__Original Research Article__

Exploring Entrepreneurial Orientation (EO) and Performance Among Small and Medium Scale Enterprises (SMEs) In Nigeria

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ABSTRACT

This research is designed to examine the influence of entrepreneurial orientation (EO) on performance of Small and Medium Scale Enterprises (SMEs). The study was carried out in the South-South Geopolitical Region of Nigeria. The proxies for EO were innovativeness, risk-taking, proactiveness, autonomy and competitive aggressiveness. This study used a survey research approach and a sample size of 1308 SMEs was selected. Copies of an adopted questionnaire were administered to the respondents who were owners/managers of the selected SMEs using the stratified random sampling method. Pearson's correlation analysis and hierarchical multiple regression analysis were used to analyze the data collected. The result of the research revealed that entrepreneurial orientation (EO) has significant influence on performance of SMEs in Nigeria. Consequently, it was recommended that SMEs' owners/managers should use the EO dimensions that best suit their firm's strategic emphasis, taking into account aspects such as the organization's age and/or size, industry influence, and the specific setting in which the firm works.

Keywords: Entrepreneurial orientation; Innovativeness; Risk-taking; Proactiveness; Autonomy; Competitive aggressiveness; SME; Performance

1. INTRODUCTION

Small and medium-sized businesses (SMEs) play a significant role in the economies of both developed and developing countries. They have been dubbed "productive and efficient job creators," "large-scale seed enterprises," and "engines for national economic development" on numerous occasions [1]. However, despite their contributions to the national economy, Nigerian SMEs are vulnerable in the face of a rapidly changing and fierce global competitive climate brought on by globalisation. Several models have been proposed in the entrepreneurial literature to address these challenges.One of which is Entrepreneurial Orientation (EO).

Entrepreneurial orientation (EO) refers to the processes of strategy development that give businesses with a foundation for entrepreneurial decisions and activities [2]. It is an individual's attitude toward engaging in entrepreneurial activities, whether within an existing organization or starting a new enterprise [3], and it includes entrepreneurial components of a firm's decision-making styles, methods, and practices [4]. EO is viewed as a multidimensional phenomenon with five subscales: innovation, risk taking, proactiveness, autonomy, and competitive aggressiveness.

In theory, entrepreneurship researchers have claimed that entrepreneurial orientation within existing business organizations is a source of revitalization that improves performance and provides firms with a competitive advantage over competitors [5]. It is also believed that organizations with higher levels of entrepreneurial orientation will outperform those with lower levels of entrepreneurial orientation [2]. Furthermore, existing literature admits that organizational-level entrepreneurial orientation is associated with profitability, growth, strategic renewal, market share, wealth generation, and overall success [6]. However, empirical data have differed. Empirical findings suggest that the influence of entrepreneurial orientation on organizational performance is ambiguous and contradictory [7]. Some studies [8, 9, 10] found a positive relationship between entrepreneurial orientation and performance (E-O). Others [11, 12, 13] discovered a negative relationship between entrepreneurial orientation and performance.

This research takes a multidimensional approach to EOby examining the extent of contribution of the five EO dimensions; innovativeness, risk taking, proactiveness, autonomy, and competitive aggressiveness to the performance of SMEs. So far themultidimensional approach of EO in SMEs studies has not received much attention. This is because previousstudies conducted in the sector have adopted the unidimensional approach by treating the different dimensions of EO as unique stand-alone variables [14, 15, 16]. It is the belief of the authors that a better understanding of this relationship may lead to the formulation of relevant policy, education andmanagerial implications that will enhance performance of SMEs.

2. CONCETUAL FRAMEWORK

Entrepreneurial orientation is defined by [17] as a three dimensional concept when he describes an entrepreneurial organisation as an organisation that “engages in product market innovation, undertakes somewhat risky ventures, and is first to come up with proactiv innovation, beating competitors to the punch.” The three dimensions of EO; innovativeness, proactiveness and risk taking by [17] were transformed into scales by [18]. EO, according to most studies, is a synthesis of these three aspects [17]. However, [19] identified two new dimensions of EO: autonomy and competitive aggressiveness. These identified new dimensions were to complement the initial three proposed by [17]. [19] stated that a firm's success needed autonomy from strong leaders or innovative individuals, free of bureaucratic constraints. While competitive aggressiveness, on the other hand, promotes the idea by [17] of "beating competitors to the punch."

2.1. Five Dimension of EO

a. Innovativeness

Innovativeness is seen as a critical component for a business to succeed as an entrepreneur. It represents a firm's proclivity to participate in and encourage the production of new ideas and inventive processes that could lead to new goods, services, technological processes, and markets [20].To enhance clarity, the definition of innovativeness can be divided into three segments: constant renewal and expansion or generation of new products, services, and related markets; finding, presenting, and establishing new distribution and supply channels; and introducing new procedures in management and arranging work to improve worker skills and working conditions [8].[21] asserted that innovativeness plays an important part in resolving business challenges, and that it is viewed as a critical pillar for gaining competitive advantage over other businesses in the same industry. This is because innovation helps a company to capitalize on consumers' ever-changing tastes by satisfying unique market needs [22]. When operating in a world of global competition, rapid technological advancements, and resource constraint, a firm's innovative ability to renew its market offers becomes critical to its ability to survive and develop [7].

Innovativeness can be characterized into product, service, process, and administrative innovation are examples of distinct types of innovation [17, 12]. While product innovation aims to provide new products and services to fulfill the requirements and expectations of customers [10], process innovation puts new processes into the market by incorporating innovations in techniques, equipment, and software to better production and delivery methods, whereas market innovation chooses new market niches best served by enterprises [23]. According to [5,] innovativeness can be used to incorporate new goods, processes, and markets in order to improve business performance.

Since the different types of innovation are not mutually exclusive, innovative organizations can engage in one or several forms of innovation [11]. However, the degree of innovation varies based on the features of the firms and the company's performance [1]. According to [5], the degree of novelty or the amount of new knowledge that will be gained is usually used to categorize innovativeness as radical or incremental. Radical innovation entails significant organizational changes that result in an increase in the firm's current knowledge. Incremental innovation, on the other hand, simply necessitates a minor enhancement in current knowledge [13]. This includes basic product enhancements or line expansions that increase existing performance minimally [9].

[24] emphasized the importance of innovation in entrepreneurship. He opined that innovation is key in the core endeavor of entrepreneurial organizations which include creation of new products and invention of new processes. [16] also believes that innovation can help a company enjoy competitive advantage. In the same vein, [9] opined that innovation is a necessary component of any business and that entrepreneurship would be impossible without it.

b. Risk-Taking

The concept of risk-taking is synonymous to entrepreneurship [20]. In the entrepreneurship literature, risk-taking is recognized as a critical attribute of businesses that are entrepreneurially oriented [22]. [19] explain that EO enterprises are more risk tolerant than other kinds of enterprises. Risk-taking is defined as a company's willingness to take calculated commercial risks in the marketplace, even if the results are uncertain [19]. Firms that take risks demonstrate opportunity seeking behaviors by often changing their current tactics in anticipation of increased revenues [23]. Firm risk-taking behaviors are generally reflective of their readiness to diverge from well-known effective methods in order to try new options with potentially better returns but also allowing for the possibility of unforeseen losses when delving into the unknown. To put it another way, high-risk companies are more likely to pursue new business prospects that pay off better.Borrowing significantly, entering unknown markets, and committing a large amount of resources to initiatives with unclear outcomes are all examples of risk-taking behavior [19].

There are three sorts of risks that organizations and their executives face: business, financial, and personal [19]. Taking business risks entails entering into the unknown without knowing the likelihood of success. This is the danger of entering untested markets or implementing experimental technologies. Financial risk-taking occurs when a company borrows substantially or commits a large amount of its resources to its own growth. In this sense, risk refers to the risk/return trade-off.

Organisations and their executives face three types of risk: business, financial and personal [19]. Business risk-taking involves venturing into the unknown without knowing the probability of success. This is the risk associated with entering untested markets or executing unproven technologies. Financial risk-taking describes when a firm borrows heavily or commits a large portion of its resources to its own growth. Risk is used in this context to refer to the risk/return trade-off. The risk that a CEO takes when taking a stand in favor of a strategic plan of action is referred to as personal risk-taking [19]. [23] proposed that organizations with strong entrepreneurial behavior are drawn to initiatives with higher degrees of risk in order to obtain larger profit. A risk-averse firm, on the other hand, will avoid pursuing anything that has an unclear payoff and is less flexible or adaptable to a changing environment. Risk-aversedbehavior usually results in poor performance since the firm may be unwilling to seize market opportunities [9].

Risk-taking, according to the review above, demonstrates a company's willingness to delve into the unknown. Furthermore, risk-taking behaviors enable organizations to capitalize on market opportunities by making timely judgments to outperformt competitors [5]. Nevertheless, organisations that are risk-takers are expected to make timely and accurate judgments in order to attain the large positive returns they anticipate [23]. A measured risk-taking behavior based on prudent strategic policymaking could assist business enterprises in highly unpredictable markets capitalize on changes in the environment to increase performance [23, 12, 22].

c. Proactiveness

Proactiveness is defined as predicting and seeking new opportunities connected to future demand and participating in emerging markets [19].According to [1], proactiveness is “an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand”.The ability to recognize and respond to market signals demonstrates a company's proactiveness[15]. [5] stressed that proactiveness is critical to a company's success because it allows the company enjoy the first-mover advantage in terms of pursuing initial earnings and other investment opportunities. Proactivity aids the organization in anticipating and correctly predicting future offerings that will match client expectations, as well as making attempts to distribute them to the appropriate markets [10].

The role of proactiveness in firm performance, as discovered by [22, 12], varies depending on the stage of development of the company. [22] explained that proactivity is vital throughout the early stages of a company's development; but, once a company is established, it becomes less necessary. They further opined that proactivity allows a budding young company to secure its position in its chosen industry, ensuring long-term success.

According to a survey of the entrepreneurship literature, a the level of proactiveness of a given enterprise is related to its ability to collect more information relevant to resources and opportunities available in an industry [18]. This implies that proactive organizations can more extensively scan the external environment to discover available opportunities. As a result, these firms are more likely to be aware about the acquisition of information and resources than less-proactive firms, which helps them to outperform their less-proactive rivals and enjoy above-average returns.

d. Autonomy

Autonomy refers to an individual's or a group's ability to make decisions and take actions independent of the organization [19]. It also displays a person's great desire for liberty in the formulation and implementation of an idea [14]. [19] asserted that autonomy can “enable a team (or individual) to not only solve the problems, but to actually define the problem and the goals that will be met in order to solve that problem”. As a result, they proposed that in order to obtain a high level of EO, autonomy should exist at the strategic level [20]. [8] proposed that giving employees more autonomy in the workplace would encourage them to work in a more positive manner, potentially leading to improved corporate performance. He also believes that a company that demonstrates autonomous behavior encourages individual innovation by pushing fresh ideas. Individuals who display autonomous behaviour tend to make decisions without consideration for others' opinions [3]. Autonomy is a self-motivated behavior aimed at reaching predetermined goals [6].

e. Competitive Aggressiveness

According to [3], competitive aggressiveness is defined as a firm's willingness to directly and vigorously challenge competitions in order to gain entry or strengthen its existing position in the marketplace, geared towards surpassing industry rivals. It is seen as the organisation's tendency to compete vigorously in order to outperform competitors with the industry [9]. Organisations that exhibit competitive aggressive behavior are more likely to take a hostile stance toward competitors in an attempt to outperform competitors that challenge their existence or market position [19]. In organisations.competitive aggressive behavior can either be responsive or reactive. Responsive behaviour can take the shape of head-to-head competition or an attack, directly, on competitors, such as when a company joins a market where a competitor already exists. On the other hand, reactive behaviour entails an immediate action in response to to a competitor's action; for example, a corporation may drop prices and forego profitability to maintain its market share when a competitor releases a new product into the same market [19].

Competitive aggressiveness promotes enhanced firm performance. This is because its emphasis is on outmanoeuvring and undercutting competitors strengthens [19]. Being aggressive in competition allows a company to gain a competitive advantage by weakening its rivals. It also allows businesses to react rapidly to activities taken by competitors that are deemed to be harmful.

3. THEORETICAL FRAMEWORK

The resource-based view (RBV) is founded on the idea that a firm's internal resources, rather than its external positioning, are the basis of its performance and competitive advantage. That is, rather than just assessing opportunities and threat, inherent in the environmental, in the course of business, certain organisational resources within the control of business have the potential to provide enhanced performance and, ultimately, competitive advantage. However, to transform a short-run competitive advantage into a sustained competitive advantage requires that these resources, which may be tangible or intangible, are heterogeneous in nature, not perfectly distributed and must satisfy the VRIN framework (Valuable, Rare, In-imitable and Non-substitutable). Within this context, EO has been identified as one of the most significant resources determining a firm's performance and, as a result, competitive advantage [20].

The concept of concurrent manifestations of innovativeness, proactiveness, autonomy, competitive aggressiveness, and risk-taking as proposed by [17] has been persistently followed in EO research [21]. As a result, companies with high EO are perceived as being more innovative in terms of product-to-market combinations, making bold strategic decisions to capture new opportunities, and being ahead of the competition. They're also known for favoring high-risk, high-reward events.These patterns of behaviour are intangible and dispersed among organization members, as such are rare, valuable, and cannot be imitated or substituted [26,27]. Also, reinforcing the valuable, rare, non-substitutable and in-imitable elements of the EO resource, [5] opined that the dimensions embodied in EO cannot be acquired from the market like some technological or financial resources since these dimensions are embedded in organisational routines. They asserted that a great deal of investment is needed to develop the EO culture within a firm. This means that, while competitors may be able to detect actual strategic actions of an organisation, competitors may find the manifestation of EO underpinning those moves difficult to comprehend or reproduce.This is because a firm's EO is unique to the firm, as such a source of enhanced performance and sustainable competitive advantage.

Prior studies suggest that entrepreneurial orientation (EO) is beneficial to organizational performance [2,10,5]. Putting it differently, entrepreneurial organisations perform better and enjoy competitive edge over competitors. According to this line of research, and consistent with the predictions of RBV, it is expected that the extent of EO in firms will generally lead to enhanced performance in such firms.

Hypothesis: Entrepreneurialorientation (EO) is positively related to firm performance.

4.METHODOLOGY

This study was carried out in the South-South geopolitical region of Nigeria. It adopted the survey research design. The sample for this study was made up of 1308 small and medium enterprises (SMEs) selected from the six (6) states that makes up the geopolitical zone at 218 SMEs per state using stratified random sampling technique.For this study, SME was defined as any enterprise with an asset base that ranged between Five Million Naira and Five Hundred Million Naira (excluding land and buildings) and employing between 10 and 199 people [29]. The scale to measure EO was adapted from a questionnaire earlier used by [30]. Five dimensions of EO (innovativeness, proactiveness, risk-taking, autonomy, and competitive aggressiveness) comprising 18 items were examined in this study. SME performance was measured using four items i.e. product performance, market share, customer performance, and sales performance. The adapted questionnaire was arranged using the five-point Likert scale. It was subjected to face and content validity and had a reliability coefficient of 0.79. Data for this study was collected from the primary source. This was done through the administration of adapted questionnaire. The data collected were analysed using Pearson's correlation analysis and hierarchical multiple regression analysis. The owners/managers of the selected SMEs made up the respondents for the study.

5. RESULTS

The bivariate correlation between the variables of entrepreneurial orientation and SMEs performance are shown on Table 1. Overall, the correlation matrix shows significant relationship between the variables of EO and variable of SMEs performance except for autonomy and competitive aggressiveness that did not correlate significant with any variables of SMEs performance.

Specifically, results from Table 1indicate that innovativeness has a positive and significant relation with product performance (r = .24, P < .05), market share (r = .31, P < .05), customer performance (r = .21, P < .05), sales performance (r = .49, P < .05) and SMEs performance (r = .66, P < .05). Proactiveness has significant and positive relationship with product performance (r = .19, P < .05), market share (r = .55, P < .05), sales performance (r = .45, P < .05) and SMEs performance (r = .53, P < .05), but not with customer performance (r = .08, P < .05). The results also indicate that risk-taking correlated positively and significantly with product performance (r = .29, P < .05), market share (r = .27, P < .05), customer performance (r = .26, P < .05), sales performance (r = .29, P < .05) and SMEs performance (r = .31, P < .05).

Furthermore, the correlation matrix shows that autonomy is not significantly related to product performance (r = .18, P < .05), market share (r = .11, P < .05), customer performance (r = .15, P < .05), sales performance (r = .09, P < .05) and SMEs performance (r = .07, P < .05). With regards to competitive aggressiveness, there is no significant relationship with product performance (r = .04, P < .05), market share (r = .11, P < .05), customer performance (r = .06, P < .05), sales performance (r = .05, P < .05) and SMEs performance (r = .12, P < .05).

These results imply that there is significant and positive relationship between three EO variables (proactiveness and innovativeness, risk-taking) and SMEs performance. However, autonomy and competitive aggressiveness did not relate significantly with SMEs performance.

Table 1. Correlation matrix

	Variables	1	2	3	4	5	6	7	8	9	10
1	Innovativeness	1									
2	Proactiveness	0.24	1								
3	Risk-taking	0.35	0.33	1							
4	Autonomy	0.02	0.22	0.46	1						
5	Comp. Agg.	0.08	0.14	0.04	0.16	1					
6	ProdPerf	0.24	0.19	0.29	0.18	0.04	1				
7	MktShare	0.31	0.55	0.27	0.11	0.11	0.04	1			
8	CustPerf	0.21	0.08	0.26	0.15	0.06	0.18	0.17	1		
9	SalesPerf	0.49	0.45	0.29	0.09	0.05	0.10	0.31	0.17	1	
10	SMEperf	0.66	0.53	0.31	0.07	0.12	0.45	0.67	0.33	0.79	1

[*] *Correlation coefficients >.19 were considered significant at P < .05*

Hierarchical multiple regression analysis was utilized to study the determinants of SMEs performance and to assess how much of variance in SMEs performance could be explained by the independent variables. The summary of the results are shown in Table 2. The overall SMEs performance model has a coefficient of determination (R^2) of .615. It shows a strong correlation between the predictors (dimensions of entrepreneurial orientation) and SMEs performance. The corrected coefficient of determination (adjusted R^2) is .607. This suggests that the fitted model and its predictor variables account for about 60.7 per cent of the variance in the performance of SMEs. The remaining 39.3 per cent could be attributed to chance or external variables not investigated in the study.

Also, the overall fit of the regression model appears good. The F-statistics of 75.925 is significant at the .05 level. This means that the regression model fit the data at a significance level of .05. In other words, the relationship between the dependent and predictor variables is appropriately represented by this model. It demonstrates that the EO characteristics under examination have a positive and significant impact on the performance of Nigerian SMEs.

Furthermore, the results in Table 2 show that three out of five variables, namely innovativeness (Beta= .490; t=11.261; P< .05), proactiveness (Beta= .461; t=9.533; P < .05), and risk-taking (Beta= .218; t=5.435; P< .05) have significant influence on overall SMEs performance. However, autonomy (Beta= .028; t=.902; P> .05) and competitive aggressiveness (Beta= .075; t=1.552; P> .05) do not have significant influence on overall SMEs performance.

Also, Table 2 provides useful evidence to the fact that the predictors of product performance were: innovativeness (Beta= .187; t=2.881; P< .05), proactiveness (Beta= .345; t=3.832; P< .05) and risk-taking (Beta= .145; t=2.469; P< .05). Autonomy (Beta= .004; t= .045; P>.05), on the other hand, had a positive but insignificant contribution to product performance. As a result, while autonomy contributed positively to product performance in SMEs, it was insufficient to trigger a change in the SMEs performance model.

Further, Table 2 shows that innovativeness (Beta= .156; t=2.539; P< .05), proactiveness (Beta= .122; t=2.451; P< .05), and risk-taking (Beta= .145; t=2.469; P < .05) were significant predictors of market share dimension of SMEs performance. Autonomy (Beta= .066; t= -.045; P> .05) and competitive aggressiveness (Beta= .030; t= -.043; P> .05) made no significant contribution to market share.

The influence of EO on customer performance was combination of significant results (innovativeness – Beta= .368, t= 3.487, P< .05; proactiveness – Beta= .886, t= 8.266, P< .05; competitive aggressiveness – Beta= .412, t= 5.641, P< .05), non-significant result (risk-taking Beta= .144; t= 1.429; P> .05) and negative result (autonomy – Beta= -.131; t= -1.318; P> .05).

Interestingly there were only two significant predictors of sales performance (innovativeness – Beta= .677, t= 6.382, P< .05 and proactiveness – Beta= .851, t= 7.902, P< .05). All other variables of EO contributed negatively (risk-taking – Beta= -.119; t= -1.170; P> .05; autonomy – Beta= -.067; t= -.858; P> .05 and competitive aggressiveness – Beta= -.065; t= -.882; P> .05) to sales performance. It is worthy of note that proactiveness makes the highest contribution to sales performance while competitive aggressiveness made the least contribution to sales performance.

In summary, the results imply that a percentage increase in any of the three EO dimensions that is shown to be significant and positive could stimulate proportional increase in overall SMEs performance. In other words, by increasing innovativeness, proactiveness, and risk-taking, SMEs could enhance their performance in terms of product performance, market share, customer performance and sales performance. Thus, SMEs could achieve desired level of performance by implementing series of EO practices.

Table 2: Hierarchical multiple regression analysis on entrepreneurial orientation and measures of SMEs performance

Independent variables	**Dependent Variables**					**Remark**
	SMEperf	**ProdPerf**	**MktShare**	**CustPerf**	**SalesPerf**	
Innovativeness	.490** (11.261) [.044]	.187 (2. 881) [.065]	.156** (2.539) [.062]	.368** (3.487) [.106]	.677** (6.382) [.106]	Null H1 Rejected
Proactiveness	.461** (9.533) [.048]	.345** (3.832) [.090]	.122** (2.451) [0.062]	.886** (8.266) [.107]	.851 (7.902) [.108]	Null H2 Rejected

Risk-taking	.218** (5.435) [.040]	.188** (2.221) [0.085]	.145** (2.469) [.059]	.144 (1.429) [.101]	-.119 (-1.170) [.101]	Null H3 Rejected
Autonomy	.028 (.902) [.031]	.004 (.004) [.089]	.066 (.045) [1.462]	-.131 (-1.318) [.077]	-.067 (-.858) [.078]	Null H4 Accepted
Competitive aggressiveness	.075 (1.552) [.029]	.040 (.646) [.061]	.030 (.043) [.709]	.412** (5.641) [.032]	-.065 (-.882) [.073]	Null H5 Accepted
Constant(α)	4.341	3.883	4.569	-2.463	-6.104	
F-value	75.925**	5.025**	5.550**	30.404**	111.563	
R^2	.615	.095	.104	.412	.327	
Adjusted R^2	.607	.076	.086	.400	.295	
N	1308	1308	1308	1308	1308	

*Note: ** value is significant as p < .05*
Values in first parentheses are t-scores and 2nd parentheses are standard error.

6. DISCUSSION OF FINDINGS

The pattern of results obtained here supports the general idea that entrepreneurial orientation (EO) relatespositively with SMEs performance. However, while results were significant for the EO dimensions of innovativeness, proactiveness, and risk-taking, they were not significant for the dimensions of autonomy and competitive aggressiveness. Also, a critical look at Table 1 shows that there is significant relationship between the EO dimensions of innovativeness, proactiveness, and risk-taking and variable of SMEs performance except for autonomy and competitive aggressiveness that did not correlate significant with any variables of SMEs performance. Thus, it appears, at least among SMEs in Nigeria, that the readiness of businesses to explore and implement new ideas or techniques to better products and services for market delivery; taking initiative by anticipating and pursuing new opportunities related to future demand; and taking calculated business risk in the market, even if the results are unknown are more important predictors of their performance than having autonomy and the predisposition for aggressive competition in order to outperform industrial competitors. This position is supported by [23, 22, 31,5,25]. Specifically, [23] opined that SMEs will have to be creative and bring about new ideas, processes, technology and product to be able to compete and enjoy above average return. This they say is because innovation is essential to entrepreneurship. Speaking further, [25] suggested that SMEs that often take a risky stance in order to increase the likelihood of capitalizing on chances; takes bold actions to achieve their goals; take calculated risks with new ideas; and put in place a structure to monitor and manage risk are more likely to enjoy enhanced all round performance This observation lends support to the conclusion of [22] who said that risk-taking influences SMEs performance. They emphasized that a well-considered risk-taking strategy based on quick strategic decision-making could help businesses capitalize on changes in the environment to increase performance.

6. CONCLUSION

This study was designed to examine the influence of entrepreneurial orientation (EO) on performance of small and medium scale enterprises (SMEs). The findings of the study clearly show that EO has positive correlation with overall SMEs performance in Nigerian.

Based on these findings, we concluded that entrepreneurial orientation has significant influence on performance of SMEs in Nigeria.

7. MANAGERIAL IMPLICATIONS

This study found that there is significant positive relationship between EO and SMEs performance. Thus, it supports the idea that EO as an organizational resource, when deployed properly, can contribute and influence performance of SMEs positively. Indeed, since EO is unique to firms, SMEs are advised to promote an entrepreneurial culture which is linked their organisational strategy, objectives and performance results in the short and long term.

Looking at individual EO dimensions side-by-side with the SMEs performance variables under study, this study has shown that not all EO dimensions have significant and positive influence on variables of SMEs performance. Specifically, the EO dimensions of autonomy and competitive aggressiveness were not significantly related to any SMEs performance variables except for competitive aggressiveness on customer performance. Thus, SMEs' owners/managers should use the EO dimensions that best suit their firm's strategic emphasis, taking into account aspects such as the organization's age and/or size, industry influence, and the specific setting in which the firm works.

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