

# Entrepreneurial Orientation and Performance of Small and Medium Scale Enterprises in Benue State, Nigeria

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**ABSTRACT:** This study examines the effect of entrepreneurial orientation on the performance of SMEs in Benue State, Nigeria. The study specifically examines innovativeness, proactiveness, risk taking, autonomy and, competitive aggressiveness on the performance of SMEs in Benue State, Nigeria. The study adopts a survey design and questionnaire was used as an instrument for data collection. The population of the study includes 650 licensed SMEs in Benue State and a sample of 250 was determined through Stratified sampling. Validity results of KMO, and Bartlett's test indicate that variables are highly significant, and principal component analysis was suitable (.724). The test-retest result of reliability reported a reliability index of (0.785). Data collected from the organizations' surveyed were analyzed and presented using regressions analysis. Results of tested hypotheses indicated that innovativeness (33.0%), proactiveness (28.2%), risk taking (31.2%), autonomy (28.8%), competitive aggressiveness (31.6%) all have positive and significant effect on the performance of SMEs in Benue State, Nigeria. The study concludes that when steps are taken by executives to develop a stronger entrepreneurial orientation throughout an organization and by employees to become more entrepreneurial themselves, it is important for the executives to design organizational systems and policies that reflects the dimensions of entrepreneurial orientation and how an organization's compensation systems encourage or discourage these dimensions should be considered in enhancing the performance of SMEs. The study recommends among others that organizations should be encouraged by making proactive as opposed to reactive decisions because this will enable employees in understanding how they can help to support entrepreneurial orientation within their organizations.

**Keywords:** entrepreneurial orientation, innovativeness, proactiveness, risk taking, autonomy, competitive aggressiveness, performance of SMEs

## I. INTRODUCTION

Entrepreneurial orientation is a firm-level strategic orientation which captures an organization's strategy-making practices, managerial philosophies, and firm behaviors that are entrepreneurial in nature. Entrepreneurial orientation has become one of the most established and researched constructs in the entrepreneurship literature [13, 63]. According to [10], entrepreneurial orientation fuels business performance by developing and shaping new idea-based knowledge, which is essential for creating new competencies, re-designing existing competencies and promoting creative attitude within a business firm. Therefore, entrepreneurial orientation provides a strong basis for business firms to act and perform more entrepreneurially, followed by strategy-oriented actions and decisions. But entrepreneurial thinking and doing are not limited to those who begin in their garage with a new idea, financed by family members or personal savings. Some people in large organizations are filled with passion for a new idea, spend their time championing a new product or service, work with key players in the organization to build a constituency, and then find ways to acquire the needed resources to bring the idea to fruition. Thinking and behaving entrepreneurially can help a person's career too. Some enterprising individuals successfully navigate through the environments of their respective organizations and maximize their own career prospects by identifying and seizing new opportunities [8].

Small and Medium Enterprises (SMEs) have been considered as the cornerstone of the business environment in every country, a principal

driver of economic development and progress [52]. Universally, 99 percent of businesses typically falls into the category of SMEs enterprise segment [19], and SMEs have facilitated the dynamics in the most business organizations in the emerging countries as it contributes to create new jobs and generate supplementary financial capital for businesses [65]. [24], stated that businesses could not function satisfactorily unless they obtain enough buttress from small businesses. Since, business firm's entrepreneurial activities are considered as their inner capabilities which may arguably enhance the firm's successfulness in the challenging market condition [39] hence, it does require prioritized attention on the entrepreneurial orientation to examine their influence on SMEs performance.

In this turbulence condition, company should improve their sensing, seizing, and reconfiguring of resource and capabilities. Strategic orientation like entrepreneurial orientation as company's response toward the change of business landscape should be directed to exploitation of market opportunities. Not only that, to gain maximum benefit from potential opportunities, company should be able to make customer engage with company. For this purpose, company cannot do business as usual, but should have differentiation with unique ultimate selling proposition that gives better extra value compared to another competitor, so company have attractiveness in customer's point of view and can leave the competition. In the end it is expected to be able improving company's market performance [26]. The change of business landscape also causing company to adapt with a new business model concept, new technology, and should be able to speed up their business process. Company ability to performing fast response, convenience, and speed delivery will be deciding business success.

Despite the presence of many articles studying entrepreneurial orientation in top entrepreneurship and related journals, literature is in deficit of high value added entrepreneurial orientation research domains [14]. Most studies have used entrepreneurial orientation as an independent variable while firm performance has been used as a dependent variable. Again, several research studies have demonstrated the significant role of entrepreneurial orientation in positively affecting business firm's performance [39]. According to [7] for maintaining better performance and longevity of the business firms, the incorporated significance and contributory role of entrepreneurial orientation has not been markedly investigated in the developing countries.

Moreover, putting a particular emphasis on each dimension of the entrepreneurial orientation might be appropriate to gauge the contextual relationship that could vary in a specific condition most especially in the performance of SMEs in Benue State, Nigeria. Thus, yielding lacuna in the literature and world knowledge box that needs further investigation. To fill the identified gap in literature, the current study investigates the effect of entrepreneurial orientation on the performance of SMEs in Benue State, Nigeria. The specific objectives of the study include to, examine the effect of innovativeness on the performance of SMEs in Benue State, Nigeria, investigate the effect of proactiveness on the performance of SMEs in Benue State, Nigeria, assess the effect of risk-taking on the performance of SMEs in Benue State, Nigeria, determine the effect of autonomy on the performance of SMEs in Benue State, Nigeria, examine the effect of competitive aggressiveness on the performance of SMEs in Benue State, Nigeria. To achieve these objectives, the study is alienated in to five components as follows: introduction, review of related literature, methodology, results and discussions and, conclusion and recommendations.

## II. CONCEPTUAL FRAMEWORK

The conceptual framework for the study comprises of two basic variables: independent and dependent variables. The independent variable is entrepreneurial orientation, while the dependent variable is performance.

### Entrepreneurial Orientation

In the business and academic world, the level to which a firm is entrepreneurial is commonly known as its entrepreneurial orientation. The entrepreneurial orientation concept provides a big impetus in focusing not only on entrepreneurship but expanding from management and reaching marketing to health care. Entrepreneurial orientation is a key concept when executives are crafting strategies in the hopes of doing something new and exploiting opportunities that other organizations cannot exploit. Entrepreneurial orientation refers to the processes, practices, and decision-making styles of organizations that act entrepreneurially [45]. Entrepreneurial orientation has actually emerged as one of the most studied construct in entrepreneurship and management literature for more than three decades ago [14]. Studies have revealed a broad range of factors that can influence how entrepreneurial orientation relates to company performance. They contain internal factors such as

technical and market knowledge within the firm, and external factors such as industry dynamics. Different studies have found differences between different cultural contexts and other external factors. From a policy-making and strategic perspective, entrepreneurial orientation can create as well as destroy the very essence of the firms' intent to build a successful market around its products or services.

Entrepreneurial orientation can identify market opportunities and explore through the resources they have. So that not infrequently entrepreneurial orientation can increase business growth [18, 21]. Because entrepreneurial orientation is a pattern of thinking, saying, and behaving individuals to win competition by creating competitive advantages [60] and sustainable superior performance [18]. Entrepreneurial orientation is an important contributor to the process of building superior and unique business organization resources [68, 21]. Business organizations that have an entrepreneurial orientation tend to have higher success rates [69, 18]. Entrepreneurial orientation appears in activities that focus on business, which have not changed all their business activities for a long time [21]. Because affective commitment is a focus on the business they are engaged in, as well as focusing on the strategies they are carrying out [57].

Entrepreneurial orientation can improve the performance of business organizations [44]. Because entrepreneurial orientation is a pattern of thinking, saying, and behaving individuals to win competition by creating competitive advantages (Tang et al., 2008) and sustainable superior performance [18]. Entrepreneurial orientation is an important contributor to the process of building superior and unique business organization resources [68, 21]. Business organizations that have an entrepreneurial orientation tend to have higher success rates [69, 18]. Thus, entrepreneurial orientation should become basic footing in formulating strategy like differentiation, some companies will be able to compete, survive, and sustainable. In this study, five dimensions of entrepreneurial orientation are considered.

#### **Dimensions of entrepreneurial orientation**

Building an entrepreneurial orientation can be valuable to organizations and individuals alike in identifying and seizing new opportunities. This study adopts entrepreneurial orientation as advanced by [45, 8]. According to them any organization's level of entrepreneurial orientation can be understood by examining how it stacks up

relative to five dimensions such as autonomy, competitive aggressiveness, innovativeness, proactiveness, and risk taking. According to [8, 30], research studies have adopted two more dimensions: competitive aggressiveness and autonomy, that remained the well acknowledged dimensional aspects of entrepreneurial orientation. Earlier studies measured entrepreneurial orientation construct using three dimensions, namely, innovativeness, pro-activeness, and risk taking [70]. Later, two more dimensions were introduced to measure entrepreneurial orientation; these are autonomy and competitive aggressiveness [45]. Harmonizing these dimensions, this study focuses on the five dimensions as follows.

**Innovativeness:** Innovativeness is the tendency to pursue creativity and experimentation. Innovativeness refers to the introduction of different types of products or services in the market. Entrepreneurs are innovative by the very fact of their entry into the market. In the concept of entrepreneurial orientation, innovativeness mainly emphasizes the importance of technological leadership to the company, and some changes in the company's product lines. Some innovations build on existing skills to create incremental improvements, while more radical innovations require brand-new skills and may make existing skills obsolete. Either way, innovativeness is aimed at developing new products, services, and processes. Those organizations that are successful in their innovation efforts tend to enjoy stronger performance than those that do not [45, 8]. Innovativeness represents a firms' propensity to involve into creative processes, experiments, and support novel ideas and these kinds of activities would create and facilitate new and innovative methods, opportunity recognition, processes, and technologies [54]. He further stated that a small firm's owner might apply innovative techniques for enhancing their firm's performance. Innovativeness reflects the firm's tendency to embrace new technologies or practices and go beyond the current state of the art. This may include new and creative ideas, novelty, and experimentation that might bring new opportunities, novel solutions, or rise to new technology, products, or services [45]. Innovativeness is demonstrated with an inclination to challenge the status quo and support new ideas in technology, new product development, and internal processes [4]. In the entrepreneurial dimension literature, innovativeness can be described as a range of methods to develop or adopt new activities, services, or products [62], which encompasses many of the innovation aspects

in the field of innovation. However, the innovativeness dimension does not go into detail about the different kinds of innovation, such as incremental or radical innovation, or if it is an adoption or generation of innovation. Nonetheless, the broadness of the entrepreneurial dimension of innovativeness enables many different areas of innovativeness, such as product, service, and process innovation, to fit into the conceptualization.

**Proactiveness:** Pro-activeness illustrates the nature of entrepreneurial actions to gauge the future opportunities, both regarding products and technologies and in sync with markets and consumer demand. Proactiveness is the tendency to anticipate and act on future needs rather than reacting to events after they unfold. A proactive organization is one that adopts an opportunity-seeking perspective [45, 8]. Such organizations act in advance of shifting market demand and are often either the first to enter new markets or fast followers that improve on the initial efforts of first movers. By embracing opportunities that others fear, Proactive's executives have carved out a lucrative niche in a world that is technologically, environmentally, and politically turbulent [9]. Besides, being proactive it is pushing the company to be more creative and innovative by taking advantage of any technology development in improving itself as well as the products, also dare to take risk for the advantages of market opportunities. [42], suggests that three elements of entrepreneurial orientation which consist of innovation, proactive, and risk taking can be precisely elaborated, so it can give an impact to company performance. Entrepreneurial orientation can be adapting with market trend and taking advantage of the opportunities faster than their competitor, so it gives an impact of improvement for company performance [31]. Proactiveness demonstrates a firm's anticipatory action in the future market demand to gain competitive advantages over its market competitors, followed by opportunity scanning (Wales et al., 2016). Proactive business firms can capitalize first mover lead and dominate over market distribution channel. Some argue that proactiveness shapes the environment through, for example, new products, technology, and administrative processes in contrast to reacting to the environment. Proactive firms usually have a forward-looking perspective, being able to anticipate and being prepared for the future [16, 56, 67].

**Risk Taking:** Risk-taking is a key characteristic linked with entrepreneurship. It is the risk that individuals take by working for themselves rather than being employed. It is the tendency to take the uncharted path of being avant-garde in building a strategy. Risk taking refers to the tendency to engage in bold rather than cautious actions [45, 18]. Risk-taking is introduced in the literature of entrepreneurship as a main element of entrepreneurship and a supporter of better performance. The risk-taking as a vital element of entrepreneurship has a protracted history [42]. The risk-taking dimension covers mutual risks, uncertainty, basic governance chance, decision making risks, and commercial risks [22]. Risk-taking tendency measures the inclination to invest the potential number of resources to the opportunities which would possess a rational likelihood of both success and failure [2]. Firms with high risk-seeking tendency tend to obtain superior growth and profitability in the long run [66]. Different types of risk exist, for example venturing into the unknown (personal, social, and psychological), committing a relatively large portion of assets," and borrowing heavily. Risk can also be related to risk-return and trade-off, the probability of a loss [41] or tolerance of uncertainty [20]. Risk taking is one of the internal organizational factors necessary to support entrepreneurship within organizations [28]. It refers to a firm's tendency to engage and the willingness to commit significant resources to opportunities with uncertain outcomes [55] Risk taking ability helps firms to engage in bold rather than cautious actions [34]. However, entrepreneurship does not entail reckless decision-making, but reasonable awareness of the risks and being able to calculate and manage these risks [49].

**Autonomy:** Autonomy refers to whether an individual or team of individuals within an organization has a freedom to develop an entrepreneurial idea and then see it through to completion. Autonomy refers to the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion without being demotivated or dominated by overly stringent organizational bottlenecks. In an organization that offers high autonomy, people are offered the independence required to bring a new idea to fruition, unfettered by the shackles of corporate bureaucracy. Autonomy represents an individual's independent action and self-direction in search of a new opportunity. When individuals and teams are unhindered by organizational traditions and norms,

they can more effectively investigate and champion new ideas [45, 18]. Some large organizations promote autonomy by empowering a division to make its own decisions, set its own objectives, and manage its own budgets.

**Competitive Aggressiveness:** Competitive aggressiveness is the tendency to challenge competitors rather intensely and directly than trying to avoid them. Competitive aggressiveness is a company's action of engaging with its competitors. It distinguishes between the companies that shy away from direct competition from other companies that aggressively competes in their competitors' target markets. Aggressive moves can include price-cutting and increasing spending on marketing, quality, and production capacity [45, 18]. Executives thus must be wary of taking competitive actions that destroy opportunities for future collaborating. Entrepreneurial orientation has close relation with competitive advantage strategy like differentiation [42]. The boldness of company to take a risk by offering their new products or new features will be driving factor for differentiation strategy success. Aggressiveness represents a business firm's degree of responsiveness to its rivals [54]. [45], described aggressiveness as a firm's proclivity to straightaway challenge its market competitors and to surpass the rivals. [15], exhibited that high performing firms are likely to be more aggressive in a hostile environment.

### **SMEs Performance**

SMEs' performance refers to the outcomes of firms' business activities [37]. It can be measured using various indicators. Firm growth indicators are among important SMEs' performance measures. Some past studies identified five common firm growth measures that have been used in past studies; these are growth in sales, employees, profit, assets, and equity. According to [12], differences in performance among different firms are much driven by intangible rather than physical assets since intangible assets unlike physical assets are not vulnerable to imitation. Business performance reflects firm's growth and capability, signifying outcomes over time, and the development of organizational capability from a complex blend of networks, knowledge, and innovation. [58] Argued that entrepreneurs engage in purposeful actions that are influenced predominately by forces external to a venture or network, affecting performance and business effectiveness [5].

### **Measures of SMEs Performance**

**Organizational growth:** Organizational opportunities are highly related to its current organizational production activities which also impact on the growth. Organizational growth has the potential to provide small businesses with a myriad of benefits, including things like greater efficiencies from economies of scale, increased power, a greater ability to withstand market fluctuations, an increased survival rate, greater profits, and increased prestige for organizational members. Many small firms desire growth because it is seen generally as a sign of success, progress. Organizational growth is, in fact, used as one indicator of effectiveness for small businesses and is a fundamental concern of many practicing managers. Organization growth is manifested through increase in the number of employees', income, profit, or market share. The viability of growth in an organization is high and unpredictable. They went further to state that even though growth is highly unpredictable in an organization, organizations can achieve growth through different ways since one single growth indicator cannot measure multidimensional growth. Organizational growth, however, means different things to different organizations. There are many parameters a company may use to measure its growth. Since the goal of most companies is profitability, most companies will measure their growth in terms of net profit, revenue, and other financial data. Other business owners may use one of the following criteria for assessing their growth: sales, number of employees, physical expansion, success of a product line, or increased market share. Ultimately, success and growth will be gauged by how well a firm does relative to the goals it has set for itself. From the above literature review, an organization that is experiencing growth must have been or is making profit since efficiency and effectiveness are in an organization also result in growth or expansion of the organization.

**Responsiveness to Change:** Firms are affected by environmental and structural changes [59]. According to [65], organizational capabilities influence long-term business performance. [69], proposed that responsiveness to change can be regarded as an organizational capability, enabling companies to face environmental fluctuations. Supporting this notion [46], noted that flexibility, agility, and responsiveness to change and uncertainty are vital for creating sustainable, long-term competitive advantage, growth, and survival.

**Profitability:** Profitability is the state of producing a profit in an organization or business or the degree to which a business or organization is profitable [1]. Accounting profit of an organization is evaluated by comparing the amount of capital employed into the input with income or the output of the organization. This is popularly known as return on investment or return on capital employed. Profitability means the ability of a business to make profit and remain sustainable. It indicates and measures the success of the business. Profitability of an organization is an important financial indicator to reflect the efficiency of the organization and the owners'/managers' ability to increase sales while keeping the variable costs down [71]. The net profit or income is an indicator of the firm's profitable operations, which is the surplus of total revenues over total expenses during the accounting year. The firm may be unprofitable if the total expenses are more than total revenues, known as net loss. Profit margin, return on assets, return on equity, return on investment, and return on sales are the common measures of financial profitability. From the above discussions, profitability measure shows the extent to which the organization is effective towards attainment of organizational set goals and objectives. Profit can also be the yardstick for judging not just the economic activities, but the managerial efficiency and social objectives of an organization.

**Operational efficiency:** [32] define operational efficiency as the proficiency of a corporation to curtail the unwelcome and maximize resource capabilities to deliver quality products and services to customers. An organizational operational efficiency depends on factors like skillful and proficient workers, proper technological progression, and proper procurement carries out, return to scale of the businesses, supply chain controlling among many others. Operational efficiency is used as a measure of non-financial performance as outlined by [53] and [33] who averred that operational efficiency leads to improved productivity and consequently profitability as compared to other non-financial performance measures [50]. Operational efficiency is suitable in the organizational because, the key to create value and achieve competitive edge among banks lies in the better operational efficiency and productivity [32, 50]. Since operational efficiency is about the output to input ratio, it must be measured on both the input and output side. Quite often, company management is measuring primarily on the input side, e.g., the unit production cost or the man hours required to produce one unit.

Even though important, input indicators like the unit production cost should not be seen as sole indicators of operational efficiency. When measuring operational efficiency, a company should define, measure and track a number of performance indicators on both the input and output side. The exact definition of these performance indicators varies between industries, but typically covers input and output. From the literature above, an organization that curtails the unwelcome and maximize resource capabilities to deliver quality products and services to customers to maximize profits, growth and even productivity.

**Organizational Commitment:** Organizational commitment is defined as a view of an organizations' members' psychology towards his/her attachment to the organization that he/she is working for. Organizational commitment plays a pivotal role in determining whether an employee will stay with the organization for a longer period and work passionately towards achieving the organization's goal. If an organizational commitment is determined it helps predict employee satisfaction, employee engagement, distribution of leadership, job performance, job insecurity, and similar such attributes. An employee's level of commitment towards his/her work is important to know from a management's point of view to be able to know their dedication to the tasks assigned to them daily. Organizational scientists have also developed many nuanced definitions of organizational commitment, and numerous scales to measure them. Exemplary of this work is [47], model of commitment, which was developed to integrate numerous definitions of commitment that had been proliferated in the literature. From discussions above, the benefits and advantages of organizational commitment is that organizational commitment determines how long employees will stay with an organization, committed employees are any and every organization's asset. Some of the key benefits and advantages of organizational commitment are as follows such as high employee productivity, reduced absenteeism, excellent team players, and strong advocates.

### III. THEORETICAL FRAMEWORK

This study is anchored on contingency theory propounded by Fiedler in 1960s. The contingency theory claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is dependent upon the internal and external situations. Contingency theory proposes that an

organization's performance is determined by the fit between its resources, structure and strategies on one hand, and the external environmental conditions on the other hand (political, economic, social, and technological). A core concept in contingency theory is fit. Fitness is viewed as a match between the organization's characteristics and the characteristics of the environments around them. At the heart of the theory is the assumption of equifinality, that is, that there are many different ways to achieve performance and that the right way depends upon the conditions in the environment of the firm in question [48]. This also implies that a one-size-fits-all approach to strategy is doomed to fail. For example, when a firm's technological environment is characterized by rapid change or turbulence, then a firm may perform better with a more organic structure (flatter hierarchy, less formal control), whereas when a firm's technological environment is stable, then a more mechanistic structure (top down, centralized, formal) may be better [48]. Entrepreneurship researchers have found support for contingency theory in new ventures too. For instance [11], finds that new ventures dealing with complex customer environments should avoid high levels of formalization as compared with those facing simpler customer environments. Similarly, [68] demonstrated that CEOs with an entrepreneurial orientation lead firms to greater success in dynamic environments with low capital availability.

#### IV. EMPIRICAL REVIEW

[27], their study aims to analyze the effect of entrepreneurial orientation on business performance. Entrepreneurial orientation is measured through innovativeness, proactiveness, risk taking, and aggressiveness, while business performance is measured through the Balanced Scorecard perspective. The research method uses explanatory methods with data collection techniques through questionnaires and interviews. Population is SMEs in the manufacturing industry sector in West Java, Indonesia measuring 203,181 with proportional random sampling technique obtained by sample 346 SMEs. The data that has been collected is then analyzed using a Likert scale system, descriptive syllogism analysis and Structural Equation Modeling (SEM). The results showed that entrepreneurial orientation in all dimensions (innovativeness, proactiveness, risk taking, and aggressiveness) tended to be low. Likewise with business performance (perspective: financial, customers, internal business processes, learning and growth) are at a level that tends to be low, which illustrates entrepreneurial orientation

positively influences business performance. The study correspond with the current study in the dimensions of entrepreneurial orientation but it focuses on business performance.

[38], examines entrepreneurial commitment as an antecedent of entrepreneurial orientation of SME employees in Bali. This research was conducted on SME employees in Bali with a total of 165 respondents with 90.91% response rate and total 150 questionnaire returned. Respondents were selected by purposive sampling method, where each research instrument uses a 5 Likert scale measurement. The initial evaluation is carried out by estimating the evaluation of the measurement model that is validity and reliability of each reactive construct. The evaluation of structural models for testing research models using the Warp PLS 4.0 program. The significance of the parameters is determined by resampling bootstrapping and using 500 sub-samples of equal size to that of the original sample. The results of this study provide a view that entrepreneurial commitment as an antecedent capable to influence entrepreneurial orientation of SME employees in Bali, be proven of each entrepreneurial commitment dimensions. Entrepreneurial orientation can be predicted by affective commitment of SME employees in Bali significantly. Calculative commitment can influence entrepreneurial orientation of SME employees in Bali not significantly. Entrepreneurial orientation predicted by normative commitment of SME employees in Bali significantly. This study predicted entrepreneurial orientation using normative commitment which is contrary to the current study, although, both studies focused on SMEs but in a different environment.

[36] Carried out a study aimed at determining the influence of entrepreneurial orientation on SMEs' performance under the mediation of competitive advantage using firm growth and personal wealth measures. Entrepreneurial orientation was adopted as an intangible resource in form of processes. A survey method with cross-sectional design was used to collect data from 300 owners-managers of welding industry SMEs located in Dares Salaam, Mbeya, and Morogoro urban centers in Tanzania. By the aid of AMOS software, data analysis comprised of developing measurement and structural models using structural equation modeling technique. Sample data were then bootstrapped using 200 samples to determine the indirect effect of entrepreneurial orientation on SMEs' performance through competitive advantage. Findings from this study inform that competitive advantage mediates

the relationship between entrepreneurial orientation and SMEs' performance for both firm growth and personal wealth performance measures. This study has contributed to existing literature by providing evidence on use of personal wealth as measures of SMEs' performance. The findings of the study imply that the resource-based view is suitable in describing not only physical resources but also intangible resources such as entrepreneurial orientation. Future studies may investigate the influence of more constructs such as learning orientation on SMEs' performance under the mediation of competitive advantage using the same firm growth and personal wealth performance measures. Such studies will establish whether the findings of this study are specific to entrepreneurial orientation construct applicable to other constructs as well. The entrepreneurial orientation adopted in this study is completely parallel to the current study even though, both studies beam their search light on SMEs performance.

Hassim, Abdul-Talib and Bakar (2015), examines the relationships between entrepreneurial orientation, market orientation, innovativeness, and firm performance on the moderating effect of external environmental factors on the market orientation and firm performance relationship. There has been relatively little research that examines the relationship between strategic orientations, such as entrepreneurial orientation, market orientation, organizational innovations, and their consequences on firm performance in developing countries. This paper represents an attempt to do so from the Malaysian perspectives. A response rate of 398 SMEs in Malaysia and the findings show that the entrepreneurial orientation and innovativeness exert a positive effect on firm business performance, market orientation exhibits a negative effect on firm performance. The external environmental factors do have a moderating effect on the relationship between market orientation and firm performance. This paper provides recommendations for entrepreneurs of how their entrepreneurial orientation, market orientation and organizational innovations influenced their firm performance. This study uses external environment as a moderating variable which is not consistent with the current study.

[35], examines the innovation influence on the relationship of organizational culture, entrepreneurial orientation, and performance of large manufacturing firms in Pakistan. A total of 399 questionnaires were distributed to large manufacturing firms in Pakistan to assess the relationships between organizational culture, entrepreneurial orientation, innovation, and firm

performance. The findings reveal that entrepreneurial orientation significantly influences the performance of large manufacturing firms in Pakistan. Meanwhile, the results also indicated that other factors such as organizational culture do not significantly relate to the manufacturing firm's performance. Interestingly, the results had shown that the factor of innovation significantly mediated the relationships between organizational culture, entrepreneurial orientation, and firm performance. Based on the results, it can be summarized that the mechanism used to enhance the innovative culture in the organization will also contribute to the introduction, adoption, and diffusion of innovations. Additionally, these factors would contribute to increased performance and achievement soon. Indeed, this statement is supported by numerous current and past studies conducted in Pakistan, where scholars found that innovation is the primary impetus of firm performance. The study actually made use of entrepreneurial orientation but failed to comb out its effect on performance.

[51], analyzes the impacts of entrepreneurial orientation dimensions (i.e., innovativeness, proactiveness, and risk taking) on the profitability growth of local Tanzania's construction firms. A survey to 132 Tanzanian construction firms was undertaken using a questionnaire. With the help of STATA 13.0 Software, data collected was analyzed by using a multiple regression analysis. The findings show that both innovativeness and risk-taking dimensions have a significantly positive effect on the growth of profitability for local Tanzania's construction firms, whereas the proactiveness dimension has a negative significant effect. This study contributes to the field of entrepreneurship in developing countries and enhances the knowledge of the impacts of entrepreneurial orientation dimensions on the profitability growth of firms. This study correlate with the current study on some dimensions of entrepreneurial orientation which is the hallmark of the current study.

[43], investigated entrepreneurial orientation from a one-dimensional perspective. By taking the more novel approach of the multidimensional view and focusing on the sub-dimensions, a fine-grained view is achieved. Previous research has often mixed process and outcomes in the conceptualizations of the sub-dimensions of entrepreneurial orientation. This study argues for making a distinction between process and outcome, which can realize a more nuanced understanding of entrepreneurial orientation. A qualitative approach is used to



achieve a richer understanding of entrepreneurial orientation. The findings highlight that entrepreneurial orientation and its sub-dimensions of innovativeness, risk-taking, and proactiveness can be meaningfully divided between the attributes of process and outcome. The sub-dimensions and the attributes of process and outcome are also argued to vary independently of each other. This study is consistent with the current study but the current study included two additional dimensions of entrepreneurial orientation which are missing in the study.

[26], investigated entrepreneurial orientation for enhancement of marketing performance. The purpose of this research is to fill a research gap in entrepreneurial orientation and marketing performance by using differentiation strategy and network capabilities. The research conducted by involving 135 creative small medium enterprise categorized in handcraft, fashion, and printing and design in Pontianak, West Borneo, Indonesia. Five hypotheses are being developed and tested. For data analysis this research using statistic software called SEM AMOS 24. The findings of the research, it emphasizes the importance of supported differentiation strategy by entrepreneurial orientation in improving marketing performance. Furthermore, it confirms that network capabilities are a predictor of marketing performance. This study differs with the current study because it is much more concerned about marketing performance.

[29], examined the relationship between SME performance and Entrepreneurial Orientation in Bangladesh. Data have been collected from the SME entrepreneurs working in Dhaka, Bangladesh. Followed by convenience sampling, a total of 193 entrepreneurs' information (out of 300) was retained using a pre-tested survey questionnaire. Correlation analysis and hierarchical regression were used to test the hypotheses. The study covered five dimensions of entrepreneurial orientation, risk-taking, innovativeness, proactiveness, competitive aggressiveness and autonomy. Except for competitive aggressiveness, all dimensions of entrepreneurial orientations possess a positive significant effect on SME performance. This study has shifted the application of entrepreneurial orientation concept from developed countries to an emerging economy to scrutinize how do different dimensions of entrepreneurial orientation determine the performance of SMEs in Bangladesh. The findings of the study also provide some insightful implications for business managers and researchers. The current study is in line with this

study ranging from its constructs but different environment.

From the above review, there are limited empirical evidence on the phenomenon of interest on emerging market like Nigeria. This necessitated the current study to examine the effect of entrepreneurial orientation on the performance of small and medium scale enterprises in Benue State, Nigeria. Thus, the following hypotheses are formulated.

H<sub>01</sub>. Innovativeness has no significance effect on the performance of SMEs in Benue State, Nigeria.

H<sub>02</sub>. Proactiveness has no significance effect on the performance of SMEs in Benue State, Nigeria

H<sub>3</sub>. Risk-taking has no significance effect on the performance of SMEs in Benue State, Nigeria

H<sub>4</sub>. Autonomy has no significance effect on the performance of SMEs in Benue State, Nigeria

H<sub>5</sub>. Competitive aggressiveness has no significance effect on the performance of SMEs in Benue State, Nigeria

## V. METHODOLOGY

### Survey Design

This study adopted the survey research design, this is because it will enable the researcher to gather information from respondents who are owners and employees of the SMEs with regards to study variables.

### Population

The target population for this study comprises of 650 licensed SMEs operating in Benue State, which was obtained from Benue Chamber of Commerce, Industries, Mines and Agriculture (BECCIMA) and Benue State Ministry of Trade and Investment.

### Sample and Sampling Technique

Stratified sampling was adopted in this study and was used to select 250 SMEs. It ensures that each subgroup within the population receives proper representation within the sample. As a result, stratified random sampling provides a better coverage of the population since the researchers have control over the subgroups to ensure all of them are represented in the sampling.

### Data Collection Instrument

In this study, the structured questionnaire was adopted. The questionnaire was specifically designed using five point likert scale which ranged from strongly agree (5), agree (4), undecided (3), disagree (2) and, strongly disagree (1) and was administered to the respondents. The items were designed to capture information on independent and dependent variables.

### Validity and Reliability

Factor analysis was used in this study to measure the validity of the instrument. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were used to assess the construct validity of each variable in the study. At 1% level of significance, the result Shows that the data is highly significant ( $p < 0.001$ ). The result shows that the Kaiser- Meyer- Olkin (KMO) which measures the sample adequacy was .724 while the Bartlett's Test of Sphericity was significant (App. chi-square= 232.557, sig. = .000) which indicates the sufficient inter correlations of the factor analysis. Also, before the questionnaire was administered to the management of the selected SMEs, the

researcher tested its reliability by conducting a pilot research on eighty-three ( $1/3 \times 250 = 83$ ) entrepreneurs in Benue State. The Cronbach's coefficient alpha was applied on the results obtained to determine how items correlate among them in the same instrument. Cronbach's coefficient Alpha of more than 0.7 was taken as the cut off value for being acceptable which enhanced the identification of the dispensable variables and deleted variables. It is evident through the Cronbach's Alpha values that the reliability coefficients of all the study variables are high and suitable for the current study objectives.

**Table 1: Cronbach's Alpha Reliability Coefficient of the Study Variables**

| Variables                  | Number of Items | Reliability Coefficient |
|----------------------------|-----------------|-------------------------|
| Innovativeness             | 5               | 0.820                   |
| Proactiveness              | 5               | 0.736                   |
| Risk-Taking                | 5               | 0.784                   |
| Autonomy                   | 5               | 0.860                   |
| Competitive Aggressiveness | 5               | 0.788                   |
| SMEs performance           | 20              | 0.726                   |
| Overall Reliability        | 45              | 0.785                   |

Source: Field Survey, 2021

## VI. DATA ANALYSIS

The study conducted initial data analysis using simple descriptive statistical measures such as, mean, standard deviation and variance to give glimpse of the general trend. However, correlation analysis was used to determine the nature of the relationship between variables at a generally accepted conventional significant level of  $P=0.05$ . In addition, multiple regression analysis was employed to test the hypotheses. Multiple regression analysis is applied to analyze the relationship between a single dependent variable and several independent variables (Hair, 2005). The study also utilize variable inflation factor (VIF) to handle the issue of Multi-collinearity.

### Variable/Model Specification

This study is anchored on two major variables namely; the independent variable (Entrepreneurial Orientation) and the dependent variable (SMEs performance). The beta ( $\beta$ ) coefficients for each independent variable generated from the model, was subjected to a t-test, in order to test each of the hypotheses under study. The regression model used to test is shown below:

$$PSMEs = f(EO)$$

$$Y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + \epsilon$$

Where;  $y$  = SMEs Performance

$\alpha$  - Constant

$\beta_1, \beta_2, \beta_3, \beta_4$  and  $\beta_5$  - Coefficient estimates.

X1 - Innovativeness

X2 - Proactiveness

X3 - Risk-taking

X4 - Autonomy

X5 - Competitive Aggressiveness

$\epsilon$  - Error term

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 21. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at  $p < 0.05$ .

## VII. RESULTS AND DISCUSSION

### Attributes of Respondents

The distribution of respondents by gender in Table 2 revealed that 117 sampled respondents (representing 53.2 %) were males while 103 (representing 46.8 %) were females. This implies that most of the respondents were males. The result in Table 1 also shows that, 63 respondents (representing 28.6 %) were 18-27 years old, 72 respondents (representing 32.7 %) were between 28 and 37 years while 67 respondents (representing 30.5 %) were within the age range of 38-47 years and 18 respondents (representing 8.2 %) were 48 years and above. This age distribution showed that

the respondents were old enough to understand the subject matter of the research. The distribution of the respondents by educational qualification revealed that, 73 respondents (representing 33.2 %) had secondary school qualification, 101 respondents (representing 45.9 %) respondents had tertiary level qualification while 46 respondents (representing 20.9 %) had professional qualifications. This distribution of the respondents' educational qualification represents a very literate sample that can provide valid information on the subject matter under study. Finally, the result in

Table 2 showed that 58 respondents (representing 26.4 %) had 1-5 years' experience, 59 (representing 26.8 %) respondents had experience between 6 and 10 years. Also, 47 respondents (representing 21.4 %) respondents have 11-15 years business experience while 37 respondents (representing 16.8 %) had experience from 16–20 years and 19 respondents (representing 8.6 %) had experience doing business from 21 years and above. This gives a representation of people who had better understanding of the subject under study.

**Table 2: Demographic Characteristics of Respondents**

| Attribute                | Frequency  | Percentage % |
|--------------------------|------------|--------------|
| <b>Gender</b>            |            |              |
| Male                     | 117        | 53.2         |
| Female                   | 102        | 46.8         |
| Total                    | 220        | 100          |
| <b>Age</b>               |            |              |
| 18-27 Years              | 63         | 28.6         |
| 28-37 Years              | 72         | 32.7         |
| 38-47 Years              | 67         | 30.5         |
| 48 and above Years       | 18         | 8.2          |
| <b>Total</b>             | <b>220</b> | <b>100</b>   |
| <b>Educational level</b> |            |              |
| Secondary level          | 73         | 33.2         |
| Tertiary level           | 101        | 45.9         |
| Professional             | 46         | 20.9         |
| <b>Total</b>             | <b>220</b> | <b>100</b>   |
| <b>Experience</b>        |            |              |
| 1-5 Years                | 58         | 26.4         |
| 6-10 Years               | 59         | 26.8         |
| 11-15 Years              | 47         | 21.4         |
| 16-20                    | 37         | 16.8         |
| 21 Years and above       | 19         | 8.6          |
| <b>TOTAL</b>             | <b>220</b> | <b>100</b>   |

Source: Field survey, 2021

**Correlation Statistics for Linear Relationship between Variables**

Pearson's measures the strength and direction of the linear relationship between variables. From the results, a significant relationship exists between the variables. Innovativeness was shown to contribute 48.7% of the change in SMEs performance as indicated by the correlation coefficient value of 0.487 which is significant at  $\alpha = 0.01$ . Proactiveness was positively correlated to SMEs performance as indicated by correlation coefficient value of 0.383 indicating that the provocativeness was a significant factor and contributed up to 38.3% of the change in SMEs performance. Risk taking was

also shown to contribute 42.6% of the change in SMEs performance as indicated by the correlation coefficient value of 0.426 which is significant at  $\alpha = 0.01$ . The correlation for autonomy showed that 42.8% of the change in SMEs performance was significantly accounted for by autonomy as shown by correlation coefficient value of 0.428 (significant at  $\alpha = 0.01$ ). Competitive aggressiveness showed that 46.8% of the change in SMEs performance was significantly accounted for by competitive aggressiveness as shown by the correlation coefficient value of 0.468 (significant at  $\alpha = 0.01$ ). This paves way for multiple regression analysis.

**Table 3: Correlation Statistics for Linear Relationship between Variables**

| Variables                  | SMEs performance | Innovativeness | Proactiveness | Risk taking | Autonomy | Competitive Aggressiveness |
|----------------------------|------------------|----------------|---------------|-------------|----------|----------------------------|
| SMEs P                     | 1                |                |               |             |          |                            |
| Innovativeness             | .487**           | 1              |               |             |          |                            |
| Proactiveness              | .383**           | .463**         | 1             |             |          |                            |
| Risk taking                | .428**           | .359**         | .345**        | 1           |          |                            |
| Autonomy                   | .428**           | .274**         | .451**        | .413**      | 1        |                            |
| Competitive Aggressiveness | .468**           | .345**         | .359**        | .383**      | .372**   | 1                          |

\*\*Correlation is significant at the 0.01 level (2-tailed).

### Multiple Regression Analysis and Hypotheses Testing

Results in table 4 showed that the VIF value for all the estimated parameters was found to be less than 4 and the tolerance values are more than 0.2 which indicate the absence of multi-

collinearity among the independent variables of the study. This implies that the variation contributed by each of the independent factors was significant independently and all the factors should be included in the prediction model.

**Table 4: Multicollinearity Analysis Test for Independent Variables**

| Dimensions of Entrepreneurial Orientation | Multicollinearity Statistics |       |
|---|------------------------------|-------|
|   | Tolerance                    | VIF   |
| Innovativeness                            | 0.708                        | 1.413 |
| Proactiveness                             | 0.941                        | 1.062 |
| Risk-Taking                               | 0.640                        | 1.562 |
| Autonomy                                  | 0.623                        | 1.605 |
| Competitive Aggressiveness                | 0.663                        | 1.650 |

The study assessed the contribution of the independent variables on dependent variable. The findings of the study in table 5 illustrates multiple regression model had a coefficient of determination (R<sup>2</sup>) of about 0.721. This means that 72.1% variation of SMEs performance is explained by joint contribution of innovativeness, creativity, business alertness and risk-taking. The findings are supported by ANOVA (F test) results that the model was fit or none of the parameters was equal

to zero hence significance adjusted R square (F = 32.186,  $p < 0.05$ ). In addition, Durbin Watson test had value less than two indicating minimal autocorrelation with no effect on the study output (Watson value = 1.612). The rule of thumb was applied in the interpretation of the variance inflation factor which states that a principle with broad application that is not intended to be strictly accurate or reliable for every situation.

**Table 5: Model Summary**

| R                 | R <sup>2</sup> | Adjusted R <sup>2</sup> | Std. Error of the Estimate | Durbin-Watson |
|-------------------|----------------|-------------------------|----------------------------|---------------|
| .870 <sup>a</sup> | .721           | .668                    | .879                       | 1.612         |

a. Predictors: (Constant), Innovativeness, proactiveness, risk taking, autonomy, competitive aggressiveness

b. Dependent Variable: SMEs performance

Source: Author's computation using SPSS version 21.

**Table 6: ANOVA (Analysis of Variance)**

| Model      | Sum of Squares | DF  | Mean Square | F      | Sig.              |
|------------|----------------|-----|-------------|--------|-------------------|
| Regression | 9.286          | 5   | 10.320      | 34.220 | .000 <sup>b</sup> |
| Residual   | 9.740          | 225 | 8.946       |        |                   |
| Total      | 19.026         | 230 |             |        |                   |

a. Dependent Variable: SMEs performance  
 b. Predictors: (Constant), Innovativeness, proactiveness, risk taking, autonomy, competitive aggressiveness.  
**Source:** Author’s computation using SPSS version 21.

**Test of Hypotheses**

The following hypotheses were tested at 0.005 level of significance:

**Hypothesis one**

Innovativeness has no significant effect on the performance of SMEs in Benue State, Nigeria.

However, research findings showed that innovativeness had coefficients of estimate which was significant based on  $\beta_1 = 0.330$  (p-value = 0.001 which is less than  $\alpha 0.05$ ) implying that we reject the null hypothesis stating that there is no significant effect of innovativeness on SMEs performance in Benue State, Nigeria. This indicates that for each unit increase in the positive effect of innovativeness, there is 0.330 units increase in SMEs performance. Furthermore, the effect of innovativeness was stated by the t-test value =3.500 which implies that the standard error associated with the parameter is less than effect of the parameter.

**Hypothesis Two**

Proactiveness has no significant effect on the performance of SMEs in Benue State, Nigeria.

Findings showed that proactiveness had coefficients of estimate which was significant based on  $\beta_2 = 0.282$  (p-value = 0.004 which is less than  $\alpha 0.05$ ) hence we reject the null hypothesis and conclude that proactiveness has significant effect on SMEs performance in Benue State, Nigeria. This indicates that for each unit increase in the positive effect of proactiveness, there is 0.282 units increase in SMEs performance. Furthermore, the effect of proactiveness was stated by the t-test value =3.913 which implies that the standard error associated with the parameter is less than effect of the parameter.

**Hypotheses Three**

Risk taking has no significant effect on the performance of SMEs in Benue State, Nigeria.

Research findings indicated that risk taking had coefficients of estimate which was significant based on  $\beta_3 = 0.312$  (p-value = 0.045 which is less than  $\alpha 0.05$ ) hence we reject the null hypothesis and conclude that risk taking has significant effect on SMEs performance in Benue State. This indicates that for each unit increase in the positive effect of risk taking, there is 0.312 units increase in SMEs performance. Furthermore, the effect of risk taking was stated by the t-test value =3.045 which implies that the standard error associated with the parameter is less than effect of the parameter.

**Hypotheses Four**

Autonomy has no significant effect on the performance of SMEs in Benue State, Nigeria.

However, findings of the study revealed that risk taking had coefficients of estimate which was significant based on  $\beta_4 = 0.288$  (p-value = 0.038 which is less than  $\alpha 0.05$ ) hence we reject the null hypothesis and conclude that risk taking has significant effect on SMEs performance in Benue State. This indicates that for each unit increase in the positive effect of risk taking, there is 0.288 units increase in SMEs performance. Also, the effect of risk taking was stated by the t-test value = 3.038 which implies that the standard error associated with the parameter is less than effect of the parameter.

**Hypotheses Five**

Competitive Aggressiveness has no significant effect on the performance of SMEs in Benue State, Nigeria. However, findings of the study revealed that risk taking had coefficients of estimate which was significant based on  $\beta_5 = 0.316$  (p-value = 0.038 which is less than  $\alpha 0.05$ ) hence we reject the null hypothesis and conclude that risk taking has significant effect on SMEs performance in Benue State. This indicates that for each unit increase in the positive effect of risk taking, there is 0.316 units increase in SMEs performance. Also, the effect of risk taking was stated by the t-test value =3.064 which implies that the standard error associated with the parameter is less than effect of the parameter.

**Table 7: Multiple Regression Model**

| Variables      | Unstandardized Coefficient |           |      | Standardized Coefficient |       |
|----------------|----------------------------|-----------|------|--------------------------|-------|
|                | B                          | Std error | Beta | T-statistics             | Sig   |
| (Constant)     | 2.196                      | .578      |      | 3.393                    | 0.000 |
| Innovativeness | .346                       | .099      | .330 | 3.500                    | 0.000 |
| Proactiveness  | .265                       | .091      | .282 | 3.913                    | 0.000 |

|                            |      |          |      |       |       |
|----------------------------|------|----------|------|-------|-------|
| Risk taking                | .204 | .20.297  | .312 | 3.045 | 0.000 |
| Autonomy                   | .293 | .083.208 | .288 | 3.038 | 0.000 |
| Competitive Aggressiveness | .324 | 0.88     | .316 | 3.064 | 0.000 |

Dependent Variable: SMEs Performance

Source: SPSS Output, 2021.

### VIII. DISCUSSION OF FINDINGS

With regards to the hypothesis one which states that innovativeness has no significant effect on the performance of SMEs in Benue State, Nigeria. However, the study discovered that innovativeness have a positive and significant effect on the performance of SMEs in Benue State, Nigeria [ $\beta = .330$ ;  $n(250) = 3.500$ ,  $p(.000) \leq 0.05$ ]. This implies that there is statistical evidence to reject the null hypothesis and conclude that innovativeness has a positive and significant effect on the performance of SMEs in Benue State, Nigeria. This result is consistent to the findings of [29] who examined the relationship between SME performance and entrepreneurial orientation in Bangladesh and discovered a positive significant effect of innovativeness and performance of SMEs in Bangladesh. The findings of [43] highlight that entrepreneurial orientation and its sub-dimension of innovativeness can be meaningfully divided between the attributes of process and outcome. The sub-dimension and the attributes of process and outcome are also argued to vary independently of each other. [27], in their study reported a low performance of innovativeness in their findings.

Furthermore, hypothesis two states that there proactiveness has null significant effect on the performance of SMEs in Benue State, Nigeria. The study revealed that proactiveness have a positive and significant effect on the performance of SMEs in Benue State, Nigeria [ $\beta = .282$ ;  $n(250) = 3.913$ ,  $p(.000) \leq 0.05$ ]. This implies that there is statistical evidence to reject the null hypothesis and conclude that proactiveness has a positive and significant effect on the performance of SMEs in Benue State, Nigeria. This result is in line with the findings of [29], which reflected that proactiveness has a positive significant effect on the performance of SMEs in Bangladesh. The findings of [43] highlight that entrepreneurial orientation and its sub-dimensions of proactiveness can be meaningfully divided between the attributes of process and outcome. The sub-dimension and the attributes of process and outcome are also argued to vary independently of each other. [27], in their study reported a low performance of innovativeness in their findings.

Also, the third hypothesis which states that risk taking has no significant effect on the performance of SMEs in Benue State, Nigeria. The study found that risk taking have a positive and significant effect on the performance of SMEs in Benue State, Nigeria [ $\beta = .312$ ;  $n(250) = 3.045$ ,  $p(.000) \leq 0.05$ ]. This implies that there is statistical evidence to reject the null hypothesis and conclude that risk taking has a positive and significant effect on the performance of SMEs in Benue State, Nigeria. This result is in line with the findings of [29] which reflected that risk taking has a positive significant effect on the performance of SMEs in Bangladesh. The findings highlight that entrepreneurial orientation and its sub-dimensions of risk-taking, can be meaningfully divided between the attributes of process and outcome. The sub-dimension and the attributes of process and outcome are also argued to vary independently of each other. Herlinawati, Suryana & Machmud (2019), in their study reported a low performance of innovativeness in their findings.

The fourth hypothesis states that autonomy has no significant effect on the performance of SMEs in Benue State, Nigeria. The study found that autonomy have a positive and significant effect on the performance of SMEs in Benue State, Nigeria [ $\beta = .288$ ;  $n(250) = 3.038$ ,  $p(.000) \leq 0.05$ ]. This implies that there is statistical evidence to reject the null hypothesis and conclude that autonomy has a positive and significant effect on the performance of SMEs in Benue State, Nigeria. This result is in line with the findings of [29], which reflected that autonomy has a positive significant effect on the performance of SMEs in Bangladesh.

The fifth hypothesis states that competitive aggressiveness has no significant effect on the performance of SMEs in Benue State, Nigeria. The study found that competitive aggressiveness have a positive and significant effect on the performance of SMEs in Benue State, Nigeria [ $\beta = .316$ ;  $n(250) = 3.064$ ,  $p(.000) \leq 0.05$ ]. This implies that there is statistical evidence to reject the null hypothesis and conclude that competitive aggressiveness has a positive and significant effect on the performance of SMEs in Benue State, Nigeria. This result is not in line with

the findings of [29], which report that competitive aggressiveness has a positive significant effect on the performance of SMEs in Bangladesh. [27], in their study reported a low performance of innovativeness in their findings.

### IX. CONCLUSION AND RECOMMENDATIONS

This study revealed a positive and significant effect building on entrepreneurial orientation to influence the overall performance of SMEs. This study also proves that entrepreneurial orientation dimensions like innovativeness, proactiveness, risk taking, autonomy and, competitive aggressiveness do influence performance of SMEs. The study further found that innovativeness is the highest predictor of performance of SMEs among the dimensions of entrepreneurial orientation under review. This study concludes that when Steps are taken by executives to develop a stronger entrepreneurial orientation throughout an organization and by employees to become more entrepreneurial themselves, it is important for the executives to design organizational systems and policies that reflects the dimensions of entrepreneurial orientation and how an organization's compensation systems encourage or discourage these dimensions should be considered.

The study recommends that innovativeness can be gauged by executives considering how many new products or services the organization has developed in the past years and how many patents the firm has obtained in order to know whether it will help or impede innovativeness. Organizations should be encouraged by making proactive as opposed to reactive decisions because this will enable employees in understanding how they can help to support entrepreneurial orientation within their organizations. The study also recommend that taking sensible risks should be rewarded through raises and bonuses, regardless of whether the risks pay off or not and compensation system should not penalize risk taking. To properly understand how the organization develops and reinforces autonomy, top executives should administer employee satisfaction surveys and monitor employee turnover rates. This is because, organizations that effectively develop autonomy should foster a work environment with high levels of employee satisfaction and low levels of turnover. Finally, employees should consider whether their attitudes and behaviors are consistent with the dimensions of entrepreneurial orientation. This is because, employees making decisions that focuses on

competition usually provides executives with new ideas for products or processes that might create value for the organization.

### X. LIMITATIONS AND SUGGESTIONS FOR FURTHER STUDIES

Some limitations in this study should be considered as opportunities for future research. This study was carried out to examine entrepreneurial orientation and performance of Small and Medium Scale Enterprises Benue State, Nigeria. The study only focused on selected SMEs within Benue State, hence it is limited in scope and the findings cannot be generalized to other sectors. To augment the research finding of this study, the study recommends that another research be done on a wider geographical area. Furthermore, conducting a replication study in other industries is also needed; for example in the manufacturing sector. Although the research has revealed that the entrepreneurial orientation extensively affect performance of SMEs, it is not clear how the entrepreneur acquires such orientation. Could it be an inherent trait or could it be environmentally acquired and this should be an area for further research. Although the study revealed that entrepreneurial orientation significantly relate to the performance of small and medium scale enterprises, there is no evidence that business performance is entirely dependent on the five independent variables. As such further research need to be carried out to establish what other factors contribute significantly to the performance of SMEs.

### Practical Implications of Findings

The findings from this study are essential for practical reasons as business owners and entrepreneurs are expected to evaluate and explore business opportunities in seeking their career path by developing self-competencies and entrepreneurial orientation. This study contributes to an evolving body of literature on the effect of entrepreneurial orientation on the performance of small and medium scale enterprises. The insights are meant to create an understanding to the policy makers, practitioners and other stakeholders on the need to promote entrepreneurial orientation and create the infrastructures necessary so that the manifestation of these traits through innovativeness, proactiveness, risk taking, autonomy and, competitive aggressiveness can increase. The findings will challenge the entrepreneurs and business owners to strategize and promote the entrepreneurial orientation in their organizations for good performance.

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