

ANALYZING THE IMPACT OF ENTREPRENEURIAL ORIENTATION ATTRIBUTES ON THE PERFORMANCE OF SMES IN KATSINA METROPOLIS

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Abstract

This study explores the influence of entrepreneurial orientation (EO) attributes on the performance of Small and Medium Enterprises (SMEs) in Katsina Metropolis, Nigeria. Anchored in the Resource-Based View (RBV) and supported by empirical literature, the research investigates five core EO dimensions: innovativeness, pro-activeness, risk-taking, autonomy, and competitive aggressiveness. A mixed-methods research design was adopted to gain both statistical and contextual insights. Quantitative data were gathered through structured questionnaires administered to SME owners and managers. The analysis reveals a statistically significant and positive relationship between EO attributes and various performance indicators, including revenue growth, market share, and operational efficiency. Innovativeness and pro-activeness emerged as the most influential predictors of firm performance. The findings underscore the strategic value of entrepreneurial behavior in enhancing the resilience and competitiveness of SMEs in dynamic market environments. Based on these insights, the study provides targeted policy recommendations aimed at strengthening EO capacities among SMEs through training, access to finance, and institutional support mechanisms. This research contributes to the growing body of literature on entrepreneurial strategy in emerging economies and offers practical implications for both business development practitioners and policymakers.

1. Introduction

Small and Medium Enterprises (SMEs) are universally recognized as critical engines of economic development, innovation, and employment generation, particularly within emerging economies (Olowookere et al., 2021; Rasak, 2012). They contribute significantly to national GDP, foster industrial diversification, and create opportunities for inclusive growth. In Nigeria, SMEs represent about 96% of all businesses and contribute approximately 48% to the national GDP, thus playing a pivotal role in the country's socio-economic landscape (SMEDAN/NBS, 2017). In urban centers such as Katsina Metropolis, SMEs are instrumental in sustaining local economies by enhancing livelihoods, stimulating local entrepreneurship, and fostering community development.

Despite their substantial contributions, the performance and sustainability of SMEs in Nigeria remain uneven and often constrained by a myriad of internal and external factors. These include limited access to finance, inadequate infrastructure, regulatory challenges, and deficiencies in managerial capacity. A prominent internal determinant that has gained scholarly attention is



entrepreneurial orientation (EO), a strategic posture that encapsulates a firm's propensity for innovativeness, risk-taking, and proactiveness (LUMPKIN, 1996). EO influences how firms identify, evaluate, and exploit entrepreneurial opportunities, especially in uncertain and competitive environments.

Entrepreneurial orientation (EO) is the strategic orientation of a company to acquire certain entrepreneurial aspects of decision-making practices, methods, and styles. This helps new ventures or small businesses outperform their competitors and improves firm performance (ADEBIYI et al., 2019; Wahyuni & Sara, 2020). Consequently, comprehending the effects of the dimensions of entrepreneurial orientation on the performance of small enterprises, particularly within developing nations such as Nigeria where small enterprises substantially influence the economic landscape, is an area that has consistently piqued the interest of a multitude of scholars and practitioners. The realization of optimal advantages for the sustainable advancement of small businesses is contingent upon the effective integration of the dimensions of entrepreneurial orientation in relation to prioritizing decisions.

Numerous empirical investigations have indicated that organizations characterized by a pronounced entrepreneurial orientation exhibit superior operational efficacy (Okoli et al., 2021). Nevertheless, Wahyuni & Sara, (2020) report no significant entrepreneurial orientation and organizational performance found no statistically significant correlation between entrepreneurial orientation and organizational performance. Kowo & Akanmu, (2021) contend that the formulation of a company's business strategy can understand conditions, result in suboptimal performance outcomes. The fostering of entrepreneurial activities has led to erratic growth among various privately held enterprises and contributed to economic development. Thus, the objective of this research was to analyze the influence of entrepreneurial orientation variables on the performance of small and medium-sized enterprises (SMEs).

Understanding the role of EO in shaping the performance outcomes of SMEs in Katsina Metropolis is vital for policy formulation and strategic intervention. Given the region's developmental peculiarities, such as limited industrial diversification and informal economic structures, a strong entrepreneurial orientation among SMEs could serve as a lever for enhanced competitiveness and economic resilience. This study, therefore, seeks to investigate the impact of entrepreneurial orientation on SME performance in Katsina Metropolis, contributing to the broader discourse on strategic entrepreneurship in developing country contexts.

2. Literature review

The concept of Entrepreneurial Orientation (EO) has emerged as a pivotal construct in the field of strategic management and entrepreneurship. Initially introduced by Miller. Danny, (1983), EO was conceptualized as the extent to which firms are innovating, taking risks, and acting proactively. This foundational work was later expanded by Rauch et al., (2009) and Wahyuni & Sara, (2020), who proposed a more comprehensive framework comprising five key dimensions: innovativeness, risk-taking, proactiveness, autonomy, and competitive aggressiveness. These dimensions collectively capture a firm's strategic posture towards entrepreneurial behavior and its inclination to pursue opportunities in uncertain and dynamic environments.

Innovativeness denotes an organization's propensity to endorse and participate in novel concepts, experimentation, and creative methodologies that may culminate in the development of new products, services, or technological advancements. Risk-taking signifies the organization's

readiness to allocate substantial resources to ventures characterized by uncertain outcomes. Proactiveness encapsulates the anticipatory stance of organizations that forecast and respond to future demand. Autonomy pertains to the independent initiative of an individual or team in actualizing an idea or vision and executing it to fruition. Competitive aggressiveness illustrates the organization's fervor in confronting rivals to secure market entry or enhance its strategic position (LUMPKIN, 1996).

Empirical research has consistently demonstrated a positive relationship between EO and firm performance. Rauch et al., (2009), in a meta-analytic review, found that EO is positively correlated with various performance indicators, including growth, profitability, and market share, across different industries and regions. This relationship suggests that firms that adopt a strong entrepreneurial orientation are more likely to achieve superior performance outcomes.

However, the strength and direction of the EO performance relationship are not uniform across all contexts. Contextual factors such as national culture, regulatory environment, market structure, and access to financial resources significantly moderate this relationship (Civelek et al., 2017). For instance, in resource-constrained environments like Nigeria, factors such as infrastructural deficiencies, limited access to capital and informal market dynamics can either constrain or amplify the effects of EO on performance. Moreover, cultural attitudes towards entrepreneurship and uncertainty can shape how EO dimensions are expressed and implemented at the firm level.

Thus, while EO remains a valuable strategic orientation for enhancing firm performance, its effectiveness is inherently context-dependent. A nuanced understanding of these contextual moderators is essential for both scholars and practitioners aiming to leverage EO in diverse economic and institutional settings.

Dimensions of Entrepreneurial Orientation

Innovativeness

Innovation is conceptualized as the formulation and implementation of novel ideas or methodologies within organizations, aimed at manifesting in a product, service, technological advancement, or design workflow (Kowo & Akanmu, 2021). The organization endorses a novel strategy predicated upon the insights of market participants. Innovativeness serves as the objective to facilitate the emergence of new plans and to support transformational change. It encompasses both the inception and integration of technologies alongside internal operational activities. Pérez-Luño et al., (2011) posited that innovativeness characterizes the propensity of organizations to engage in creative endeavors or to experiment with novel concepts, which may culminate in the introduction of new production techniques or the launch of new products or services into existing or new markets (Ibrahim & Abu, 2020; Okoli et al., 2021). Furthermore, innovativeness can be understood as a coordinated effort to secure access and implement cutting-edge technological systems that are supported by robust operational frameworks. This often necessitates investment in research and development (R&D) initiatives to engineer a new product or service tailored for a new market. Innovative enterprises elucidate new methodologies and attract a considerable number of skilled professionals. Innovation is epitomized in their strategies for identifying creative, exceptional, or groundbreaking solutions to the challenges they face and addressing production demands. Such solutions manifest in the guise of advanced technologies and systems, as well as novel products and services. A significant proportion of



SMEs in developing nations lack the financial resources to allocate towards research and development due to their constrained economic capacity.

Pro-activeness

Pro-activeness constitutes the potential that necessitates entrepreneurial opportunities. It represents a state of foresight that embodies and facilitates strategic alterations within the market, concurrently engendering new processes and products. Proactiveness is perceived as an entrepreneurial readiness to navigate competitive landscapes through dynamic initiatives, including the preemptive introduction of new products or services ahead of competitors and proactive measures to anticipate future developments to catalyze change and enhance the operational milieu (Lumpkin & Dess, 2006). Actively seeking customers who anticipate innovations, regular product enhancements, and a deeper comprehension of consumer desires, along with superior products, is increasingly becoming the focal point of competitive strategy for numerous organizations. Pro-activeness is correlated with the pursuit of initial competitive advantages by dedicating efforts to environmental scanning to discern emerging trends and maintain pace with competitive forces. Empirical evidence indicates that proactivity is associated with the volume of innovations produced; thus, a higher degree of organizational proactivity correlates with an increased propensity to foster innovation generation.

Pro-active organizations endeavor to maintain a competitive edge over others through the application of new technologies, alongside the promotion of novel products or services. Pro-active firms capitalize on opportunities and prioritize the creation of new products or services by leveraging trends to accommodate future customer requirements and anticipate shifts in demand or emerging challenges that present new business prospects. The initial advantage of mobility is realized when the operating firms first penetrate a new market and establish a distinct identity, implement an innovative design process, or adopt new workflow technologies within the organization, thereby gaining leverage over their competitors. Generally, pro-activeness embodies the ambition to forecast and address market demands and prospective opportunities.

Risk Taking

Risk-taking pertains to an organization's propensity and preparedness to allocate reasonable resources towards capitalizing on opportunities or engaging in business strategies where the outcomes may not be entirely predictable. Pére articulated that risk-taking corresponds to the risk factors inherent in decision-making assets, as well as the alternatives related to products and market selections. The practice of mitigating threats diminishes export barriers and facilitates the exploration of novel opportunities within international markets. Rauch discovered that risk-taking exerts a performance-related influence, albeit to a lesser extent than other components of entrepreneurial orientation (EO). The correlation between risk-taking and performance is comparatively weaker than that observed between proactiveness and innovativeness. Risk-taking is conceptualized as an independent variable and is interrelated with other facets of the organizational paradigm. Peter asserted that risk-taking is positively correlated with the quantity of innovations generated by the firm, indicating that an increased capacity for risk-taking corresponds with a heightened propensity for innovation creation. Risk-taking exemplifies a firm's commitment to substantial investment projects and the undertaking of audacious and expedient actions to minimize losses. This orientation necessitates significant investments in cutting-edge technologies, as well as the introduction of novel products or services into emerging

markets. A risk-taking orientation implies that enterprises must embrace risks to attain superior financial returns by incurring elevated costs, allocating greater amounts of corporate resources, launching new products within unfamiliar markets, and investing in uncharted technologies and prospects. An organization characterized by risk-taking would be inclined to allocate substantial resources toward opportunities that are likely to entail considerable failures.

Entrepreneurial Orientation and Performance of SMEs

Pro-activeness and Sales Growth

Pro-activeness embodies the dimensions of opportunity and foresight, encompassing the introduction of innovative products/services and proactive engagement with prospective demand. This assertion encompasses an organization's readiness to explore the export market. Proactiveness may also be characterized as a broad spectrum of activities, including the identification of opportunities and market trends, the assessment of the strengths and weaknesses of such opportunities, and the establishment of teams capable of capitalizing on them.

Wisner posits that the indicators of proactiveness within small and medium-sized enterprises (SMEs) include cultivating enhanced trust among customers, identifying and engaging in new product initiatives, enabling team members to collaborate consistently, fostering compatible communication, and involving all stakeholders in the company's product/service marketing strategies, which, if executed effectively, will result in elevated organizational performance. (Matemane et al., 2024)(Avlonitis & Salavou,(2007)assert that SMEs embody a proactive-oriented framework that is closely aligned with the firm's business and marketing strategies, processes, and expertise. The strategies for supplier management and customer interaction, which align with the proactive process, have been found to positively influence organizational performance.

Alvarez-Torres et al., (2019), and Mason et al., (2015) identified that market orientation is positively and significantly associated with the proactive strategies employed by SMEs, which subsequently contribute to enhanced organizational performance. This relationship engenders a variety of business marketing strategies that propel sales growth. Oni et al., (2019) emphasizes that a proactive orientation is instrumental in the implementation and overall performance management of SMEs.

This perspective suggests that voluntary proactive investments exert a significant influence on safety performance, necessitating that managerial and policy-making entities direct their focus toward the procedures and policies that govern financial decision-making. The ramifications of proactive and responsive learning in the context of external regulatory pressures are applicable across various sectors. Within numerous dimensions of organizational efficacy, the process of learning is fundamental to advancement. Consequently, organizational learning encompasses the mechanisms through which members acquire the requisite knowledge and competencies to achieve superior performance, a practice historically characterized by a critical examination of the decisions related to investments in quality, volume, and productivity.

Innovativeness and Profitability

Innovation constitutes an essential element in securing the advantages associated with competition via strategic long-term planning and unwavering commitment. Joseph Schumpeter underscored the significance of innovation as a pivotal determinant within his framework of

economic growth and development articulated in his Theory of Economic Development (1934). As noted Avlonitis & Salavou, (2007), the globalization of markets and the intensification of international competition compel an increasing number of small and medium-sized enterprises (SMEs) to seek out flexible, transformative, and imaginative strategies for survival. This scenario lays the groundwork for SMEs to devise novel solutions essential for their sustainability. Furthermore, innovation represents a critical component in contemporary knowledge-based society concerning the operations of SMEs, despite the paucity of empirical evidence pertaining to this phenomenon in emerging economies (Matemane et al., 2024). Nevertheless, SMEs must engage in continuous evolution to mitigate production costs, delivery expenses, and enhance service manufacturing expertise, product delivery networks, among other operational processes.

SMEs that have adapted their production processes to be more flexible while maintaining competitive costs and pricing structures have successfully captured a larger share of the market. This underscores the fundamental role of innovation in fostering long-term customer loyalty and value. Arshad et al., (2014) assert that SMEs exhibit a behavioral strategy that enables them to innovate more effectively than their larger counterparts; for instance, it is posited that SMEs can swiftly respond to external threats or opportunities, possess effective internal communication competencies, and demonstrate adept relationship management (AS et al., 2018). Conversely, it is believed that SMEs often lack the technological capabilities that empower larger corporations to expand their market threats and portfolios of new products, alongside sustaining long-term research and development investments (Oni et al., 2019). Consequently, it is not unexpected that innovation is not predominantly linked with larger enterprises.

Risk-taking and Market Share

Risk-taking is fundamentally centered on the willingness of entrepreneurs to engage in calculated business risks, ultimately culminating in enhanced business performance. Lumpkin & Dess, (2006) characterize the act of venturing into the unknown as a defining feature of risk-taking, which correlates with superior firm performance. This is attributable to the provision of a foundational basis for SMEs to innovate and develop new products without excessive concern for potential repercussions. Empirical studies have indicated that SMEs that embrace risk exhibit superior profitability compared to their more cautious counterparts. Such enterprises are anticipated to demonstrate enhanced performance and a heightened propensity for risk-taking (Wiklund & Shepherd, 2005). Okoli et al., (2021) interpret risk-taking as the inclination to embrace or evade risks, which is regarded as an intrinsic human characteristic. A positive correlation between risk-taking and critical decision-making among individuals is likely to be reflected within organizations by senior management teams, thereby contributing to elevated performance levels within SMEs.

Risk-taking is essential in promoting both innovativeness and proactivity within small and medium-sized enterprises (SMEs) and enhances organizational creativity (Arshad et al., 2014; Aziz et al., 2014). In the face of unforeseen circumstances, risk-taking is positively correlated with the development of novel products. Furthermore, it is evident that risk-taking within SMEs fosters and unveils behaviors that lead to process improvements, the introduction of new products or services, and the adoption of innovative practices that contribute to high-performing SMEs. Wales, (2016) demonstrated that risk-taking significantly influences the successful execution of an SME's strategic plans that aspire towards enhanced performance. Effective

implementation indicates that an organization will encounter minimal obstacles in system development, contingent upon its available resources and competencies (Matemane et al., 2024). Thus, risk-taking may serve a crucial role in mitigating functional barriers through the formulation and execution of a robust strategy (AS et al., 2018). The inclination of managers to engage in risk-taking should empower SMEs to adapt their capabilities to align with market demands, thereby encountering fewer impediments.

The establishment of a strategic business unit (SBU) represents a vital attribute that can bolster the performance of SMEs. The objective of the strategic business unit is to furnish direction, guidance, and facilitate the alignment of the overarching innovative strategy with the firm's objectives (Mason et al., 2015). Participation in collaborative strategic sourcing constitutes yet another risk-taking characteristic that enhances the efficiency and effectiveness of the organization. Strategic sourcing, in the context of the risk-taking paradigm, is a fundamental element of successful SME performance (Pérez-Luño et al., 2011). The necessity for risk-taking has intensified, surpassing the concerns associated with long-term and short-term financing challenges (Mason et al., 2015). Therefore, it is insufficient to merely ascertain the presence of a risk management strategy; managers must actively employ risk management practices to address the critical issues confronting small and medium-sized enterprises today. The application of corporate risk as a strategic business approach can assist managers in identifying and cultivating opportunities. SMEs ought to leverage existing risk activities, operationalizing risk knowledge across various corporate risk domains, including strategic risks, operational risks, financial risks, and regulatory compliance risks (Avlonitis & Salavou, 2007).

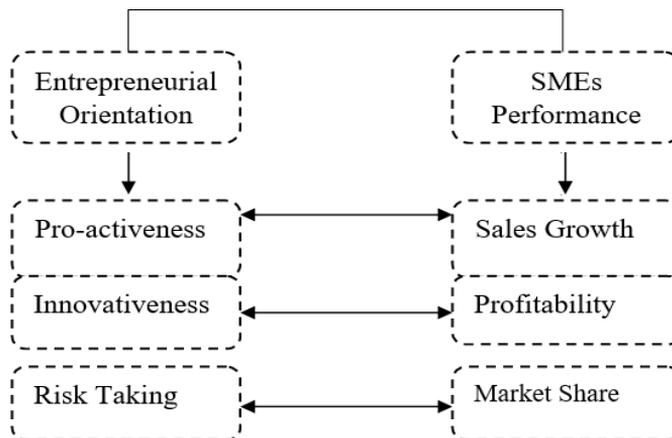


Figure Conceptualization of Entrepreneurial Orientation on SME's Performance

Source:- researcher (2025)

Theoretical Framework

This study is theoretically anchored in the **Resource-Based View (RBV)** of the firm, which provides a strategic framework for analyzing how internal resources contribute to the attainment and maintenance of a competitive advantage. As proposed by **Barney (1991)**, the RBV asserts that a firm's competitive edge is primarily derived from its unique resources and capabilities especially when such resources are **valuable, rare, inimitable, and non-substitutable (VRIN)**.



In the context of this study, Entrepreneurial Orientation (EO) is conceptualized as a strategic intangible resource that aligns with the VRIN framework. EO, encompassing dimensions such as innovativeness, risk-taking, pro-activeness, autonomy, and competitive aggressiveness, enables firms to effectively identify and exploit entrepreneurial opportunities in dynamic environments. These entrepreneurial capabilities are not easily replicable by competitors, especially when embedded in a firm's culture, leadership, and operational routines, thus satisfying the inimitability and non-substitutability criteria.

EO's value lies in its capacity to drive innovation, facilitate strategic renewal, and enhance responsiveness to market changes all of which are critical in volatile business environments like that of SMEs in Nigeria. Its rarity stems from the fact that not all firms possess a strong entrepreneurial orientation or the managerial expertise to implement it effectively. Furthermore, the interplay between EO and contextual factors such as market structure, financial resources, and institutional frameworks further strengthens its uniqueness as a firm-level capability. By leveraging EO as a strategic resource, SMEs can develop competitive advantages that are difficult for rivals to imitate or acquire. This makes EO a central construct within the RBV, reinforcing the theory's assertion that sustainable performance differences among firms can be traced to the strategic resources they possess and how effectively these are deployed. Therefore, the RBV not only justifies the relevance of EO in SME performance but also provides a robust theoretical scaffold for examining its impact in specific regional and industrial contexts.

1. Methods

The methodological approach adopted for this study is the descriptive survey design, selected to facilitate systematic data collection and analysis through the use of structured questionnaires. The study targeted a population of 415 small and medium-sized enterprises (SMEs) located within Katsina Metropolis. A complete enumeration technique was employed, thereby eliminating the need for sampling, as all identified SMEs were included in the investigation. Data were gathered using a structured questionnaire based on a five-point Likert scale, with response categories coded as follows: *Strongly Agree (5)*, *Agree (4)*, *Undecided (3)*, *Disagree (2)*, and *Strongly Disagree (1)*.



Table 1 Descriptive Scale

Scale	Description
1	Strongly disagree
2	Disagree
3	Neither
4	Agree
5	Strongly agree

To ensure the credibility of the instrument, both face validity and content validity were employed during the validation process. To assess the internal consistency of the measurement scales, reliability analysis was conducted using Cronbach's Alpha. The results indicated high reliability coefficients across all variables, with the following alpha values: pro-activeness (0.984), innovativeness (0.983), risk-taking (0.973), market share (0.988), sales growth (0.993), and profitability (0.988). These values suggest a strong degree of reliability in the research instrument (see Table 2).

TABLE 2: Reliability Analysis

Variable	Number of items	Cronbach's Alpha
Pro-activeness	5	0.984
Innovativeness	4	0.983
Risk Taking	5	0.973
Market Share	4	0.988
Sales Growth	5	0.993
Profitability	4	0.988

2. Results

Descriptive statistical measures including the **mean, median, and standard deviation** were employed to summarize and interpret the dataset. In preparation for regression analysis, diagnostic tests for **normality, heteroscedasticity, and multicollinearity** were conducted to ensure that the underlying assumptions of regression were met. To examine the effect of **Entrepreneurial Orientation (EO)** on the performance of SMEs, a **generalized regression analysis** was utilized. This method was selected due to its ability to produce optimal and highly reliable parameter estimates. The analysis was intended to elucidate the nature and strength of the relationship between EO and SME performance.



4.1 Statistical Analysis and Test Results

All the variables in this study were measured on a five- point likert scale. The descriptive statistics of the study’s variables were computed.

Hypothesis 1

Ho1; Pro-activeness has no substantial impact on the sales growth of SMEs in the Katsina Metropolis.

Table 3: The Degree to Which Pro-activeness Influence Sales Growth of SMEs

Variable	Beta	t value	R	F value	Sig.
			Sq		
(Constant)		-5.906			.000
Pro-activeness	.984	104.346	.968	10888.019	.000

The analysis shows a strong and statistically significant positive relationship between pro-activeness and the sales growth of SMEs in Katsina Metropolis. With a **beta coefficient of 0.984**, a **t-value of 104.35**, and **R² = 0.968**, the model indicates that **approximately 97%** of the variation in sales growth can be explained by changes in pro-activeness. The **F-value of 10,888.019** and **p-value < 0.01** confirm the robustness and significance of the result. Therefore, pro-activeness is a key driver of sales growth among SMEs in the study area.

Hypothesis 2:

Ho2: Innovativeness does not significantly influence profitability of SMEs in Katsina metropolis

TABLE 4: The Extent to Which Innovativeness Influence Profitability of SMEs

Variable	Beta	t value	R	F value	Sig.
			Square		
(Constant)		8.979			.000
Innovativeness	.532	11.998	.283	143.954	.000

The regression result indicates that innovativeness has a **moderate but statistically significant influence** on the profitability of SMEs in Katsina Metropolis. With a **beta value of 0.532**, **t-value of 11.998**, and **R² = 0.283**, the model suggests that **28.3%** of the variation in profitability is accounted for by innovativeness. Although this effect is not as strong as other EO dimensions, the **F-value of 143.954** and **p-value < 0.01** confirm that innovativeness meaningfully contributes to profitability.



Hypothesis 3:

Ho3: In Katsina Metropolis, there is no discernible correlation between taking risks and SMEs' market share.

TABLE 5: The degree to which taking risks affects SMEs' market share

Variable	Beta	t value	R	F value	Sig.
(Constant)		1.207			.228
Risk Taking	.980	94.388	.961	8909.048	.000

Risk-taking exhibits a strong and significant positive influence on the market share of SMEs in Katsina Metropolis. The regression model yielded a **beta coefficient of 0.980**, a **t-value of 94.388**, and **R² = 0.961**, indicating that **96.1%** of the variance in market share is explained by risk-taking behavior. With a high **F-value of 8,909.048** and a **p-value < 0.01**, the findings strongly support the conclusion that SMEs that embrace calculated risk-taking are more likely to expand their market share.

Regression Result

F (F-statistic): The F-statistic is a ratio of the mean square of the regression model to the mean square of the residual. In this case, the F-statistic is 888.801.

Sig. (Significance): The significance level or p-value associated with the F-statistic. In this table, the p-value is very close to 0 ($p < 0.001$), which means that the regression model is statistically significant. (Refer to Table 6).

Table 6 ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	389.884	4	97.471	888.801	.000 ^b
	Residual	44.963	410	0.110		
	Total	434.847	414			

a. Dependent Variable: FP

b. Predictors: (Constant), TO, LO, EO, MO



Table 4.6 Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta				Lower Bound	Upper Bound
1	(Constant)	-0.367	0.105		-3.478	0.001	-	-0.159
	Pro-activeness						0.574	
	Innovativeness	-0.038	0.023	-	-1.657	0.098	-	0.007
	Risk Taking			0.027			0.084	
	Market share	0.194	0.021	0.156	9.331	0.000***	0.153	0.234
		0.811	0.016	0.861	50.486	0.000***	0.779	0.842
		0.149	0.017	<u>0.158</u>	<u>8.885</u>	0.000***	0.116	0.182

a. Dependent Variable: SME's Performance

5.0 Conclusion and Recommendations

This study examined the influence of Entrepreneurial Orientation (EO) attributes on the performance of Small and Medium Enterprises (SMEs) in Katsina Metropolis, Nigeria. Anchored in the Resource-Based View (RBV), the study explored the roles of innovativeness, proactiveness, and risk-taking in shaping key performance metrics such as sales growth, profitability, and market share. Empirical findings revealed that all three EO attributes significantly influence SME performance, with proactiveness and risk-taking exerting a stronger impact compared to innovativeness. The results underscore the strategic value of cultivating entrepreneurial behaviors within SMEs, particularly in challenging and resource-constrained environments like Katsina. Thus, fostering EO offers a viable pathway for enhancing competitiveness, adaptability, and resilience among SMEs in Nigeria's dynamic economic landscape. The findings of this study underscore the capacity of small and medium-sized enterprises (SMEs) in developing economies such as Nigeria to accelerate their growth trajectories by strategically engaging in innovative ventures. This includes the adoption of emerging technologies, development of novel products, exploration of niche markets, and participation in international financial and trade networks. The results affirm that entrepreneurial orientation (EO) exhibits a positive and significant relationship with key performance indicators. Enterprises demonstrating strong EO tendencies are more likely to attain industry leadership by fostering innovation, enhancing customer satisfaction, and securing competitive advantages. In light of these conclusions, the following recommendations are presented:

Entrepreneurial Training and Capacity Building: Government agencies and development organizations should design and implement targeted training programs that equip SME owners and managers with entrepreneurial competencies, particularly in the areas of innovation management, risk analysis, and market forecasting.

- 1) **Access to Finance and Support Services:** Financial institutions should develop SME-friendly products that reduce lending barriers and support entrepreneurial ventures. This includes flexible loan terms, collateral-free credit schemes, and financial literacy support.
- 2) **Policy Framework and Institutional Support:** Policymakers should prioritize SME development in economic planning through favorable tax policies, regulatory reforms, and the creation of enabling environments that stimulate entrepreneurship and innovation.
- 3) **Innovation Incentives:** SMEs should be incentivized to engage in R&D and adopt new technologies through subsidies, innovation grants, and access to research institutions.
- 4) **Risk Management Training:** Since risk-taking has a high influence on market share, SME operators should be trained in effective risk management strategies to enable them to make informed, calculated decisions that enhance competitiveness.



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