

## Meta-Analysis of Entrepreneurial Skill and Entrepreneurial Motivation on Business Performance: Mediating Role of Strategic Leadership in SMEs Sector of Ethiopia

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### Abstract

As the world economy continues to move towards increased integration, some of the most significant opportunities for MSEs will derive from their ability to participate in the global marketplace. It is generally accepted that SMEs are becoming highly important in employment, wealth creation, and innovation development. However, there is considerable about the quality of management/strategic leadership/entrepreneurial skill and entrepreneurial motivation in this sector and other issues like weaknesses in innovation, a lack of financial acumen, marketing, entrepreneurial flair, practical knowledge, and human resource management. As a result, this study will analyze the effects of entrepreneurial skill and entrepreneurial motivation on Business performance, With the mediating role of strategic leadership: The case of selected SME Sectors in Guji Zone Oromia regional state, Ethiopia. The study employed a Quantitative research design method using surveys and questionnaires to collect data. The selections of respondents for this study will be random sampling and purposive sampling for SME owners and leaders of both zonal and town job opportunity creation and skill offices and are purposely selected to respond to the questionnaires. Since the Zone is so large, the researcher will choose five towns Nagele, Adola, Shakiso, Bore, and Haro watch. A total of 382 respondents will be selected as the sample size. Estimating the total population as 2,322 owners and job opportunity creation and skilled office leaders in 5 towns, the sample size of 382 will be determined using Yamane (1967) Because of its simplicity. The analysis of data took place by using Classical Linear Regression Model. In this case, the study of data involved the use of chi-square, Correlation, and ordinal logistic regression to analyze the effects of entrepreneurial skill and entrepreneurial motivation on business performance, with mediating role of strategic leadership. The result indicated that all variables positively and significantly affect business performance

**Keywords:** *Entrepreneurial skill, Entrepreneurial Motivation, Strategic Leadership, Business performance*

### INTRODUCTION

Small and Medium Enterprises (SMEs) play a vital role in the economic development of high-income and low-income countries. They significantly contribute to the Gross Domestic Product (GDP), poverty alleviation, equal income distribution, tax revenues, export performance, domestic savings, employment creation, and entrepreneurial development of an economy (Wakjira & Kant, 2022). Many scholars and policymakers agree that entrepreneurship is highly pertinent to the success of modern societies because of its demand and effects on economic growth, technological development, and new markets (Schlepphorst et al., 2020). Hence, entrepreneurial skill with entrepreneurial motivation is considered one of the basic meta capabilities the young generation will need to develop to succeed in the 21st century.

Moreover, starting a new business is challenging, and being motivated to do so is one of the key challenges. According to Jufri and Wira (2021), children can learn entrepreneurial skills from a young age through games and self-employment positions, which indicates how important entrepreneurial skill is for business performance and the foundation for young generations to start a business. However, this issue is still a problem in Ethiopia, particularly in the current study areas of the

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Guji Zone.

In line with entrepreneurial skill, different scholars define motivation as the aspiration or propensity to systematize, manipulate and master ideas or organizations as quickly and independently as possible. According to Shane et al. (2020), entrepreneurial motivations can be classified into general (vision, drive, locus of control, passion, need for achievement, and desire for independence) and task-specific (self-efficacy and goal-setting). Moreover, Schleppehorst et al. (2020) described intention as ambition influenced by a set of motivations, leading to actual behavior. Other studies have shown that entrepreneurial motivations determine business performance (Atienza-Sahuquillo, 2017; Lang and Liu, 2019).

Furthermore, strategic leadership is considered a critical element to become a successful entrepreneur. According to Asbari (2020), the current global challenge is whether a company or organization can survive increasingly fierce competition. In this case, the leader is the main element in an organization as a policy maker and decision-maker. An organization's leaders must have the ability, expertise, strategy, and skills to control and lead the organization on the right path (Astuti et al., 2020).

In summary, several factors could influence the success of the business performance, including entrepreneurial skill, entrepreneurial motivation, and strategic leadership, which lead to an individual's ability to turn ideas into actions (Kagnew, 2018; Ahmad & Ahmad, 2021). However, the performance of SME sectors in Ethiopia, specifically in the Guji zone, which is far away from the capital city of Ethiopia, lacks entrepreneurial skills and motivation, hindering them from becoming profitable businesses. Therefore, the current study will focus on assessing the effects of entrepreneurial skill and motivation on business performance in the SME sector with the mediating role of strategic leadership in the case of Guji Zone, Oromia regional state, Ethiopia.

## **LITERATURE REVIEW**

### **Statement of the Problem**

As the world economy continues to move towards increased integration, some of the greatest opportunities for Micro and Small Sized enterprises (SMEs) will derive from their ability to participate in the global marketplace (Wakjira & Kant, 2022). It is generally accepted that SMEs are becoming increasingly important in employment, wealth creation, and the development of innovation (Asefa & Kant, 2022). However, there is a considerable problem with the quality of management/strategic leadership/entrepreneurial skill and entrepreneurial motivation in this sector, and other issues like weaknesses in innovation, a lack of financial acumen, marketing, entrepreneurial flair, practical knowledge, and human resource management (Adula et al. 2022). As a result, many firms do not reach their full potential and fail to grow (Kagnew, 2018; Ahmad & Ahmad, 2021).

Farther more, diverse economic, social, and political problems at different magnitudes face nations of the world, and third-world countries are not excluded (Schleppehorst et al., 2020). These diverse economic, social, and political problems have adversely affected the sustainable development of the countries, including the high unemployment rate they are currently facing (Uju & John, 2018). In line with this, unemployment has become a global phenomenon of the 21st century; the study conducted in Malaysia indicated that the problem of unemployment is becoming more complex with each passing year. Unemployment, employment, and rural-urban migration have enveloped the Malaysian labor market (Hui Lim & Ban Teoh, 2021).

In this case, to alleviate the problem of unemployment SME sector has a vital solution. Due to this fact, in recent years, SME trends gradually increase worldwide (Wakjira & Kant, 2022). Most SME entrepreneurs would like to engage in this type of business because the start-up of an SME could be based on a relatively small investment. (Child et al., 2022) However, even though many researchers have devoted their time to investigating the importance of the SME sector in promoting the country's

economic development, including reducing unemployment, the performance of the SME sector is still a question mark. In this case, Various studies have been conducted on the performance of the SME sector. For instance, the study conducted on the effects of Entrepreneurial motivation on fostering interest in the case of Indonesia stated that someone is not interested in something if there is no motivation to do it (Abdul Al & Mostafa, 2019) and (Putra & Adnyani, 2021) Farther more, the study conducted on the effect of strategic leadership on intellectual capital in Jordan (Zubi & Khalid, 2022) stated that strategic leadership has a significant and positive effect on improving intellectual capital. However, both studies do not address the effect of entrepreneurial skill on business performance, which has a theoretical and context gap.

In contrast, the current study will focus on combining the effects of entrepreneurial skill and entrepreneurial motivation on the business performance of SME sectors with mediating the role of strategic leadership the case of Guji Zone Oromia regional state, Ethiopia. Generally, Several factors could influence the success of business performance. These factors include entrepreneurial skill, entrepreneurial motivation, and strategic leadership, which lead individual's ability to turn ideas into actions (Diabate et al., 2019) and (Badr El-Deen & Ali, 2021). However, the performance of SME sectors in the Guji zone, which is far from the center, i.e., the capital city of Ethiopia, is still not developed. The factors that hinder the performance of the SME sector in these areas may be an act of entrepreneurial skill, entrepreneurial motivation, and strategic leadership, which hinder them not to become profitable businesses, because the current study will focus on assessing the effects of entrepreneurial skill and entrepreneurial motivation on the business performance of the SME sector with mediating role of strategic leadership in the case of Guji Zone Oromia regional states, Ethiopia.

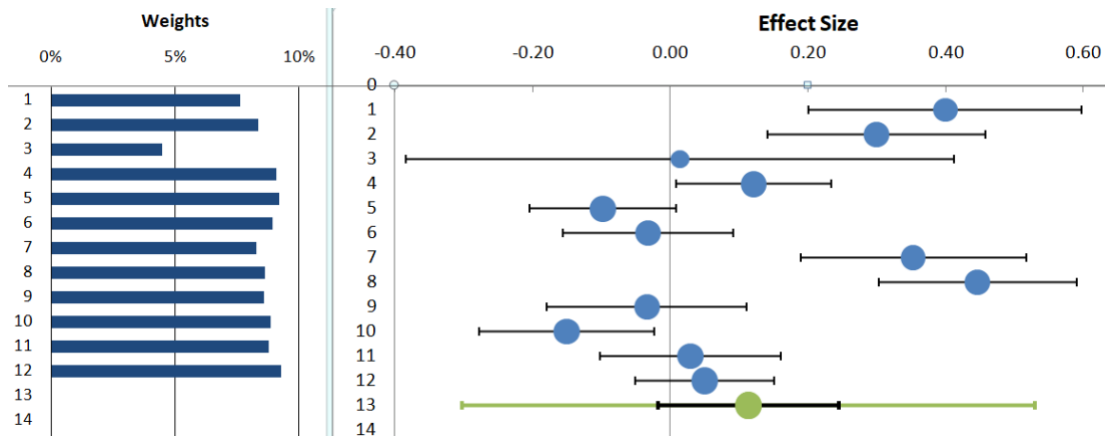
### Meta-Analysis of Reviewed Literature

Meta-Essential is a series of workbooks designed to facilitate integrating and synthesizing effect sizes from multiple research studies. It offers graphics, tables, and statistics that are useful for this purpose. By using statistical data from each study, Meta-Essential produces statistical data on a collection of studies on the same topic.

**Table 1.** Effect Size of Reviewed Studies

Study name	R	N	Varia	Wt. (fixed)	Wt. (Random)	Wt. %
Ahmad & Ahmad, 2021	0.42	100.00	0.01	100.00	23.65	7.64%
Wakjira, & Kant, 2022	0.31	130.00	0.01	156.25	25.85	8.35%
Asefa & Kant, 2022	0.02	80.00	0.04	25.00	13.84	4.47%
Hui Lim & Ban Teoh, 2021	0.12	300.00	0.00	301.89	28.10	9.08%
Child et al., 2022	-0.10	345.00	0.00	344.51	28.42	9.19%
Putra & Adnyani, 2021	-0.03	255.00	0.00	251.50	27.58	8.91%
Zubi & Khalid, 2022	0.37	120.00	0.01	146.29	25.57	8.26%
Diabate et al., 2019	0.48	130.00	0.01	189.06	26.62	8.60%
Badr El-Deen & Ali, 2021	-0.03	190.00	0.01	185.41	26.54	8.58%
Adula et. al. 2022	-0.15	240.00	0.00	239.66	27.43	8.87%
Schlepphorst et. al., 2020	0.03	232.00	0.00	223.40	27.21	8.79%
Kant, 2023	0.05	384.00	0.00	379.90	28.64	9.26%

The researchers visualized the association combined effect estimation and heterogeneity among the used studies using a forest plot to represent the meta-analysis.



**Figure 1.** Forest Plot

Source: Meta Essential Output (2023)

The results for the plot area were calculated using a random effects model with a 95% confidence interval, as shown in Table 1 above. The scholar used the same  $n$  (number of samples) and  $r$  (Correlation) values as earlier researchers in the study, which led to a combined coefficient of determination of 0.75 in partial Correlation. The P-value for the meta-analysis model was found to be 0.000 ( $p=0.000 < 0.05$ ), indicating that the data was not homogeneous or that there was considerable heterogeneity in the data. Therefore, a random effects model was chosen as the combined effect size model. Furthermore, the magnitude of  $I^2$  was determined to be 95.51% due to heterogeneity.  $I^2$  was found to be greater than the chosen percentage of 25%.

**Table 2.** Meta-analysis model

Model	Random effects model
	Combined Effect Size
Partial Correlation	0.11
Z-value	1.92
One-tailed p-value	0.027
Number of incl. studies	12
<b>Heterogeneity</b>	
$I^2$	87.03%
$T^2$	0.03
$T$	0.18

Source: Meta Essential Output (2023)

A summary of the effect magnitude is presented in the Figure above. In the meta-analysis, eleven items were examined, as indicated on the left. The forest plot includes several features, such as the lower limit on the left end, the upper limit on the right end, and a bullet with varying sizes in the middle. The bullet's width denotes the weight sizes, while its position reflects the magnitude of each study's influence.

**Meta-Analysis for Intermediate studies**

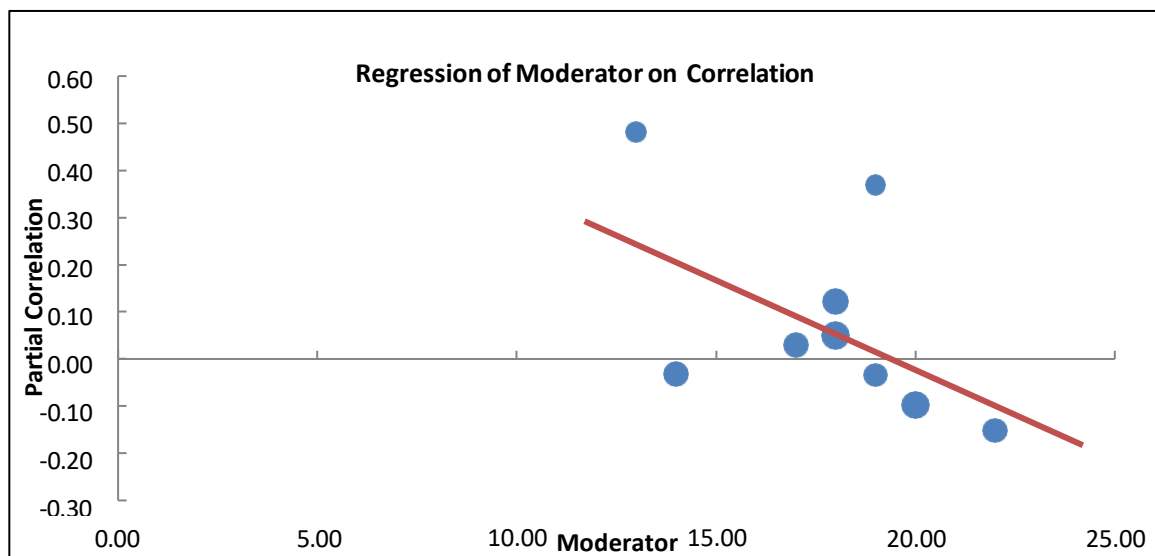
In the context of a meta-analysis, the term "moderator analysis" refers to the application of a procedure to identify and consider systematic variations in the magnitude of the effect or outcome under consideration.

**Table 3.** Moderator Analysis

Study name	Moderator	Partial Correlation (z)	Standard Error	Weights
Hui Lim & Ban Teoh, 2021	18.00	0.12	0.24	12.59%
Child et al., 2022	20.00	-0.10	0.23	13.53%
Putra & Adnyani, 2021	14.00	-0.03	0.25	11.65%
Zubi & Khalid, 2022	19.00	0.37	0.31	7.76%
Diabate et al., 2019	13.00	0.48	0.30	8.07%
Badr El-Deen & Ali, 2021	19.00	-0.03	0.27	9.99%
Adula et. al. 2022	22.00	-0.15	0.26	11.12%
Schlepphorst et. al., 2020	17.00	0.03	0.26	10.98%
Kant, 2023	18.00	0.05	0.23	14.31%

Source. Meta EssentialOutput (2023)

Even though Meta-Essentials produce the statistics typically shown in a regression analysis, it is not advisable to place a lot of emphasis on the results because there are very few data points (studies). As with any regression analysis, the researcher should start by interpreting the scatter plot rather than the line drawn through it. For instance, it is evident from the scatter plot in the example in Figure below that there is no discernible relationship between the moderator and the reported effect sizes. The "insignificant" outcome of a regression weight significance test unit, his instance, serves as a confirmation of this.

**Figure 2.** Moderator Plot

Source. Meta Essential Output (2023)

Output on the Moderator Analysis sheet consists of a scatter plot with a regression line and a table with several statistics. Out of 12 studies online, nine students were considered for mediation. 5 had e positive effects, and four showed negative.

**Table 4.** Intercept Analysis

	B	SE	CI LL	CI UL	$\beta$	Z-value	p-value
Intercept	0.74	0.61	-0.67	2.14		1.21	0.227

Moderator	-0.04	0.03	-0.12	0.04	-0.54	-1.13	0.260
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Source: Meta Essential Output (2023)

Although Meta-Essentials produced the statistics typically shown in a regression analysis, it is not advisable to place a lot of emphasis on the results because there are very few data points (with  $z=1.21$  and Intercept  $B=0.74$ ). As with any regression analysis, the researcher should start by interpreting the scatter plot rather than the line drawn through it. It showed a high heterogeneity and publication bias.

**Publication Bias**

In a space defined by effect size (on the x-axis; scale shown on top of the image) and standard error, a funnel plot is a scatter plot of the studies in a meta-analysis (represented by blue dots) (on the y- axis). Also, the total effect size is also shown (green dot), along with its confidence interval and prediction interval in black (green). The plot also includes a vertical line that connects the (adjusted) combined effect size and the associated lower and upper confidence interval boundaries. This line is likewise displayed in red (red diagonal lines).

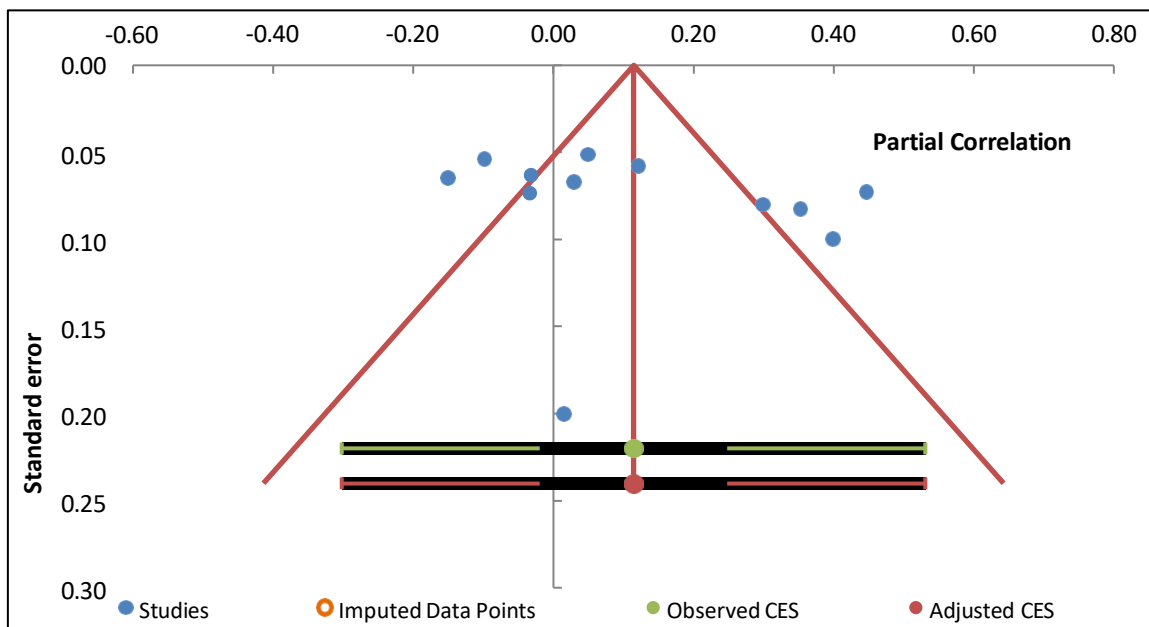


Figure 3. Funnel Plot  
Source: Meta Essential Output (2023)

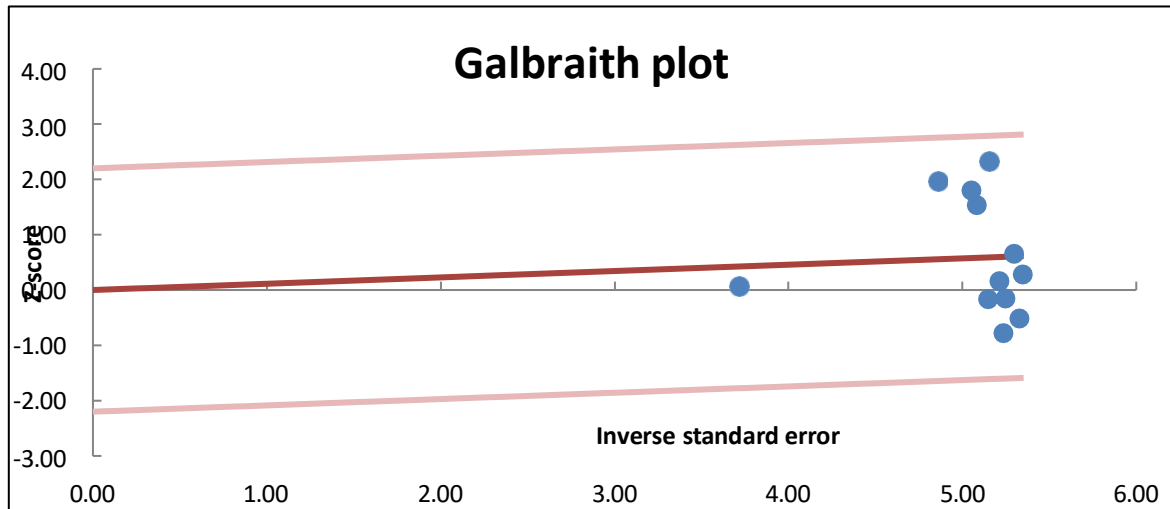
The researchers displayed the relationship between a study's precision and effect size using a funnel plot. It is a scatter plot of sample size (vertical axis) versus treatment effects computed from separate research (vertical axis). Regression analysis showed asymmetry in the funnel plot, a sign of publishing bias.

**Table 5. Egger Regression**

	Estimate	SE	CI LL	CI UL
Intercept	1.22	3.77	-7.07	9.51
Slope	-0.13	0.74	-1.76	1.51
t-test	0.32			
p-value	0.753			

Source: Meta Essential Output (2023)

With a p-value of 0.753, Egger's test for a regression intercept revealed no indication of publication bias. An indication of publication bias is shown in the funnel plot of Figure 1. A possible publishing bias was indicated by the p-value of 0.091 from Begg and Mazumdar's rank correlation test.



**Figure 4.** Galbraith Plot  
Source: Meta Essential Output (2023)

Galbraith plots are a visual way to tell your meta-analysis. It showed that the overall effect size is proper, the precisions of the study-specific effect sizes are also under acceptance level, and the no identification of probable outliers. It also analyzed and found the effect size heterogeneity.

**Table 6.** Regression Estimate

	Estimate	SE	CI LL	CI UL
Intercept		0.00		
Slope		0.11	0.06	-0.02 0.25

Source: Meta Essential Output (2023)

**Business Performance**

Business competition is fierce across all businesses, whether small, medium, or large enterprises. All three categories of businesses compete for the same market share, making it challenging for each to stand out and succeed. Measuring business performance is crucial to evaluate the effectiveness of the corporate strategy implementation. However, it has become a classic problem and debate due to the multidimensional nature of performance, both empirical and theoretical (Hakala, 2013). Numerous studies have attempted to develop different measures of business performance. Hadji, Monales, and Dickson (2000) measure business performance based on increased sales, employee satisfaction, profitability, and market growth. Kirca et al. (2005) propose that customer satisfaction, employee satisfaction, sales growth, and profitability are the key business performance indicators. According to Lumpkin and Dess (2012), the financial dimension, supported by financial investment and sales growth indicators, is crucial to measure business performance.

In contrast, the non-financial performance dimension measures customer satisfaction. Sorensen and Chang (2006) developed indicators such as sales volume, revenue, sales growth, revenue growth, and organizational growth to measure business performance. Lee and Tsang (2013) measured business performance using three indicators: sales growth, profit growth, and capital growth. In small and medium enterprises (SMEs), studies have primarily focused on three

dimensions of performance measurement: growth, profitability, and productivity. These dimensions are critical to measure the success of SMEs in achieving their objectives and goals.

### **Entrepreneurial Skill**

According to Lyons, Lyons, & Jolley (2019), entrepreneurial skills can be categorized into three main types: technical, managerial, and personal. These skills are crucial for the continuity and success of businesses, as previous research has shown that entrepreneurial competencies significantly impact a company's performance (Khan et al., 2021). This means that owners and managers of small and medium-sized enterprises with good entrepreneurial skills are likelier to lead their companies to perform well.

Entrepreneurship is a complex phenomenon requiring individuals to equip themselves with learning competencies to support their business management. As Bird (1995) suggests, companies that aim for success need individuals who possess entrepreneurial competence, which is the ability to start and transform organizations by adding value through the organization of resources and opportunities. Therefore, entrepreneurial skills are vital in driving attitude changes, creating results, and solving problems continuously, making them an essential aspect of entrepreneurial competence.

Various studies have developed indicators of entrepreneurial skills. For example, Kutzhanova et al. (2009) identified four dimensions of entrepreneurial skills: technical skills, managerial skills, entrepreneurial skills, and personal maturity skills. Similarly, Smith, Schallenkamp, and Eichholz (2007) developed four skill categories: technical skills, managerial skills, personal entrepreneurial skills, and personal maturity skills. Additionally, Mohammad Salman Shabbir et al. (2016) developed an entrepreneurial skill set that includes technical skills, managerial skills, leadership skills, personal entrepreneurial skills, and personal maturity skills as determinants of business success. These categories represent measures of entrepreneurial skills that need continuous study and development in self-employment to ensure business continuity.

### **Entrepreneurial Motivation**

According to Lynch et al. (2017), entrepreneurial motivation plays a significant role in business performance. It refers to an individual's intention to start a business and arrange the components necessary for its establishment. Entrepreneurial motivation is a complex desire underpinned by financial aspirations and non-economic factors such as career choice, as noted by Su et al. (2020). Sánchez & Atienza-Sahuquillo (2017) highlight that entrepreneurial motivation is the driving force behind an individual's decision to pursue a career as an entrepreneur. It can be categorized into two types: extrinsic motivation and intrinsic motivation, as explained by Lynch et al. (2017). Entrepreneurial motivation is determined by four key factors: entrepreneurial intention, role models of entrepreneurship and social values, knowledge about entrepreneurship, and attitude toward becoming an entrepreneur (Alam et al., 2019; Kim-Soon et al., 2020; Idrus et al., 2022). These determinants are vital in shaping an individual's entrepreneurial mindset and can significantly impact business performance. In conclusion, it is crucial for aspiring entrepreneurs to understand the determinants of entrepreneurial motivation and their impact on business performance. Individuals can cultivate the necessary mindset to succeed in the highly competitive business world by identifying these factors.

### **Strategic leadership**

The Strategic Leadership Theory, pioneered by Finkelstein and Hambrick (1996), proposes that the efforts of its leaders shape an organization's success and values. Finkelstein and Hambrick focused on the Upper Echelon Theory to explore how top executives influence strategic decision-



making within their organizations. Phipps and Burbach (2010) have highlighted the importance of key principles such as the leader's vision, attitude, influence, and communication skills. Building on this, Yukl (2010) has further explained that the theory focuses on how shared beliefs and motivation impact competitive strategies, organizational structure, management models, overall organizational culture, and team effectiveness.

Ireland and Hitt (2016) have also identified specific actions that characterize effective strategic leadership, such as determining strategic direction, developing core competencies, managing human resources, and maintaining an efficient organizational culture. Therefore, the Strategic Leadership Theory is the most suitable approach to examine the relationship between the study's independent and dependent variables. In this study, we operationalize the effect of strategic leadership based on the works of Ireland et al. (2015) and Ireland and Hitt (2016). By utilizing this theoretical framework, we aim to gain insight into how strategic leadership impacts organizational performance and success over the long term.

### Research Hypotheses

A hypothesis is a prediction (assumption) of the relationships the researcher expects to find between variables in the data set he/she/collects. (La risen, 2015) Accordingly, for the current study, the researcher set the following hypothesis:

H1: Entrepreneurial skills have a positive and significant effect on Business performance.

H2: Entrepreneurial motivation has a positive and significant effect on Business performance.

H3: Strategic leadership has a positive and significant effect on Business performance.

H4: Strategic leadership significantly mediates the relationships between Entrepreneurial skill and Business performance.

H5: Strategic leadership significantly mediates the relationships between Entrepreneurial motivation and Business performance.

H6: Entrepreneurial skill, Entrepreneurial motivation, and Strategic leadership positively and significantly affect each other and Business performance.

### Conceptual Framework

Researchers Model Foundation (2023)

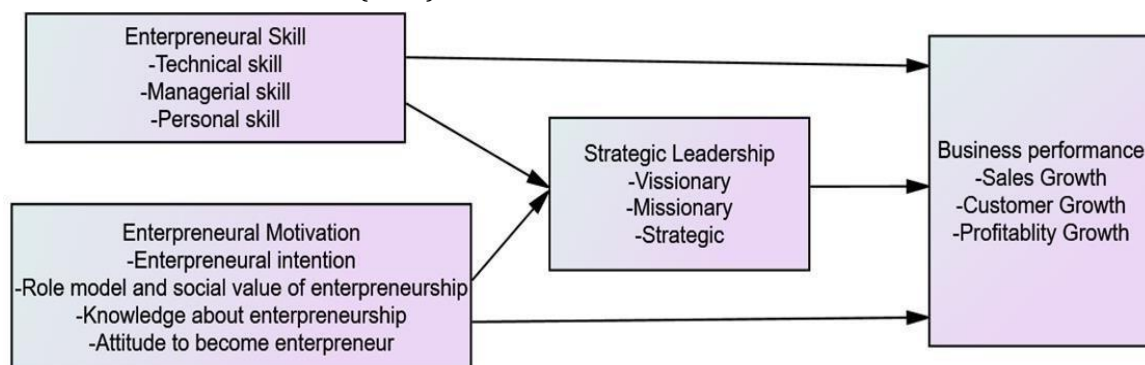


Figure 5. Researchers Model Foundation (2023)

## METHODOLOGY

### Sample size and sampling design

The respondents for this study will be selected using random and purposive sampling techniques. The study will focus on SME owners and leaders from both zonal and town areas involved in job opportunity creation and skill development. The purposeful selection of respondents will ensure that the questionnaires are directed toward the appropriate target group.

Given the large size of the Zone, the researcher has selected five towns, namely Nagele, Adola, Shakiso, Bore, and Haro Wachu, as the sample areas. The sample size for this study will be 382 respondents, estimated based on the total population of SME owners and job opportunity creation and skilled office leaders in the five towns, which is approximately 2,322. To determine the sample size of 382, the researcher will use Yamane's (1967) formula for a finite (known) population. This formula considers the population's size and the desired level of precision to calculate the appropriate sample size. By using this formula, the researcher will be able to ensure that the sample size is representative of the population and that the study's results can be generalized to the broader population. Data Collection Instrument

In this study, the researcher utilized a questionnaire as a data-gathering instrument. Due to the quantitative nature of the research type and the large sample size, the questionnaire was deemed appropriate to obtain available data for the study. To prevent biases, each respondent was requested to reply to an identical list of questions mixed in a specific order based on uniform structures.

Initially, the questionnaire design was coded and mixed up from specific topics to achieve the study objectives. The questionnaire produced valuable data that required careful analysis to provide accurate findings. The questionnaires were based on a five-item Likert scale to measure the respondent's level of agreement with the statements presented.

The respondents responded to each statement using a five-point Likert-type scale, where 1 = "strongly disagree" to 5 = "strongly agree." The responses were summed up to produce a score for the measures. This type of data collection procedure is popular in the case of big surveys. It is commonly used by research workers, private personalities, private and public organizations, and governments.

In this method, a questionnaire is distributed to individuals concerned with an appeal to respond to the questions and return the questionnaire. The questionnaire consists of a predetermined set of questions printed or typed in a definite order on a form or set of forms. The questionnaire is mailed to respondents who are expected to go through the questions, comprehend them, and provide their response to the questions in the space allotted for that purpose in the questionnaire itself.

This method is appropriate for getting information from people that are spread over a wide area and are not easy to contact face-to-face. It is important to note that a questionnaire should have a short explanation of what the research is about and should adhere to ethical and moral codes of conduct. Overall, questionnaires can effectively gather data from many respondents, providing valuable insights and achieving the study objectives.

### **Data Analysis**

The analysis of data in this study will be conducted in three basic stages: data preparation, tabulation or presentation of statistics, and analysis of the relationship between variables, as well as hypothesis testing. In the first stage, which is data preparation, the data accumulated from the survey has been compiled and sorted for completeness. This involves checking for errors and omissions, and coding the data to ensure it meets the required quality, accuracy, and completeness standards. The second stage involves tabulating or presenting statistics, which will be carried out using statistical software such as AMOS. The software will be used to analyze the data gathered via the questionnaire. Descriptive statistics, such as percentages and frequency distributions, will be used to analyze the general profile of the participants. Finally, in the third stage, the relationship between variables will be analyzed. This will involve using advanced statistical techniques, such as regression analysis and hypothesis testing, to identify any significant relationships or patterns between the variables under study. Overall, the three stages of data analysis will provide a comprehensive understanding of the research questions and help to draw meaningful conclusions from the data gathered.

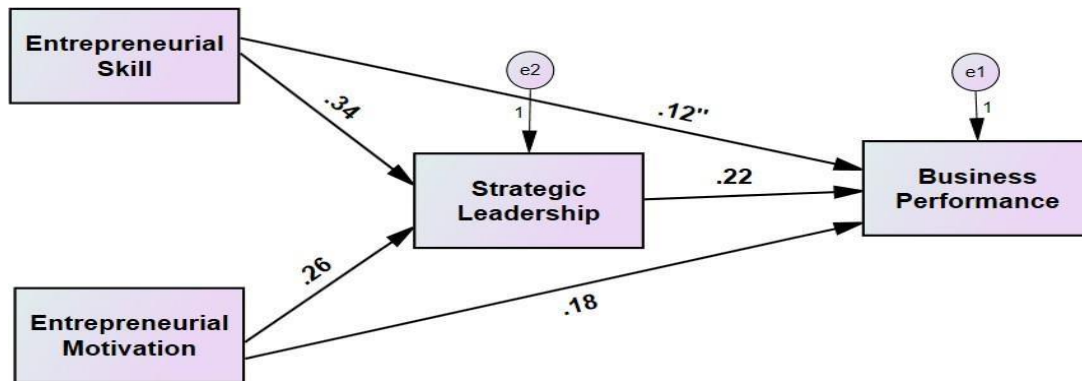
**FINDINGS AND DISCUSSION**

Figure 6. AMOS Output (2023)

Strategic leadership is an important variable mediating in explaining the relationship between independent and dependent variables. According to SEM analysis, strategic leadership serves as a mediator that helps explain how and why an independent variable affects an outcome. This analysis found that the inclusion of strategic leadership in the regression model had a significant impact on the research variables. The influence of the independent variable X on the dependent variable Y disappeared or, at the very least, was greatly reduced.

Specifically, strategic leadership acts as a mediator between entrepreneurship talent, motivation, and business performance. It is how these two variables affect others and is crucial to the success of a business. Moreover, strategic leadership was found to be a complete mediator between entrepreneurship talent, motivation, and business performance, meaning that their impact on performance becomes insignificant when strategic leadership is considered (full mediation).

In conclusion, the findings suggest that strategic leadership is crucial in understanding the complex relationship between entrepreneurship talent, motivation, and business performance. Therefore, leaders must develop and exhibit strategic leadership skills to enhance business performance and achieve success.

**CONCLUSIONS**

The research begins by identifying the problem area related to the study's title. Objectives are framed and hypotheses are developed to establish relationships among the variables under investigation. Data is then collected and assessed for consistency and reliability using Cronbach alpha. The study also includes a demographic analysis of the respondents and a correlation analysis among the variables. Assumptions diagnostic tests are conducted to ensure that all variables meet the criteria for conducting multiple regression analysis. The regression analysis results show that entrepreneurial skill (ES), entrepreneurial motivation (EM), and strategic leadership (SL) have the most significant impact on the business performance of small and medium-sized enterprises (SMEs). These variables were found to have a positive effect on business performance.

In conclusion, this study confirms that ES, EM, and SL are important for SME success. These findings have implications for SMEs and policy makers, who can use them to enhance SME performance and contribute to economic growth. By understanding the key drivers of success in the SME sector, stakeholders can develop strategies to promote entrepreneurship and enhance business performance. The study's outcome is highly relevant to entrepreneurs of small and medium-sized enterprises (SMEs) considering adopting ES, EM, and SL to improve their business performance. The results are also pertinent to the government, as they can provide handholding support to these entrepreneurs by establishing effective entrepreneurial skills training programs and motivational initiatives, which can ultimately increase their business performance. By implementing ES, EM, and SL in

SMEs, their potential to generate revenue can be greatly enhanced, which in turn can accelerate the country's economic growth. Therefore, this study can serve as a valuable resource for both entrepreneurs and policymakers who are invested in the growth and success of small and medium-sized enterprises.

### **LIMITATION & FURTHER RESEARCH**

The study's results may not apply to other manufacturing sectors, such as those that produce durable consumer products. Moreover, the study did not fully explore the perspectives of entrepreneurs, as it solely relied on quantitative data. Conducting qualitative research with the same category of respondents could provide more in-depth insights into their experiences and opinions.

During the data collection phase, the researcher encountered challenges related to the literacy levels of the respondents. This may have affected the accuracy of the data collected, as some respondents may have had difficulty comprehending the questions or articulating their responses. Further measures to mitigate these challenges could be taken in future studies, such as providing clear and concise instructions or conducting interviews in the respondent's native language.

The study utilized a quantitative approach to analyze the data collected. However, it is recommended that future researchers adopt a qualitative approach to gain a deeper understanding of the perceptions and opinions of the respondents. By doing so, more effective Entrepreneurial Strategies (ES), Entrepreneurial Marketing (EM), and Service Quality (SL) initiatives could be developed to benefit SME entrepreneurs.

Additionally, it is worth noting that mediating and moderating variables, such as supply chain strategy, may affect the relationship between ES, EM, SL, and SME performance. Future researchers could investigate these variables to gain a more comprehensive understanding of the factors influencing SME performance.

Overall, the findings of this study provide valuable insights into the factors that influence SME performance. However, further research is needed to develop a more holistic understanding of the complex nature of SME performance and to identify more effective strategies and initiatives to support the growth and success of SMEs.

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