Effect of Entrepreneurial Orientation on the Performance of Small Enterprises

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Abstract— Several studies have revealed the importance of the entrepreneurial orientation (EO) concept in improving firm performance since its inception. However, because of the complications that small businesses face, there are still concerns about whether EO can improve their performance. This study investigated the effect of EO on the performance of small enterprises in Abuja, Nigeria. The objective of the study is to specifically assess the effect of the dimensions of EO viz. autonomy, innovativeness, proactiveness and risk-taking on the business performance of small enterprises in Abuja. The study made use of a survey research design to target a population of 2750 small enterprises in Abuja. Using the Taro Yamane formula, a sample size of 349 was obtained. Of the questionnaires randomly issued to the small enterprises, 338 were completed and returned representing a 96.84% response rate. The questionnaires contained closed-ended questions that were rated on a 5-point Likert scale. The data was then analysed using descriptive statistics and multiple linear regression. Arising from the result, the regression model was significant at 0.000 with the calculated value greater than the critical value (16.910>2.399), hence, the null hypothesis was rejected. It was concluded that, overall, EO has a significant effect on business performance. However, of the dimensions tested, autonomy is insignificant, while innovativeness, proactiveness and risk-taking are significant. The study recommends that entrepreneurial development initiative that aims at building the EO dimensions of small enterprises should focus on innovativeness, proactiveness and risk-taking, rather than autonomy.

Keywords— Autonomy, Business Performance, Entrepreneurial Orientation, Innovativeness, Proactiveness, Risk-taking, Small Enterprises.

I. INTRODUCTION

The term "entrepreneurship," inspired the emerging concept of Entrepreneurial Orientation (EO)—an overall strategic position. This EO concept has gained traction among entrepreneurship and strategic management scholars (Wales et al., 2021). In line with the context, business-oriented organisations are developing innovative strategies that involve risky commercial ventures such as investing vast sums of money in innovative and proactive ideas. For small businesses, the importance of entrepreneurship orientation is focused on innovative change and opportunity exploitation. More so, the EO concept is important for small businesses as it deals with creative and innovative abilities

and resources to find opportunities for business success (Soininem et al., 2013).

Entrepreneurs of small enterprises have been identified as key contributors to most countries' local and global economic growth because they are a major source of business development and growth, as well as, new job creation (World Bank Group, 2016). In a developing country like Nigeria—where the federal government has traditionally relied on a single natural resource like crude oil, there have been calls for the federal government to diversify by empowering small businesses and developing their entrepreneurial orientation (Ipinnaiye, 2017). A notable scenario is that before 2016, crude oil sales

accounted for up to 70% of Nigerian government revenue and more than 90% of the country's export earnings (Giokos, 2017). However, when the global crude oil price fell below a 25-year low in 2016, the country plunged into a recession in the first quarter (Ipinnaiye, 2017). According to Giokos (2017), the lack of diversity in Nigeria's economy was why the country could not withstand the economic shock during the 2016 global crude oil price drop, hence, steps must be taken to diversify the country's economy in order to welcome growth. Ipinnaiye (2017), averred that the Nigerian government should provide strong policy support in areas such as financing and developing the entrepreneurial orientation of small and medium-sized enterprises (SMEs) to drive the country toward realising its potential.

Meanwhile, when the Nigerian economy entered recession in 2016, the Federal Government of Nigeria (FGN) unveiled the Economic Recovery and Growth Plan (ERGP) 2017-2020. One of the ERGP's three broad objectives was to strengthen the economy's human capital base (Ministry of Budget & National Planning, 2017). This prompted the FGN to use agencies such as the Small and Medium Enterprises Development Authority of Nigeria (SMEDAN) to launch a series of campaigns aimed at increasing SMEs' entrepreneurial orientation to stimulate the SMEs sub-sector (SMEDAN & NBS, 2017). In Abuja, the FGN, in collaboration with SMEDAN, launched a campaign to train and develop the entrepreneurial skills of 10,000 youths in order to revitalise the economy (Vanguard, 2016). However, according to Akyuz and Opusunju (2020), most of the SMEs go into extinction after two to five years or die within this period. In the same vein, PwC (2020), conducted a survey that revealed that, while approximately 31% of small businesses in Nigeria experienced above 20% growth between 2016 and 2020, 24% of SMEs experienced no growth or even shrank in size. The remaining 46% either did not have up to 20% growth or were less than three years old. This indicates that several small businesses in Nigeria, particularly in Abuja, are dying before five years. As a result, it is unclear what effect entrepreneurial orientation has on the performance of small businesses in Abuja, Nigeria.

Extant studies have identified entrepreneurial orientation (EO) as a critical factor for organisational success, leading to higher performance (Rezaei & Ortt, 2018). Organizations with higher levels of EO are also expected to outperform those with lower levels of EO (Watson et al., 2019). After all, a higher level of EO enables enterprises to identify and capitalise on opportunities in ways that set them apart from non-entrepreneurial organisations. However, this is not always the case, as other researchers (Nikraftar & Momeni, 2017; Souisa, 2018) have shown that EO can be insignificant or have a negative impact on business performance. As a result, there is no universal agreement or conclusion regarding the relationship between EO and business performance. Meanwhile, whilst this disparity exists globally, coherent research linking four EO dimensions (autonomy, innovativeness, proactiveness and risk-taking) is very scarce in Nigeria. Since only a handful of research has been conducted on this study in Nigeria, there is a knowledge and empirical gap in the understanding of this issue concerning the Abuja region of Nigeria. This study is therefore an attempt to address empirical, knowledge and regional gaps in the existing literature on the inter-relationship of entrepreneurial orientation and the performance of small enterprises.

The main objective of the study is to empirically investigate the effect of entrepreneurial orientation on the performance of small enterprises in Abuja. Other specific objectives of the study are to examine the effect of autonomy, innovativeness, proactiveness and risk-taking on the business performance of small enterprises in Abuja. In line with the aforementioned objectives, the study hypothesized as follows:

H_{01}: There is no significant relationship between autonomy and the performance of small enterprises in Abuja.

H_{02}: There is no significant relationship between innovativeness and the performance of small enterprises in Abuja.

H_{03}: There is no significant relationship between proactiveness and the performance of small enterprises in Abuja.

H_{04}: There is no significant relationship between risk-taking and the performance of small enterprises in Abuja

II. LITERATURE REVIEW

Conceptual Framework: Entrepreneurial Orientation and Small Enterprises Performance

Entrepreneurial Orientation (EO) is a business-level planned positioning that highlights the firm's strategy-making procedures, management ideologies, and entrepreneurial firm behaviours. It is also shown as the process through which small enterprises or large companies gain entry into a new market (Stambaugh et al., 2017). It is pertinent to note that whilst EO may have flooded the firm's strategy space in contemporary times, it is not exactly a new concept. Miller (1983), was the first to bring the notion of Entrepreneurial Orientation to the scholarly literature, even though he did not use the word EO in his first article (Covin & Lumpkin, 2011). Miller (1983), suggested a definition of an entrepreneurial orientation as one that participates in

product-market innovation, takes on relatively risky projects and is the first to come up with proactive ideas, beating competitors to the punch. Miller (1983), defined the three primary elements of EO as innovativeness, risk-taking, and proactivity, which are frequently combined to form a higher-order indication of firm-level entrepreneurship (Rauch et al., 2009).

Based on Miller's (1983) work, Covin and Slevin (1989), developed the EO concept, which was widely used in both entrepreneurial and management literature (Wales, et al., 2021). Covin and Slevin (1989), postulated that the three characteristics of EO viz. innovation, proactiveness, and risk-taking, acted together to constitute a fundamental, unidimensional strategic orientation and should be aggregated together while doing entrepreneurship research. They created a nine-item self-response scale, which has become one of the most used tools for measuring the degree of EO in companies; with a huge number of researchers using it (Rauch et al., 2009). Lumpkin and Dess (1996), later elaborated on five areas that distinguish a firm's EO viz. autonomy, competitive aggressiveness, innovativeness, proactiveness and risk-taking. However, building on Lumpkin and Dess' (1996) work, some recent scholars (Kura, 2019; Kiyabo & Isaga, 2020) have apportioned competitive aggressiveness—a proxy of competitive advantage as an intervening variable, hence, cannot be statistically regarded as independent variable according to Sharma et al. (1981).

Therefore, the dimensions of entrepreneurial orientation could be regarded as majorly consisting of autonomy, innovativeness, proactiveness and risk-taking. Regarding Autonomy, employees who are autonomous can perform effectively because they are independent, self-directed,

motivated, and creative. Innovation encompasses the proclivity to participate in and support the generation of new ideas, distinguished by originality, experimentation, and creative processes resulting in the manufacture of new or modified products. Proactiveness demonstrates the firm's efforts to capitalise on and respond quickly to any anticipated evolving opportunities. While, Risk-taking is the willingness to commit resources to venture activities and projects with uncertain outcomes (Ibrahim & Abu, 2020). To effectively capture the EO of small enterprises, these EO dimensions should be considered.

Meanwhile, measuring small enterprises' performance is an essential topic, particularly in entrepreneurship research, because it allows researchers and business practitioners to examine and discover new strategies to help small businesses grow and contribute to the economy (Isichei et al., 2019). According to SMEDAN and NBS (2017), SMEs generally refer to businesses whose employee and asset base numbers fall below and/or within defined limits. More specifically, the Bank of Industry (2015), established that small enterprises have between 11 and 50 employees and/or an asset base of between above ₦5 million and ₦100 million. To effectively capture small enterprises' performance with regards to their EO, there is a need to evaluate their financial performance (e.g. sales volume and/or profitability) and nonfinancial performance (e.g., product and service quality and/or customer satisfaction) (Lumpkin & Dess, 1996).

Arising from the concepts reviewed, the study developed a conceptual model for the variables. Fig. 2.1 depicts a conceptual framework of the relationship between EO and small enterprises' performance.
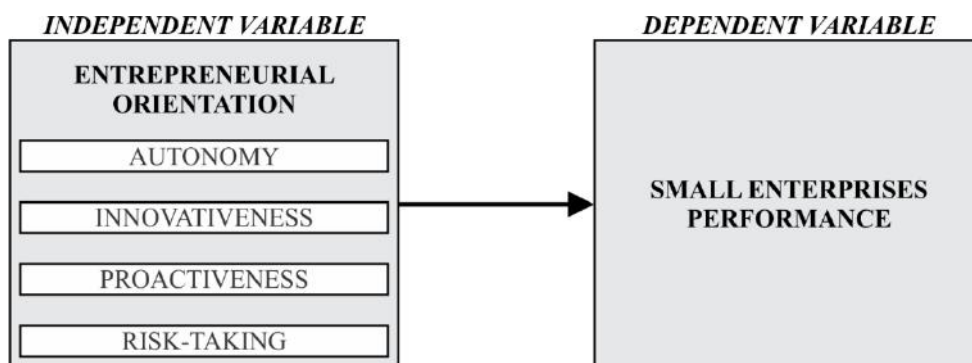

Fig. 2.1.: Conceptual Framework of the Relationship between Entrepreneurial Orientation and Small Enterprises Performance
Source: Researchers' Depiction, 2022.

From Fig. 2.1., entrepreneurial orientation indicants such as autonomy, innovativeness, proactiveness and risk-taking served as the independent variable and; small enterprises'

performance served as the dependent variable. The arrow in the diagram shows that the two variables may be related by

cause and effect—if the independent variable changes, then the dependent variable is affected.

Empirical Studies

In the bid to directly, associate the EO dimensions with business performance, Amin (2015), investigated the effects of entrepreneurial orientation and learning orientation on SMEs' performance. A total of 200 SMEs from the electronics and electrical sectors, as well as, 250 SMEs from the food and beverage industries in Malaysia were surveyed at random for the research. Following structural equation modelling with partial least square (SEM-PLS) approach, Amin (2015), estimated the complex cause-effect relationships between the study variables. The study showed at 1% significance that the EO dimensions (innovativeness, proactiveness, and risk-taking) and learning orientation have a substantial link with the performance of SMEs; make a significant contribution to SMEs' performance. Whilst the study by Amin (2015) at a 1% significance level reflected high strength of evidence in probabilistic terms, the researcher failed to confirm the fitness model through a Confirmatory Factor Analysis (CFA). This would have helped to confirm or reject the measurement theory. Nonetheless, the study model could be adopted among large corporations to generalise the findings of the study.

Musthofa et al. (2017), sought to contribute to the extant literature on the effect of the EO dimensions of innovativeness, proactiveness and risk-taking on business performance. The study included respondents from embroidery SMEs in Kudus Regency. The sample size was 153 and purposive sampling was used to collect the data. Like Amin (2015), Musthofa et al. (2017) followed the SEM-PLS approach but used Cronbach alpha to ascertain that their research instrument was reliable. The statistical analysis of the research model on each hypothesis revealed that, first, an innovative EO had a significant effect on business performance; second, a proactive EO had no significant effect on business performance; and third, a risk-taking EO had a significant effect on business performance. This revealed that not all the dimensions of EO could be significant. Whilst Musthofa et al. (2017), used a robust research methodology to study the research variables, considering the limited number of the sample (153 people), the SEM-PLS approach may not be too ideal. Kock and Hadaya (2018), averred that the minimum required sample size for a PLS-SEM analysis is about 265 persons based on the Monte Carlo simulation. Hence, there is a need to study the EO dimension with a greater sample, perhaps it may be the reason why proactiveness is insignificant in this study.

Nikraftar and Momeni (2017), investigated the relationships between entrepreneurial, market and learning orientation and business performance. The data was gathered using questionnaires from 384 senior managers in Iran. The findings indicate that market and learning orientation have

a significant effect on performance, while EO has no significant effect on business performance. According to the data, learning orientation is the most important predictor of business performance among all other antecedents. More specifically, the findings indicate that higher levels of learning orientation result in better levels of growth and profitability. Contrary to the works of Musthofa et al. (2017), Nikraftar and Momeni (2017), showed that the EO dimension may be insignificant in affecting business performance. However, their data is limited to the information and communications technology enterprises, as such, subsequent research must corroborate these conclusions in other industries.

Souisa (2018), sought to determine the impact of entrepreneurship and market orientation on business performance. The respondents of the study were 150 business actors in the floriculture business in Bandung City, Indonesia. They employed a descriptive and explanatory survey research design, which aimed to learn about the description of the research topic, as well as, the characteristics and correlations between variables. SEM-PLS was employed to carry out an analysis of the data. According to the findings of the study by Souisa (2018), entrepreneurial and market orientation have no direct or significant influence on business performance. Even though SEM-PLS is a good approach towards investigating the EO dimensions, Kock and Hadaya (2018), have revealed that it is not too effective on small sample sizes, which is something Souisa (2018) failed to take cognisance of. Also, Souisa (2018), failed to test the reliability and validity of their research questionnaire. Nonetheless, the work by Souisa (2018), showed a contrasting view that the EO dimensions may be insignificant towards the business performance of firms.

Watson et al. (2019), examined the direct relationship between EO and the performance of franchise firms. They took cognisance of national culture in their study and researched the EO dimensions of risk-taking, innovativeness, proactiveness, autonomy and competitive aggressiveness of the firm—in line with Lumpkin and Dess (1996). The sample size consisted of 378 franchise organisations from Australia, France, India, South Africa and the United Kingdom. The analysis of covariance (ANCOVA) was used to examine the main and interaction effects of the variables. The findings indicated that EO has a significant effect on business performance and that the EO rhetoric in franchise businesses changes depending on the country's cultural environment. However, of the five EO dimensions tested, proactiveness was found to be insignificant like in the works of Musthofa et al. (2017). Whilst Watson et al. (2019), with the use of ANCOVA, considered other variables to capture cultural complexes in their research, they failed to test the reliability and validity of their research instrument. As such, it is not quite clear

whether the data collected is consistent or accurate to measure the variables. Nonetheless, the study is ground-breaking research that demonstrates how national culture affects the EO dimension used in franchise firms.

The empirical studies reviewed sought to assess the relationship between the EO dimensions and enterprises' performance which gave mixed results. Whilst it was believed that organizations with higher levels of EO will outperform those with lower levels of EO (Amin, 2015; Musthofa et al., 2017; Watson et al., 2019), other studies (Nikraftar & Momeni, 2017; Souisa, 2018) showed that EO could be insignificant or negatively influence business performance. Hence, no unanimous consensus on the relationship between EO and business performance. This has preponderated the need for more study on the EO-performance relationship, especially focusing on small enterprises. Because only a few studies on this topic have been undertaken in Nigeria, there is a knowledge and empirical gap in the understanding of this issue in Abuja which is the Federal Capital Territory of Nigeria.

Theoretical Framework

The major theory that is chosen for this research is the Knowledge-Based View also regarded as the Knowledge-Based Theory (KBT), which emphasizes the knowledge of entrepreneurs or small business owners as the main resource needed for good performance. Conner (1991), was the first to historical compare the Resource-Based Theory and five schools of thought within industrial organization economics and suggested the Knowledge-Based Theory as a new theory. Grant (1996), amongst other scholars at the time, provided a detailed exposition of the firm's Knowledge-Based Theory. Grant (1996) proposes that the establishment of heterogeneous knowledge structures across a firm's management hierarchies is a necessary condition for achieving long-term knowledge-based competitive advantage. Other KBT proponents argued that because knowledge-based resources are typically difficult to imitate and are socially complex, heterogeneous knowledge bases and capabilities among firms are the primary determinants of sustained competitive advantage and superior corporate performance (Curado & Bontis, 2006).

The main drawback of the KBT is the potential for conflicting interests between employee conditions and owner expectations, which can impede the smooth coordination of specialised knowledge (Grant, 1996). As a result, firms seeking to entrench uniformity of interests may be forced to pursue coordination of specialised knowledge, which may result in the bureaucratic imposition of coordination objectives via hierarchical structures (another drawback). Nonetheless, this study still relies on the KBT because it provides a strong link between how the owner-managers of small enterprises use knowledge as the bases

of their entrepreneurial orientation that creates competitive advantage and, in turn, affects their performance.

III. METHODOLOGY

The study adopted the survey research design which relies on responses gotten from primary data. The population of the study comprised all the 2750 small enterprises in Abuja Nigeria according to SMEDAN and NBS (2017) and this was also used to calculate the sample size using the Taro Yamane formula as developed by Yamane (1967):

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size; N = population; e = degree of error expected. With a degree of error expected at 0.05 and a population at 2750 it brings the proposed sample size to about 349 as computed below:

$$n = \frac{2750}{1 + 2750(0.05)^2}$$

$$n = \frac{2750}{1 + 2750(0.0025)}$$

$$n = \frac{2750}{1 + 6.875}$$

$$n = \frac{2750}{7.875}$$

$n = 349.21 \approx 349$

Of the 349 questionnaires issued, 338 were completed and returned representing a 96.84% response rate. The questionnaires contained closed-ended questions because they were easier and faster for respondents to answer. The research questions in the survey were scored on a 5-point Likert scale of "Strongly Agree (5), Agree (4), Undecided (3), Disagree (2) and Strongly Disagree (1)."

The questionnaire is one of the data collection methods chosen since it is inexpensive and does not take as much work from the questioner as verbal or telephone surveys. The facial cogency of the questionnaire utilised in this study was analysed and studied. Meanwhile, the facial cogency was achieved by carefully inspecting the arrangement and structure of the questionnaire.

The administered surveys were tested to confirm their reliability. The method used for testing for the internal consistency was the Cronbach's Alpha, which is computed with the model:

$$\alpha = \frac{Nr}{1 + r(N-1)}$$

Where: α = Cronbach Alpha; N = the number of items in the scale; r = the mean inter-item correlation.

Table 3.1.: Result of Reliability Test

	Number of Items	Cronbach's Alpha Co-efficient
Effect of Autonomy (AT)	4	0.81
Effect of Innovativeness (IN)	4	0.76
Effect of Proactiveness (PA)	4	0.75
Effect of Risk-taking (RT)	5	0.80
Business Performance (BP)	3	0.72

Source: Researchers' Computation, 2022

In the context of this research, the levels of alpha values are higher than the 0.7 thresholds that were regarded as reliable—Cronbach's Alpha > 0.70 (Field, 2009).

SPSS version 25 was used to analyse the primary data. The descriptive statistics were the mean and standard deviation, whilst the inferential statistics was a Multiple Linear Regression analysis to assess the influence of the independent variable on the dependent variable. The statistical model used was:

$$y = a + bx + \varepsilon \qquad (3.1)$$

This is specified thus as:

$$BP = \alpha + \beta_1 AT + \beta_2 IN + \beta_3 PA + \beta_4 RT + \varepsilon \qquad (3.2)$$

Where, BP = Business performance (Dependent variable); AT = Autonomy (independent variable 1); IN = Innovativeness (independent variable 2); PA = Proactiveness (independent variable 3); RT = Risk-taking (independent variable 4); α = Intercept or constant; β = Coefficient; the slope of the regression line with respect to the independent variables; ε = Error term.

IV. DATA PRESENTATION AND ANALYSIS

Descriptive Statistics

To establish the effect of Entrepreneurial Orientation (EO) on the Business Performance (BP) of small enterprises, a Likert scale was used to gather data on the degree of agreement on a scale of 1 to 5, with 1 being the strongly disagree indicator and 5 being the strongly agree indicator. The gathered responses were analysed using means and standard deviations to demonstrate the diversity of individual replies from the aggregate mean of the responses for each variable of the research.

Table 4.1.: Effect of Autonomy (AT)

	Mean	Standard Deviation
In general, my organization's senior management prefers letting individuals and/or teams make their own decisions about which business prospects to pursue.	4.10	0.9687
Individuals and/or teams seeking business prospects in my organisation make decisions on their own without continually consulting their bosses.	3.48	0.6392
Individual and/or team efforts that work autonomously are supported in my organisation.	4.17	0.9797
The CEO and senior management team at my organisation have a significant role in discovering and selecting the entrepreneurial possibilities that my organisation pursues.	3.54	0.7171

Source: Researchers' Computation, 2022

The result in Table 4.1. show the mean responses on the autonomy of the small enterprises in Abuja. From table 4.1, the respondents agreed (Mean = 4.10; Standard Deviation = 0.9687) that in general, their organization's senior management prefers letting individuals and/or teams make their own decisions about which business prospects to pursue. Likewise, the respondents slightly agreed (Mean = 3.48; Standard Deviation = 0.6392) that individuals and/or

teams seeking business prospects in my organisation make decisions on their own without continually consulting their bosses. Also, the respondents agreed (Mean = 4.17; Standard Deviation = 0.9797) that individual and/or team efforts that work autonomously are supported in their

organisation. Finally, the respondents equally slightly agreed (Mean = 3.54; Standard Deviation = 0.7171) that the CEO and senior management team at their organisation have a significant role in discovering and selecting the entrepreneurial possibilities that their organisation pursues.

Table 4.2.: Effect of Innovativeness (IN)

	Mean	Standard Deviation
In my organisation, changes in products or services have been mostly major.	4.15	1.0987
In my organisation, there is a preference to design our own unique new processes and methods of operations.	4.03	0.9257
In general, the top managers of my organisation favour experimentation and original approaches to problem-solving.	4.12	0.9334
In my organisation, new products or services have been marketed in the past five years (or since the organisation's establishment).	4.18	1.0667

Source: Researchers' Computation, 2022

The result in Table 4.2. show the mean responses on the innovativeness of the small enterprises in Abuja. From table 4.2, the respondents agreed (Mean = 4.15; Standard Deviation = 1.0987) that in their organisation, changes in products or services have been mostly major. Likewise, the respondents agreed (Mean = 4.03; Standard Deviation = 0.9257) that in their organisation, there is a preference to design our own unique new processes and methods of

operations. Also, the respondents agreed (Mean = 4.12; Standard Deviation = 0.9334) that in general, the top managers of their organisation favour experimentation and original approaches to problem-solving. Finally, the respondents equally agreed (Mean = 4.18; Standard Deviation = 1.0667) that in their organisation, new products or services have been marketed in the past five years (or since the organisation's establishment).

Table 4.3.: Effect of Proactiveness (PA)

	Mean	Standard Deviation
In general, the top managers of my organisation favour a strong tendency to quickly "follow the leader" in introducing new products or ideas.	4.17	0.8463
Our firm constantly looks for businesses that can be acquired.	4.21	0.8155
In dealing with its competitors, my organisation is often the first business to introduce new products/services, administrative techniques, operating technologies etc.	4.25	0.9422
In dealing with its competitors, my organisation typically responds to actions that competitors initiate.	4.10	1.0700

Source: Researchers' Computation, 2022

The result in Table 4.3. show the mean responses on the proactiveness of the small enterprises in Abuja. From table 4.3, the respondents agreed (Mean = 4.17; Standard Deviation = 0.8463) that in general, the top managers of their organisation favour a strong tendency to quickly "follow the leader" in introducing new products or ideas. Likewise, the respondents agreed (Mean = 4.21; Standard Deviation = 0.8155) that their firm constantly looks for businesses that can be acquired. Also, the respondents

agreed (Mean = 4.25; Standard Deviation = 0.9422) that in dealing with its competitors, their organisation is often the first business to introduce new products/services, administrative techniques, operating technologies etc. Finally, the respondents agreed (Mean = 4.10; Standard Deviation = 1.0700) that in dealing with its competitors, their organisation typically responds to actions that competitors initiate.

Table 4.4.: Effect of Risk-taking (RT)

	Mean	Standard Deviation
In general, the top managers of my organisation have a strong propensity/proclivity for high-risk projects, with chances of high returns.	4.13	0.7472
In general, the top managers of my organisation favour exploring via incremental behaviour in achieving the organisation's objectives due to the nature of the environment.	4.17	0.7372
When confronted with decision-making situations involving uncertainty, my organisation typically adopts a risky posture to maximise the probability of making a profit.	4.18	0.8706
In general, the top managers of my organisation are quick to deploy resources toward solving a problem without thoroughly solving it.	3.81	0.9268
Owing to the nature of the environment, bold and wide-ranging actions are required to achieve the firm's objectives.	4.16	0.9609

Source: Researcher's Computation, 2022

The result in Table 4.4. show the mean responses on risk-taking of the small enterprises in Abuja. From table 4.4, the respondents agreed (Mean = 4.13; Standard Deviation = 0.7472) that in general, the top managers of their organisation have a strong propensity/proclivity for high-risk projects, with chances of high returns. Likewise, the respondents agreed (Mean = 4.17; Standard Deviation = 0.7372) in general, the top managers of their organisation favour exploring via incremental behaviour in achieving the organisation's objectives due to the nature of the environment. Also, the respondents agreed (Mean = 4.18; Standard Deviation = 0.8706) that when confronted with decision-making situations involving uncertainty, their organisation typically adopts a risky posture to maximise the probability of making a profit. Also, the respondents agreed (Mean = 3.81; Standard Deviation = 0.9268) that in general, the top managers of their organisation are quick to deploy resources toward solving a problem without thoroughly solving it. Finally, the respondents equally agreed (Mean = 4.16; Standard Deviation = 0.9609) that owing to the nature of the environment, bold and wide-ranging actions are required to achieve the firm's objectives.

Table 4.5.: Business Performance (BP)

	Mean	Standard Deviation
Over the last 5 years, the firm's value of assets has improved	4.51	0.8788
Over the last 5 years, the annual sales of our firm have improved	4.43	0.8242
Over the last 5 years, the firm has been having happy returning customers.	4.16	1.0413

Source: Researchers' Computation, 2022

The result in Table 4.5. show the mean responses on business performance of the small enterprises in Abuja. From table 4.5, the respondents strongly agreed (Mean = 4.51; Standard Deviation = 0.8788) that over the last 5 years, their firm's value of assets has improved. Likewise, the respondents agreed (Mean = 4.43; Standard Deviation = 0.8242) that over the last 5 years, their firm's annual sales have improved. Finally, the respondents equally agreed (Mean = 4.16; Standard Deviation = 1.0413) that over the last 5 years, their firm has been having happy returning customers.

Multiple Linear Regression Analysis

The model and hypotheses were tested at a 0.05 significance level. Table 4.6. shows a model summary that is used to measure how well the regression model fits the data.

Table 4.6.: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.738[a]	0.545	0.539	2.298

a. Predictors: (Constant), AT, IN, PA, RT

Source: Researchers' Computation, 2022

As shown in Table 4.6, the Multiple R of 0.738, indicates a strong linear effect on the independent variable (Entrepreneurial Orientation (EO)) and the dependent variable (Business Performance (BP)). The model also has an R Square of 0.545 meaning that the independent variable explains 54.5% of the variability of the dependent variable—it further shows that other proxies that may affect the business performance (BP) of small enterprises not tested in the study amount to about 45.5%. The Adjusted R Square was 0.539, an indication that there was a variation of 53.9% in the Business Performance of small enterprises due to changes in their Entrepreneurial Orientation. The Standard Error of the Estimate shows that the observed values fall an average of 2.298 units from the regression line.

Table 4.7.: Analysis of Variance (ANOVA)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	262.784	4	65.696	16.910	0.000[b]
	Residual	1,293.705	333	3.885		
	Total	1,556.489	337			

a. Dependent Variable: BP

b. Predictors: (Constant), AT, IN, PA, RT

Source: Researchers' Computation, 2022

From the ANOVA table (Table 4.7), the processed data had a significance level of 0.000, which shows that the data is ideal for concluding the population parameters as the value of significance (p-value) is less than 0.05. More so, the calculated value was greater than the critical value (16.910>2.399)—an indication that there was a significant effect of entrepreneurial orientation on the business performance of small enterprises.

Table 4.8: Coefficient of Determination

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	25.388	2.886		8.796	0.000
	Autonomy (AT)	0.136	0.149	0.304	0.912	0.108
	Innovativeness (IN)	0.803	0.211	1.004	3.803	0.000
	Proactiveness (PA)	0.719	0.167	0.935	4.305	0.013
	Risk-taking (RT)	0.493	0.189	0.601	2.606	0.000

a. Dependent Variable: BP

Source: Researchers' Computation, 2022

From Table 4.8, and in line with the *Equation* (3.2), the statistical model could be represented as:

$$25.388 = \alpha + 0.136AT + 0.803IN + 0.719PA + 0.493RT + \varepsilon \qquad (4.1)$$

Following Table 4.8, it was revealed that holding the Entrepreneurial Orientation (EO) to a constant zero, the Business Performance (BP) of small enterprises would stand at 25.388. Nevertheless, the EO dimensions are as follows: A unit increase in Autonomy (AT) would not affect the Business Performance (BP) of small enterprises by a factor of 0.136; since AT is insignificant at 0.108 (greater than the 0.05 decision rule). On the contrary, a unit increase in Innovativeness (IN) would lead to an increase in BP by a factor of 0.803; with IN being significant at 0.000. Furthermore, a unit increase in Proactiveness (PA) would significantly lead to an increase in the BP by a factor of 0.719; with PA being significant at 0.013. Also, a unit increase in Risk-taking (RT) would significantly lead to an increase in the BP by a factor of 0.493; with RT being significant at 0.000. This shows that innovativeness has the leading positive effect on small enterprises' business performance, followed by proactiveness and risk-taking. Autonomy, on the other hand, has no effect on small enterprises' business performance.

Table 4.9.: Summary of Hypotheses

Hypothesis Statement	Model	Result
H$_{01}$: There is no significant relationship between autonomy and the performance of small enterprises in Abuja.	EP = $\alpha + \beta_1$AT + ε	p>0.05 Accepted
H$_{02}$: There is no significant relationship between innovativeness and the performance of small enterprises in Abuja.	EP = $\alpha + \beta_2$IN + ε	p<0.05 Rejected
H$_{03}$: There is no significant relationship between proactiveness and the performance of small enterprises in Abuja.	EP = $\alpha + \beta_3$PA + ε	p<0.05 Rejected
H$_{04}$: There is no significant relationship between risk-taking and the performance of small enterprises in Abuja	EP = $\alpha + \beta_4$FT + ε	p<0.05 Rejected

Source: Researchers' Result, 2022

From Table 4.9, the null hypothesis for hypotheses 2, 3 and 4 is rejected in favour of the alternate hypotheses. Whereas, the hull hypothesis for hypothesis 1 is accepted.

V. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

It is very vital for small enterprises to have their entrepreneurial orientation (EO) fortified as this study has shown that overall, entrepreneurial orientation has a significant effect on business performance. Regarding the domains of EO measured, the results from the study have shown that EO could be significantly measured by three domains, which conform to the positions of Miller (2011) and Amin (2015).

The result of the study indicates that innovativeness has the leading positive effect on small enterprises' business performance closely followed by proactiveness and then risk-taking. However, autonomy was found to be insignificant. Consequently, it can be concluded from this study that there is a strong association between innovativeness and proactiveness domains of EO, such that a small enterprise with a good drive for innovation will also likely be very proactive. More so, such a small enterprise would equally have the habit of taking a little bit of risk.

Autonomy is part of the EO domains tested in this study following the recommendation by Watson et al. (2019), however, it failed to have a significant effect on the performance of small enterprises in Abuja, Nigeria. This implies that an entrepreneurial development initiative been carried out for small enterprises in Abuja that focuses on building the autonomy domain of EO would have no effect. This, in turn, could be regarded as probably part of the cause of the problem of small enterprises dying in less than 5 years (Akyuz & Opusunju, 2020) or not growing (PwC, 2020) in Abuja—even with the efforts to develop their EO. Hence, the solution to the problem, in line with this study, encompasses carrying out entrepreneurial development initiatives that focus on building the other EO dimensions such as innovativeness, proactiveness and risk-taking, rather than autonomy.

VI. RECOMMENDATIONS

The study recommends that entrepreneurial development initiative that aims at building the EO dimensions of small enterprises, should focus on innovativeness, proactiveness and risk-taking, rather than autonomy. After all, autonomy has no significant effect on small enterprises' performance.

Since innovativeness has the leading positive effect on the business performance of small enterprises, the study recommends that owner-managers of small enterprises should carry out regular innovative changes in products or services; prefer to design their own unique new processes and methods of operations; favour experimentation and original approaches to problem-solving and; regularly market new products or services. Such a stand has the leading effect in boosting the value of assets, sales and customer satisfaction of small enterprises.

Also, because proactiveness positively affects the business performance of small enterprises, the study recommends that owner-managers of small enterprises should favour the tendency to quickly "follow the leader" in introducing new products or ideas and constantly looks for businesses that can be acquired. In dealing with its competitors, small enterprises should strive often to be the first to introduce new products/services, administrative techniques, operating technologies etc. and; typically responds to actions that competitors initiate.

Finally, because risk-taking positively affects the business performance of small enterprises, the study recommends that owner-managers of small enterprises should have a strong propensity/proclivity for high-risk projects, with chances of high returns; favour exploring via incremental behaviour in achieving the organisation's objectives due to the nature of the environment and; when confronted with decision-making situations involving uncertainty, typically adopts a risky posture to maximise the probability of making a profit. After all, risk-taking enables and encourages innovation and proactiveness, which can be an important product/service differentiator that can culminate in higher business performance in small enterprises.

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