

EFFECT OF ENTREPRENEURIAL ORIENTATION ON SMALL AND MEDIUM ENTERPRISES PERFORMANCE IN NASARAWA STATE, NIGERIA

¹DABOH, Obadiah Ayok, ²Hassan Umar Umar & ³EGWUONWU, Ifeanyi Celestine

^{1,2&3}Department of Business Administration, Nasarawa State, University, Keffi

¹obadiah4daboh@gmail.com, ²yerimaazores@gmail.com, umaruhu@nsuk.edu.ng &

³Tegwuonwu8@gmail.com

ABSTRACT

Despite the effort made to enhance the performance of small and medium enterprises in Nigerian economy through various initiatives such as the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), National Business Development Programme (NBDP), National and State Councils of Micro Small and Medium Enterprises, Youth Enterprises with Innovation in Nigeria (YouWin) program was launched, the revised National MSMEs Policy was introduced, and the Central Bank of Nigeria provide financing options for SMEs through commercial banks and microfinance institutions, yet small and medium enterprises performance still remained low. It is against this background the study examined the effect of entrepreneurial orientation on the performance of small and medium enterprises in Nasarawa state. Cross sectional research design was adopted for this study with the population of 8,187 registered SMEs in Nasarawa state by SMEDAN/NBS/CAC survey 2021 and sample size of 400 approximately were determine using Taro Yamane formula of sampling. Questionnaire was administered to the owner/ managers of the SMEs. Partial Least Square Structural Equation Model (PLS-SEM) was used for the analysis of the Study. The study findings revealed that, entrepreneurial pro-activeness has positive and insignificant effect on the performance of small and medium enterprises in Nasarawa state. While, entrepreneurial risk taking revealed a positive and significant effect on the performance of small and medium enterprises in Nasarawa state. On the various findings, the study therefore, recommended that, SMEs in Nasarawa State should integrate entrepreneurial pro-activeness with other strategic factors like innovation and market orientation to enhance performance. Additionally, fostering a culture of calculated entrepreneurial risk-taking, supported by sound management practices, can further drive growth and sustainability.

Keywords: Entrepreneurial Orientation, SMEs Performance, Pro-activeness, Risk taking

INTRODUCTION

Performance of Small and Medium Enterprises (SMEs) is one of the key foundations of economic growth and development for nations across the globe. SMEs are known for the strategic and impactful contributions they make as a stimulus for industrialization of national economies. SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90% of businesses and more than 50% of employment worldwide (World Bank, 2022). In Nigeria, SMEs contributed 46.31 percent of the national GDP and also accounted for 6.21 percent of gross export (Small and Medium Enterprise Development Agency of Nigeria & National Bureau of Statistics, 2021). Also, in the area of employment generation, SMEs provide an average of 60% to 70% of total employment in Nigeria (International Council for Small Business (ICSB), 2019). Another advantage of SMEs in developing countries like Nigeria is in the area of relatively small capital and managerial expertise requirement which matches the limited size of capital for investment and managerial expertise obtainable in developing country (Duru, et al, 2018; Peng, et al, 2019).

Entrepreneurial orientation is viewed as a key contributor to the success of global entrepreneurs (Akbar et al., 2020; De Clercq et al., 2022; Alvarez-Torres et al., 2019; Okello, 2020). As the global economy has grown and access to goods and services has become easier and instant, maintaining a competitive advantage has become increasingly important. Entrepreneurial orientation assists and supports small and medium enterprises flexibility as a strategy to address environmental uncertainty (Akpoviro & Akanmu, 2021). Entrepreneurial orientation is regarded as one of the cornerstones of entrepreneurship and it is, therefore, extensively used in strategy and entrepreneurship research as a measure of entrepreneurial behaviour (Solikahan & Mohammad, 2019). Furthermore, Entrepreneurial orientation is

considered a significant predictor of enterprise performance (Kalmuk & Acar, 2015). Fadda (2018) also found various studies that investigated the link between entrepreneurial orientation and enterprise performance. The importance of entrepreneurial orientation lies in its potential to help the enterprise top management to delineate the purpose of the business, sustain company's vision and formulate a way to achieve competitive advantage over competitors (Al Mamun et al., 2017).

Entrepreneurial pro-activeness involves acting in anticipation of future problems, needs or any change thereof. It is the essence of not being reactive, forward looking, with resultant innovativeness that may lead to new products or activities (Onyenma & Hamilton, 2020). Entrepreneurial pro-activeness is the tendency for small and medium enterprises to importantly take positive marketing strategy and action leading to the introduction of new products, new processes, new technologies, and new services in order to transcend competitors. To gain competitive advantage, proactive enterprises tend to take advantage of the market opportunities ahead of competitors, and take the lead in introducing new products and services (Akoma, 2023).

Entrepreneurial risk-taking has been long associated with entrepreneurship. Early definition of entrepreneurship centered on the willingness of entrepreneurs to engage in calculated business risks (Adim & Bassey, 2022). Risk taking is the foremost component of entrepreneurial orientation. As the business grows, SMEs faces numerous kinds of risks in terms of finance, competition, latest technology; political party and their new policies etc. These risks give an impact on the performance of the business (Heena & Bedi, 2022). Small and medium enterprises always deal with a risky environment where they are expected to take calculated risks to proceed in a new market or investment to aid their performance. Risk can be seen as the possibility of failure or loss or other adverse consequences in pursuing some activity or venture which is important for an enterprise to know (Rahaman, et al., 2021). The positive relationship between risk-taking propensity and risk decision making by individuals is expected to translate to enterprise through top management teams, as risk taking depends on risk propensity and risk perception. It also helps an enterprise form an organization atmosphere of tolerance and risk (Adim & Bassey, 2022).

Earlier study of Miller (1983) measured entrepreneurial orientation construct using three dimensions, namely, innovativeness, pro-activeness, and risk taking. Later, two more dimensions were introduced to measure entrepreneurial orientation; these are autonomy and competitive aggressiveness (Lumpkin & Dess, 1996).

Effort have been made to enhance the performance of SMEs in Nigerian economy through various initiatives; The Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) was established as the sole agency responsible for promoting and developing the small and medium enterprises (SMEs) sub-sector in an efficient and sustainable manner. Additionally, the National Business Development Program (NBDP) was implemented, the National and State Councils of MSMEs were created, the Youth Enterprises with Innovation in Nigeria (YouWin) program was launched, the revised National MSMEs Policy was introduced, and the Central Bank of Nigeria provide financing options for SMEs through commercial banks and microfinance institutions. Despite these efforts the performance of SMEs remains low. This is visible in the sectoral report issued by National Bureau of Statistics (NBS, 2023) which indicated a drop in the overall sectoral contribution of SMEs to the nation's economy from 50% percent contribution to GDP in 2021 to 43.3 % in the last quarter of 2022. Therefore, necessary to conduct this study on the effect of entrepreneurial orientation on the performance of SMEs in Nasarawa State, Nigeria.

Based on the above statement of the problem, the study examines the following two objective:

- i. determine the effect of entrepreneurial pro-activeness on SMEs performance in Nasarawa State, Nigeria.
- ii. examine the effect of entrepreneurial risk taking on SMEs performance in Nasarawa State, Nigeria.

LITERATURE REVIEW

Entrepreneurial Orientation

Entrepreneurial orientation is defined as the ability to creatively deliver goods/services to customers by allowing independent creativity, investing in lucrative future ideas by taking risk, anticipate future demands by been Pro-active and compete aggressively to gain competitive advantage (Adegbe, 2017). Entrepreneurial orientation refers to the strategic approach adopted by a company, encompassing specific entrepreneurial elements of decision-making styles, methods, and practices (Gede & Warie, 2024). According to (Choi & Williams, 2021) 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. 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 (Adudu et al., 2021).

This study defined entrepreneurial orientation as small and medium enterprises strategic approach that encourages innovation, risk-taking, proactivity, and competitive aggressiveness to gain a competitive advantage and drive business performance. It involves decision-making practices that foster creativity, adaptability, and the development of new competencies to exploit opportunities and enhance long-term success.

Brownhilder and Johan (2017) defined entrepreneurial pro-activeness as an opportunity-seeking, forward-looking perspective, involving the introduction of new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment. Entrepreneurial pro-activeness thereby comprises the predisposition to be the first to market with new products or services (Akoma, 2023). Entrepreneurial pro-activeness is a ability to think ahead, foresee, initiate a change or take a first mover leap rather than being reactionary or defensive in its strategic posture. Furthermore, pro-activeness refers to an on-going perspective where a firm actively seeks to anticipate and take advantage of opportunities to develop and introduce new products and implement changes to existing firm's strategies and tactics (Onyenma & Hamilton, 2020).

Entrepreneurial pro-activeness according to this study, is the ability of a small and medium enterprise to anticipate future opportunities and take initiative by introducing new products or services ahead of competitors, shaping the market environment. It involves a forward-looking, opportunity-seeking mindset that drives innovation, change, and proactive strategic actions.

Entrepreneurial risk-taking is the ability to take action or decisions to move forward, even before knowing the results, as this is needed by a business in order to grow (Ivy & Nur, 2021). Risk taking is the act of taking a decision or performing a task that may lead to positive or negative outcome in order to achieve a goal (Onyenma et al., 2020). Risk-taking propensity can then be defined as a tendency to take or avoid risks and it is regarded as an individual characteristic. SME risk taking involve uncertainty about the future effects of current decisions that business choices should consist of an assessment of outcomes and possibilities that it differs from expectations (Onyenma et al., 2020). Risk-taking refers to the tendency to take bold actions such as venturing into unknown new markets and committing a large portion of resources to ventures with uncertain outcomes (Adim & Bassey, 2022). Risk-taking propensity can be defined as a person's orientation to take risks (Antonicic et al., 2018). Kort (2017) assert that successful leaders and entrepreneurs who are comfortable risk takers have developed a mindset around risk taking and a process by which to manage their risks in order to manage their emotions about the unknown, reap the benefits and maximize their returns when they take on risks to progress and grow. One of the entrepreneur's personality traits is risk-taking (Adim & Bassey, 2022).

Entrepreneurial risk-taking is opined by this study as the willingness to make decisions or take actions that involve uncertainty in order to achieve business goals, with potential positive or negative outcomes. It reflects an entrepreneur's tendency to engage in bold, resource-intensive ventures, balancing risk and reward to drive growth and innovation.

SMEs Performance

Small and medium enterprises (SMEs) performance is viewed as the total wellbeing of business entity in terms of results measurable against resources committed to achieve predetermined goals or objectives (Agwu, 2018). One of the major issues that preoccupy the minds of most business owners and/or managers is their enterprise performance in the marketplace (Tseng et al., 2013). Thus, enterprise performance has been regarded as a primary dependent variable in the field of strategic management, this is so because, the core aim of strategic management revolves around the provision of answers to the ultimate question of why some business enterprises outperform others despite they all operate in and face the same business environmental challenges (Bature et al., 2018). Business performance (company) is the result of the implementation of a series of activities carried out by all elements within the company as a process of achieving goals. A good company performance will be seen from the level of productivity, effectiveness and good efficiency (Panjaitan, 2021). Generally, the concept of SME performance is multifaceted in nature and has attracted attention of researchers with multifarious views as to the most appropriate approach to measuring firm performance (Gupta & Wales, 2017). Small and medium enterprises performance according to this study refers to the overall success of a business in achieving its predetermined goals, measured by outcomes such as productivity, efficiency, and effectiveness, relative to the resources invested. It encompasses various dimensions, including financial performance, market competitiveness, and operational efficiency, reflecting the firm's ability to navigate challenges and capitalize on opportunities.

Empirical Review

Nguyen et al. (2023) evaluated the relationship between entrepreneurial orientation factors and the business performance of women-owned small and medium enterprises (SMEs) in Vietnam focusing on the dimension of pro-activeness. Data were obtained from 350 female entrepreneurs of SMEs in Vietnam using a structured questionnaire. The partial least squares structural equation modeling method (PLS-SEM) was applied to find the cause-and-effect relationship between exogenous and endogenous variables. It was found that the business capacity of business owners, the quality of human resources, access to finance, social capital, entrepreneurial orientation and government policies positively impact the enterprise's business performance. The relationship between the three dimensions of entrepreneurial orientation and business performance is examined. Pro-activeness had a positive and significant relationship with business performance of women-owned SMEs. While Nguyen et al. (2023) highlight the positive impact of pro-activeness on business performance in women-owned SMEs, the findings may not be directly applicable to Nasarawa State due to differences in local market dynamics, infrastructure, and socio-cultural factors that could influence entrepreneurial behavior and outcomes.

Pertheban et al. (2023) examined the relationship between proactive resilience strategies, ambidextrous capabilities, and the performance of SMEs in the manufacturing sector, drawing on the dynamic capabilities perspective. A quantitative research design is adopted, a structured survey questionnaire is used, and data are collected from 351 SMEs in the manufacturing sector. Partial least squares structural equation modeling (PLS-SEM), Smart PLS 3.0 is used to test both direct and mediating results. The findings of this study suggested that proactive resilience strategies may have a significant influence on organizational performance of SMEs. Ambidextrous capabilities also act as a strong mediator between proactive resilience strategies and organizational performance. These findings contribute to the dynamic capabilities literature by highlighting the importance of proactive resilience strategies and ambidextrous capabilities in enhancing the positive impact on organizational performance in SMEs. This study provides a plausible explanation of two important management mechanisms for enhancing organizational performance sustainability. The relationships between proactive resilience strategies, ambidextrous capabilities, and organizational performance are malleable. While Pertheban et al. (2023)

provide valuable insights into the role of proactive resilience strategies and ambidextrous capabilities in improving SME performance, their findings may not fully apply to Nasarawa State, where SMEs may face different levels of resource availability, institutional support, and market dynamics that influence the effectiveness of such strategies.

Onyenma and Hamilton (2020) investigated the relationship between pro-activeness and performance of small and medium enterprises in Rivers and Bayelsa states of Nigeria. The unit of data generation was the organization and the corresponding level of analysis was the macro-level. A total of three hundred and sixty (360) small and medium enterprises studied constituted the study population, and a sample size of one hundred and eighty-six (186) was drawn using the Krejcie and Morgan table. Data was collected through questionnaires distributed to the respondents. Using the Statistical Package for the Social Sciences version 22, and inferential statistics such as Pearson Product Moment Correlation Coefficients, regression and p-values were calculated in order to ascertain the nature and direction of the proposed relations and for testing the stated hypotheses. Results revealed positive and significant relationship between pro-activeness and measures of small and medium enterprises performance. Therefore, the study specifically found that pro-activeness led to improved customer satisfaction, growth and social performance of small and medium enterprises in Rivers and Bayelsa states. While Onyenma and Hamilton (2020) find a positive relationship between pro-activeness and SME performance in Rivers and Bayelsa, their results may not directly translate to Nasarawa State, where different local challenges, economic conditions, and infrastructural limitations could influence the effectiveness of pro-active strategies on business outcomes.

Oguh and Uzor (2024) investigated entrepreneurial risk-taking ability and profitability in selected small and medium enterprises (SMEs) Anambra State, Nigeria. The study adopted survey research design. One thousand, five hundred and four (1,504) owner/managers of SMEs operating in Anambra State who were registered with the Nigerian small and medium enterprises development agency made up the study's population. The owners and managers of the SMEs that were registered in Anambra State, Nigeria, were chosen for the study using a basic random sample technique. The research tool used was an organized set of questions. According to the study's findings, entrepreneurial risk-taking ability had a statistically significant effect on the profitability of a subset of SMEs in Anambra State, Nigeria. While Oguh and Uzor (2024) show a significant link between entrepreneurial risk-taking and profitability in Anambra State, their findings may not fully apply to Nasarawa State, where different socio-economic factors, infrastructure, and access to capital could influence the extent to which risk-taking impacts SME performance.

Chelagat (2023) examined the effect of risk taking and the sustainability of small and medium enterprises performance in Uasin Gishu County, Kenya. Psychological / Trait Entrepreneurship theory was. The study adopted descriptive survey research design. The study population was 450 registered enterprises in Uasin Gishu City County. Simple random sampling was used to select 135 SMEs. Primary data was collected using questionnaires. The quantitative data was analyzed using descriptive statistics using Statistical Package for Social Sciences (SPSS) Version 26. Inferential data analysis was carried out to determine the relationship between the dependent variable and the independent variables using linear regression analysis. From linear regression model ($R^2 = .67.9$) indicating that risk taking account for 67.9% of sustainability of small and medium enterprises performance in Uasin Gishu County. The study found a positive and significant relationship between risk taking and sustainability of small and medium enterprises performance ($\beta_1=0.862$ and $p<0.05$). There was a positive and significant relationship between risk taking and the sustainability of small and medium enterprises performance. While Chelagat (2023) finds a strong positive relationship between risk-taking and SME sustainability in Uasin Gishu County, the applicability of these results to Nasarawa State may be limited due to differing local economic conditions, levels of risk perception, and access to support structures that could influence risk-taking behaviors and their impact on SME performance.

Entrepreneurial Orientation (EO) Theory

The effect between entrepreneurial orientation and small and medium enterprises performance was predicated on the Entrepreneurial Orientation (EO) Theory. This theory propounded by Miller (1983) posits that firms characterized by high levels of pro-activeness, and risk-taking are better positioned to achieve superior performance and growth. The findings of the study underscore that these two components of entrepreneurial orientation significantly predict performance in small and medium enterprises, aligning with the theory's premise that such orientations foster a dynamic and responsive business environment. Pro-activeness enables them to anticipate and act on market opportunities, and calculated risk-taking allows for strategic decision-making in uncertain environments. Together, these elements create a robust framework that empowers SMEs to adapt, innovate, and thrive, ultimately enhancing their competitive advantage in a challenging economic landscape.

METHODOLOGY

The study adopted cross sectional survey design. The target population of this research work cut across all SMEs sectors in Nasarawa State. The total population of the SMEs in Nasarawa State is eight thousand one hundred and eighty-seven (8,187) businesses, according to SMEDAN/NBS/CAC, 2021 report. Since this size will be too big to cover by the researcher, the study relied on the use of a sample. The estimated sample size for the research work was obtained using Taro Yamane (1967) formula for the determination of the sample size. The sample size used for the study is determined to be 400 approximately. Primary data was used to collect data through field survey by administering questionnaires to owners/managers of SMEs across the state with the help of research assistants who are familiar with their respective areas of coverage in order to collect the needed information. This study analysed the data using descriptive statistics such as mean, median, maximum and standard deviation to analyse the characteristics of the variable. The Partial Least Square Structural Equation Model (PLS-SEM) was used to model the regression analysis and to test the hypotheses to determine if there is an effect relationship between each of the independent variables and the dependent variable.

RESULT AND DISCUSSION

Table 1: Reliability of the study scale

S/N	Variables		Factor Loadings	Cronbach Alpha	Composite Reliability	Rho A	Average Variance Extracted (AVE)	No of Items
1	ENTREPRENEURIAL PROACTIVENESS (ENPR)	ENPR1 ENPR2 ENPR3 ENPR4 ENPR5	0.819 0.890 0.852 0.874 0.887	0.915	0.937	0.917	0.748	5
2	ENTREPRENEURIAL RISK TAKING (ENRT)	ENRT1 ENRT2 ENRT3 ENRT4 ENRT5	0.904 0.872 0.926 0.890 0.844	0.933	0.949	0.935	0.788	5
3	SMALL AND MEDIUM ENTERPRISES PERFORMANCE (SMEP)	SMEP1 SMEP2 SMEP3 SMEP4 SMEP5	0.925 0.925 0.825 0.902 0.866	0.942	0.956	0.947	0.812	5

Source: SmartPLS Output, 2024

All the values fall within the Hair, et al., (2019) rating of good consistency. The Cronbach alpha value was above 0.60 which is the minimum threshold as recommended by Sekaran (2010). To test for the convergent validity, the average variance extracted (AVE) was used. All the latent variables showed values

greater than 0.50 which indicates that the constructs explain at least 50 percent of the variance of its items. According to Henseler et al., (2015) the Fornell-Larcker criterion does not perform well when explaining discriminant validity, particularly when the indicator loadings on a construct differ only slightly. As a replacement, they proposed the Heterotrait-Monotrait (HTMT) ratio of the correlations which is the mean value of the item correlations across constructs relative to the (geometric) mean of the average correlations for the items measuring the same construct (Voorhees et al., 2016). Discriminant validity problems are present when HTMT values are higher than 0.90 for structural models (Henseler, et al., 2015).

Assessing the Structural Model

Having satisfied the measurement model assessment, the next step in evaluating PLS-SEM results is to assess the structural model. Standard assessment criteria, which was considered include the path coefficient, t-values, p-values and coefficient of determination (R^2). The bootstrapping procedure was conducted using a resample of 5000.

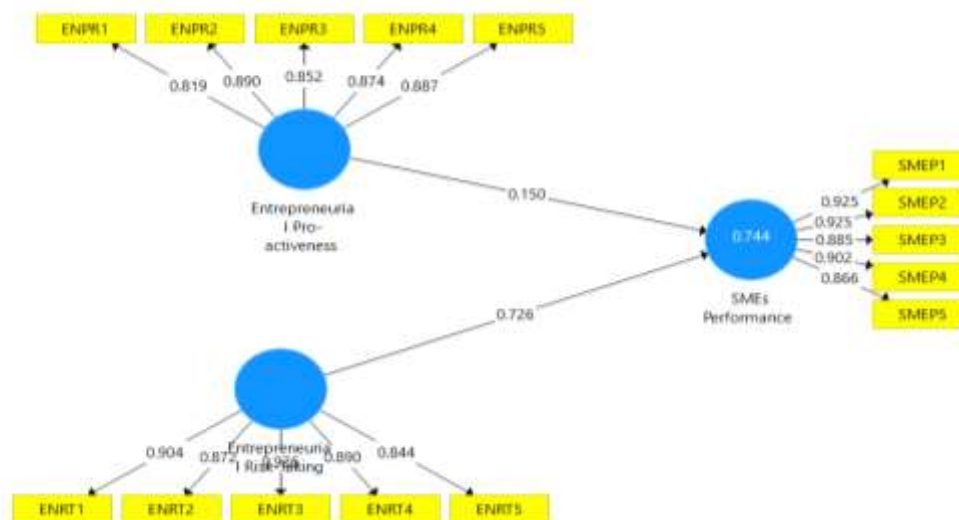


Fig. 1: Path Coefficients of the Regression Model

The R-square value revealed 74.4% indicating that entrepreneurial proactiveness and entrepreneurial risk taking are responsible for 74.4% variation in the SMEs performance. The remaining 26.6% variation could be explained by other factors that can explain SMEs performance that is not included in the study. Based on Hair, et al., (2019), the r-square is considered moderate and suitable lends credence to the findings of the study. The result of the path analysis is presented in the table below;

Table 2: Path Coefficients

Hypothesis	Variable	Path Coefficient ***(Beta)	t-value	p-value	
Ho ₁	Entrepreneurial Pro-activeness -> SMEs Performance	0.150	1.072	0.284	Accept
Ho ₂	Entrepreneurial Risk taking -> SMEs Performance	0.725	5.351	0.000	Reject

Source: Smart PLS Output, 2024

Results revealed beta value of 0.150 with a p-value of 0.284 which indicate that entrepreneurial pro-activeness has positive but insignificant effect on SMEs performance. This implies that, SMEs should continue to invest in innovative practices, as they provide long-term benefits. However, it also indicates the need for a more comprehensive strategy to increase SMEs performance to a significant level. On the ground of 5% level of significance the study accepts the-null hypothesis which stated that, entrepreneurial pro-activeness has no significant effect on SMEs performance in Nasarawa state.

Also, results revealed that, entrepreneurial risk taking has positive and significant effect on SMEs performance. The beta revealed value of 0.725 with a p-value of 0.000 which is at 5% level of significance. This implies that, SMEs in Nasarawa state employing ineffective marketing strategies that hinder performance. This also, indicate that SMEs that engage in risk-taking behaviors, such as entering new markets and innovating, are likely to see better performance outcomes. Consequently, the study rejected the null hypothesis which stated that, entrepreneurial risk taking has no significant effect on SMEs performance in Nasarawa state.

CONCLUSION AND RECOMMENDATIONS

This study explored the relationship between entrepreneurial pro-activeness and the performance of small and medium enterprises (SMEs) and found that entrepreneurial pro-activeness has a positive but statistically insignificant effect on performance in Nasarawa state. These findings contradict that of Onyenma and Hamilton (2020); Nguyen et al. (2023), Pertheban (2023) who revealed positive and significant effect entrepreneurial pro-activeness on the performance of small and medium enterprises. The study concludes that while entrepreneurial pro-activeness positively influences SME performance in Nasarawa State, its impact is not statistically significant, indicating the need for additional strategies to drive performance improvements. SMEs in Nasarawa State should integrate entrepreneurial pro-activeness with strategic planning, innovation, and effective management practices to drive meaningful performance improvements.

Also, the study found a positive effect of entrepreneurial risk taking on the performance of small and medium enterprises in Nasarawa state. This study agrees with Chelagat (2023); Oguh and Uzoh (2024) who found a positive and significant effect of risk taking and the sustainability of small and medium enterprises performance. and concludes that entrepreneurial risk-taking positively influences the performance of small and medium enterprises, highlighting its importance for business growth and success. Embracing calculated risks, SMEs are better positioned to capitalize on growth opportunities and achieve competitive advantage.

References

- Adim, C.V. & Bassey, U. L. (2022). Influence of entrepreneurial risk-taking propensity on sales growth of small and medium enterprises in Bayelsa state, Nigeria. *International Journal of Business & Entrepreneurship Research*, Volume 13, Issue 3, pp.73 – 91. DOI: DOI: 27261752371335
- Adudu, A. C., Belagu, I. T. & Adebajo, T. O. (2021). Entrepreneurial orientation and performance of small and medium scale enterprises in Benue State, Nigeria. *International journal of advances in engineering and management (IJAEM)* Volume 3, issue 6, pp: 1646-1664.
- Agwu (2018). Analysis of the impact of strategic management on the business performance of small and medium enterprises. *Academy of strategic Management Journal*, Volume 17, Issue 1, 2018.
- Akbar, F., Khan, R. A., Wadood, F., & Bin Bon, A. T. (2020). Entrepreneurial orientation dimension affects firm performance: a perspective from the Malaysian furniture industry. *Entrepreneurial Business and Economics Review*, 8(4), 157–181. <https://doi.org/10.15678/eber.2020.080409>
- Adegbe, O. B. (2017). Impact of entrepreneurial orientation on small business performance in Makurdi, Benue State – Nigeria. *Nigerian Journal of Management Sciences Vol. 6 No.1*, pp. 244-253.
- Akoma, L. O. (2023). Innovation and performance of small and medium enterprises in Nigeria manufacturing firm. *International Journal of Managerial Studies and Research (IJMSR)*, vol.11, no. 6, pp. 36-51. DOI: <https://doi.org/10.20431/2349-0349.1106005>.
- Akpoviroro, K. S. & Akanmu, P. M. (2021). The efficacy of entrepreneurial orientation on SMEs' performance. *Journal of Islamic Economic and Business Research*, 1(1): 40–58.
- Al Mamun, A., Kumar, N., Ibrahim, M. D., & Bin Yusoff, M. N. (2017). Validating the measurement of entrepreneurial. *Economics and Sociology*, 10(04), 51–66.
- Alvarez-Torres, F. J., Lopez-Torres, G. C., & Schiuma, G. (2019). Linking entrepreneurial orientation to small and medium enterprises performance: Implications for entrepreneurship universities. *Management Decision*, 57(12), 3364-3386.

- Antonicic, J.A., Antonicic, B., Gantar, M., Hisrich, R.D., Marks, L. J., Bachkirov, A. A., Li, Z., Polzin, P., Borges, J. L., Coelho, A., Kakkonen, M. L. (2018). Risk-taking propensity and entrepreneurship: the role of power distance. *Journal of Enterprising Culture*, 26(1), 1– 26.
- Bature, S. W., Sallehuddin, R. M., Rosli, N. A., & Saad, S. (2018). Pro-activeness, innovativeness and firm performance: the mediating role of organizational capability. *Academy of Strategic Management Journal Volume 17, Issue 5, pp. 1-14*.
- Brownhilder, N. N. & Johan, V. Z. (2017). Entrepreneurial orientation and its impact on firm growth amongst SMEs in South Africa. *Problems and Perspectives in Management*, 15(3), 166-178.
- Chelagat, B. (2023). Effect of risk taking on sustainability of small and medium enterprises performance in Uasin Gishu County, Kenya. *Journal of Technology & Socio-Economic Development*, pp. 22-31. DOI: 10.5281/zenodo.8103631
- Choi, S. B., & Williams, C. (2021). Entrepreneurial orientation and performance: Mediating effects of technology and marketing action across industry types. *Industry and Innovation*, 23(8), 673-693.
- De Clercq, D., Kaciak, E., & Thongpapan, N. (2022). Happy at home, successful in competition: the beneficial role of happiness and entrepreneurial orientation for women entrepreneurs. *International Journal of Entrepreneurial Behavior & Research*, (ahead-of-print)
- Duru, I. U., Ehidihamen, P. O. & Chijioke, A. N. J. (2018). Role of entrepreneurial orientation in the performance of small and medium enterprises: Evidence from Federal Capital Territory, Abuja, Nigeria: *Asian Journal of Economics, Business and Accounting* 6(1): 1-21.
- Fadda, N. (2018). The effects of entrepreneurial orientation dimensions on performance in the tourism sector. *New England Journal of Entrepreneurship*, 21(1): 22–44.
- Gede, D. U. & Warie, G. H. (2024). Entrepreneurial orientation and effects on small and micro enterprise business performance: The case of East Guji Zone Gelana Woreda small and micro enterprises. *International Journal of Social Science, Management and Economics Research Volume 2, Issue 1, pp. 18-34*.
- Hair, J. F., Risher, J. J., Sarstedt, M. & Ringle, C. M. (2019). When to Use and How to Report the Results of PLS-SEM. *European Business Review*, 31, 2-24. <http://doi.org/10.1108/EBR-11-2018-0203>
- Heena, Ms. & Bedi, H. S. (2023). How does risk raking propensity impact firm performance? *Journal of Positive School Psychology, Vol. 6, No. 8, 6800-6809*.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modelling. *Journal of the Academy of Marketing Science*, 43, 115-135.
- Ivy, T. & Nur, H. (2021). Effect of innovation, risk-taking, and pro-activeness on business performance among MSMES in Jakarta. *Advances in Economics, Business and Management Research*, volume 216, pp. 42-48.
- Kalmuk, G. & Acar, A.Z. (2015). The effect of quality orientation and learning orientation on firm performance. *Research Journal of Business and Management*, 2(4): 455 – 487.
- Kort, R. (2017). Entrepreneurship and risk-taking mindset of entrepreneurs for sustainability. *International Journal Innovation*, of 6(2), 124-146.
- Lumpkin, G. T. & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1): 135-172.
- Miller (1983). A reflection on entrepreneurial orientation research and some suggestions for the future. *Entrepreneurship theory and practice*, 35(5), 873-894.
- Nguyen, T. L., Mohsen, B. M., Nuong, L. T. & Binh, L. T. (2023). Do innovation and pro-activeness impact the business performance of women-owned small and medium-scale enterprises in Vietnam? A study using the PLS-SEM approach. *Nurture: Volume 17, Issue 3, 253-271*. DOI: 10.55951/nurture.v17i3.314| URL: www.nurture.org.pk
- Oguh, F. A. & Uzor, G. O. (2024). Entrepreneurial risk-taking ability and profitability in selected small and medium enterprises in Anambra State, Nigeria. *International Journal of Research Publication and Reviews, Vol 5, no 1, pp 663-670*.
- Onyenma, O. U., Miebaka, D. T., & John, M. (2020). Risk taking and performance of small and medium enterprises in Rivers and Bayelsa states in Nigeria. *International Journal of Latest Research in Humanities and Social Science (IJLRHSS) Volume 03 - Issue 09, pp.17-23*.

- Okello, D. (2020). Gender effect of entrepreneurial orientation on dairy farming career resilience in Kenya. *Cogent Food & Agriculture*, 6(1), 1-16.
- Panjaitan, H., Cempena, I. B., Trihastuti, A., Anggia, F. & Panjaitan, B. K. (2021). Effect of competitive aggressiveness on business performance: a case study of private universities in Indonesia. *Journal of Asian Finance, Economics and Business*, Vol. 8 No. 4, pp. 0875–0884.
- Peng, L., Li, Y., Essen, M. V. & Peng, M. W. (2019). Institutions, resources, and strategic orientations: a meta-analysis. *Asia Pacific Journal of Management*, 1–31. <https://doi.org/10.1007/s1049>
- Pertheban, T.R.; Thurasamy, R.; Marimuthu, A.; Venkatachalam, K.R.; Annamalah, S.; Paraman, P. & Hoo, W.C. (2023). The impact of proactive resilience strategies on organizational performance: role of ambidextrous and dynamic capabilities of small and medium enterprises in manufacturing sector. *Sustainability* 15, 12665. <https://doi.org/10.3390/su151612665>
- Rahaman, M. A., Luna, K. F., Ping, Z. L., Islam, M. S., & Karim, M. M. (2021). Do risk-taking, innovativeness, and proactivity affect business performance of small and medium enterprises? a case study in Bangladesh. *Journal of Asian Finance, Economics and Business* Vol 8 No 5, pp. 689-695.
- Sekaran, U. (2010). Research methods for business: A skill-Building Approach. 4th Edition, John Wiley and Sons, U.K.
- SMEDAN Report (2021). Retrieved from [Smedan.gov.ng/images/PDF/MSME-National-Policy-pdf](https://smedan.gov.ng/images/PDF/MSME-National-Policy-pdf).
- Solikahan, E. & Mohammad, A. (2019). Development of entrepreneurial orientation. *International Journal of Applied Business & International Management*, 4(1): 31 – 37.
- Voohees, C. M., Brady, M. K., Calatone, R. & Ramirez, E. (2016). Discriminant validity testing in marketing: an analysis, causes for concern, and proposed remedies. *Journal of the Academy of Marketing Science*, Springer, Vol. 44(1), pp. 119-134.
- World Bank (2022). Small and medium enterprises finance. Improving SMEs' access to finance and finding innovative solutions to unlock sources of capital. Retrieved from <https://www.worldbank.org/en/topic/smefinance>.
- Yamane, T. (1967). Elementary Sampling Theory. New Jersey: Prentice Hall.

Research Questionnaire

Section B: Entrepreneurial Pro-activeness		SD	D	U	SA	A
1	We anticipate and respond to changes in the market.					
2	We take initiative to explore new business opportunities.					
3	We are proactive in seeking feedback and learning from customers.					
4	We are willing to take calculated risks to achieve our goals					
5	We continuously seek ways to improve our products/services					
Section C: Entrepreneurial Risk-taking		SD	D	U	SA	A
1	We take bold action to seize new business opportunities					
2	We invest in untested ideas to drive innovation.					
3	We are willing to challenge conventional wisdom to try new approaches.					
4	We take calculated risks to expand our business.					
5	We embrace uncertainty and adapt to changing circumstances.					
Section D: SMEs Performance		SD	D	U	SA	A
1	Our business has experienced growth in sales over the past year.					
2	We have increased our market share in the last 12 months.					
3	Customer satisfaction levels have improved in our business.					
4	Our profitability has increased as a result of our entrepreneurial efforts.					
5	We effectively manage our resources to achieve our business goals.					