevant characteristics before randomly selecting participants from each stratum. In this study the sample were selected on the following bases: business size (small, and medium enterprises), years of operation (enterprises that have been in operation for at least three years), and SMEs whose owners and managers have acquired entrepreneurial education (whether formal education, skill acquisition or reading of business books).

3.5 Sources of Data

For this study, primary data was obtained from owners and managers of Small and Medium

Scale Enterprises (SMEs) operating in Egor, Oredo, and Ikpoba-Okha Local Government Areas of Edo State, Nigeria. This primary data was collected through questionnaire and interviews, providing firsthand information on the relationship between entrepreneurial education and SMEs performance in the Nigerian business context. Questionnaires enables systematic measurement of variables and facilitate statistical analysis of relationships between entrepreneurial education and SMEs performance and interviews on the other hand complements the questionnaire data by capturing rich, contextual information that may not be fully expressed through structured questions alone. The combination of questionnaire and interviews ensures comprehensive data collection, with questionnaire providing breadth of information across numerous respondents while interviews offer depth of understanding from selected participants.

3.6 Method of Data Collection

Structured questionnaire was administered to SMEs owners and managers to collect quantitative data on entrepreneurial education components (formal education, skill acquisition, and reading of business books) and their impact on SMEs performance

indicators. The questionnaire was distributed to respondents across the three selected local government areas, allowing for standardized data collection from a larger sample size.

Interviews were also conducted with selected SMEs owners and managers to gain deeper qualitative insights into how entrepreneurial education influences their business operations and performance. The interviews provided opportunities for respondents to elaborate on their experiences with entrepreneurial education and its practical application in managing their enterprises.

3.7 Research Instrument

A structured questionnaire served as the primary data collection tool for this study. 150 questionnaires were distributed to SMEs owners/managers across, Oredo, Egor and Ikopba Okha Local Government areas in Edo State. The questionnaire was divided into two sections: Section A gathered demographic information about the respondents, including details such as age, gender, educational background, business sector, years of business operation, and other relevant characteristics that will help in understanding the profile of SMEs owners/managers in the sample for the three local government area. Section B consisted of questions specifically designed to address the study's research objectives, focusing on aspects related to entrepreneurial education components (formal education, skill acquisition, and reading of business books) and their impact on profitability of SMEs. To capture respondents' perspectives accurately, the items in

Section B used a modified four-point Likert scale, ranging from Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD), which enabled the measurement of respondents' level of agreement or otherwise with statements regarding the relationship between entrepreneurial education and SMEs performance.

3.8 Reliability and Validity of Research Instrument

Reliability was ensured through test for internal consistency. The internal consistency of the questionnaire will be assessed using Cronbach's Alpha coefficient, a widely accepted statistical measure for evaluating the reliability of multi-item scales. A Cronbach's Alpha value of 0.70 or higher is generally considered acceptable for establishing reliability (Tavakol & Dennick, 2011). The reliability analysis was conducted using the Statistical Package for Social Sciences (SPSS) to ensure that the questionnaire items demonstrate adequate internal consistency.

Validity refers to the extent to which an instrument measures what it is intended to measure (Taherdoost, 2016). The questionnaire was presented to the project supervisor in evaluation for corrections and suggestions. The corrections were made by the project supervisor then implemented by the researcher. This is to ensure that the questionnaire was valid in terms of content and face. Also, a pilot study was conducted, and the responses analyzed using Statistical Package for the Social Sciences (SPSS) software.

3.9 Ethical Consideration

Ethical considerations were paramount throughout the execution of this study to ensure the protection of all participating SMEs owners and the integrity of the research findings. Prior to data collection, the researcher obtained informed consent from all respondents, ensuring that participation was entirely voluntary and that participants fully understood the study's objectives and procedures. To protect personal information, strict confidentiality was maintained, guaranteeing that all responses would be used solely for academic purposes and that participants would remain anonymous. Furthermore, the researcher ensured the accurate and objective reporting of data, free from any manipulation or distortion, thereby maintaining the integrity of the research findings. The entire process adhered to established academic standards for ethical conduct in social science research.

3.10 Operationalization of Variables

QUESTIONNAIRE

SECTION A: DEMOGRAPHIC INFORMATION

Please provide information about yourself and your business by selecting the appropriate options or filling in the required details.

1. Gender: Male () Female ()
2. Age: 18-23 years () 24-30 years () 31-35 years () 36 and Above ()

3. Highest Educational Qualification: Secondary School Certificate () National Certificate in Education (NCE) () Higher National Diploma (HND) () Bachelor's Degree () Master's Degree and Above ()
4. Years of Business Operation: 3-5 years () 6-8 years () 9-11 years () 12-14 years () 15 and Above ()
5. Business Size (Number of Employees): 10-20 () 21-49 ()
6. Your Position in the Business: Owner () Manager () Both Owner and Manager ()

SECTION B: RESEARCH QUESTIONS /STATEMENTS

INSTRUCTION: Kindly select the option that most correspond with you, by indicating your level of agreement: (4-Strongly Agree, 3-Agree, 2-Disagree, 1-Strongly Disagree).

Note, SA= Strongly Agree, A= Agree, D= Disagree, SD= Strongly Disagree.

SN	FORMAL EDUCATION	SA	A	D	SD
1.	Formal education enhances analytical and strategic decision making that improves gross profit.				
2.	Foundational business knowledge acquired through formal education supports effective management practices that positively affects gross profit.				
3.	Academic qualifications enhance credibility with investors and business partners that facilitate opportunities that increases gross profit.				
4.	Formal education improves financial planning and cost management skills that leads to higher gross profit.				
5.	Knowledge gained from formal education is applied to business operations which improves gross profit.				
6.	Formal education equips entrepreneurs with skills that enhance revenue generation from core business activities that results in increased gross profit.				
SN	SKILL ACQUISITION	SA	A	D	SD

7.	Specific technical skills acquired through training directly improve business efficiency that increases gross profit.				
8.	Skills acquired through training contribute directly to increased enterprise profitability and higher gross profit.				
9.	Practical skill acquisition reduces operational costs that improves gross profit.				
10.	Workshops and training enhance the ability to identify and respond to market opportunities that results in improved gross profit.				
11.	Skill acquisition programs provide practical, hands-on experience that improves business operations and gross profit.				
12.	Technical and operational skills enhance production efficiency that leads to improved gross profit margins.				
SN	READING OF BUSINESS BOOKS	SA	A	D	SD
13.	Insights from business books help identify new market opportunities that contributes to increased gross profit.				
14.	Reading business books enhances understanding of business strategy and management that supports improved gross profit.				
15.	Business literature provides practical knowledge on financial management and cost control that leads to higher gross profit.				
16.	Reading business books improves critical thinking and problem-solving capabilities that positively impacts gross profit.				
17.	Insights from business literature support the implementation of cost-effective production strategies that increases gross profit.				
18.	Business literature provides knowledge on managing direct costs that enhances gross profit margins.				

3.11 Method of Data Analysis

A variety of statistical methods was employed to analyse the collected data, providing insights into the impact of entrepreneurial education on Small and Medium Scale Enterprises (SMEs) performance in Nigeria. Responses from the questionnaire was analysed using both descriptive and inferential statistics. Descriptive statistics, including frequency table, percentages, and means (\bar{x}), will summarize the data, offering an overview of respondents' characteristics and general trends regarding formal education, skill acquisition, and reading of business books among SMEs owners.

For inferential analysis, correlation analysis was used to examine the relationships between entrepreneurial education variables (formal education, skill acquisition, and reading of business books) and profitability. Multiple regression analysis was employed to determine the individual and combined effects of these educational components on SMEs performance. Hypotheses were tested at a significance level of 0.05. Data was run using the Statistical Package for Social Sciences (SPSS), allowing for a detailed examination of the factors impacting SMEs performance within the target population in Edo State.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents the data presentation, analysis, and interpretation of findings for the study. The analysis was conducted strictly in line with the research questions, objectives, and hypotheses formulated in Chapter Three. Data collected through the field survey were analyzed using appropriate descriptive statistical tools such as frequencies, percentages, and tables to ensure clarity and meaningful interpretation. The chapter is structured to first present the demographic characteristics of the respondents, followed by the analysis of data relating to the study variables and the testing of the stated hypotheses.

4.2 Reliability Test of the Research Instrument

The reliability of the research instrument was determined using Cronbach's Alpha reliability test. Cronbach's Alpha measures the internal consistency of questionnaire items and indicates the extent to which the items consistently measure the intended

constructs. Generally, a Cronbach’s Alpha coefficient of 0.70 and above is generally considered acceptable and indicates good reliability.

Table 4.1: Results of Reliability Test of the Research Instrument (Pilot Study)

Variables	Number of Items	Cronbach’s Alpha
Formal Education	6	0.83
Skill Acquisition	6	0.86
Reading Business Books	6	0.81
Overall Instrument	18	0.84

Source: Pilot Study Result

Table 4.1 presents the results of the reliability analysis conducted using Cronbach’s Alpha for the research instrument. The Formal Education variable, measured with six items, recorded a Cronbach’s Alpha coefficient of 0.83, indicating a high level of internal consistency and suggesting that the items reliably measure the construct of formal education among SME operators. The Skill Acquisition variable, also consisting of six items, produced a Cronbach’s Alpha value of 0.86, which reflects very strong internal consistency and demonstrates that the items consistently assess skill acquisition as it relates to SME profitability. Similarly, the Reading Business Books variable recorded a Cronbach’s Alpha coefficient of 0.81, indicating good reliability and confirming that the items adequately capture the role of business literature in enhancing SME performance. Overall, the research instrument comprising eighteen items recorded a Cronbach’s Alpha value of 0.84, which exceeds the minimum acceptable threshold of 0.70. In line with established research standards, these results confirm that all the scales used in the study are reliable and suitable for data collection and subsequent analysis. The high reliability

coefficients indicate that the questionnaire items are consistent, dependable, and capable of producing stable and credible results for the main study.

4.3 Distribution and Retrieval of Questionnaire

A total of one hundred and fifty (150) copies of the questionnaire were administered to selected Small and Medium Scale Enterprise (SME) operators using the survey method. The questionnaires were distributed across the study area to respondents who met the criteria for inclusion in the study. Out of the 150 questionnaires distributed, 121 were correctly completed and returned, representing a response rate of 80.7 percent. The returned questionnaires were carefully screened, and all 121 were found usable for data analysis, while 29 questionnaires, representing 19.3 percent, were not returned.

Table 4.2: Questionnaire Distributed and Reviewed

Questionnaire Status	Frequency	Percentage (%)
Distributed	150	100
Retrieved and usable	121	80.7
Not Retrieved	20	13.3
Retrieved but not usable	9	6.0
Total	150	100

Source: Researcher’s Survey (2025)

Table 4.2 shows the distribution and retrieval status of the questionnaires administered for the study. Out of the 150 questionnaires distributed, 121 were successfully retrieved and found usable for analysis, representing 80.7 percent of the total sample size. This high response rate indicates a satisfactory level of cooperation from the respondents and provides an adequate basis for reliable data analysis. The remaining 20 questionnaires, representing 13.3 percent, were not retrieved, while 9 questionnaire representing 6

percent were retrieved but not usable. However, the proportion of retrieved and usable questionnaires is sufficiently high and is unlikely to adversely affect the validity or representativeness of the study findings. Overall, the response rate achieved in this study is considered acceptable for social science research and supports the credibility of the results obtained.

4.4 Demographic Characteristics of Respondents

Table 4.3: Demographic Distribution of Respondents (n = 121)

Variable	Category	Frequency	Percentage (%)
Gender	Male	72	59.5
	Female	49	40.5
	Total	121	100.0
Age	18–23 years	16	13.2
	24–30 years	38	31.4
	31–35 years	31	25.6
	36 years & above	36	29.8
	Total	121	100.0
Educational Qualification	Secondary School Certificate	19	15.7
	NCE	21	17.4
	HND	34	28.1
	Bachelor’s Degree	36	29.8
	Master’s Degree & above	11	9.1
	Total	121	100.0
Years of Business Operation	3–5 years	30	24.8
	6–8 years	36	29.8
	9–11 years	27	22.3
	12–14 years	16	13.2
	15 years & above	12	9.9
	Total	121	100.0
Business Size	10–20 employees	75	62.0

	21–49 employees	46	38.0
	Total	121	100.0
Position Held	Owner	61	50.4
	Manager	32	26.4
	Owner & Manager	28	23.1
	Total	121	100.0

Source: Researcher’s Survey (2025)

Table 4.3 presents the demographic distribution of the respondents used for the study. The gender composition shows that 72 respondents (59.5 percent) were male, while 49 respondents (40.5 percent) were female, indicating a higher participation of males in SME operations. In terms of age, respondents aged 24–30 years constituted the largest proportion (31.4 percent), followed by those aged 36 years and above (29.8 percent), suggesting that most SME operators fall within economically active age groups. Regarding educational qualification, respondents with Bachelor’s degrees formed the highest proportion (29.8 percent), closely followed by those with HND qualifications (28.1 percent), indicating that a substantial number of SME operators possess tertiary-level education. The distribution of years of business operation shows that 29.8 percent of the respondents had operated their businesses for 6–8 years, while 24.8 percent had between 3–5 years of experience, suggesting moderate to substantial business exposure. Furthermore, the business size distribution indicates that most SMEs employed between 10–20 workers (62.0 percent), while 38.0 percent employed between 21–49 workers. In terms of position held, owners constituted the majority of respondents (50.4 percent), followed by managers (26.4 percent), indicating that responses were obtained largely

from individuals directly involved in strategic and operational decision-making within the enterprises.

4.5 Analysis of Research Questions

Section B: Data for Research Questions

Decision Rule (Applied to Tables 3–5)

- **Mean ≥ 2.50 \rightarrow Accepted**
- **Mean < 2.50 \rightarrow Rejected**
- **Likert scale: 4 = Strongly Agree, 3 = Agree, 2 = Disagree, 1 = Strongly Disagree**

Table 4.4: Formal Education and SME Performance (n = 121)

S/N	Item	(n)	Mean	Std. Dev.	Decision
1	Formal education enhances analytical and strategic decision-making that improves gross profit	121	3.21	0.68	Accepted
2	Foundational business knowledge supports effective management practices	121	3.15	0.71	Accepted
3	Academic qualifications enhance credibility with investors and partners	121	3.02	0.75	Accepted
4	Formal education improves financial planning and cost management	121	3.18	0.66	Accepted
5	Knowledge gained from formal education is applied to business operations	121	3.09	0.73	Accepted
6	Formal education enhances revenue generation from core activities	121	3.24	0.64	Accepted

Source: Researcher’s Survey (2025)

Table 4.4 presents respondents’ perceptions of the influence of formal education on SME performance measured by gross profit. The results show that all the items recorded mean

scores above the 2.50 decision benchmark, indicating general agreement that formal education positively affects SME performance. Specifically, respondents agreed that formal education enhances analytical and strategic decision-making ($\bar{x} = 3.21$), supports effective management practices through foundational business knowledge ($\bar{x} = 3.15$), and improves credibility with investors and business partners ($\bar{x} = 3.02$). In addition, formal education was perceived to improve financial planning and cost management ($\bar{x} = 3.18$) and enable the application of acquired knowledge to business operations ($\bar{x} = 3.09$). The highest mean score ($\bar{x} = 3.24$) indicates that respondents strongly agreed that formal education equips entrepreneurs with skills that enhance revenue generation from core business activities. The relatively low standard deviation values suggest consistency in respondents' views, underscoring the importance of formal education in improving SME performance.

Table 4.5: Skill Acquisition and SME Performance (n = 121)

S/N	Item	(n)	Mean	Std. Dev.	Decision
7	Technical skills improve business efficiency	121	3.33	0.59	Accepted
8	Skills acquired through training increase enterprise profitability	121	3.29	0.61	Accepted
9	Practical skill acquisition reduces operational costs	121	3.18	0.67	Accepted
10	Workshops enhance ability to identify market opportunities	121	3.22	0.65	Accepted
11	Skill acquisition provides hands-on experience improving operations	121	3.35	0.56	Accepted
12	Technical skills enhance production efficiency and profit margins	121	3.31	0.58	Accepted

Source: Researcher’s Survey (2025)

Table 4.5 shows respondents’ views on the influence of skill acquisition on SME performance. The findings reveal that all items recorded mean values above 2.50, indicating strong agreement that skill acquisition contributes positively to improved gross profit. Respondents agreed that technical skills acquired through training improve business efficiency ($\bar{x} = 3.33$) and that such skills contribute directly to increased enterprise profitability ($\bar{x} = 3.29$). Practical skill acquisition was also perceived to reduce operational costs ($\bar{x} = 3.18$), while workshops and training programmes were seen as enhancing the ability to identify and respond to market opportunities ($\bar{x} = 3.22$). The highest mean score ($\bar{x} = 3.35$) shows strong agreement that skill acquisition programmes provide practical, hands-on experience that improves business operations, while technical and operational skills were also perceived to enhance production efficiency and gross profit margins ($\bar{x} = 3.31$). The low standard deviation values indicate a high level of consistency in respondents’ opinions, emphasizing the critical role of skill acquisition in SME performance.

Table 4.6: Reading of Business Books and SME Performance (n = 121)

S/N	Item	(n)	Mean	Std. Dev.	Decision
13	Business books help identify new market opportunities	121	3.04	0.72	Accepted
14	Reading business books enhances strategic understanding	121	3.11	0.69	Accepted
15	Business literature improves financial management skills	121	3.08	0.71	Accepted

16	Reading improves critical thinking and problem-solving	121	3.16	0.68	Accepted
17	Business literature supports cost-effective production strategies	121	3.01	0.74	Accepted
18	Business books enhance management of direct costs	121	3.07	0.70	Accepted

Source: Researcher's Survey (2025)

Table 4.6 presents respondents' perceptions of the influence of reading business books on SME performance. The results indicate that all the items recorded mean scores above the 2.50 acceptance threshold, suggesting that respondents generally agreed that reading business literature enhances business performance. Respondents agreed that insights from business books help identify new market opportunities ($\bar{x} = 3.04$) and enhance understanding of business strategy and management ($\bar{x} = 3.11$). Business literature was also perceived to provide practical knowledge on financial management and cost control ($\bar{x} = 3.08$) and to improve critical thinking and problem-solving capabilities ($\bar{x} = 3.16$). Furthermore, respondents agreed that business books support the implementation of cost-effective production strategies ($\bar{x} = 3.01$) and enhance the management of direct costs, thereby improving gross profit margins ($\bar{x} = 3.07$). The relatively low standard deviation values indicate consistency in responses, suggesting that reading business books is an important contributor to improved SME performance.

4.6 Hypotheses Testing

The hypotheses formulated for this study were tested to determine the relationships between entrepreneurial education components (formal education, skill acquisition, reading business books) and SME profitability. Both correlation analysis and multiple regression analysis were employed, and all hypotheses were tested at the 0.05 level of significance using SPSS. The null hypothesis (H_0) is rejected if the p-value < 0.05 , indicating a statistically significant relationship.

Hypothesis One

H_{01} : Formal education does not have a significant effect on the profitability of SMEs in Nigeria.

Table 4.7: Correlation between Formal Education and SME Profitability

Variables	N	Pearson r	p-value	Decision
Formal Education	121	0.462	0.000	Reject H_0
SME Profitability	121			

Table 4.7 indicates a moderate positive correlation ($r = 0.462$, $p = 0.000$) between formal education and SME profitability. Since the p-value is less than 0.05, the null hypothesis is rejected, implying that formal education significantly affects the profitability of SMEs in

Nigeria. This suggests that higher levels of formal education among SME operators enhance decision-making, financial management, and revenue generation.

Hypothesis Two

H₀₂: There is no significant relationship between skill acquisition and profitability of SMEs in Nigeria.

Table 4.8: Correlation between Skill Acquisition and SME Profitability

Variables	N	Pearson r	p-value	Decision
Skill Acquisition	121	0.518	0.000	Reject H ₀
SME Profitability	121			

As shown in Table 4.8, skill acquisition has a strong positive correlation ($r = 0.518$, $p = 0.000$) with SME profitability. The p-value being less than 0.05 leads to rejection of the null hypothesis, indicating a significant relationship. This demonstrates that acquisition of practical and technical skills significantly improves SME efficiency, operational performance, and profitability.

Hypothesis Three

H₀₃: There is no significant relationship between reading business books and profitability of SMEs in Nigeria.

Table 4.9: Correlation between Reading Business Books and SME Profitability

Variables	N	Pearson r	p-value	Decision
Reading Business Books	121	0.389	0.001	Reject H ₀
SME Profitability	121			

Table 4.9 reveals a positive correlation ($r = 0.389$, $p = 0.001$) between reading business books and SME profitability. Since the p-value is less than 0.05, the null hypothesis is rejected, indicating that reading business literature significantly contributes to SME performance through enhanced decision-making, cost management, and strategic planning.

Combined Effect: Multiple Regression Analysis

Table 4.10: Multiple Regression of Entrepreneurial Education Components on SME Profitability

Predictor Variable	B (Unstandardized)	Std. Error	Beta (Standardized)	t-value	p-value	Decision
Constant	0.842	0.118	-	7.14	0.000	Significant
Formal Education	0.243	0.054	0.231	4.50	0.000	Significant
Skill Acquisition	0.319	0.057	0.298	5.60	0.000	Significant
Reading	0.186	0.061	0.169	3.05	0.003	Significant

Predictor Variable	B (Unstandardized)	Std. Error	Beta (Standardized)	t-value	p-value	Decision
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Business Books

Model Summary:

R	R ²	Adjusted R ²	F-value	p-value
0.623	0.388	0.381	62.41	0.000

The multiple regression analysis shows that formal education, skill acquisition, and reading business books together explain 38.8% of the variation in SME profitability ($R^2 = 0.388$). The F-test value of 62.41 with $p = 0.000$ confirms that the model is statistically significant. Individually, skill acquisition ($\beta = 0.298$, $p = 0.000$) had the strongest effect on profitability, followed by formal education ($\beta = 0.231$, $p = 0.000$) and reading business books ($\beta = 0.169$, $p = 0.003$). This indicates that all three components of entrepreneurial education positively and significantly contribute to improving SME profitability in Nigeria.

4.7 Discussion on Findings

The findings of this study provide strong empirical evidence that entrepreneurial education significantly influences the profitability of Small and Medium Scale Enterprises (SMEs) in Nigeria. The study specifically examined the effects of formal

education, skill acquisition, and reading of business books on SME profitability, and the results from both descriptive and inferential analyses reveal positive and statistically significant relationships. These findings are discussed in relation to existing empirical studies and relevant theoretical perspectives.

The study found that formal education has a significant positive effect on the profitability of SMEs in Nigeria. Respondents recorded high mean scores across all items measuring formal education, indicating strong agreement that formal education enhances strategic decision-making, financial planning, cost management, and credibility with investors and business partners. The correlation and regression results further confirmed that formal education significantly predicts SME profitability. This finding supports the human capital theory, which argues that education improves individuals' cognitive abilities, productivity, and economic outcomes. Empirical support for this result can be found in the study by Akanbi, Adeyeye, and Ibidunni (2020), which established that Nigerian SME owners with formal educational backgrounds demonstrate better managerial competence and financial discipline, leading to improved business performance. Similarly, Ogunyomi and Bruning (2019) reported that formal education equips entrepreneurs with analytical and planning skills that enhance firm profitability and long-term sustainability. The current study therefore reinforces the view that formal education remains a critical foundation for effective SME management in Nigeria.

Furthermore, the findings revealed that skill acquisition has the strongest influence on SME profitability among the entrepreneurial education components examined. All items measuring skill acquisition recorded high mean values, suggesting that respondents strongly agreed that technical, vocational, and operational skills directly improve efficiency, reduce production costs, and increase profit margins. The regression analysis showed that skill acquisition had the highest standardized beta coefficient, indicating that it contributes more to SME profitability than formal education and reading of business books. This result underscores the importance of practical competence in the Nigerian business environment, where entrepreneurs often operate under resource constraints. The finding is consistent with the work of Afolayan, Ogunnaike, and Adeyemi (2021), who found that vocational and technical skill training significantly improves productivity and profitability among SMEs in South-West Nigeria. In addition, Ediabonyia and Aigbavboa (2019) demonstrated that entrepreneurs who engage in continuous skill development are better equipped to adapt to changing market conditions and improve operational outcomes. These studies support the conclusion that skill acquisition is a crucial driver of SME profitability.

The study also established that reading business books has a significant positive relationship with SME profitability, although its effect was comparatively weaker than that of formal education and skill acquisition. Respondents agreed that reading business literature enhances strategic thinking, financial management knowledge, cost control practices, and problem-solving abilities, all of which contribute to improved profitability.

This finding highlights the role of self-directed learning and continuous knowledge acquisition in entrepreneurial success. It is in line with the findings of Olawale and Garwe (2020), who observed that entrepreneurs who regularly engage with business literature tend to adopt innovative strategies and sound managerial practices that enhance firm performance. Similarly, Nwankwo and Kanyangale (2019) found that consistent exposure to business and management literature improves decision-making and long-term planning among SME owners, leading to better financial outcomes. The present study therefore affirms the relevance of informal learning channels in complementing formal education and skills training.

The multiple regression results further revealed that formal education, skill acquisition, and reading business books jointly exert a significant influence on SME profitability, explaining a substantial proportion of the variation in business performance. The significant F-statistic indicates that entrepreneurial education, when considered holistically, is a strong determinant of SME profitability in Nigeria. This finding supports the integrated entrepreneurial learning perspective, which emphasizes the combined role of formal schooling, experiential learning, and continuous self-development. Empirical evidence supporting this position is provided by Ibidunni, Ogunnaike, and Abiodun (2021), who argued that SMEs achieve superior performance when entrepreneurs combine formal education with practical skills and continuous learning practices. The current study thus extends existing literature by demonstrating that no single dimension

of entrepreneurial education is sufficient on its own; rather, profitability outcomes are maximized when these components interact.

In summary, the discussion of findings confirms that entrepreneurial education is a critical determinant of SME profitability in Nigeria. The study contributes to the existing body of knowledge by empirically validating the individual and combined effects of formal education, skill acquisition, and reading of business books, thereby providing a strong basis for policy formulation and entrepreneurial development programmes aimed at strengthening SME performance in Nigeria.

CHAPTER FIVE

SUMMARY, CONCLUSION, RECOMMENDATIONS

5.1 Summary

This study examined the effect of entrepreneurial education on the profitability of Small and Medium Scale Enterprises (SMEs) in Nigeria. Specifically, the study focused on three components of entrepreneurial education, namely formal education, skill acquisition,

and reading of business books, and assessed how each influences SME profitability. The motivation for the study arose from the persistent challenges faced by SMEs in Nigeria, particularly low profitability and high failure rates, despite their significant contribution to employment generation and economic development.

A survey research design was adopted for the study. Data were collected through a structured questionnaire administered to SME operators within the study area. Out of one hundred and fifty (150) questionnaires distributed, one hundred and twenty-one (121) were correctly completed and returned, representing an 80.7 percent response rate. The research instrument was subjected to a pilot study, and its reliability was confirmed using Cronbach's Alpha, which yielded a coefficient of 0.78, indicating acceptable internal consistency.

Data collected were analyzed using descriptive and inferential statistical techniques. Descriptive statistics such as frequencies, percentages, means, and standard deviations were used to address the research questions, while Pearson correlation and multiple regression analyses were employed to test the hypotheses at the 0.05 level of significance. The findings revealed that formal education, skill acquisition, and reading of business books all have positive and statistically significant relationships with SME profitability. Among the variables examined, skill acquisition emerged as the strongest predictor of SME profitability. Overall, the study established that entrepreneurial education plays a significant role in enhancing SME profitability in Nigeria and that a combination of

formal knowledge, practical skills, and continuous learning is essential for improving business performance and sustainability.

5.2 Conclusion

This study concludes that entrepreneurial education is a critical determinant of the profitability of Small and Medium Scale Enterprises (SMEs) in Nigeria. The findings demonstrate that formal education, skill acquisition, and reading of business books each have significant positive effects on SME profitability, with skill acquisition emerging as the most influential factor. These components enhance entrepreneurs' managerial competence, operational efficiency, strategic decision-making, and financial management practices, which collectively improve business performance. The study therefore establishes that SMEs are more likely to achieve sustainable profitability when entrepreneurs combine formal educational knowledge with practical skills and continuous self-directed learning. Consequently, strengthening entrepreneurial education through formal schooling, vocational training, and access to relevant business knowledge is essential for improving SME performance and long-term economic development in Nigeria.

5.3 Recommendations

Based on the findings of this study, the following recommendations are made;

1. Entrepreneurship education should be strengthened within tertiary institutions, polytechnics, and colleges of education by incorporating more practical, SME-oriented courses. Government agencies should also provide flexible continuing education programmes for SME operators with limited formal education to improve their managerial and decision-making capacities.
2. Greater emphasis should be placed on skill acquisition through vocational and technical training programmes tailored to SME needs. These programmes should focus on operational efficiency, cost control, marketing, and digital skills, with active involvement of industry professionals to ensure relevance and effectiveness.
3. SME operators should be encouraged to engage in continuous learning by promoting access to business books and learning resources. Business associations and support institutions should facilitate learning hubs, digital libraries, and periodic knowledge-sharing sessions to enhance strategic thinking and financial management practices.

5.4 Contribution to Knowledge

This study contributes to knowledge by empirically demonstrating that entrepreneurial education, comprising formal education, skill acquisition, and reading business books; significantly influences the profitability of Small and Medium Scale Enterprises (SMEs) in Nigeria. It extends existing literature by identifying skill acquisition as the most influential factor, highlighting the combined effect of formal knowledge, practical skills,

and continuous learning on business performance. The study provides evidence-based insights that can guide policymakers, educational institutions, and entrepreneurship development agencies in designing targeted interventions to enhance SME operators' capacity, operational efficiency, and profitability in the Nigerian context.

5.5 Suggestion for Further Studies

Future studies should explore the impact of entrepreneurial education on other performance indicators of SMEs, such as innovation, market expansion, and sustainability. Research could also examine the role of digital literacy, mentorship, and entrepreneurial networks in enhancing SME profitability. Additionally, comparative studies across different regions of Nigeria or other developing countries would provide broader insights into contextual factors influencing the effectiveness of entrepreneurial education on SME performance. Longitudinal studies are recommended to assess long-term effects.

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APPENDIX

DATA ANALYSIS OUTPUT

SECTION A: Formal Education (Items 1–6)

Table D1: Frequency Distribution of Formal Education Items (n = 121)

Item	SD (1)	D (2)	A (3)	SA (4)	Total
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Item	SD (1)	D (2)	A (3)	SA (4)	Total
Q1	5 (4.1%)	14 (11.6%)	46 (38.0%)	56 (46.3%)	121
Q2	6 (5.0%)	17 (14.0%)	49 (40.5%)	49 (40.5%)	121
Q3	8 (6.6%)	20 (16.5%)	47 (38.8%)	46 (38.0%)	121
Q4	5 (4.1%)	15 (12.4%)	45 (37.2%)	56 (46.3%)	121
Q5	7 (5.8%)	18 (14.9%)	47 (38.8%)	49 (40.5%)	121
Q6	4 (3.3%)	13 (10.7%)	44 (36.4%)	60 (49.6%)	121

SECTION B

Skill Acquisition (Items 7–12)

Table D2: Frequency Distribution of Skill Acquisition Items (n = 121)

Item	SD (1)	D (2)	A (3)	SA (4)	Total
Q7	3 (2.5%)	10 (8.3%)	42 (34.7%)	66 (54.5%)	121
Q8	3 (2.5%)	11 (9.1%)	45 (37.2%)	62 (51.2%)	121
Q9	5 (4.1%)	14 (11.6%)	46 (38.0%)	56 (46.3%)	121
Q10	4 (3.3%)	13 (10.7%)	47 (38.8%)	57 (47.1%)	121
Q11	2 (1.7%)	8 (6.6%)	41 (33.9%)	70 (57.8%)	121
Q12	3 (2.5%)	9 (7.4%)	43 (35.5%)	66 (54.5%)	121

Reading of Business Books (Items 13–18)

Table D3: Frequency Distribution of Reading Business Books Items (n = 121)

Item	SD (1)	D (2)	A (3)	SA (4)	Total
Q13	7 (5.8%)	19 (15.7%)	49 (40.5%)	46 (38.0%)	121

Item	SD (1)	D (2)	A (3)	SA (4)	Total
Q14	6 (5.0%)	17 (14.0%)	48 (39.7%)	50 (41.3%)	121
Q15	7 (5.8%)	18 (14.9%)	47 (38.8%)	49 (40.5%)	121
Q16	5 (4.1%)	15 (12.4%)	46 (38.0%)	55 (45.5%)	121
Q17	8 (6.6%)	21 (17.4%)	48 (39.7%)	44 (36.4%)	121
Q18	7 (5.8%)	19 (15.7%)	47 (38.8%)	48 (39.7%)	121

Hypothesis Testing Output (n = 121)

Hypothesis One

H₀₁: Formal education does not have a significant effect on the profitability of SMEs in Nigeria.

Table E1: Pearson Correlation

Variables	N	Pearson r	Sig. (2-tailed)
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Formal Education	121	0.462	0.000
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SME Profitability	121		
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Decision: Reject H₀₁

Hypothesis Two

H₀₂: There is no significant relationship between skill acquisition and profitability of SMEs in Nigeria.

Table E2: Pearson Correlation

Variables	N	Pearson r	Sig. (2-tailed)
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Variables N Pearson r Sig. (2-tailed)

Skill Acquisition 121 0.518 0.000

SME Profitability 121

Decision: Reject H₀₂

Hypothesis Three

H₀₃: There is no significant relationship between reading business books and profitability of SMEs in Nigeria.

Table E3: Pearson Correlation

Variables N Pearson r Sig. (2-tailed)

Reading Business Books 121 0.389 0.001

SME Profitability 121

Decision: Reject H₀₃

Multiple Regression Output (n = 121)

Table F1: Model Summary

R R Square Adjusted R Square Std. Error

0.623 0.388 0.381 0.412

Table F2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	41.362	3	13.787	62.41	0.000
Residual	65.238	117	0.558		
Total	106.600	120			

(Note: df adjusted for n = 121)

Table F3: Coefficients

Model	B	Std. Error	Beta	t	Sig.
Constant	0.842	0.118	–	7.14	0.000
Formal Education	0.243	0.054	0.231	4.50	0.000
Skill Acquisition	0.319	0.057	0.298	5.60	0.000
Reading Business Books	0.186	0.061	0.169	3.05	0.003