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RESEARCH ARTICLE

Moderating Role of Entrepreneurial Efficacy on SME Performance in Nigeria Cosmetic Sector

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ABSTRACT

It is essential to enquire oneself, "Do I possess the assurance in my capability to achieve this?" when discussing professional and company growth. Having unwavering confidence in your abilities and a strong commitment to hard work are crucial for advancing in your career, as they will generate opportunities for professional growth within your current position. Self-efficacy is a human level of confidence in their skills. In the realm of business, possessing a robust sense of self-confidence in one's capabilities is crucial. Entrepreneurial self-efficacy refers to the ability to effectively convince people through the use of physiological evidence, past experiences, and indirect experiences. Determining the success of an entrepreneurial effort is of utmost importance. The objective of the research is to determine the influence of these qualities on key performance metrics for small and medium-sized firms (SMEs), including product quality, profitability, and marketing effectiveness. The study's primary data was obtained from a cross-sectional survey including 127 small and medium-sized organisations. Due to the limited population size, a sample that accurately represents the population was acquired. The data was collected by administering a systematic questionnaire survey to small and medium-sized firms. Upon comparing survey to prior studies conducted in Nigeria and other disadvantaged nations, it was decided that its response rate of 94.49% was suitable for attaining its objectives. The research findings suggest that a particular variable exerts a significant influence on the other variables, as evidenced by the use of the Structural Equation Model (SEM-Smart-PLS). Based on the facts, it is recommended that business owners concentrate on improving functional indicators to enhance their business performance and profitability. This may be achieved by assuring the reliability of their service.

INTRODUCTION

Entrepreneurship is crucial for fostering innovation, supporting economic progress, and creating job possibilities. There is a widespread recognition Small-medium companies have a significant effect on

global economic growth. Small and medium companies (SMEs) are renowned for capacity to offer distinctive goods and services and swiftly adjust to market fluctuations. Additionally, they exert a substantial influence in fostering competition and enhancing market efficiency. In the present era, nearly everyone aspires to establish their own enterprise in the intricate and ever-changing business realm. The primary motivations behind this are attaining financial wealth and contributing to the country's economy in order to fulfil sustainable development objectives. It is widely recognised that the majority of entrepreneurs make their job choices based on their confidence in their capacity to achieve success. The work of Ogbari. et al (2018) shows that entrepreneurship education is confirmed to be a major source of inspirational triggers that positively impact on entrepreneurial performance of aspiring entrepreneurs.

In Lagos, Nigeria's thriving cosmetics industry, entrepreneurial self-efficacy (ESE) decisive feature of success, mostly on SMEs. Self-efficacy talks about individual's confidence in their level to demonstrate requisite behaviours for achieving success in entrepreneurship (Ehimuan, 2023). A study conducted by Mauer, Neergaard, and Linstad (2017) revealed that individuals' inclination to undertake novel tasks is markedly affected by their self-assurance in their competence to accomplish the task triumphantly. These duties may necessitate surmounting challenges and exhibiting tenacity and resolve in the presence of adversity. Self-efficacy refers to an individual's confidence and skill in performing specific tasks, such as effectively starting a small business. Coming from Dada et al. (2023), it shows the capacity of humans to see opportunities is the primary catalyst for the entrepreneurial process.

In order to evaluate entrepreneurial performance in the cosmetics sector, it is necessary to utilise a broader set of result criteria that effectively capture the market's dynamics and growth potential. The correlation found between self-efficacy and performance of small, medium-sized businesses in the cosmetics sector lacks comprehensive study on the particular influence of gender. Although a few studies (Baluku, Matagi, & Otto, 2020; Casile, Gerard, & Soto-Ferrari, 2021; Chowdhury, Endres, & Frye, 2019) briefly mention gender differences in self-efficacy and performance outcomes, there is a need for more comprehensive investigation.

Understanding these nuances is crucial for promoting gender-inclusive entrepreneurship and addressing potential disparities. The identified gaps underscore the need for further research that delves deeper into the specific dynamics of entrepreneurial self-efficacy and SME performance within the cosmetics industry. By addressing these gaps, future studies can provide actionable insights and practical recommendations for entrepreneurs, policymakers, and industry stakeholders to enhance business success and economic growth in the cosmetics sector. While the relationship between ESE and performance is acknowledged, further contextual inquiries are needed to understand its nuanced effects, the notion deducted from Baum et al., 2001; Hmieleski & Baron, 2008; Poon et al., 2006; Markman et al., 2016.

Objectives of the study

The objective of the study was to investigate the effect of entrepreneurial self-efficacy on performance of firms SMEs. The present investigation is centred around the following research objectives:
Determine the influence performance accomplishments contributes to SME Profitability.

i. Examine the influence of social influence on SME Product Quality.

ii. Analyse how physiological information impacts on SME Marketing Capabilities.

The objectives were hypothesized in null form;

H_{01}: Performance Accomplishment has no significant effect on Profitability in the beauty industry.

H_{02}: Social Persuasion performance accomplishments has no significant effect Product Quality in the beauty industry.

H_{03}: Physiological Feedback has no significant effect on Marketing Capability in the beauty industry.

LITERATURE REVIEW

Entrepreneurial self-efficacy

Successful commercial endeavours typically call for a specific skill set, perseverance, and self-assurance. The focus of this discussion is Entrepreneurial Self-Efficacy, a psychological concept that significantly influences the performance of small and medium-sized enterprises (SMEs) operate and perform. Entrepreneurial self-efficacy, according to Herath and Mahmood (2014), is the belief that one has what it takes to successfully engage in entrepreneurial activities and achieve favourable results. Among other business-related skills, this idea encompasses taking risks, being creative, solving problems, and making decisions (Herath & Mahmood, 2014). Entrepreneurial self-efficacy is a key consideration in deciding the performance businesses, especially in Lagos's rapidly growing cosmetics industry. The given research findings substantiate the concept that the efficacy of oneself shows a key role in determining the strategic choices, innovative pursuits, and general prosperity of entrepreneurs operating within this sector. Small and medium-sized businesses, or SME's, have a big influence on the economy. Because of this, cultivating and applying entrepreneurial confidence is crucial to building a solid and dynamic work environment.

Dimensions of Entrepreneurial Self - efficacy

Performance accomplishment

Mastery experience is an alternative term used to describe this phenomenon. As time passes, an individual's self-efficacy gradually increases, making setbacks less significant. The impact of failure is contingent upon the specific stage of the learning process and the overall sequence of events. Individuals with high self-efficacy often extrapolate from one experience to another, so suggesting that abilities acquired in one context may not necessarily be applicable in a different context.

Verbal persuasion

This phenomenon can be referred to as social persuasion. Bandura's research indicates that individuals might be influenced or motivated by the comments or actions of others towards them. Individuals can be convinced that they possess the necessary talents and aptitudes to achieve success.

Physiological feedback

An individual's physical and mental well-being can influence their ability to accurately assess their capabilities in a specific situation. Individuals often evaluate their own capabilities based on bodily indicators, and their interpretation of this information impacts their perception of self-efficacy. Gaining insight into the impact of stress, anxiety, and health on productivity is crucial for people and corporate executives alike. Ensuring your well-being is essential for optimal performance.

SME Performance

Small to moderate-sized Enterprise performance refers to the level of success and efficiency that the companies achieve by accomplishing their aims. Assessment encompasses a diverse set of measures that evaluate the overall health, expansion, and adaptability of these companies. Businesses categorised as small and medium-sized exhibit a wide range of performance indicators, including financial results, market dominance, operational effectiveness, innovation, and human resource capacities. Self-efficacy has a significant influence on performance and can also serve as a reliable

predictor of it. Chen et al. (1998) and McGee & Peterson (2019) found that seeing ongoing success boosts the self-assurance of an entrepreneur in launching their own company.

The confidence of entrepreneurs is equally crucial to the success of their business, alongside their capacity to identify their target market and make astute decisions. Small and medium-sized The concept of self-assurance, precisely self-efficacy as an entrepreneur (ESE), has attracted considerable attention as a result of its substantial influence on the success of SME. Kautsar, Asandimitra, and Aji (2018) underscore the importance of financial self-efficacy and entrepreneurship as leaders in determining the accomplishment of small sized and medium-sized firms. Self-efficacy is the degree of assurance that small and medium-sized enterprises (SMEs) possess regarding their ability to effectively manage their finances. The financial well-being of enterprises are significantly influenced by the level of self-efficacy. The study published by Okonji et al. (2020) underscores the impact of entrepreneurial characteristics on the prosperity of Lagos State's small and medium-sized businesses. The statement underscores the importance of individual accomplishment in promoting economic prosperity

METHODOLOGY

Research Design

To look into the impact of vicarious experience on the expansion of small and medium-sized businesses, this current study employs a qualitative methodology that is predicated on surveys. Using a quantitative research methodology, it examined the influence of vicarious experience on the growth of sized enterprises. In addition, a descriptive survey research methodology was implemented to accumulate comprehensive data regarding each aspect. This work endeavours to establish a methodical approach to statistical analysis through the application of descriptive methodologies. This method facilitates a comprehensive examination of the bond found in vicarious experience and the growth of the small, medium businesses (SMEs).

Participant Selection

The intended audience for the study consisted of 127 individuals. The study utilised the full enumeration technique in order to fully examine every facet of the Trade Fair cosmetics selection.

Sampling Method

This experiment employed the enumeration sampling technique. In order to guarantee the inclusion of all individuals, each and every item from the Trade Fair cosmetics collection was incorporated into the voting procedure. The selection of respondents for the questionnaire was conducted using this procedure. This approach enhances the practicality of data collecting by focusing on individuals who are readily accessible.

Data Collection

The necessary data was collected through a survey that requested participants to disclose their opinions, assumptions, and thoughts in order to get the hypothesis. The primary source of data was the main tool employed in the study to gather data and acquire information.

Ethical Consideration

The Covenant University Research Ethics Committee (CUREC) in Nigeria has awarded ethical approval to ensure strict adherence to moral values. The participants received comprehensive explanations regarding the research's objectives while simultaneously having their privacy upheld. The survey adheres to ethical norms as all participants provided their informed consent.

Validity and Reliability

The study employs construct validity to guarantee accuracy and reliability of research instrument. The research supervisor and other specialists thoroughly scrutinised the questionnaire to confirm its relevance and alignment with the goals of the research. The research instrument's validity in this study was assessed through expert suggestions and remarks. Cronbach's Alpha can be used to assess the validity and reliability of a scale or questionnaire. The coefficient in Cronbach's Alpha, which ranges from 0 to 1, is employed to assess the reliability of a measurement. Higher numerical values indicate greater reliability, while negative or zero values indicate reduced reliability.

Method of Data Analysis and Presentation

Data presentation and analysis were crucial stages in the research process. The selection of the methodology for organising and examining the data was influenced by the nature of the data, the participants involved in the research, and the concept of the study. Two different analytical methodologies were employed: inferential and descriptive. To predict the link between the independent variables (SME and ESE) and the depending variable, the researchers employed structural equation modelling (SEM).

DATA PRESENTATION AND ANALYSIS

The study participants were requested to fill out questionnaires in order to collect data. The questionnaire consists of two sections. Section A of the bio-data form enquires about the respondent's age, marital status, and educational history. The 5-point Likert scale is employed in Section B. Following their response to a question in Section B, participants will be required to assess their level of arrangement within the range of a scale "strongly agree" to "strongly disagree". The research instrument was developed by adapting the questions collected from various sources.

Table 1: Response Frequency

QUESTIONNAIRE	FREQUENCY	VALID PERCENTAGE
Valid	120	94.49%
Invalid/unfilled	7	5.51%
Total	127	100%

Table 1 provides a detailed analysis of the frequency at which replies were received. As a result of the investigator's meticulous and unwavering follow-ups, the rate of response was significantly increased. Out of the 127 copies provided for the study, twelve copies (94.49%) were found, while seven copies (5.51%) went missing. The response rate of 94.49 percent demonstrates a statistically significant correlation between the parameters.

Table 2: Distribution of the respondents based on demographics (n = 209)

Demographic Variables	Construct	Frequency	Percentage
Gender	Female	82	68.3
	Male	38	31.7
Total		120	100.0
Age	18 – 20 years	2	1.7
	21 - 30 years	100	83.3
	31- 40 years	13	10.8
	41 years and above	5	4.2

Total		120	100.0
Marital Status	Single	97	80.8
	Married	21	17.5
	Others	2	1.7
Total		120	100.0
Education	Primary	0	0
	Secondary	6	5.0
	Vocational	5	4.2
	HND/Bsc	74	61.7
	Msc and higher	35	29.2
Total		120	100.0
Years in Business	Less than 2 years	56	46.7
	2 – 5 years	43	35.8
	Above 5years	21	17.5
Total		120	100.0

The survey reveals that 68.3% of the participants are female, whereas 33.7% are male. The majority of responders come within the age range of 18 to 20, while a lesser proportion belong to the 31 to 40 age bracket. Out of the total 97 participants, 80.8% are unmarried, while the remaining 21 people (17.5%) are married. The majority of individuals possess either an HND or BSC degree, an MBA or MSc degree, a vocational certification, or a secondary school diploma. Out of all the participants, forty-three individuals, which accounts for 35.8% of the sample, reported having a tenure of two to five years with the organisation. In addition, 17.5% of the respondents reported that they had been in operation for a period of five years or more. Most of the participants had fewer than two years of experience in business operations.

Test of hypothesis

In the study, a structural and measurement framework was employed, with a minimum acceptable value of 0.5 required for all constructs and items. Each theory has structures that have disconnected components and a connectivity value greater than 0.50. Numerical simulations utilise the structural model to ascertain crucial parameters and evaluate route coefficients. The bootstrapping approach is employed to ascertain the statistical significance of an idea. The default number of subsamples utilised in partial least squares analysis is 5000. A higher quantity of subsamples reflects the statistical relevance of the data as seen in the work of Osibanjo, Adeniji, Salau, Atolagbe, Osoko, Edewor, & Olowu, 2020.

HYPOTHESES ONE

H_{01} = Past Experience has no significant effect on SME Profitability

For this hypothesis, there is one external variable (past experience) and one internal variable (SME profitability).

Numerous statistical metrics, such as the effect size, path coefficient, coefficient of t-statistic, and determination/r-squared value, are shown in the figures below. Especially noteworthy are figures 1 and 2. The predictor element of the model index and the predictive significance of the framework served as the main assessment criteria for the structural model. A 5-point Likert scale and a structured questionnaire were used to evaluate each research variable. Tables 3 and 4 display three indicators for the hidden variable (previous experience) and three indicators for the endogenous variable. The inquiry employed Structural Equation Modelling with Partial Least Squares to integrate data analysis at both the organisational and model levels.

PLS-SEM is typically employed for small datasets since it lacks the ability to assess distribution assumptions. Figure 1 illustrates the fundamental concepts of structural equation modelling, including standardised estimates that demonstrate the impact of prior experience on the earnings of small and medium-sized firms (SMEs). In addition, Nordhoff, Malmsten, Arem, Liu, and Happee (2021) found a statistically significant effect at a significance threshold of 0.05. The study employed the partial least squares structural equation modelling approach to combine and analyse the data. Gerbing and Anderson (1992) developed an approach that involved conducting analyses at both the organisational and model levels.

TABLE 3: FACTOR LOADING FOR PAST EXPERIENCE ON SME PROFITABILITY

	Factor loading	**VIF**	**Composite reliability**	**AVE**	**Cronbach alpha**	**No. of indicators**
Indicators	> 0.7	< 5	≥0.7	≥0.5	≥0.7	
Past experience			0.777	0.546	0.794	3
PE1	0.214	1.019				
PE2	0.815	1.214				
PE3	0.836	1.199				
SME profitability			0.686	0.469	0.769	3
P1	0.866	1.388				
P2	0.761	1.508				
P3	0.555	1.109				

Fornell and Lacker (2016) established a universal criterion that is applicable to all scales or measuring instruments. Initially, it is imperative that loading of the factors surpasses the recommended beginning of 0.50. In addition, the design composite necessitates a minimum dependability level of 0.70. Additionally, the computed mean variance estimate must be a minimum of 0.50. Chin (2010) states that a reliable tool should have a Cronbach alpha coefficient of at least 0.70. This data is sourced from an essay authored by Chin in 2010.

Table 3 demonstrates that all aspects of previous experience and small and medium-sized enterprise (SME) profitability exhibit strong internal consistency, as indicated by Cronbach's alpha reliability values above 0.70 and 0.80. The factor loadings for various build metrics ranged from 0.214 to 0.866. The instrument is deemed to be valid and reliable, despite the correlation coefficient between the constructs being 0.7 or below, provided it fulfils the essential need for sufficiency. Figures 1 and 2 display the outcomes of the internal structural model.

Evaluation of inner structural model

This is the fundamental aspect of modelling using structural equations. The factor structure is determined by calculating the path coefficients (R2), which represent the weights and significance values (Chin, 2010). The statistics from Table 4 and Figure 1 suggest that 15.8% of the variability in profitability across small and medium-sized enterprises can be attributed to prior experience. The relationship found with the dependent variable (SME profitability) plus the independent variable (previous experience) is quantified using the R-value/variance. Consequently, there is minimal connection between previous experience and the profitability of small- and medium-sized firms. The predictive efficacy of the association linked with the variable was also illustrated in Figure 1. The results indicate that, assuming all other factors remain constant, the profitability of small and medium-sized firms (SMEs) grows by 39.8% for each additional unit of prior experience.

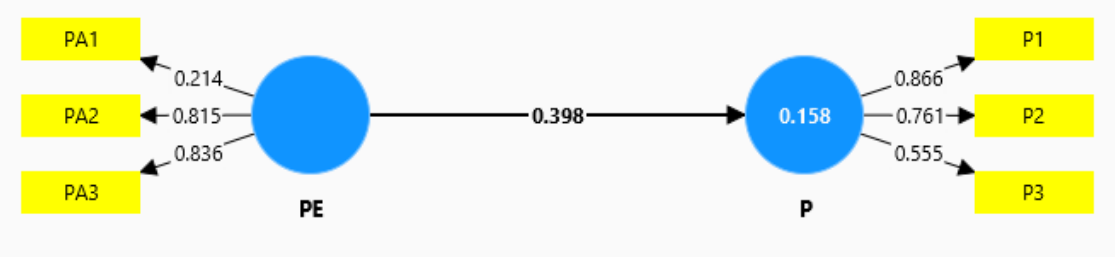

Figure 1: Predictive Relevance (Path Coefficient) Of Past Experience and Sme Profitability

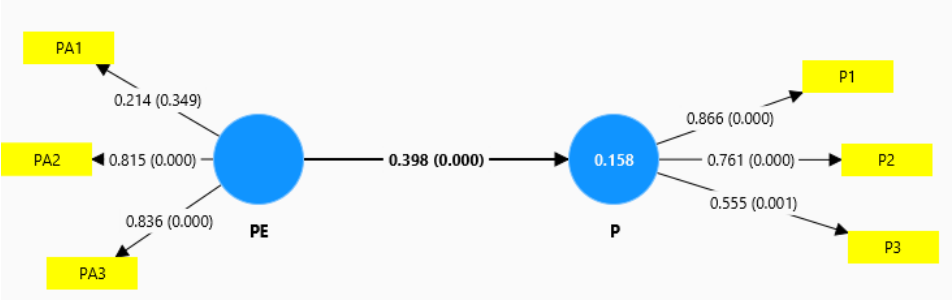

Figure 2: Path Co-Efficient And P-Values For Past Experience And Sme Profitability

The Path Coefficients (β) and T- statistics Estimation

The standardised β coefficient and the regression coefficients for the route were derived using the Partial Least Squares (PLS) technique. The value of the offer was utilised to ascertain its suitability. The significance of the influence on the underlying structure increases as the value ascends. However, Figures 2 illustrate a previous endeavour at the Lagos State Trade Fair in Nigeria aimed at enhancing the profitability of small and medium-sized businesses (SMEs) through bootstrapping.

Table 4: Path Coefficients For Past Experience And Sme Profitability

Variables and Cross Leading			Path co-efficient (O)	Std. Dev (STDEV)	T-statistics (O/STDEV)	P-values
Past experience	→	SME profitability	0.398	0.067	5.985	0.000
			R-Square (R^2)		R2 Adjusted	
Past experience	→	SME profitability	0.158		0.151	
			F^2			
Past experience	→	SME profitability	0.188			

Source: Researcher's Survey, 2024

With a significance level lower than 0.05, the coefficient for the route indicates that previous experience has a direct and substantial influence on the profitability of small and medium-sized enterprises (SMEs). In other words, the study showed that previous experience had a consistent and substantial influence on the profitability of small and medium-sized firms (SMEs) (b=0.398, Tval =5.985, f2 =0.188, p <0.05). At the Trade Fair in Lagos, Nigeria, small and medium-sized firms (SMEs) demonstrate a significant level of interconnectedness and a clear relationship between their profitability and previous experience, as indicated by the beta values of the constructs. Given that the

p-value is below 0.05, it is not possible to accept the null hypothesis. The R-value is used to measure the correlation between the independent variable (prior experience) and the dependent variable (SME profitability).

HYPOTHESES TWO

H_{02} = Social persuasion has no significant effect on SME Product Quality

This hypothesis comprises an objective variable (social persuasion) and one subjective variable (SME product quality)

The structural model was evaluated using important metrics such as effect size, path coefficient, t-statistic value, determination/r-squared, projected weight index of the framework, and predictive relevance of the prototype. Figures 3 and 4 depicted visual representations of these metrics. Each research variable was evaluated using a 5-Likert rating scale and a standardised questionnaire. The quantities of commodities associated with the endogenous variable of SME product quality and the latent variable of social persuasion are displayed in Tables 5 and 6, respectively. The latent variable is associated with three factors. The study combined the organisational and model levels of data analysis by employing the partial least squares structural equation modelling technique.

PLS-SEM is commonly employed in circumstances with small sample numbers because it does not consider distribution assumptions. Happee, Nordhoff, Malmsten, Arem, and Liu (2021) demonstrate the impact of social influence on the quality of items produced by small and medium-sized enterprises (SMEs). The researchers employed standardised estimations and structural equation modelling, as depicted in Figure 3. A significance level of 0.05 is employed to evaluate the statistical reliability of a well. The study employed partial least squares and structural equation modelling to evaluate and integrate the data collected at both the organisational and prototype levels. Research was conducted by Anderson and Gerbing in 1992.

Table 5: Factor Loading For Social Persuasion On Sme Product Quality

	Factor loading	**VIF**	**Composite reliability**	**AVE**	**Cronbach alpha**	**No. of indicators**
Indicators	> 0.7	< 5	≥0.7	≥0.5	≥0.7	
Social persuasion			0.806	0.581	0.741	3
SP1	0.776	1.302				
SP2	0.757	1.352				
SP3	0.752	1.182				
SME product quality			0.752	0.509	0.712	3
PQ1	0.657	1.130				
PQ2	0.859	1.267				
PQ3	0.598	1.132				

Table 5 demonstrates that both the social persuasion components and SME product quality constructs exhibit composite internal consistency and Cronbach's alpha reliability values that exceed 0.70. Several build metrics exhibit factor loadings ranging from 0.598 to 0.859. Given that the primary fitness condition has been adequately fulfilled, the model is considered suitable and satisfactory. The results of the internal structural model are displayed in Figures 3 and 4, respectively. An element is considered to have a strong influence on the factor when its factor loading is 0.7 or above.

Evaluation of inner structural model

The internal model refers to the model that is created within the structural equation modelling framework. The findings from Table 6 and Figure 3 offer additional evidence that social influence explains 24.8% of the variability in the quality of products manufactured by small and medium-sized

enterprises (SMEs). The R-value/variance quantifies the level of correlation between the dependent variable (SME product quality) and the independent variable (social persuasion). Thus, there is no substantial correlation between the quality of SME products and social persuasion. Furthermore, Figure 3 illustrated that the study's ability to make predictions was focused on the connection between the different elements. The results indicate that in all other instances, a solitary augmentation in social persuasion leads to a 49.8% enhancement in the calibre of products manufactured by small and medium-sized firms (SMEs).

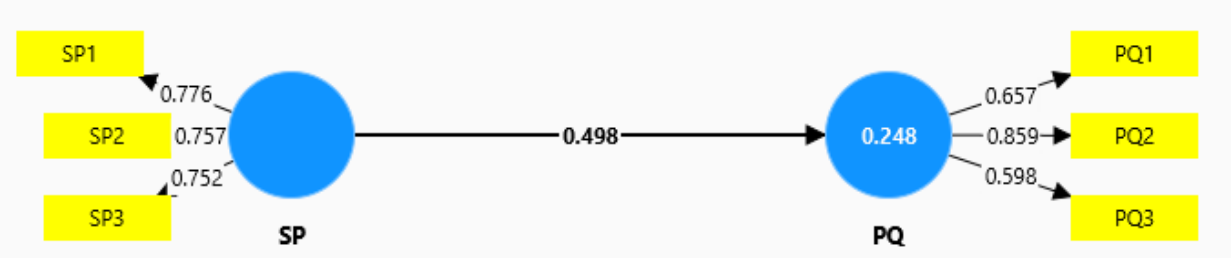

Figure 3: Predictive Relevance (Path Coefficient) Of Social Persuasion On Sme Product Quality

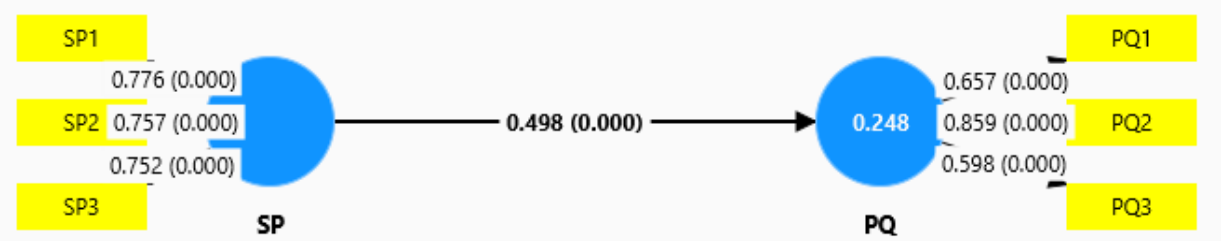

Figure 4: Path Co-Efficient And P-Values For Social Persuasion On Sme Product Quality

Table 6: Path Coefficients For Social Persuasion On Sme Product Quality

Variables and Cross Leading			Pathco-efficient (O)	Std. Dev (STDEV)	T-statistics (O/STDEV)	P-values
Social persuasion	→	SME product quality	0.498	0.082	6.041	0.000
			R-Square (R^2)		R2 Adjusted	
Social persuasion	→	SME product quality	0.248		0.241	
			F^2			
Social persuasion	→	SME product quality	0.329			

Source: Researcher's Survey, 2024

At a significance level of 0.05, the path coefficient indicates a statistically significant and direct correlation between social persuasion and the quality of items manufactured by small and medium-sized enterprises (SMEs). The study found that first-hand influence had a favourable and significant impact on social persuasion and SME product quality (b=0.498, tval =6.041, f2=0.329, $p < 0.05$). There is a statistically significant and slightly related relationship between the quality of items produced by small and medium-sized enterprises (SMEs) and social persuasion, as demonstrated by the beta value of the parameters. The p-value for this connection is less than 0.05, indicating a statistically significant result. Consequently, it is necessary to reject the null hypothesis.

HYPOTHESES THREE

H_{03} = Physiological information has no significant effect on SME Marketing Capabilities

This hypothesis consists of one exogenous variable (social persuasion) and one endogenous variable (SME product quality)

The primary metrics used to assess the structural model, as shown in Figures 5 and 6, consist of the projected weight index of the framework, the prototype's predictive significance, the path coefficient, the coefficient of t-statistic value and determination/r-squared, and effect size. The evaluation of each research variable was conducted utilising a 5-Likert rating scale and a standardised questionnaire. Tables 7 and 8 present the amounts of commodities related to the endogenous variable, SME product quality, and the latent variable, social persuasion, respectively. A correlation exists between the latent variable and three items. The study utilised the partial least squares structural equation modelling method to integrate the organisational and model layers during data analysis.

PLS-SEM is commonly employed in scenarios involving small sample sizes since it does not rely on distribution assumptions. According to Happee, Nordhoff, Malmsten, Arem, and Liu (2021), Figure 5's structural equation modelling, using standardised estimates, demonstrated the impact of social persuasion on the quality of items manufactured by small and medium-sized enterprises (SMEs). A well is deemed statistically valid when it meets a significance level of 0.05, ensuring its statistical validity. The study's data were evaluated and merged using structural equation modelling using partial least squares at the organisational and prototype levels. Anderson and Gerbing conducted research in 1992.

TABLE 7: FACTOR LOADING FOR PHYSIOLOGICAL FEEDBACK ON MARKETING CAPABILITY

	Factor loading	VIF	Composite reliability	AVE	Cronbach alpha	No. of indicators
Indicators	> 0.7	< 5	≥0.7	≥0.5	≥0.7	
Physiological feedback			0.749	0.507	0.709	3
PF1	0.715	1.587				
PF2	0.857	1.804				
PF3	0.526	1.681				
Marketing capability			0.802	0.577	0.735	3
MC1	0.687	1.113				
MC2	0.849	1.488				
MC3	0.734	1.449				

Table 7 demonstrates that all components related to physiological feedback and marketing capability have good internal consistency, as indicated by Cronbach's alpha values over 0.70. The factor loadings displayed a range of values, specifically between 0.526 and 0.857, across many concept assessments. Given that the main fitness criterion has been adequately fulfilled, the model is considered suitable and satisfactory. The results of the internal structural model are depicted in Figures 5 and 6, respectively. A factor loading of 0.7 or higher indicates a substantial impact of the variable on the factor.

Evaluation of inner structural model

In the realm of structural equation modelling, the model that is constructed is sometimes known as the "inside model" for brevity. Table 8 and Figure 5 demonstrate that physiological feedback explains 25.7% of the variability in marketing capacity. The R-value/variance is employed to quantify the relationship between the independent variable (physiological feedback) and the dependent variable (marketing competency). Insufficient research exists to establish a correlation between physiological feedback and marketing expertise. Furthermore, Figure 5 demonstrated that the variables connected

by the link were the objects of the inquiry in terms of their ability to predict outcomes. The results indicated that, assuming all other factors remain unchanged, a single increase in physiological input leads to a 50.7% enhancement in marketing capabilities.

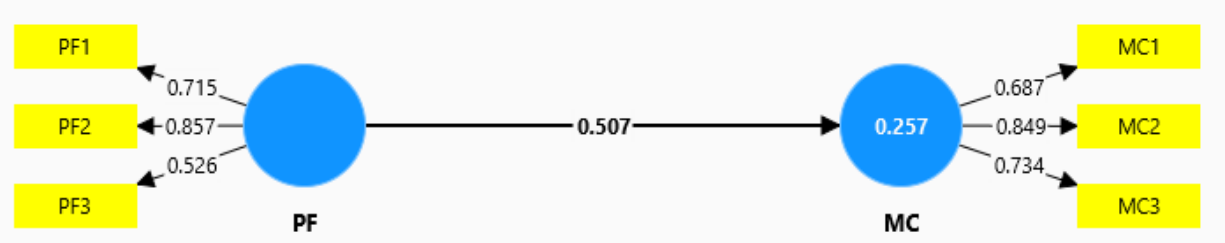

Figure 5: Path Co-Efficient And P-Values For Physiological Feedback On Marketing Capability

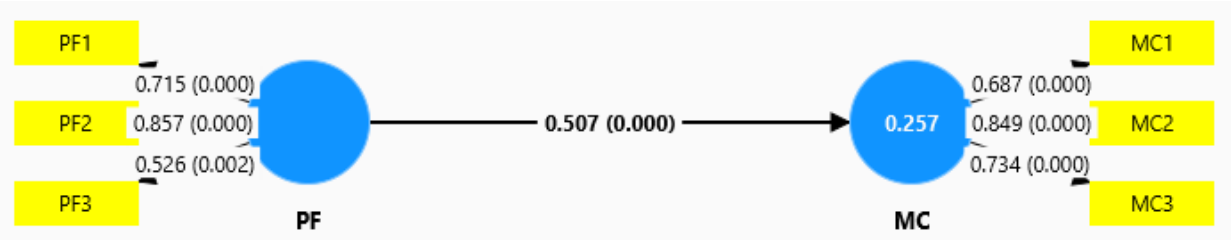

Figure 6: Predictive Relevance (Path Coefficient) Of Physiological Feedback On Marketing Capability

Table 8: Path Coefficients for Physiological Feedback on Marketing Capability

Variables and Cross Leading			**Path co-efficient (O)**	**Std. Dev (STDEV)**	**T-statistics (O/STDEV)**	**P-values**
Physiological feedback	→	Marketing capability	0.507	0.061	8.297	0.000

			R-Square (R^2)	R2 Adjusted	
Physiological feedback	→	Marketing capability	0.257	0.251	
			F^2		
Physiological feedback	→	Marketing capability	0.346		

Source: Researcher's Survey, 2024

At a significance level of 0.05, the path coefficient indicates a direct and statistically significant correlation between physiological input and marketing skill. The study found that real-world experience had a strong and positive impact on physiological feedback and marketing skills. The statistical study indicated a strong relationship with a t-value of 8.297. The assessment concluded that the influence was rather small, with an effect size (f2) of 0.346. The regression coefficient (b) of 0.507 signifies a positive correlation between the variables. Furthermore, a p-value below 0.05 signified statistical significance. The beta coefficients of the elements indicate a robust correlation between physiological feedback and marketing knowledge. Given that the significance threshold is set at less than 0.05. In this case, it is crucial to reject the null hypothesis.

CONCLUSION

This study aimed to compare the performance of small and medium-sized enterprises (SMEs) with the self-efficacy of entrepreneurs, which refers to their confidence and conviction in their own talents. The study emphasises the importance of self-efficacy in the success of small and medium businesses and the impact of entrepreneurs' past experiences on the financial profits of their companies. The results suggest that an entrepreneur's perspective of their past business and personal experiences has a significant impact on the financial gains and overall success of their business. The formation of many entrepreneurs is influenced by their past experiences, which subsequently shape their self-perception and evaluation. This finding aligns with previous research that underscores the impact of experiences on the development of professional skills.

Contribution to knowledge

i. The objective of this study is to enhance comprehension of the correlation between self-efficacy and enhanced performance in SME firms with a focus on sustainable growth. The study will examine the impact of self-efficacy and entrepreneurial qualities on vicarious experience, social persuasion, physiological feedback, and performance results. This study examines the cosmetics industry to explore a subject that has not yet been addressed in the existing literature.

ii. The study will provide in-depth information about the company's expanding business landscape, with a particular emphasis on the cosmetics sector. The presentation will emphasise the diverse perspectives held by business proprietors regarding the industry.

iii. This study will offer significant novel insights to the research community regarding the benefits that entrepreneurs can derive from possessing unwavering self-belief and confidence in their talents.

Limitation/suggestion for further studies

i. It is crucial to emphasise that the researcher encountered certain challenges during the investigation. The study exclusively examined the cosmetic line exhibited at the trade fair in Lagos due to the non-compliance of certain participants in completing the data-gathering questionnaire. The applicability of the findings is limited to the specific region and sectors under study. The optimal approach for acquiring data to shape the design of the study is to employ the cross-sectional quantitative methodology.

ii. The amount of knowledge and the extent of investigation available on this topic are limitless. The research study investigated the correlation between entrepreneurial self-efficacy and the performance of SME by analysing the cosmetics industry as a case study. Further investigation is necessary to comprehensively grasp the importance of educational entrepreneurial self-efficacy and its impact on fashion entrepreneurs in many academic domains. This will provide novel perspectives on an alternative sector and the potential first impacts of entrepreneurial education programs on Nigerian society. Moreover, a strategy that prioritises the empowerment of males may replace the conventional approach that promotes the progress of women in the economic sphere.

THE AUTHOR'S CONTRIBUTIONS: include conceptualization, S.I.B., original draft writing for OTS, validation, and research. Our team specialises in project management, namely in the areas of O.T.S. (Off-The-Shelf) solutions, O.O.O. (Out-Of-The-Box) implementation, and writing services such as review and editing. We also have access to a wide range of resources to support our work. O.D.A. stands for Original Design Manufacturer, whereas O.E.M. stands for Original Equipment Manufacturer. Upon reviewing the finalised version of the paper, all authors have granted their endorsement.

CONSENT AGREEMENT: Each participant provided their informed consent to partake in this study.

DATA AVAILABILITY STATEMENT: Accessible upon request.

CONFLICTS OF INTEREST: The writers did not reveal any.

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