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Conceptualizing Sociocultural Environment as a Moderator Between Soft Skills and Enterprise Performance in Yobe State

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Abstract

Micro and Small Enterprises (MSEs) constitute a critical component of economic development in Nigeria through employment generation, income creation, poverty reduction, and local economic transformation. In Damaturu, Yobe State, MSEs serve as major sources of livelihood and contribute significantly to commercial activities across various sectors, including retail trade, agriculture, transportation, hospitality, and personal services. Despite their contributions, many enterprises continue to experience low productivity, poor growth, limited competitiveness, and high failure rates. While previous studies have focused on financial constraints, infrastructural deficiencies, and government policies as determinants of enterprise performance, growing evidence suggests that entrepreneurial soft skills play an important role in business success. This paper explores the theoretical relationship between soft skills and the performance of micro and small enterprises in Damaturu while examining the moderating role of the sociocultural environment. Through conceptual synthesis, the study integrates Human Capital Theory and Social Capital Theory alongside the Resource-Based View to explain how communication skills, leadership abilities, emotional intelligence, problem-solving skills, and adaptability influence enterprise performance. The paper argues that entrepreneurs with stronger soft skills are better positioned to build customer relationships, manage employees, identify opportunities, and respond effectively to environmental uncertainties. Furthermore, sociocultural factors such as cultural values, religious beliefs, social networks, and community norms may strengthen or weaken the effectiveness of these skills. The study proposes a conceptual framework that positions soft skills as drivers of enterprise performance while the sociocultural environment functions as a moderating mechanism. The paper concludes that improving entrepreneurial soft skills and fostering supportive sociocultural conditions are essential for enhancing the sustainability and competitiveness of micro and small enterprises in Damaturu.

Keywords: *Soft Skills, Enterprise Performance, Micro and Small Enterprises, Sociocultural Environment, Damaturu, Entrepreneurship.*

Introduction

Micro and Small Enterprises (MSEs) are widely recognized as the backbone of economic development in both developed and developing countries (Carter & Tamayo, 2017; Gwadabe & Amirah, 2017). They contribute significantly to employment generation, wealth creation, innovation, poverty reduction, and local economic transformation (Gurin *et al.*, 2024; Ababiya *et al.*, 2015). In Nigeria, MSEs constitute the "engine room" of the economy, accounting for approximately 95% of all business activities and contributing over 43% to the national GDP (Gurin *et al.*, 2024). Their contribution is particularly vital in providing livelihood opportunities for millions of individuals in economically disadvantaged regions where formal sector employment is limited (Ababiya, 2015; Adeniyi & Epetimehin, 2025).

In Yobe State, and specifically within Damaturu, MSEs serve as the lifeblood of local commerce (Gurin *et al.*, 2024). The city hosts a diverse array of enterprises engaged in sectors such as retail trade, agriculture-related businesses, tailoring, transportation, food processing, hospitality, and information technology (Ababiya, 2015; Gurin *et al.*, 2024). These enterprises are essential not only for generating income for business owners but also for creating employment opportunities for youths and women, who are often the most vulnerable groups in the regional labor market (Andreas *et al.*, 2025; Darling Selvi & Jegan, 2025). By fostering entrepreneurship, these businesses contribute directly to social development and economic stability within the state, helping to mitigate the "unfriendly business environment" and insecurity that have historically hindered growth in the region (Gurin *et al.*, 2024).

Damaturu provides a unique and relevant context for examining the relationship between soft skills and enterprise performance because it serves as the administrative and commercial hub of Yobe State. Over the years, the city has experienced significant economic and social transformations arising from urbanization, population growth, government activities, and post-conflict recovery efforts. These developments have stimulated the growth of numerous micro and small enterprises operating in sectors such as retail trade, transportation, hospitality, agro-processing, and personal services. At the same time, entrepreneurs in Damaturu continue to face challenges associated with market uncertainty, limited access to resources, infrastructural deficiencies, and changing consumer demands. Furthermore, the city is characterized by strong cultural traditions, religious values, and community-based social relationships that significantly influence business operations and entrepreneurial behavior. These unique socioeconomic and sociocultural characteristics make Damaturu an appropriate setting for investigating

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how entrepreneurial soft skills contribute to enterprise performance and how sociocultural factors shape this relationship.

Despite their economic significance, many micro and small enterprises (MSEs) in Damaturu face considerable challenges that threaten their growth and sustainability (Gurin *et al.*, 2024; Gwadabe & Amirah, 2017; Gurin *et al.*, 2024). Business owners operate in an environment characterized by infrastructural deficiencies, insecurity, market uncertainties, inflationary pressures, fluctuating consumer purchasing power, and limited access to financial resources (Ababiya, 2015; Adeniyi & Epetimehin, 2025; Gurin *et al.*, 2024). These challenges often result in low productivity, poor business performance, and high rates of enterprise failure, with studies suggesting that up to 85% of Nigerian small businesses do not survive beyond their first five years (Andreas *et al.*, 2025; Gwadabe & Amirah, 2017; Gurin *et al.*, 2024). Consequently, there is increasing interest among researchers and policymakers in identifying factors that enhance the performance and survival of MSEs (Andreas *et al.*, 2025; Gurin *et al.*, 2024).

This failure rate is acutely exacerbated in the contemporary 2024-2026 economic epoch (Adeniyi & Epetimehin, 2025; Andreas *et al.*, 2025; Gurin *et al.*, 2024; Kumari & Sudha, 2026). Operating in a post-conflict recovery phase, Damaturu's MSEs are subjected to systemic disruptions (Cantoni *et al.*, 2024; Gurin *et al.*, 2024), including severe liquidity constraints legacy to the Naira redesign policy, compounding fuel subsidy removal shocks, and a volatile foreign exchange pass-through that triggers hyper-inflationary operational costs (Adeniyi & Epetimehin, 2025; Gurin *et al.*, 2024; Gwadabe & Amirah, 2017). Consequently, survival in this context requires an evaluation of how intangible human capital—specifically entrepreneurial soft skills—buffers these immediate macro-shocks (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024; Gurin *et al.*, 2024)

Traditionally, studies examining enterprise performance have focused on tangible resources such as capital availability, technology adoption, infrastructure, and government support programs (Abera, 2012; Adeniyi & Epetimehin, 2025). While these factors remain important, recent entrepreneurship literature suggests that intangible resources, particularly entrepreneurial competencies and soft skills, may play an equally significant role in determining business success (Andreas *et al.*, 2025; Gwadabe & Amirah, 2017). In increasingly competitive and uncertain business environments, the ability of entrepreneurs to communicate effectively (Andreas *et al.*, 2025; Cantoni *et al.*, 2024), lead employees (Botella-Carrubi *et al.*, 2025; Mitra, 2022), solve problems (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025), adapt to change (Cantoni *et al.*, 2024; Surya *et al.*, 2021), and build productive relationships (Gurin *et al.*, 2024; McGrath & O'Toole, 2013) may constitute a critical source of competitive advantage (Botella-Carrubi *et al.*, 2025; Gwadabe & Amirah, 2017; Poo-Udom, 2026).

Soft skills refer to a collection of personal attributes, behavioral competencies, interpersonal abilities, and emotional capabilities that characterize an individual's ability to interact with others effectively (Cantoni *et al.*, 2024)These skills encompass non-technical, domain-independent behaviors that underpin how individuals behave and interact in the workplace (Cantoni *et al.*, 2024). Unlike technical (hard) skills, which relate to specific occupational knowledge and expertise required to perform assigned tasks (Goleman, 1995), soft skills emphasize how individuals communicate, collaborate, negotiate, and lead (Cantoni *et al.*, 2024; Akinruwa & Bankole, 2024). Defined as goal-directed behaviors used in face-to-face interactions to bring about a desired state of affairs, soft skills are a critical factor that distinguishes successful managers from unsuccessful ones (Goleman, 1995).

These competencies directly influence an entrepreneur's ability to manage various business functions:

- Managing Employees: Soft skills like behavioral regulation and inspiration allow leaders to influence staff orientations toward better performance and align them with organizational goals (Akinruwa & Bankole, 2024).
- Attracting and Retaining Customers: Effective communication is cited as the "linchpin" for acquiring and retaining customers and maintaining customer loyalty (Andreas *et al.*, 2025; Andreas *et al.*, 2025).
- Supplier Relationships and Networking: Networking competency allows entrepreneurs to build social interactions that facilitate resource exchange and create partnerships (Gurin *et al.*, 2024).
- Conflict Resolution and Negotiation: These skills involve the capacity to reach agreements while handling disputes with both internal and external stakeholders (Cantoni *et al.*, 2024; Goleman, 1995).
- Strategic Decision-Making: Professional literacy and emotional intelligence (EI) improve a manager's ability to navigate complex dynamics and make judicious decisions under pressure (Keller *et al.*, 2020; Keller *et al.*, 2020).

The relevance of soft skills has intensified due to the volatile, uncertain, and rapidly changing nature of contemporary business environments (Botella-Carrubi *et al.*, 2023; Bawono *et al.*, 2022). Entrepreneurs are required to demonstrate not only technical expertise but also adaptability, creativity, resilience, and leadership to surmount competition and environmental challenges (Andreas *et al.*, 2025; Bawono *et al.*, 2022). Enterprises must continuously respond to shifting customer preferences, digital disruption, and economic instability (Cantoni *et al.*, 2024).

Consequently, entrepreneurs with strong soft skills are more likely to identify and exploit emerging market opportunities, manage organizational change effectively, and sustain long-term business growth and survival (Botella-Carrubi *et al.*, 2023; Eniola, 2020; Andreas *et al.*, 2025). In regions like Nigeria, entrepreneurial competencies—particularly those involving interpersonal relation skills—are increasingly recognized as the "missing link" for the success and sustainability of micro and small enterprises (Akinruwa & Bankole, 2024; Gurin *et al.*, 2024).

However, the effectiveness of entrepreneurial soft skills does not occur in isolation (Gurin *et al.*, 2024). The business environment within which entrepreneurs operate can significantly influence the extent to which these skills translate into improved performance outcomes (Akinruwa & Bankole, 2024). One particularly important aspect of the business environment is the sociocultural environment (Eniola, 2020). Sociocultural environment refers to the system of social values, cultural beliefs, traditions, religious practices, social norms, family structures, and community relationships that shape human behavior within a society (Markus & Kitayama, 1991; Eniola, 2020).

In Damaturu, sociocultural factors exert considerable influence on business activities and entrepreneurial behavior (Gurin *et al.*, 2024). Cultural expectations often shape interactions between business owners and customers, while religious values influence ethical conduct, trust, and decision-making processes (Eniola, 2020). Similarly, social networks and community relationships provide access to information, resources, support systems, and business opportunities (Gurin *et al.*, 2024; Gurin *et al.*, 2024). These

sociocultural elements can either facilitate or constrain entrepreneurial success depending on how they interact with individual competencies (Eniola, 2020; Pidduck *et al.*, 2024).

For instance, an entrepreneur with excellent communication and networking skills may experience greater business success in communities where social relationships and trust are highly valued (Gurin *et al.*, 2024; Eniola, 2020; Gurin *et al.*, 2024). Likewise, leadership abilities may yield stronger performance outcomes in environments that encourage collaboration and community participation (Akinruwa & Bankole, 2024; Eniola, 2020; Botella-Carrubi *et al.*, 2025). Conversely, certain cultural norms or social expectations may limit the effectiveness of entrepreneurial skills and reduce their impact on enterprise performance (Pidduck *et al.*, 2024; McGrath & O'Toole, 2013). Therefore, understanding the interaction between soft skills and sociocultural environment is essential for developing a comprehensive explanation of business success among micro and small enterprises (Gurin *et al.*, 2024; Andreas *et al.*, 2025).

Although previous studies have investigated the relationship between entrepreneurial competencies and enterprise performance, limited attention has been devoted to the moderating influence of sociocultural environment, particularly within the context of Damaturu and other emerging economies (Gurin *et al.*, 2024; Kumari & Sudha, 2026). Most existing studies focus primarily on financial, technological, or institutional determinants of enterprise success while neglecting the social and cultural realities that shape entrepreneurial outcomes (Eniola, 2020; Akinruwa & Bankole, 2024). This creates a significant knowledge gap in understanding how entrepreneurial soft skills operate within specific sociocultural contexts (Gurin *et al.*, 2024; Andreas *et al.*, 2025).

Despite the growing recognition of entrepreneurial competencies in enhancing business outcomes, limited studies have specifically examined the influence of soft skills on the performance of micro and small enterprises in Damaturu, particularly within the context of sociocultural factors. This study seeks to fill this knowledge gap.

Without a comprehensive understanding of this interaction, efforts aimed at improving enterprise performance may fail to achieve desired outcomes (Gurin *et al.*, 2024; Ababiya *et al.*, 2015). Entrepreneurship development programmes that focus solely on technical skills and financial support may overlook critical interpersonal and behavioral competencies necessary for business success (Inyang & Enuoh, 2009; Akinruwa & Bankole, 2024; Andreas *et al.*, 2025). Similarly, policies designed without consideration for local sociocultural realities may produce limited impact on enterprise development (Eniola, 2020; Eniola, 2020).

The primary objective of this paper is therefore to develop a conceptual framework that explains the relationship between soft skills and the performance of micro and small enterprises in Damaturu while examining the moderating role of the sociocultural environment (Gurin *et al.*, 2024; Eniola, 2020). Specifically, the study seeks to explore how communication skills (Akinruwa & Bankole, 2024), leadership abilities (Andreas *et al.*, 2025), emotional intelligence (Goleman, 1995), problem-solving capabilities (Botella-Carrubi *et al.*, 2025), and adaptability (Cantoni *et al.*, 2024) contribute to enterprise performance. Furthermore, the paper examines how cultural values, religious beliefs, social networks, and community norms influence this relationship (Eniola, 2020; Pidduck *et al.*, 2024; Pidduck *et al.*, 2024; Gurin *et al.*, 2024).

To achieve these objectives, the study addresses four major research questions. First, how do entrepreneurial soft skills influence the performance of micro and small enterprises in Damaturu? Entrepreneurial soft skills-non-technical, domain-independent behaviors-function as quintessential intangible resources that provide a sustainable competitive advantage in volatile markets (Barney, 1991; Cantoni *et al.*, 2024; Akinruwa & Bankole, 2024). In regions like Yobe State, these competencies directly drive business success by enabling entrepreneurs to transform ideas into action despite institutional voids (Gurin *et al.*, 2024; Gurin *et al.*, 2024).

Second, which dimensions of soft skills are most relevant for enhancing enterprise performance? Empirical evidence from the Nigerian private sector indicates that interpersonal relation skills, specifically behavioral regulation, collaboration, and inspiration, have the most significant impact on performance (Akinruwa & Bankole, 2024). Additionally, communication proficiency is cited as the "linchpin" for acquiring and retaining customers, while networking competency allows entrepreneurs to build partnerships and facilitate resource exchange (Andreas *et al.*, 2025; Gurin *et al.*, 2024; Cantoni *et al.*, 2024).

Third, what sociocultural factors characterize the business environment within which MSEs operate in Damaturu? The business landscape in Damaturu is defined by strong communal spirit, traditional family structures, and high cultural tightness (Eniola, 2020; Pidduck *et al.*, 2024). These factors dictate social norms, mutual trust, and the degree of community participation in business activities, creating a "volatile and unfriendly environment" where social networks often bypass formal institutional deficiencies (Gurin *et al.*, 2024; Eniola, 2020).

Finally, how does sociocultural environment moderate the relationship between entrepreneurial soft skills and enterprise performance? The sociocultural environment acts as a moderating mechanism by filtering or amplifying the efficacy of soft skills (Eniola, 2020; Pidduck *et al.*, 2024). For instance, a strong communal spirit can act as a "multiplier" for networking skills, simplifying resource acquisition through trust-based networks (Eniola, 2020; Gurin *et al.*, 2024). Conversely, cultural "layers of tightness," such as rigid family role expectations, may restrict the ability of certain entrepreneurs to effectively apply their leadership and innovation skills (Pidduck *et al.*, 2024).

By addressing these questions, the paper contributes to entrepreneurship literature by integrating individual-level competencies (Resource-Based View and Human Capital Theory) with contextual sociocultural factors in explaining enterprise performance (Barney, 1991; Schultz, 1961; Eniola, 2020). The study also provides practical insights for entrepreneurs, policymakers, and business development agencies seeking to design soft-skill intensive training programs that are aligned with local cultural realities to promote sustainable enterprise growth in Damaturu and similar environments (Akinruwa & Bankole, 2024; Gurin *et al.*, 2024; Gwadabe & Amirah, 2017).

Methodology of Conceptual Synthesis

This paper adopts an integrative literature review and conceptual synthesis approach to framework development (Cantoni *et al.*, 2024; Kumari & Sudha, 2026; Pidduck *et al.*, 2024). To ensure transparency in the conceptual synthesis approach, Figure 1 illustrates the systematic, multi-phase process of integra-ting secondary literature, foundational theories, and contextual realities spanning to construct the conceptual framework.

Following the structural boundaries of post-conflict and resource-constrained environments (Gurin *et al.*, 2024; Ababiya *et al.*, 2015; McGrath & O'Toole, 2013), secondary data and empirical management literature spanning 1961 to 2026 were gathered

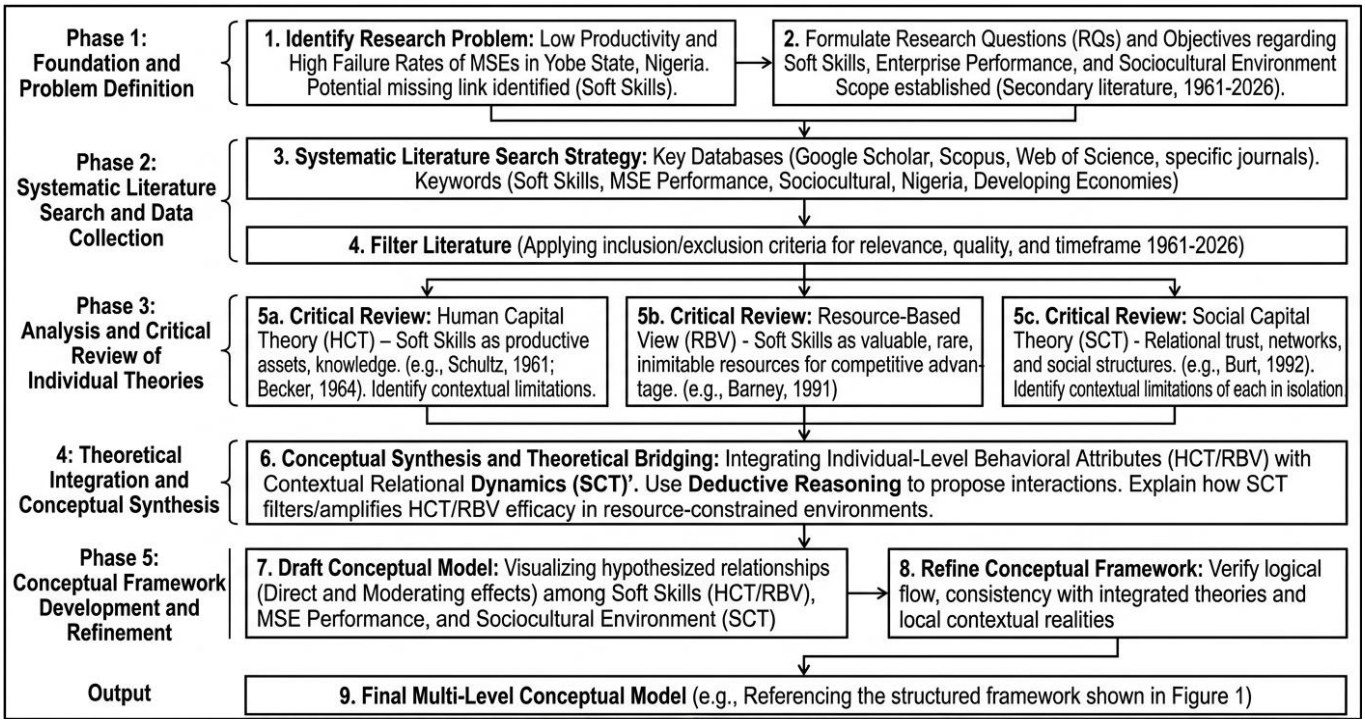


Figure 1. Figure 1. Integrative Literature Synthesis and Conceptual Framework Development Flowchart

and evaluated (McClelland, 1961; Poo-Udom, 2026; Kumari & Sudha, 2026). The study systematically integrates individual-level behavioral attributes from Human Capital Theory with contextual factors from Social Capital Theory (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Cantoni *et al.*, 2024). Through logical deduction and relational proposition-building, these distinct theoretical lenses were synthesized to construct the multi-level linear model illustrated in Figure 1, establishing a baseline for future empirical field verification (Mitra, 2022; Pidduck *et al.*, 2024; Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024).

Conceptual Review and Theoretical Foundation

Soft Skills: The Human Side of Entrepreneurial Success

In contemporary entrepreneurship literature, the concept of soft skills has emerged as a critical determinant of business success and organizational effectiveness (Botha *et al.*, 2015; Cantoni *et al.*, 2024). While traditional business theories emphasize tangible resources such as finance, technology, and infrastructure, recent studies suggest that the personal and interpersonal competencies of entrepreneurs significantly influence enterprise outcomes (Akinruwa & Bankole, 2024; Gurin *et al.*, 2024). For micro and small enterprises operating in dynamic and uncertain environments, the entrepreneur often serves as the primary decision-maker, strategist, negotiator, and manager (Ababiya *et al.*, 2015; Inyang & Enuoh, 2009). Consequently, the quality of the entrepreneur's soft skills can directly affect enterprise performance (Akinruwa & Bankole, 2024; Andreas *et al.*, 2025).

Soft skills refer to a collection of personal attributes, interpersonal competencies, emotional capabilities, and behavioral characteristics that facilitate effective interaction and performance in social and organizational settings (Goleman, 1995; Cantoni *et al.*, 2024). Unlike hard skills, which involve technical expertise and occupational knowledge, soft skills emphasize how individuals communicate, lead, collaborate, negotiate, solve problems, and adapt to changing circumstances (Akinruwa & Bankole, 2024; Andreas *et al.*, 2025). These competencies enable entrepreneurs to establish productive relationships, manage employees effectively, satisfy customers, and respond to environmental challenges (Andreas *et al.*, 2025; Gurin *et al.*, 2024).

The growing importance of soft skills can be attributed to increasing business complexity and environmental uncertainty (Botella-Carrubi *et al.*, 2023; Bawono *et al.*, 2022). Entrepreneurs are required not only to possess technical competence but also to demonstrate resilience, emotional intelligence, leadership capacity, adaptability, and effective communication (Andreas *et al.*, 2025; Goleman, 1995). In highly competitive markets, enterprises that rely solely on technical expertise may struggle to maintain customer loyalty, manage organizational relationships, and navigate environmental changes (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024). Therefore, soft skills represent a valuable entrepreneurial resource that enhances business competitiveness and sustainability (Gurin *et al.*, 2024; Barney, 1991).

For micro and small enterprises in Damaturu, soft skills are particularly important because many business activities depend heavily on personal relationships, trust, negotiation, and social interactions (Eniola, 2020; Gurin *et al.*, 2024; Man *et al.*, 2008). Entrepreneurs frequently interact with customers, suppliers, employees, community leaders, and government agencies (Cantoni *et al.*, 2024; Man *et al.*, 2008). Their ability to manage these relationships effectively often determines business success in regions characterized by institutional voids (Gurin *et al.*, 2024; Andreas *et al.*, 2025). Consequently, soft skills can be viewed as strategic capabilities that influence enterprise growth, profitability, and long-term survival (Barney, 1991; Botella-Carrubi *et al.*, 2025; Akinruwa & Bankole, 2024).

The concept of soft skills is operationalized in this study through five major dimensions: communication skills (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024), leadership skills (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024), emotional intelligence (Goleman, 1995; Keller *et al.*, 2020), problem-solving skills (Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024), and adaptability (Cantoni *et al.*, 2024; Surya *et al.*, 2021).

Communication Skills

Communication skills represent one of the most important competencies required for entrepreneurial success (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Cantoni *et al.*, 2024). Communication involves the process of transmitting information, ideas, instructions, and emotions between individuals through verbal, written, and non-verbal channels (Cantoni *et al.*, 2024; Goleman, 1995). Effective communication enables entrepreneurs to articulate business objectives, negotiate favorable agreements, resolve misunderstandings, and build productive relationships with all stakeholders (Andreas *et al.*, 2025; Cantoni *et al.*, 2024; Akinruwa & Bankole, 2024).

In business environments, communication serves as the foundation of customer service, employee management, marketing, and networking activities (Andreas *et al.*, 2025; Gurin *et al.*, 2024; Akinruwa & Bankole, 2024). Entrepreneurs who communicate effectively are more likely to attract customers, maintain customer loyalty, and establish trust with suppliers and business partners (Andreas *et al.*, 2025; Cantoni *et al.*, 2024). Strong communication skills also facilitate employee motivation by ensuring that organizational goals and expectations are clearly understood and aligned (Akinruwa & Bankole, 2024; Andreas *et al.*, 2025).

Within the specific context of Damaturu, communication skills are particularly relevant because business transactions often depend on interpersonal interactions and relationship-building (Gurin *et al.*, 2024; Eniola, 2020). Entrepreneurs who demonstrate respect, active listening, persuasion, and clarity in communication are better positioned to establish credibility and gain essential community support (Eniola, 2020; Gurin *et al.*, 2024; Cantoni *et al.*, 2024). Furthermore, effective communication enhances the entrepreneur's ability to identify market opportunities, gather information, and respond proactively to evolving customer needs (Andreas *et al.*, 2025; Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025).

Leadership Skills

Leadership skills refer to the ability to influence, motivate, guide, and inspire individuals toward the achievement of organizational objectives (Cantoni *et al.*, 2024; Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025). Leadership extends beyond formal authority and encompasses the entrepreneur's capacity to create a shared vision, coordinate resources, resolve conflicts, and foster commitment among employees and stakeholders (Akinruwa & Bankole, 2024; Mitra, 2022; Andreas *et al.*, 2025).

For micro and small enterprises, leadership plays a crucial role because business owners are often directly responsible for supervising employees, managing operations, and making strategic decisions (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Ababiya, 2015). Effective leaders establish clear goals, promote teamwork, encourage innovation, and maintain organizational discipline (Mitra, 2022; Andreas *et al.*, 2025; Mitra, 2022). These behaviors contribute to improved productivity, employee satisfaction, and business performance (Mitra, 2022; Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025).

Entrepreneurial leadership is particularly important in uncertain environments characterized by economic fluctuations, competitive pressures, and market disruptions (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Akinruwa & Bankole, 2024). Leaders who demonstrate confidence, resilience, and strategic thinking are more capable of guiding their enterprises through challenging situations (Andreas *et al.*, 2025; Kumari & Sudha, 2026; Botha, 2015). In Damaturu, where businesses frequently operate under resource constraints and environmental uncertainties, leadership skills may serve as a critical determinant of enterprise sustainability (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017).

Emotional Intelligence

Emotional intelligence refers to the ability to recognize, understand, regulate, and utilize emotions effectively in oneself and others (Goleman, 1995; Goleman, 1995; Keller *et al.*, 2020). The concept encompasses self-awareness, self-regulation, motivation, empathy, and social skills (Goleman, 1995; Keller *et al.*, 2020; Akinruwa & Bankole, 2024). Emotional intelligence enables entrepreneurs to manage interpersonal relationships, respond appropriately to stressful situations, and maintain constructive interactions with stakeholders (Andreas *et al.*, 2025; Keller *et al.*, 2020; Lopes *et al.*, 2004).

In entrepreneurship, emotional intelligence contributes significantly to decision-making, conflict resolution, customer relationship management, and employee motivation (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Cantoni *et al.*, 2024; Keller *et al.*, 2020). Entrepreneurs with high emotional intelligence are better able to understand customer expectations, manage employee concerns, and negotiate favorable outcomes during business transactions (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Cantoni *et al.*, 2024). They also demonstrate greater resilience when confronted with business failures, financial difficulties, or market uncertainties (Andreas *et al.*, 2025; Kumari & Sudha, 2026; Eniola, 2020; Andreas *et al.*, 2025).

The relevance of emotional intelligence is increasingly recognized in modern business environments where customer satisfaction and relationship management are essential sources of competitive advantage (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Mitra, 2022; Barney, 1991). For enterprises operating in Damaturu, emotional intelligence may enhance trust-building and social cohesion, thereby contributing to improved business performance (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017).

Problem-Solving Skills

Problem-solving skills refer to the ability to identify challenges, analyze situations, evaluate alternatives, and implement effective solutions (Botella-Carrubi *et al.*, 2025; Man *et al.*, 2008; Cantoni *et al.*, 2024). Entrepreneurs regularly encounter operational, financial, managerial, and strategic challenges that require timely and effective responses (Gurin *et al.*, 2024; Bawono *et al.*, 2022; Bawono *et al.*, 2022). Consequently, problem-solving capability constitutes a vital entrepreneurial competency and a strategic dynamic ability essential for organizational survival (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Goleman, 1995).

Successful entrepreneurs possess the ability to diagnose business problems accurately, gather relevant information, assess potential solutions, and make informed decisions (Bawono *et al.*, 2022; Bawono *et al.*, 2022; Keller *et al.*, 2020). These capabilities facilitate innovation, operational efficiency, and organizational adaptability (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Gurin *et al.*, 2024). Problem-solving skills also enable businesses to respond effectively to customer complaints, supply chain disruptions, competitive threats, and environmental changes (Cantoni *et al.*, 2024; Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022).

In the context of Damaturu, where enterprises face numerous challenges related to infrastructure, security, market access, and economic volatility, problem-solving abilities become even more critical (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017). Entrepreneurs capable of identifying opportunities within challenging circumstances and resolving complex market-based hurdles are more likely to achieve business success, increased sales,

and long-term sustainability (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Bawono *et al.*, 2022). Furthermore, successful firms often differentiate themselves through the speed and creativity of their problem-solving activities, which allows them to remain resilient in volatile and "unfriendly" business environments (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024).

Adaptability

Adaptability refers to the capacity to adjust behavior, strategies, and operations in response to changing environmental conditions (Cantoni *et al.*, 2024; Botella-Carrubi *et al.*, 2025; McGrath & O'Toole, 2013). It reflects the entrepreneur's willingness and ability to embrace change, learn from experience, and respond effectively to uncertainty (Goleman, 1995; Andreas *et al.*, 2025; Gurin *et al.*, 2024).

The contemporary business environment is characterized by rapid technological advancements, changing consumer preferences, regulatory changes, and competitive pressures (Cantoni *et al.*, 2024; Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025). Consequently, enterprises must continuously modify their products, services, and operational processes to remain competitive (Akinruwa & Bankole, 2024; Surya *et al.*, 2021; Gwadabe & Amirah, 2017). Entrepreneurs who demonstrate adaptability are more likely to recognize emerging opportunities and mitigate potential threats (Botella-Carrubi *et al.*, 2025; Andreas *et al.*, 2025; Gurin *et al.*, 2024).

For micro and small enterprises in Damaturu, adaptability is particularly important because businesses operate in an environment influenced by economic fluctuations, technological developments, and sociocultural changes (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017). Entrepreneurs capable of adjusting to these changes are better positioned to maintain competitiveness and achieve long-term growth and survival (Gurin *et al.*, 2024; Akinruwa & Bankole, 2024; Andreas *et al.*, 2025).

Operationalizing Soft Skills as Real-Time Business Interventions

To operationalize these five dimensions within the volatile operational landscape of Damaturu, they must be translated into explicit strategic behaviors rather than latent psychological traits (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025).

1. Communication Skills are operationalized through the proactive deployment of active listening and persuasion to manage community customer expectations and handle consumer feedback during market shocks (Andreas *et al.*, 2025), (Akinruwa & Bankole, 2024), (Cantoni *et al.*, 2024). Effective communication is the essence of building relational capital, allowing entrepreneurs to maintain customer loyalty even when prices fluctuate due to inflationary pressures (Goleman, 1995; Andreas *et al.*, 2025; Gurin *et al.*, 2024). Leadership Skills are observed through the owner-manager's capacity to implement improvisational employee management and maintain worker discipline despite macro-economic survival pressures (Mitra, 2022; Botella-Carrubi *et al.*, 2025: Akinruwa & Bankole, 2024). In non-hierarchical MSE settings, leadership manifests as the ability to inspire and motivate followers to achieve common goals during periods of instability (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024).
2. Emotional Intelligence is operationalized through behavioral self-regulation, which shields the entrepreneur from psychological burnout under extreme financial strain (Keller *et al.*, 2020: Keller *et al.*, 2020; Cantoni *et al.*, 2024). By employing stress management and emotional regulation, leaders can navigate complex workplace dynamics and maintain the equanimity needed for judicious decision-making (Cantoni *et al.*, 2024; Keller *et al.*, 2020; Goleman, 1995).
3. Problem-Solving is marked by the localized reconfiguration of standard operating models to navigate transport disruptions and supply constraints (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024). Successful entrepreneurs use problem-solving as a strategic dynamic ability to find innovative solutions and cost-optimization measures when formal systems fail (Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024; Ababiya *et al.*, 2015).
4. Adaptability is measured by the rapid pivot from capital-intensive methods to resource-frugal, technology-enabled channels-such as mobile money or WhatsApp business groups-to ensure operational continuity when formal systems suffer disruptions (Surya *et al.*, 2021; Cantoni *et al.*, 2024; Andreas *et al.*, 2025). This digital literacy and flexibility allow MSEs to maintain market reach and respond swiftly to changing consumer demands in a resource constrained environment (Andreas *et al.*, 2025; Surya *et al.*, 2021; Fang & Liu, 2024).

Enterprise Performance

Enterprise performance refers to the extent to which a business achieves its strategic objectives and desired outcomes (Mitra, 2022; Mitra, 2022; Gurin *et al.*, 2024). It represents the overall effectiveness and efficiency of organizational activities in generating value for owners, customers, employees, and society (Mitra, 2022; Mitra, 2022). Performance serves as a critical indicator of business success and sustainability (Gurin *et al.*, 2024; Mitra, 2022; Mitra, 2022).

Traditionally, enterprise performance has been assessed through financial indicators such as profitability, sales revenue, return on investment (ROI), and market share (Ababiya *et al.*, 2015; Gurin *et al.*, 2024; Gurin *et al.*, 2024). However, contemporary entrepreneurship literature recognizes that performance extends beyond financial outcomes to include non-financial dimensions such as customer satisfaction, innovation, employee productivity, reputation, and organizational sustainability (Soto-Acosta *et al.*, 2016; Kaplan & Norton, 2016; Kaplan & Norton, 2016; Eniola, 2020).

For micro and small enterprises (MSEs), performance reflects the entrepreneur's ability to manage resources effectively, satisfy customer needs, maintain operational continuity, and achieve business growth (Gurin *et al.*, 2024; Ababiya *et al.*, 2015; Man *et al.*, 2002). High-performing enterprises typically demonstrate consistent profitability, expanding customer bases, increased market presence, and long-term sustainability (Botha *et al.*, 2015; Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025). In this study, enterprise performance is conceptualized through four major dimensions: profitability, sales growth, customer satisfaction, and business sustainability (Ababiya *et al.*, 2015; Eniola, 2020; Andreas *et al.*, 2025; Mitra, 2022). These indicators collectively capture both financial and non-financial aspects of business success (Ababiya *et al.*, 2015; Gurin *et al.*, 2024).

It is vital to note that within this framework, long-term business sustainability is not treated as an independent variable path separate from enterprise performance (Gurin *et al.*, 2024; Akinruwa & Bankole, 2024; Sariwulan *et al.*, 2020). Rather, consistent financial and non-financial performance metrics including sustained profitability (Gurin *et al.*, 2024; Eniola, 2020; Abera, 2012), incremental sales growth (Akinruwa & Bankole, 2024;

Eniola, 2020; Sariwulan *et al.*, 2020), and robust customer satisfaction (Gurin *et al.*, 2024; Eniola, 2020; Andreas *et al.*, 2025), function as the core structural precursor to overall business sustainability (Mitra, 2022; Eniola, 2020; Andreas *et al.*, 2025). Therefore, an empirical enhancement in immediate firm performance serves as the baseline driver that secures the long-term operational staying power and sustainability (Gwadabe & Amirah, 2017; Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024) of the enterprise amidst regional turbulence and environmental uncer-tainties (Gwadabe & Amirah, 2017; Surya *et al.*, 2021; Andreas *et al.*, 2025).

Sociocultural Environment

The sociocultural environment refers to the system of social relationships, cultural values, beliefs, traditions, customs, norms, and institutions that influence individual and organizational behavior within a society (Hayton *et al.*, 2002; Eniola, 2020; Markus & Kitayama, 1991). It represents the broader social context within which businesses operate and interact with stakeholders (Pidduck *et al.*, 2024; Poo-Udom, 2026; Jessop & Oosterlynck, 2008).

Unlike economic and technological factors, sociocultural elements shape attitudes, perceptions, expectations, and behavioral patterns (Pidduck *et al.*, 2024; Eniola, 2020; Markus & Kitayama, 1991). These factors influence consumer behavior, entrepreneurial activities, employee relations, and business practices (Gelfand *et al.*, 2011; Eniola, 2020; Eniola, 2020). Consequently, the sociocultural environment can either facilitate or constrain enterprise performance (Eniola, 2020; Pidduck *et al.*, 2024; Gurin *et al.*, 2024).

Cultural Values

Cultural values represent shared beliefs and principles that guide behavior within a society (Hayton *et al.*, 2002; Eniola, 2020; Markus & Kitayama, 1991). These values provide the foundations and orientation for achieving entrepreneurial success, influencing business ethics, trust, cooperation, and entrepreneurial decision-making (Thomas & Mueller, 2000; Eniola, 2020; Botella-Carrubi *et al.*, 2025). In many communities, cultural expectations and orientations such as collectivism or individualism shape an entrepreneur's approach to problems, the setting of goals, and their attitudes toward risk-taking, innovation, and business ownership (Pidduck *et al.*, 2024; Pidduck *et al.*, 2024; Eniola, 2020). Furthermore, learned traits from different cultures in Nigeria directly impact entrepreneurial skills, performance, and overall firm development (Eniola, 2020; Akinruwa & Bankole, 2024).

Religious Beliefs

Religious beliefs play a significant role in shaping entrepreneurial conduct and business relationships by influencing ethical behavior, honesty, trustworthiness, and social responsibility (Pidduck *et al.*, 2024; Block *et al.*, 2020; Kumari & Sudha, 2026). Religious and spiritual principles constitute vital aspects of social life and business interactions, often providing a moral framework that can either encourage or discourage specific entrepreneurial ambitions based on community standards (Kumari & Sudha, 2026; Block *et al.*, 2020; Eniola, 2020). In environments like Damaturu, religion constitutes an important aspect of social life, helping to define the normative support available to an entrepreneur and serving as a pillar for ethical and value-driven decision-making (Eniola, 2020; Block *et al.*, 2020).

Social Networks

Social networks consist of relationships among individuals, families, community groups, professional associations, and business partners (Gurin *et al.*, 2024; McGrath & O'Toole, 2013). These networks serve as channels that facilitate the exchange of information, resources, support systems, and business opportunities, which are essential for the establishment and growth of any business entity (Sanyal *et al.*, 2020; Gurin *et al.*, 2024; Surya *et al.*, 2021). Entrepreneurs with strong networking competencies and social capital often enjoy a competitive advantage, gaining greater access to markets and financial assistance that might otherwise be unavailable through formal institutions (Gurin *et al.*, 2024; McGrath & O'Toole, 2013; Andreas *et al.*, 2025). In the Nigerian context, informal social networking schemes like Iqub are viewed as critically helpful for the long-term survival and performance of enterprises (Eniola, 2020; Gurin *et al.*, 2024).

Community Norms

Community norms refer to accepted standards of behavior within a society that influence customer expectations, employee behavior, and business practices (Gelfand *et al.*, 2011; Eniola, 2020; Pidduck *et al.*, 2024). Entrepreneurs who align their activities with community expectations and social scripts are more likely to gain legitimacy, public acceptability, and social support (Pidduck *et al.*, 2024; Eniola, 2020; Pidduck *et al.*, 2024). Conversely, in societies characterized by "cultural tightness," numerous pronounced rules and strict sanctions for deviation can restrict an entrepreneur's willingness to experiment or take risks (Gelfand *et al.*, 2011; Pidduck *et al.*, 2024). Success in such contexts often depends on navigating these norms while building collaborative relationships that enhance the firm's reputation and sustainability (Gurin *et al.*, 2024; Eniola, 2020; Gurin *et al.*, 2024).

Theoretical Foundation

Human Capital Theory

Human Capital Theory, developed by Becker (1964), argues that individuals possess knowledge, skills, competencies, and experiences that function as productive assets capable of generating economic value (Becker, 1964; Andreas *et al.*, 2025; Kumari & Sudha, 2026). According to the theory, investment in education, training, and skill development enhances individual productivity and performance (Becker, 1964; Andreas *et al.*, 2025; Kumari & Sudha, 2026). The theory provides a strong foundation for understanding the relationship between soft skills and enterprise performance (Andreas *et al.*, 2025; Kumari & Sudha, 2026). Soft skills represent valuable forms of human capital that improve entrepreneurial effectiveness (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024). Entrepreneurs who possess strong communication, leadership, emotional intelligence, problem-solving, and adaptability skills are more likely to manage resources effectively and achieve superior business outcomes (Botella-Carrubi *et al.*, 2025; Andreas *et al.*, 2025; Goleman, 1995).

Social Capital Theory

Social Capital Theory emphasizes the value of social relationships, trust, networks, and social interactions in facilitating economic activities and organizational success (Gurin *et al.*, 2024; McGrath & O'Toole, 2013; Andreas *et al.*, 2025). The theory suggests that individuals derive benefits from their social connections through access to information, resources, opportunities, and support systems (Gurin *et al.*, 2024; Sanyal *et al.*, 2020). This theory is particularly relevant for understanding the moderating role of sociocultural environment (Pidduck *et al.*, 2024; Eniola, 2020). Sociocultural factors influence the quality and effectiveness of social relationships that support entrepreneurial

activities (Eniola, 2020; Pidduck *et al.*, 2024). Entrepreneurs operating within supportive sociocultural environments are more likely to leverage their soft skills effectively and achieve improved performance outcomes (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Eniola, 2020). Together, Human Capital Theory and Social Capital Theory provide a comprehensive framework for explaining how entrepreneurial soft skills influence enterprise performance and how sociocultural environment shapes this relationship (Andreas *et al.*, 2025; Eniola, 2020; Pidduck *et al.*, 2024).

Critical Synergy and Theoretical Limitations

While Human Capital Theory posits that soft skill accumulation linearly drives performance (Akinruwa & Bankole, 2024; Andreas *et al.*, 2025; Andreas *et al.*, 2025), this view is overly linear in volatile environments where skills alone cannot guarantee success (Ababiya *et al.*, 2015; Andreas *et al.*, 2025). In isolation, possessing communication or problem-solving skills is insufficient if structural barriers such as active insecurity, infrastructural deficiencies (Abera, 2012), or an absolute lack of formal credit (Adeniyi & Epetimehin, 2025) negate an entrepreneur's agency and limit the conversion of latent skills into tangible outcomes (Andreas *et al.*, 2025; Adeniyi & Epetimehin, 2025).

Similarly, Social Capital Theory assumes networks are universally beneficial conduits for resources (McGrath & O'Toole, 2013); however, in "tight" sociocultural environments characterized by rigid rules and family expectations, excessive communal obligations can lead to resource drain through capital sharing, restricting firm growth and discouraging savings (Pidduck *et al.*, 2024; Eniola, 2020; Eniola, 2020). Thus, this paper synthesizes both theories to argue that soft skills do not operate in a vacuum; their economic utility is structurally filtered by the surrounding sociocultural matrix, where the context determines the extent to which these competencies can be effectively utilized for enterprise performance (Pidduck *et al.*, 2024; Eniola, 2020).

Soft Skills and Enterprise Performance

The relationship between entrepreneurial competencies and enterprise performance has become one of the most prominent areas of research in entrepreneurship and small business management (Botha *et al.*, 2015; Andreas *et al.*, 2025; Andreas *et al.*, 2025). While traditional explanations of business success emphasize financial resources, technology, and infrastructure, contemporary studies increasingly recognize that entrepreneurial soft skills constitute a critical source of competitive advantage (Botella-Carrubi *et al.*, 2025; Barney, 1991; Grant, 1991). For micro and small enterprises (MSEs) operating in dynamic and resource-constrained environments, the entrepreneur's personal competencies often determine the ability of the business to survive, adapt, and grow (Gurin *et al.*, 2024; Inyang & Enuoh, 2009; Andreas *et al.*, 2025).

From the perspective of Human Capital Theory, soft skills represent productive assets that enhance the entrepreneur's capacity to manage organizational resources effectively (Andreas *et al.*, 2025; Becker, 1964). These competencies facilitate communication, decision-making, leadership, innovation, networking, and conflict resolution, all of which contribute directly to enterprise performance (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Akinruwa & Bankole, 2024). In highly competitive business environments, entrepreneurs who possess strong soft skills are more likely to establish productive relationships, attract customers, motivate employees, and respond effectively to environmental uncertainties (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024).

The relationship between soft skills and enterprise performance is particularly relevant in Damaturu, where micro and small enterprises frequently operate under challenging economic conditions (Gwadabe & Amirah, 2017; Gurin *et al.*, 2024). Business owners in this region are often required to perform multiple managerial roles simultaneously, including supervision, customer service, marketing, negotiation, and strategic planning (Andreas *et al.*, 2025; Gwadabe & Amirah, 2017). Consequently, the entrepreneur's soft skills become a central mechanism through which organizational objectives are achieved and are responsible for nearly half of the variations in business performance in the state (Gurin *et al.*, 2024).

Empirical Review

Several empirical studies have examined the relationship between entrepreneurial competencies and enterprise performance across different contexts (Gwadabe & Amirah, 2017; Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025). However, the findings remain fragmented, and limited attention has been devoted to the role of sociocultural environment in shaping this relationship (Pidduck *et al.*, 2024; Eniola, 2020; Andreas *et al.*, 2025).

A study on entrepreneurial competencies and the performance of small and medium enterprises found that entrepreneurial competencies significantly influenced enterprise performance (Gurin *et al.*, 2024; Bawono *et al.*, 2022; Gwadabe & Amirah, 2017). The study further revealed that entrepreneurs possessing strong managerial and networking capabilities achieved higher levels of business growth and sustainability (Gurin *et al.*, 2024; McGrath & O'Toole, 2013; Sanyal *et al.*, 2020). However, the study focused primarily on entrepreneurial orientation and external environmental factors without specifically examining soft skills and sociocultural influences (Gurin *et al.*, 2024).

Another study examined the influence of entrepreneurial competencies on SME performance in developing economies (Andreas *et al.*, 2025; Gwadabe & Amirah, 2017). The findings indicated that entrepreneurial competencies positively affected organizational performance through improved innovation, customer satisfaction, and competitive advantage (Gurin *et al.*, 2024; Sariwulan *et al.*, 2020; Gwadabe & Amirah, 2017). While the study highlighted the importance of entrepreneurial capabilities, it did not explore how sociocultural conditions moderate these relationships (Gurin *et al.*, 2024).

Research conducted on entrepreneurial competencies and small business performance established that communication skills, leadership capabilities, and relationship management significantly enhanced business growth and profitability (Andreas *et al.*, 2025; Mitra, 2022; Akinruwa & Bankole, 2024). The study concluded that entrepreneurs who effectively managed stakeholder relationships achieved superior performance outcomes (Andreas *et al.*, 2025; Gurin *et al.*, 2024; Sariwulan *et al.*, 2020). Nevertheless, the study did not consider sociocultural environment as a moderating variable (Andreas *et al.*, 2025).

A separate investigation explored the relationship between strategic human resource management, organizational learning, and the sustainability of micro, small, and medium enterprises (Mitra, 2022; Cantoni *et al.*, 2024). The findings demonstrated that behavioral competencies and interpersonal skills contributed significantly to enterprise sustainability (Akinruwa & Bankole, 2024; Mitra, 2022; Sariwulan *et al.*, 2020). The study emphasized the importance of soft skills in enhancing adaptability and organizational resilience (Cantoni *et al.*, 2024; Bawono *et al.*, 2022;

Sariwulan *et al.*, 2020). However, the research focused mainly on organizational processes rather than entrepreneurial soft skills (Mitra, 2022).

Another study examined entrepreneurial resilience and business survival among small enterprises (Cantoni *et al.*, 2024; Pidduck *et al.*, 2024; Eniola, 2020). The findings revealed that entrepreneurs with higher emotional intelligence and resilience were better able to cope with business challenges and environmental uncertainties (Keller *et al.*, 2020; Keller *et al.*, 2020; Keller *et al.*, 2020). The results suggest that emotional competencies play a critical role in sustaining enterprise performance, particularly during periods of economic instability (Keller *et al.*, 2020; Keller *et al.*, 2020; Botella-Carrubi *et al.*, 2025). However, the study did not investigate the influence of cultural and social factors on entrepreneurial outcomes (Keller *et al.*, 2020).

Research on organizational capabilities and enterprise performance in dynamic business environments revealed that adaptability and capability development significantly improved organizational competitiveness and growth (Fang & Liu, 2024; Cantoni *et al.*, 2024; Surya *et al.*, 2021). The study concluded that entrepreneurs who continuously adjusted their strategies to changing environmental conditions achieved superior business performance (Fang & Liu, 2024; Surya *et al.*, 2021; Gurin *et al.*, 2024). Nevertheless, the study was conducted outside the African context, limiting its applicability to developing economies such as Nigeria (Fang & Liu, 2024).

Another investigation examined the influence of organizational agility and resilience on SME performance (Bawono *et al.*, 2022; Cantoni *et al.*, 2024; Sariwulan *et al.*, 2020). The results showed that adaptability enhanced business recovery and sustainability during periods of disruption (Fang & Liu, 2024; Surya *et al.*, 2021; Sariwulan *et al.*, 2020). The study highlighted the importance of flexibility and responsiveness in achieving long-term enterprise success (Fang & Liu, 2024; Bawono *et al.*, 2022; Sariwulan *et al.*, 2020). However, sociocultural variables were not incorporated into the research model (Fang & Liu, 2024; Bawono *et al.*, 2022).

A study on organizational resilience among Nigerian micro and small enterprises found that entrepreneurial competencies significantly influenced enterprise survival and performance (Gwadabe & Amirah, 2017; Gurin *et al.*, 2024; Akinruwa & Bankole, 2024). Entrepreneurs who demonstrated strong problem-solving and leadership abilities were more likely to sustain business operations despite environmental constraints (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025; Andreas *et al.*, 2025). The study, however, focused on resilience outcomes rather than broader performance indicators (Gurin *et al.*, 2024; Cantoni *et al.*, 2024).

Research on policy and institutional innovation for the sustainability of micro and small enterprises suggested that entrepreneurial competencies and institutional support jointly influenced enterprise performance (Surya *et al.*, 2021; Andreas *et al.*, 2025). The study recommended increased investment in entrepreneurial skill development as a strategy for enhancing business sustainability (Surya *et al.*, 2021; Gurin *et al.*, 2024; Kumari & Sudha, 2026). Nevertheless, the moderating role of the sociocultural environment was not examined (Eniola, 2020; Pidduck *et al.*, 2024).

Another study explored resource reconfiguration strategies among surviving SMEs (Cantoni *et al.*, 2024; Fang & Liu, 2024). The findings indicated that entrepreneurs with strong adaptive and leadership capabilities were better positioned to respond to market disruptions and organizational challenges (Cantoni *et al.*, 2024; Fang & Liu, 2024; Andreas *et al.*, 2025). The study emphasized the importance of entrepreneurial flexibility in achieving competitive advantage (Gwadabe & Amirah, 2017; Botella-Carrubi *et al.*, 2025). However, cultural and social dimensions were largely overlooked (Eniola, 2020; Pidduck *et al.*, 2024).

Collectively, these studies provide substantial evidence that entrepreneurial competencies and soft skills contribute positively to enterprise performance (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024). However, most existing studies focus on entrepreneurial competencies in general, organizational capabilities, resilience, or innovation outcomes (Gurin *et al.*, 2024; Cantoni *et al.*, 2024; Surya *et al.*, 2021). Furthermore, limited attention has been devoted to the influence of sociocultural environment on the relationship between soft skills and enterprise performance, particularly within the context of Damaturu and Yobe State (Gurin *et al.*, 2024; Eniola, 2020; Pidduck *et al.*, 2024). This gap justifies the present study, which seeks to examine the influence of soft skills on the performance of micro and small enterprises while investigating the moderating role of the sociocultural environment (Gurin *et al.*, 2024; Pidduck *et al.*, 2024; Eniola, 2020; Andreas *et al.*, 2025).

Empirical Gap

The reviewed studies consistently demonstrate that entrepreneurrial competencies positively influence business performance (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024; Andreas *et al.*, 2025). However, three important gaps remain evident.

First, few studies have specifically focused on soft skills such as communication (Cantoni *et al.*, 2024; Andreas *et al.*, 2025; Cantoni *et al.*, 2024), leadership (Mitra, 2022; Botella-Carrubi *et al.*, 2025; Akinruwa & Bankole, 2024), emotional intelligence (Keller *et al.*, 2020; Keller *et al.*, 2020; Keller *et al.*, 2020), problem-solving (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024), and adaptability (Surya *et al.*, 2021; Cantoni *et al.*, 2024; Fang & Liu, 2024) as distinct determinants of enterprise performance. While these skills are often clustered under general competencies, their individual effects on profitability, sales growth, and customer satisfaction require more nuanced analysis (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024).

Second, limited empirical attention has been given to micro and small enterprises operating in Damaturu and similar socioeconomic environments (Gurin *et al.*, 2024). Much of the existing literature focuses on developed economies or other regions in Nigeria, leaving a significant contextual gap regarding the unique challenges of Yobe State, such as insecurity, inflationary pressures, and market uncertainties (Gurin *et al.*, 2024; Adeniyi & Epetimehin, 2025; Inyang & Enuoh, 2009).

Third, previous studies have largely ignored the moderating role of the sociocultural environment despite its potential influence on entrepreneurial behavior and business outcomes (Pidduck *et al.*, 2024; Eniola, 2020; Kumari & Sudha, 2026). Factors such as cultural values, religious beliefs, social networks, and community norms deeply infuse an entrepreneur's psychology and firm performance (Pidduck *et al.*, 2024; Eniola, 2020; Markus & Kitayama, 1991). For instance, "cultural tightness," the prevalence of strict social rules and family expectations, can psychologically restrict an entrepreneur's cognitive frame of reference, while supportive social networks can provide critical resources to mitigate the "liability of smallness" (Pidduck *et al.*, 2024; Gurin *et al.*, 2024; McGrath & O'Toole, 2013).

This study therefore seeks to bridge these gaps by examining the relationship between soft skills and enterprise performance and investigating how sociocultural factors moderate this relationship among micro and small enterprises in Damaturu (Gurin *et al.*,

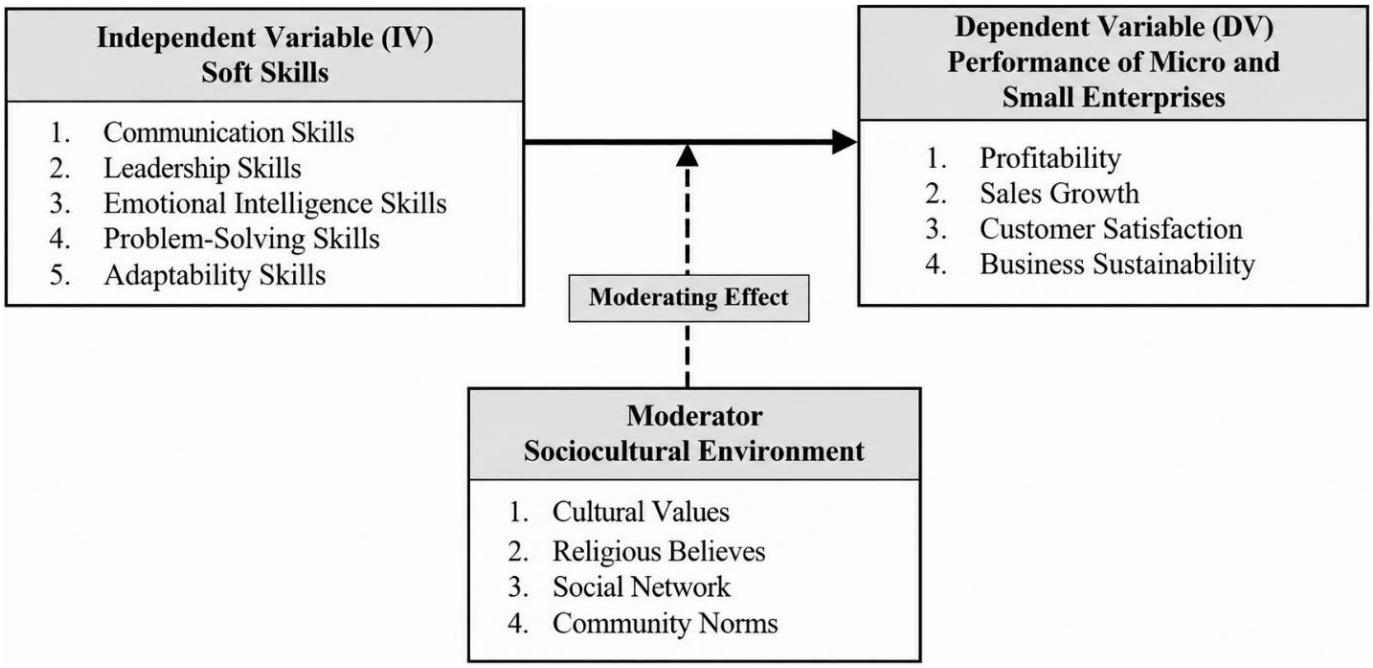


Figure 2: Proposed Conceptual Framework Showing the Relationship between Soft Skills and Enterprise Performance with Sociocultural Environment as a Moderator

2024; Pidduck *et al.*, 2024; Eniola, 2020; Andreas *et al.*, 2025).

Theoretical and empirical evidence suggests that communication skills, leadership abilities, emotional intelligence, problem-solving capabilities, and adaptability collectively contribute to improved enterprise performance (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Keller *et al.*, 2020). These competencies not only enhance internal organizational effectiveness but also strengthen external stakeholder relationships, thereby promoting business sustainability and growth (Andreas *et al.*, 2025; Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025).

Proposed Conceptual Framework

The conceptual framework (Figure 2) is developed based on Human Capital Theory and Social Capital Theory (Andreas *et al.*, 2025; Marvel *et al.*, 2016; Marvel *et al.*, 2016). The framework proposes that entrepreneurial soft skills serve as strategic resources and productive assets that influence the performance of micro and small enterprises (MSEs) (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Barney, 1991; Grant, 1991). Specifically, communication skills, leadership skills, emotional intelligence, problem-solving skills, and adaptability are expected to enhance enterprise performance through improved customer relationships, effective employee management, strategic decision-making, innovation, and business resilience (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Gurin *et al.*, 2024).

However, the study recognizes that the relationship between soft skills and enterprise performance does not occur in a vacuum (Kumari & Sudha, 2026). The sociocultural environment within which entrepreneurs operate influences how effectively these competencies are utilized and translated into performance outcomes (Poo-Udom, 2026; Eniola, 2020; Pidduck *et al.*, 2024). Consequently, the sociocultural environment is proposed as a moderating variable that affects the strength and direction of the relationship between soft skills and enterprise performance (Pidduck *et al.*, 2024; Eniola, 2020; Gurin *et al.*, 2024).

The framework suggests that supportive sociocultural conditions characterized by strong social networks, positive cultural values, favorable community norms, and ethical religious practices are likely to strengthen the positive influence of soft skills on enterprise performance (Eniola, 2020; Gurin *et al.*, 2024; Pidduck *et al.*, 2024; Pidduck *et al.*, 2024). Conversely, restrictive sociocultural conditions may reduce the effectiveness of entrepreneurial soft skills and weaken their impact on business outcomes by imposing rigid expectations or inhibiting risk-taking (Gelfand *et al.*, 2011; Pidduck *et al.*, 2024; Eniola, 2020).

To operationalize the dual-path moderating mechanism proposed in Figure 1, Figure 3 delineates how supportive sociocultural conditions act as a performance multiplier, whereas unfavorable or culturally tight environments constrain the translation of entrepreneurial soft skills into enterprise success.

Hypothesis Development

Communication Skills and Enterprise Performance

Communication skills represent one of the most fundamental determinants of entrepreneurial success (Cantoni *et al.*, 2024; Andreas *et al.*, 2025). Effective communication facilitates the exchange of information, ideas, and expectations among customers, employees, suppliers, and other stakeholders (Cantoni *et al.*, 2024; Bawono *et al.*, 2022). Through communication, entrepreneurs establish trust, coordinate organizational activities, negotiate business agreements, and build lasting relationships (Cantoni *et al.*, 2024; Akinruwa & Bankole, 2024).

For micro and small enterprises, communication serves as a strategic tool for customer acquisition and retention (Andreas *et al.*, 2025; Bawono *et al.*, 2022). Entrepreneurs who communicate clearly and professionally are more likely to understand customer needs, address complaints effectively, and deliver satisfactory services (Bawono *et al.*, 2022; Cantoni *et al.*, 2024). Strong communication also contributes to customer loyalty by fostering trust and confidence in the business (Andreas *et al.*, 2025; Cantoni *et al.*, 2024).

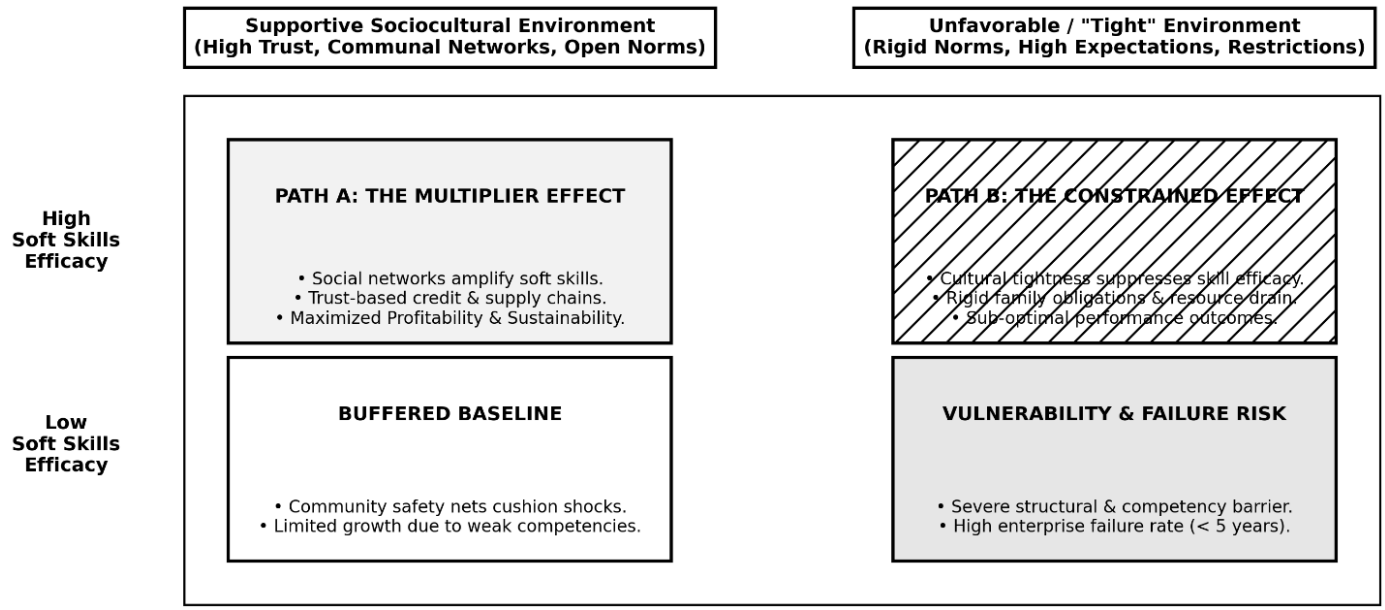


Figure 3. The Dual-Path Moderating Effect of the Sociocultural Environment

Within organizational settings, communication enhances employee productivity and coordination (Keller *et al.*, 2020; Cantoni *et al.*, 2024). Entrepreneurs who effectively communicate goals, expectations, and responsibilities create an environment where employees understand their roles and perform efficiently (Cantoni *et al.*, 2024; Keller *et al.*, 2020). Furthermore, communication facilitates conflict resolution by reducing misunderstandings and promoting cooperation among organizational members (Cantoni *et al.*, 2024; Cantoni *et al.*, 2024).

In Damaturu's business environment, where commercial activities often depend on personal relationships and community interactions, communication skills become particularly valuable (Gurin *et al.*, 2024; Eniola, 2020). Entrepreneurs who demonstrate active listening, respect, persuasion, and interpersonal sensitivity are better positioned to develop strong customer networks and maintain positive stakeholder relationships (Cantoni *et al.*, 2024; Gurin *et al.*, 2024).

The positive influence of communication skills on enterprise performance can therefore be explained through improved customer satisfaction, enhanced employee productivity, stronger business networks, and more effective decision-making processes (Andreas *et al.*, 2025; Cantoni *et al.*, 2024).

Ho1: Higher levels of communication skills positively influence the performance of micro and small enterprises in Damaturu (Gurin *et al.*, 2024; Akinruwa & Bankole, 2024; Gwadabe & Amirah, 2017).

Leadership Skills and Enterprise Performance

Leadership skills constitute another important dimension of entrepreneurial soft skills. Leadership refers to the entrepreneur's ability to influence, motivate, coordinate, and guide individuals toward achieving organizational objectives (Botella-Carrubi *et al.*, 2025). In micro and small enterprises, the entrepreneur frequently serves as both owner and manager, making leadership capabilities essential for organizational success (Gwadabe & Amirah, 2017; Gurin *et al.*, 2024).

Effective leadership contributes to enterprise performance by promoting employee commitment, organizational discipline, innovation, and productivity (Mitra, 2022; Botella-Carrubi *et al.*, 2025). Entrepreneurs who demonstrate strong leadership create a shared vision that motivates employees to work toward common goals (Mitra, 2022). They also foster a positive work environment characterized by trust, cooperation, and accountability (Akinruwa & Bankole, 2024).

Leadership becomes particularly important during periods of uncertainty and organizational change (Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025). Entrepreneurs operating in volatile environments must frequently make strategic decisions regarding resource allocation, market expansion, customer management, and business adaptation (Gwadabe & Amirah, 2017; Gurin *et al.*, 2024). Strong leadership enables business owners to navigate these challenges while maintaining organizational stability and employee confidence (Botella-Carrubi *et al.*, 2025; Akinruwa & Bankole, 2024).

In Damaturu, where enterprises often face infrastructural limitations, economic fluctuations, and market uncertainties, leadership skills may determine the ability of businesses to survive and remain competitive (Gurin *et al.*, 2024; Gwadabe & Amirah, 2017). Entrepreneurial leaders who demonstrate confidence, resilience, and strategic thinking are more likely to identify opportunities, manage risks, and sustain business operations (Gurin *et al.*, 2024; Eniola, 2020).

Moreover, leadership influences enterprise performance through its effect on employee morale and organizational culture (Akinruwa & Bankole, 2024; Mitra, 2022). Employees working under effective leaders tend to exhibit higher levels of commitment, productivity, and job satisfaction (Akinruwa & Bankole, 2024; Mitra, 2022). These outcomes contribute directly to improved business performance and sustainability (Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025; Mitra, 2022).

Ho2: Leadership skills positively influence the performance of micro and small enterprises in Damaturu (Gurin *et al.*, 2024; Akinruwa & Bankole, 2024; Botella-Carrubi *et al.*, 2025; Andreas *et al.*, 2025).

Emotional Intelligence and Enterprise Performance

Emotional intelligence (EI) has emerged as a significant predictor of entrepreneurial effectiveness and organizational performance (Keller *et al.*, 2020; Keller *et al.*, 2020; Keller *et al.*, 2020; Botella-Carrubi *et al.*, 2025). The concept refers to an individual's ability to recognize, understand, regulate, and utilize emotions constructively in interpersonal interactions and decision-

making processes (Goleman, 1995; Keller *et al.*, 2020; Keller *et al.*, 2020).

Entrepreneurs frequently encounter stressful situations involving financial pressures, customer complaints, employee conflicts, market competition, and operational uncertainties (Cantoni *et al.*, 2024; Gurin *et al.*, 2024; Riggio & Tan, 2014). Emotional intelligence enables them to manage these situations effectively while maintaining positive relationships with stakeholders (Andreas *et al.*, 2025; Keller *et al.*, 2020; Riggio & Tan, 2014).

One of the primary mechanisms through which emotional intelligence influences enterprise performance is relationship management (Keller *et al.*, 2020; Andreas *et al.*, 2025; Mitra, 2022). Entrepreneurs with high emotional intelligence demonstrate empathy, understanding, and interpersonal sensitivity, allowing them to build trust with customers, employees, and business partners (Cantoni *et al.*, 2024; Andreas *et al.*, 2025; Mitra, 2022). These relationships contribute to customer loyalty, employee retention, and organizational stability (Keller *et al.*, 2020; Andreas *et al.*, 2025; Keller *et al.*, 2020).

Emotional intelligence also enhances decision-making by enabling entrepreneurs to regulate emotional responses and evaluate situations objectively (Keller *et al.*, 2020; Cantoni *et al.*, 2024; Keller *et al.*, 2020). Business owners who can manage frustration, anxiety, and stress are more likely to make rational decisions under pressure and avoid actions that could negatively affect organizational outcomes (Keller *et al.*, 2020; Cantoni *et al.*, 2024; Keller *et al.*, 2020).

Furthermore, emotional intelligence contributes to entrepreneurial resilience (Andreas *et al.*, 2025; Keller *et al.*, 2020; Cantoni *et al.*, 2024). Enterprises frequently encounter setbacks, failures, and unexpected challenges (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017). Entrepreneurs possessing strong emotional intelligence are better equipped to recover from adversity, learn from experience, and maintain commitment to long-term business objectives (Andreas *et al.*, 2025; Keller *et al.*, 2020; Keller *et al.*, 2020).

In the sociocultural context of Damaturu, emotional intelligence may be particularly important because social interactions, respect, trust, and community relationships significantly influence business success (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017). Entrepreneurs capable of understanding and responding appropriately to social expectations are more likely to achieve positive business outcomes (Eniola, 2020; Gurin *et al.*, 2024; Pidduck *et al.*, 2024).

Ho3: Emotional intelligence positively influences the performance of micro and small enterprises in Damaturu (Keller *et al.*, 2020; Keller *et al.*, 2020; Botella-Carrubi *et al.*, 2025; Gurin *et al.*, 2024).

Problem-Solving Skills and Enterprise Performance

Problem-solving skills represent a critical entrepreneurial capability that enables businesses to identify challenges, evaluate alternatives, and implement effective solutions (Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024; Bawono *et al.*, 2022). In contemporary business environments characterized by uncertainty and complexity, problem-solving has become an essential requirement for organizational survival and growth (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Akinruwa & Bankole, 2024).

Micro and small enterprises frequently encounter operational, financial, managerial, technological, and market-related problems (Andreas *et al.*, 2025; Bawono *et al.*, 2022; Gurin *et al.*, 2024). Entrepreneurs who possess strong problem-solving abilities are better positioned to address these challenges before they escalate into major organizational threats (Bawono *et al.*, 2022; Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025).

Problem-solving contributes to enterprise performance through improved decision-making and innovation (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Akinruwa & Bankole, 2024). Effective entrepreneurs systematically analyze business situations, identify root causes of problems, gather relevant information, and select appropriate courses of action (Cantoni *et al.*, 2024; Bawono *et al.*, 2022; Bawono *et al.*, 2022). This process minimizes errors and enhances organizational effectiveness (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025).

Additionally, problem-solving skills facilitate opportunity recognition (Kumari & Sudha, 2026; Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022). Entrepreneurs capable of analyzing environmental conditions often identify emerging market opportunities before competitors (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Goleman, 1995). This proactive approach contributes to innovation, competitive advantage, and business growth (Bawono *et al.*, 2022; Botella-Carrubi *et al.*, 2025; Goleman, 1995).

Within the context of Damaturu, where enterprises face numerous environmental challenges, problem-solving abilities are particularly important (Gurin *et al.*, 2024; Eniola, 2020; Gwadabe & Amirah, 2017). Entrepreneurs must frequently devise creative solutions to issues related to infrastructure, market access, customer preferences, and resource limitations (Gurin *et al.*, 2024; Gwadabe & Amirah, 2017; Bawono *et al.*, 2022). Those who demonstrate strong analytical and creative thinking skills are more likely to sustain operations and achieve superior performance (Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022).

The positive relationship between problem-solving and enterprise performance is therefore reflected in improved operational efficiency, enhanced innovation, effective risk management, and greater organizational resilience (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Cantoni *et al.*, 2024).

Ho4: Problem-solving skills positively influence the performance of micro and small enterprises in Damaturu (Botella-Carrubi *et al.*, 2025; Bawono *et al.*, 2022; Gurin *et al.*, 2024).

Adaptability and Enterprise Performance

Adaptability refers to the entrepreneur's ability to adjust behaviors, strategies, and operations in response to changing environmental conditions (Cantoni *et al.*, 2024; Surya *et al.*, 2021; Fang & Liu, 2024). In rapidly evolving business environments, adaptability has become a crucial determinant of organizational survival and competitiveness (Cantoni *et al.*, 2024; Surya *et al.*, 2021).

The contemporary business landscape is characterized by technological change, shifting consumer preferences, economic fluctuations, and increasing competition (Cantoni *et al.*, 2024; Surya *et al.*, 2021). Entrepreneurs who resist change may struggle to remain relevant, whereas those who embrace adaptability are better positioned to exploit opportunities and mitigate threats (Gwadabe & Amirah, 2017; Fang & Liu, 2024; Botella-Carrubi *et al.*, 2025).

Adaptability enhances enterprise performance by facilitating organizational learning and innovation (Surya *et al.*, 2021; Fang & Liu, 2024; Botella-Carrubi *et al.*, 2025). Entrepreneurs who remain open to new ideas and approaches are more likely to adopt improved technologies, develop innovative products, and implement effective business strategies (Cantoni *et al.*, 2024; Bawono *et al.*, 2022; Fang & Liu, 2024). These actions contribute

to increased competitiveness and market success (Gwadabe & Amirah, 2017; Fang & Liu, 2024).

Furthermore, adaptability strengthens organizational resilience (Cantoni *et al.*, 2024; Surya *et al.*, 2021). Businesses frequently encounter unexpected challenges that require rapid responses and strategic adjustments (Cantoni *et al.*, 2024; Surya *et al.*, 2021). Entrepreneurs capable of adapting quickly can minimize disruptions and maintain operational continuity during periods of uncertainty (Cantoni *et al.*, 2024; Fang & Liu, 2024).

For micro and small enterprises in Damaturu, adaptability is particularly important because economic and market conditions can change rapidly (Gwadabe & Amirah, 2017; Gurin *et al.*, 2024; Eniola, 2020). Entrepreneurs who continuously monitor environmental developments and adjust their operations accordingly are more likely to sustain growth and maintain competitive advantage (Gwadabe & Amirah, 2017; Botella-Carrubi *et al.*, 2025).

Adaptability therefore functions as a dynamic capability that allows enterprises to align their resources and strategies with evolving environmental demands (Cantoni *et al.*, 2024; Fang & Liu, 2024; Botella-Carrubi *et al.*, 2025).

Ho5: Adaptability positively influences the performance of micro and small enterprises in Damaturu (Surya *et al.*, 2021; Gurin *et al.*, 2024; Botella-Carrubi *et al.*, 2025).

Sociocultural Environment as a Moderating Variable

Although soft skills contribute significantly to enterprise performance, their effectiveness may vary depending on the sociocultural environment within which businesses operate (Eniola, 2020; Pidduck *et al.*, 2024; Poo-Udom, 2026). The sociocultural environment influences attitudes, behaviors, expectations, relationships, and institutional norms that shape entrepreneurial activities (Markus & Kitayama, 1991; Eniola, 2020; Pidduck *et al.*, 2024). In Damaturu and the broader Nigerian context, cultural values, religious beliefs, social networks, and community norms constitute important aspects of the business environment (Inyang & Enuoh, 2009; Eniola, 2020; Block *et al.*, 2020; Gurin *et al.*, 2024). These factors influence customer behavior, employee relations, business ethics, and access to resources (McGrath & O'Toole, 2013; Eniola, 2020; Eniola, 2020). Consequently, they may strengthen or weaken the impact of entrepreneurial soft skills on enterprise performance (Eniola, 2020; Pidduck *et al.*, 2024; Gurin *et al.*, 2024).

For example, communication skills may produce stronger performance outcomes in communities where interpersonal relationships and trust are highly valued (Eniola, 2020; Cantoni *et al.*, 2024; Andreas *et al.*, 2025). Entrepreneurs who communicate effectively can leverage these cultural characteristics to build customer loyalty and strengthen business networks (Cantoni *et al.*, 2024; Andreas *et al.*, 2025). Similarly, leadership skills may become more effective in environments that encourage cooperation, collective responsibility, and community participation (Eniola, 2020; Mitra, 2022; Akinruwa & Bankole, 2024).

Social networks represent another important moderating mechanism (Eniola, 2020; Gurin *et al.*, 2024). Entrepreneurs operating within strong social networks often gain access to valuable information, business opportunities, financial support, and market connections (McGrath & O'Toole, 2013; Sanyal *et al.*, 2020; Gurin *et al.*, 2024). These resources can amplify the positive effects of soft skills on business performance (Gurin *et al.*, 2024; Andreas *et al.*, 2025). Religious beliefs and community norms may also influence entrepreneurial behavior by shaping ethical standards, trust relationships, and social expectations (Block *et al.*, 2020; Pidduck *et al.*, 2024; Kumari & Sudha, 2026). Entrepreneurs whose soft skills align with prevailing sociocultural values are more likely to gain legitimacy, community acceptance, and stakeholder support (Eniola, 2020; Pidduck *et al.*, 2024; Pidduck *et al.*, 2024).

From the perspective of Social Capital Theory, the sociocultural environment provides the social structures and relational resources through which entrepreneurial competencies are translated into performance outcomes (McGrath & O'Toole, 2013; Eniola, 2020; Andreas *et al.*, 2025). Therefore, the relationship between soft skills and enterprise performance is not merely direct but contingent upon the broader sociocultural context (Gurin *et al.*, 2024; Pidduck *et al.*, 2024; Andreas *et al.*, 2025).

Ho6: Sociocultural environment significantly moderates the relationship between soft skills and the performance of micro and small enterprises in Damaturu such that the relationship becomes stronger under supportive sociocultural conditions and weaker under unfavorable sociocultural conditions (Inyang & Enuoh, 2009; Eniola, 2020; Gurin *et al.*, 2024; Pidduck *et al.*, 2024).

Discussion

The proposed multi-level framework moves beyond a static listing of independent traits to emphasize an integrated behavioral mechanism (Cantoni *et al.*, 2024), (Poo-Udom, 2026), (Pidduck *et al.*, 2024). At the individual level, Emotional Intelligence and Adaptability function as internal cognitive stabilizers, protecting the entrepreneur from psychological burnout and enabling them to navigate complex workplace dynamics during environmental crises (Keller *et al.*, 2020; Keller *et al.*, 2020; Cantoni *et al.*, 2024). These internal states catalyze behavioral outputs: Problem-Solving Skills and Strategic Leadership allow the entrepreneur to find innovative business models and re-engineer internal operations to maintain a competitive advantage (Bawono *et al.*, 2022), (Botella-Carrubi *et al.*, 2025; Andreas *et al.*, 2025). Meanwhile, Communication Skills act as the outward bridge to the market, facilitating the creation of relational capital, customer loyalty, and effective negotiations with stakeholders (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Cantoni *et al.*, 2024).

Critically, the framework establishes that the efficacy of this human capital output is contingent upon the Sociocultural Environment (Pidduck *et al.*, 2024; Eniola, 2020; Gurin *et al.*, 2024). In Damaturu and the broader region, community norms and active social networks do not merely co-exist with businesses; they dictate transactional trust and determine access to vital resources (Gurin *et al.*, 2024; Pidduck *et al.*, 2024; Eniola, 2020). For instance, an entrepreneur with elite communication and relationship-building competencies can leverage strong communal bonds to establish informal credit lines or secure trust-based supply chains, effectively bypassing formal institutional voids (Gurin *et al.*, 2024; McGrath & O'Toole, 2013; Ababiya *et al.*, 2015). Conversely, if cultural tightness characterized by rigid rules and pronounced social expectations imposes non-commercial constraints on the entrepreneur, the positive trajectory of these soft skills toward enterprise profitability and sustainability may be suppressed (Pidduck *et al.*, 2024; Eniola, 2020; Kumari & Sudha, 2026).

Conclusion

Micro and Small Enterprises (MSEs) play a critical role in promoting economic development, employment creation, and poverty reduction in Nigeria (Inyang & Enuoh, 2009; Akinruwa & Bankole, 2024; Gurin *et al.*, 2024). Despite their importance, many

enterprises in Damaturu and the broader region continue to face significant challenges that limit their growth and sustainability (Gurin *et al.*, 2024; Ababiya *et al.*, 2015; Inyang & Enuoh, 2009). While financial resources, infrastructure, and government support remain important determinants of business success, growing evidence suggests that entrepreneurial soft skills constitute an equally important factor influencing enterprise performance (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025).

This paper examined the conceptual relationship between soft skills and the performance of MSEs in Damaturu while considering the moderating role of the sociocultural environment. The study identified communication skills, leadership skills, emotional intelligence, problem-solving skills, and adaptability as key dimensions of entrepreneurial soft skills that contribute to enterprise success (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Goleman, 1995).

The paper argued that entrepreneurs possessing strong soft skills are more likely to communicate effectively, manage employees efficiently, maintain customer satisfaction, resolve organizational challenges, and adapt successfully to environmental changes (Andreas *et al.*, 2025; Botella-Carrubi *et al.*, 2025; Cantoni *et al.*, 2024). These competencies enhance both financial and non-financial dimensions of enterprise performance, including profitability, sales growth, customer satisfaction, and business sustainability (Gurin *et al.*, 2024; Andreas *et al.*, 2025; Ababiya *et al.*, 2015).

Furthermore, the study established that the sociocultural environment plays an important moderating role in the relationship between soft skills and enterprise performance (Gurin *et al.*, 2024; Pidduck *et al.*, 2024). Cultural values, religious beliefs, social networks, and community norms influence entrepreneurial behavior and determine the extent to which soft skills can be effectively utilized (Eniola, 2020; Kumari & Sudha, 2026; Pidduck *et al.*, 2024). Supportive sociocultural conditions strengthen the positive impact of entrepreneurial competencies, while unfavorable or "tight" conditions may constrain their effectiveness by imposing rigid expectations or inhibiting risk-taking (Eniola, 2020; Pidduck *et al.*, 2024).

The study therefore concludes that sustainable enterprise performance among micro and small enterprises in Damaturu depends not only on the possession of entrepreneurial soft skills but also on the sociocultural environment within which these skills are applied (Eniola, 2020; Gurin *et al.*, 2024; Pidduck *et al.*, 2024).

Recommendations

Based on the discussions and conclusions of this paper, the following recommendations are proposed:

1. Promotion of Soft Skills Development Government agencies, entrepreneurship development institutions, and business support organizations should organize regular training programmmes aimed at improving communication, leadership, emotional intelligence, problem-solving, and adaptability skills among entrepreneurs (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024; Gurin *et al.*, 2024). These programmes should prioritize capacity-building in strategic competencies and interpersonal relations to help solve complex business problems (Andreas *et al.*, 2025; Akinruwa & Bankole, 2024).
2. Integration of Soft Skills into Entrepreneurship Education Educational institutions should incorporate soft skills development into entrepreneurship curricula to prepare future entrepreneurs for the interpersonal and managerial demands of business operations (Andreas *et al.*, 2025; Kumari & Sudha, 2026). This redesign should include interdisciplinary, experiential, and technology-enabled learning modules such as digital simulations and design thinking principles to enrich real-world experience (Andreas *et al.*, 2025; Kumari & Sudha, 2026)
3. Strengthening Entrepreneurial Networks Entrepreneurs should be encouraged to participate actively in professional associations, business forums, and community organizations to strengthen their social networks and enhance access to business opportunities (Gurin *et al.*, 2024; Mitra, 2022). Since networking competency is a key driver for mobilizing resources and overcoming the "liability of smallness," entrepreneurs should interact positively to widen their network scope (Andreas *et al.*, 2025; Gurin *et al.*, 2024; McGrath & O'Toole, 2013).
4. Encouraging Supportive Sociocultural Practices Community leaders, religious organizations, and policymakers should promote cultural values and social norms that encourage entrepreneurship, innovation, trust, and ethical business practices (Eniola, 2020; Pidduck *et al.*, 2024). This involves harmonizing business efficiency with local social norms to create an environment where entrepreneurial competencies can be effectively translated into sustainable performance outcomes (Eniola, 2020; Pidduck *et al.*, 2024).
5. Development of Mentorship Programs Business development agencies should establish mentorship programs that connect experienced entrepreneurs with emerging business owners to facilitate knowledge sharing and soft skills (Andreas *et al.*, 2025; Kumari & Sudha, 2026). Such national initiatives can bridge the gap between theoretical knowledge and practical application, helping youth navigate the volatile market conditions in regions like Damaturu (Andreas *et al.*, 2025).
6. Policy Support for Enterprise Development Government should formulate policies that create favorable business environments capable of enhancing the positive effects of entrepreneurial competencies on enterprise performance ((Kumari & Sudha, 2026; Mitra, 2022). This includes simplifying regulations, providing subsidized community entrepreneurship hubs, and ensuring digital infrastructure for remote learners (Kumari & Sudha, 2026; Mitra, 2022).

Further Empirical Investigation Future researchers should conduct empirical studies to test the conceptual framework proposed in this paper and examine the moderating role of sociocultural environment using quantitative and qualitative research approaches (Eniola, 2020; Pidduck *et al.*, 2024). Specifically, longitudinal studies are needed to track how entrepreneurial skills evolve and influence business outcomes over time in diverse cultural and institutional settings (Andreas *et al.*, 2025; Kumari & Sudha, 2026).

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