

**ENTREPRENEURIAL ORIENTATION AND BUSINESS PERFORMANCE**

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**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF  
BUSINESS ADMINISTRATION, IN PARTIAL FULFILMENT OF THE  
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MANAGEMENT SCIENCES, UNIVERSITY OF BENIN, BENIN CITY**

**OCTOBER, 2025**

## **DECLARATION**

I, **OBIAWOLO PRAISE TOBECHUKWU with MAT NO: MGS2104839**, do hereby declare that this project was based on a study undertaken by me in the Department of Business Administration, Faculty of Management Sciences, University of Benin, Benin City, under the supervision of Dr. O. L. Dimowo. This work had not been previously submitted for the award of Bachelor of Science Degree in Business Administration, to the best of my knowledge. All ideas and views were a product of my personal research; and where the views of others been expressed, have been duly acknowledged.

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**DATE**

**CERTIFICATION**

We, the undersigned, certify that this project was carried out by **OBIAWOLO PRAISE TOBECHUKWU** with matriculation number **MGS2104839** of the Department of Business Administration, Faculty of Management Sciences, University of Benin, Benin City, Edo State, Nigeria; the work has not be presented in part or full in any diploma or Degree awarding institution and the work is adequate in scope and quality in partial fulfilment of the requirements for the award of B.Sc. Degree in Business Administration, Faculty of Management Sciences, University of Benin, Benin City, Nigeria.

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### **DEDICATION**

The work is dedicated to God almighty, the Beginning and the End. The work is also dedicated to my amazing parents, Mr. and Mrs. Obiawolo.

## **ACKNOWLEDGEMENTS**

First and foremost, I sincerely thank Almighty God for His grace, wisdom, and strength throughout the course of this project and my academic journey. My heartfelt gratitude goes to my project supervisor, Dr. O. L. Dimowo, for her invaluable guidance, support, and corrections which greatly contributed to the success of this work.

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## **ABSTRACT**

The study investigated entrepreneurial orientation and business performance. To achieve the purpose of the study, three research questions were raised and answered.

The research design adopted for this study is the cross-sectional research design. The population for this study was made up of all 5,401 registered small scale business in Egor Local Government Area of Edo State. The sample size for this study was made up of 100 respondents. The data collected for this study were analyzed using linear regression analysis. Furthermore, descriptive statistics, such as frequency distributions and percentages, were employed to provide a preliminary summary of the respondents' demographic characteristics and response patterns.

Findings from the study revealed that that entrepreneurial orientation represents a vital strategic resource that drives the competitiveness and sustainability of enterprises, especially small and medium enterprises (SMEs). It was concluded that entrepreneurial orientation, when reinforced by innovation, provides a transformative pathway for sustainable growth, market leadership, and long-term survival in dynamic and competitive business landscapes. Based on the findings, it was recommended that entrepreneurs should deliberately cultivate entrepreneurial traits such as risk-taking, proactiveness, and innovation, as these behaviours directly contribute to improved performance and competitiveness.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

The role of entrepreneurial orientation in shaping the performance of small and medium-sized enterprises (SMEs) has gained significant attention in contemporary times. Edigwe (2023) asserted that SMEs with strong entrepreneurial orientation exhibit innovativeness, proactiveness, and risk-taking, enabling them to navigate dynamic business environments effectively. In Nigeria, where SMEs contribute substantially to economic development, adopting an entrepreneurial mindset is crucial for sustaining growth and overcoming operational challenges. Innovativeness allows businesses to develop new products and services that meet evolving consumer needs, while proactiveness helps them anticipate market trends and act ahead of competitors. Moreover, risk-taking enables SMEs to explore new opportunities, invest in novel ideas, and expand their market reach. However, many Nigerian SMEs struggle with inadequate access to funding, poor infrastructure, and regulatory hurdles, which often limit their entrepreneurial capacity. Addressing these challenges requires targeted policy interventions and support mechanisms (Ogunyemi, 2021).

Innovation plays a fundamental role in strengthening the relationship between entrepreneurial orientation and business success. Aboderin (2022) highlighted that innovative SMEs outperform their counterparts by leveraging technology, creative

business models, and unique value propositions. Nigerian SMEs that embrace digital transformation, automation, and e-commerce platforms enhance operational efficiency and customer satisfaction. In sectors such as agriculture, manufacturing, and services, innovation drives market expansion and competitive advantage. However, limited research and development funding, inadequate technical expertise, and poor intellectual property protection hinder many SMEs from fully embracing innovation. To mitigate these constraints, fostering collaboration between SMEs, universities, and research institutions can enhance knowledge sharing and technological advancement. Additionally, government initiatives such as grants, tax incentives, and incubation programs can further support SMEs in implementing innovative strategies. A strong innovation culture significantly improves productivity, market penetration, and long-term business sustainability (Fatumo, 2023).

Proactiveness, an essential component of entrepreneurial orientation, determines how well SMEs anticipate and respond to market trends. Ubogu (2021) observed that proactive businesses engage in continuous market research, customer feedback analysis, and competitor benchmarking to maintain a competitive edge. Nigerian SMEs that adopt a forward-thinking approach often experience improved brand loyalty, customer retention, and operational resilience. For instance, businesses in the retail and hospitality sectors that leverage data analytics for demand forecasting can enhance inventory management and service delivery. However, some SMEs struggle with a reactive approach, responding to market changes only after experiencing losses or declining customer interest.

Encouraging strategic foresight through training, workshops, and mentorship programs can strengthen SMEs' ability to anticipate industry shifts. Proactiveness not only ensures business sustainability but also enhances profitability by enabling firms to capitalise on emerging opportunities before competitors (Adewuyi, 2022).

Risk-taking remains a crucial determinant of entrepreneurial success among SMEs, as it influences business expansion, investment decisions, and innovation adoption. Salau (2023) noted that SMEs that embrace calculated risks often venture into new markets, diversify their product offerings, and adopt emerging technologies. In Nigeria, SMEs that explore export markets, despite challenges such as foreign exchange fluctuations and trade barriers, often experience increased revenue and business growth. However, excessive risk-taking without adequate planning may result in financial losses and business failures. Implementing structured risk management frameworks, including feasibility studies, contingency planning, and financial literacy programs, can mitigate the negative consequences of risk-taking (Emoefe, 2021).

## **1.2 Statement of the Research Problem**

Despite the importance of entrepreneurial orientation as a critical factor influencing the performance of small and medium-sized enterprises (SMEs), preliminary observations has shown that it appears that many SMEs in Nigeria struggle to translate entrepreneurial orientation into sustained business growth and competitive advantage. While entrepreneurial orientation encompasses key dimensions such as innovativeness,

proactiveness, risk-taking, competitive aggressiveness, and autonomy, many SMEs fail to effectively implement these strategies due to challenges such as inadequate financial resources, poor managerial skills, and an unstable economic climate (Namite, 2021). Moreover, external market factors, including regulatory inconsistencies, inflation, and technological disruptions, further limit SMEs' ability to leverage entrepreneurial orientation for improved performance (Adebayo & Yusuf, 2022). Without a clear understanding of how entrepreneurial orientation influences business outcomes, SMEs may continue to experience stagnation, reduced profitability, and limited scalability, ultimately affecting their contribution to economic development.

Despite growing scholarly interest in the role of entrepreneurial orientation in enhancing SME performance, existing literature presents conflicting views on its effectiveness. Some researchers, such as Adeyemi and Olatunji (2022), argue that a strong entrepreneurial orientation leads to higher profitability, market expansion, and business resilience. Conversely, others, including Eze and Bello (2023), contend that without proper strategic planning and risk management, entrepreneurial orientation may expose SMEs to financial instability and operational inefficiencies. Given these inconsistencies, there is a need for empirical research that examines the direct and moderating effects of entrepreneurial orientation on SME performance. This study aims to bridge the gap in literature by providing a careful investigation on entrepreneurial orientation and business performance.

### **1.3 Research Questions**

The following questions will guide the study:

1. What is the relationship between entrepreneurial orientation and business performance?
2. What are the key entrepreneurial traits that enhance business success?
3. What is the impact of innovation on the growth of SMEs?

### **1.4 Objectives of the Study**

The main objectives of the study is to investigate entrepreneurial orientation and business performance. The specific objectives of the study are;

1. To analyze the relationship between entrepreneurial orientation and business performance.
2. To identify key entrepreneurial traits that enhance business success.
3. To evaluate the impact of innovation on the growth of SMEs.

### **1.5 Research Hypotheses**

To address the research questions and accomplish the objectives, the following hypotheses were formulated and presented in their null form:

**HO<sub>1</sub>:** There is no significant relationship between entrepreneurial orientation and business performance.

**HO<sub>2</sub>:** Key entrepreneurial traits do not significantly enhance business success.

**HO<sub>3</sub>:** Innovation has no significant impact on the growth of SMEs.

## **1.6 Significance of the Study**

This study will be of immense significance to small and medium-sized enterprise (SME) owners and managers as it will provide valuable insights into how entrepreneurial orientation can drive business performance. By understanding the relationship between entrepreneurial orientation and key performance indicators such as profitability, market expansion, and business sustainability, SME owners can adopt strategic approaches to enhance their competitiveness in dynamic business environments. The findings will also help businesses develop proactive strategies to manage risks and uncertainties associated with entrepreneurship.

The study will be beneficial to policymakers and government agencies responsible for SME development, as it will offer empirical evidence on the role of entrepreneurial orientation in enhancing business growth. By identifying key factors that influence SME performance, policymakers can formulate supportive policies and initiatives, such as access to finance, entrepreneurship training, and regulatory frameworks, to create a more enabling environment for small businesses to thrive.

Academics and researchers in business and entrepreneurship studies will find this study useful as it will contribute to the existing body of knowledge on entrepreneurial orientation and business performance. By bridging gaps in literature and providing empirical findings within the Nigerian context, the study will serve as a reference point

for future research, encouraging further exploration into entrepreneurial strategies that enhance SME success.

This research will also be valuable to financial institutions and investors seeking to support SMEs through funding and investment opportunities. By understanding how entrepreneurial orientation affects business performance, financial institutions can design targeted financial products and advisory services that cater to the specific needs of SMEs. This can improve SMEs' access to credit and investment opportunities, ultimately promoting business growth and economic development.

This study will contribute to national economic development by highlighting ways SMEs can leverage entrepreneurial orientation to improve productivity, job creation, and innovation. As SMEs play a crucial role in Nigeria's economy, enhancing their performance through strategic entrepreneurial practices will lead to broader economic benefits, including poverty reduction, increased employment opportunities, and sustainable economic growth.

## **1.7 Scope of the Study**

The scope of this study is limited to small and medium-sized enterprises (SMEs) in Egor Local Government Area of Edo State. The study focuses on the effect of entrepreneurial orientation on business performance, examining key dimensions such as innovativeness, proactiveness, risk-taking, competitive aggressiveness, and autonomy. However, the research will be restricted to SMEs operating within Egor Local

Government Area, analyzing how their entrepreneurial orientation influences profitability, market expansion, and overall business sustainability. The participants for the study will include SME owners, managers, and other key stakeholders involved in business operations within the selected area.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter focuses on the review of literature concerning entrepreneurial orientation and business performance. The chapter begins with a critical examination on the concept of entrepreneurial orientation. The chapter also examines the relationship between entrepreneurial orientation and business performance. The chapter further examines the key entrepreneurial traits that enhance business success. The chapter was concluded with an examination on the impact of innovation on the growth of SMEs.

#### **2.2 Business Performance**

Business performance refers to how well an organisation achieves its objectives within a given period. Uduaghan (2023) asserted that business performance is a multidimensional concept involving both financial and non-financial indicators such as profitability, market share, customer satisfaction, and innovation capacity. Effective business performance indicates that an enterprise is efficiently utilising its resources to generate value and sustain competitive advantage in its industry. It reflects not only the internal strength of the firm but also its ability to respond to external challenges and adapt to changing market conditions. In today's globalised economy, performance metrics go beyond profit margins and include employee engagement, corporate social responsibility, and environmental sustainability. Therefore, measuring performance holistically is essential for long-term success and relevance in any industry (Nabofa & Okoro, 2021).

The concept of business performance encompasses strategic goals, operational efficiency, and stakeholder satisfaction. Inaki and Ekpo (2020) noted that the evaluation of performance often depends on the alignment of a company's objectives with its daily operations and strategic initiatives. This alignment ensures that every action taken by the organisation contributes to its overall success. Business performance is thus a reflection of how well a company translates its vision and mission into measurable outcomes. Managers often use key performance indicators (KPIs), balanced scorecards, and benchmarking to monitor and enhance performance levels. These tools help businesses identify areas for improvement and implement corrective strategies before issues escalate. A well-performing business is not only profitable but also adaptable, sustainable, and respected by stakeholders (Lawal & Garba, 2023).

Understanding business performance also involves examining the interplay between internal capabilities and external environmental factors. Fatoyi (2022) explained that internal resources such as skilled labour, robust technology, and strong leadership significantly influence performance outcomes. Equally, external elements like economic conditions, competition, and government policies affect how well a business can thrive. Hence, performance is both an outcome and a process—resulting from strategic planning, operational execution, and continuous learning. Businesses must routinely analyse both financial ratios and non-financial indicators to gain a comprehensive picture of performance. This enables proactive decision-making and fosters resilience in volatile markets (Nwamite, 2020).

The measurement of business performance serves as a vital tool for strategic control and improvement. Bello and Udi (2021) emphasised that performance assessment allows businesses to set realistic goals, monitor progress, and evaluate the effectiveness of their strategies. It also aids in identifying performance gaps and areas that require innovation or restructuring. In many Nigerian enterprises, performance reviews have become central to corporate governance and accountability, especially in the face of economic uncertainty and global competition. The ability to track and measure performance has proven to be a critical success factor in both small and large organisations. It ensures transparency, motivates employees, and enhances organisational culture (Obi, 2023).

Modern approaches to business performance have expanded to include sustainable and ethical practices alongside traditional metrics. Edevwor (2023) argued that businesses are increasingly judged by how they impact society and the environment, not just by their financial returns. As a result, companies now integrate sustainability goals into their performance frameworks, recognising that long-term success depends on responsible corporate behaviour. This evolution in understanding reflects growing awareness among consumers and investors who demand more accountability. In Nigeria, several industries have begun to adopt Environmental, Social, and Governance (ESG) indicators as part of their performance evaluation systems. This shift highlights the importance of value-driven performance in achieving enduring growth and competitiveness (Niameye & Ibrahim, 2022).

### **2.2.1 Concept of Entrepreneurial Orientation**

Entrepreneurial orientation refers to the strategic attitude or posture of individuals or organisations towards recognising and exploiting entrepreneurial opportunities. Nadriye (2023) asserted that this concept encapsulates an entity's inclination towards innovation, proactivity, and calculated risk-taking in dynamic business environments. It is considered a critical framework in entrepreneurship studies because it reflects how entrepreneurs behave in uncertain markets. A firm or individual with a strong entrepreneurial orientation typically shows a willingness to innovate, embrace uncertainty, and lead change rather than follow it. In the Nigerian context, the increasing emphasis on entrepreneurship education and youth empowerment is largely aimed at enhancing entrepreneurial orientation across sectors. Policymakers now view entrepreneurial orientation as a viable mechanism for addressing economic stagnation and promoting self-reliance. Thus, developing a positive entrepreneurial orientation is vital for sustainable economic growth and employment creation in Nigeria (Uzonwanne, 2021).

Entrepreneurial orientation is traditionally measured through five core dimensions: innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy. Adebayo (2023) explained that these components define how entrepreneurs and organisations confront market challenges and exploit new opportunities. Innovativeness involves a commitment to creativity and technological advancement, while risk-taking implies engaging in ventures with uncertain outcomes. Proactiveness signifies forward-thinking and opportunity-seeking behaviour, whereas competitive aggressiveness pertains

to outperforming rivals through strategic initiatives. Autonomy refers to the independence of employees or entrepreneurs in decision-making and idea implementation. Together, these dimensions provide a comprehensive framework for evaluating entrepreneurial mindset and behaviour. In Nigeria, understanding and strengthening these dimensions have become essential for improving business resilience, especially among small and medium-sized enterprises (SMEs). Promoting these traits enhances competitiveness and adaptability in an unpredictable economic environment (Ogunleye, 2020).

Entrepreneurial orientation is more than just a strategy; it also reflects an organisation's culture and behavioural tendencies. Ezenwanyi (2021) opined that firms with high entrepreneurial orientation foster a work environment that supports experimentation, encourages calculated risk-taking, and rewards innovation. This culture nurtures creativity, inspires proactive problem-solving, and allows for failure as part of the growth process. In such organisations, leadership plays a central role in modelling and reinforcing entrepreneurial behaviours. In Nigeria, many forward-looking firms are beginning to embed entrepreneurial orientation into their core values and operational strategies, especially within the tech and startup sectors. This shift is critical in an economy that relies heavily on small businesses for job creation and economic development. As a result, a strong entrepreneurial culture remains one of the most significant enablers of performance, adaptability, and long-term success in Nigerian business environments (Chinweuba, 2022).

On an individual level, entrepreneurial orientation encompasses the personal disposition and behavioural patterns that drive entrepreneurial action. According to Bello (2020), traits such as innovativeness, risk appetite, and internal locus of control often characterise individuals with a strong entrepreneurial orientation. These individuals are quick to spot opportunities in the market, develop innovative solutions, and implement ideas with confidence and initiative. In Nigeria, personal entrepreneurial orientation has become increasingly relevant, especially among youths who face limited formal employment opportunities. Entrepreneurship is now seen as not just a means of livelihood but also a form of self-expression and community contribution. Encouraging entrepreneurial orientation among individuals is, therefore, crucial for nurturing creative capacities and grassroots development. When supported through mentorship and training, these personal attributes can lead to sustained entrepreneurial ventures with significant socio-economic impact (Olayemi, 2021).

Entrepreneurial orientation is dynamic and evolves with time, experience, and exposure to different business conditions. Ibrahim and Sative (2022) noted that firms often adapt and redefine their entrepreneurial orientation in response to market feedback, growth stages, and environmental uncertainties. For instance, a startup may initially adopt aggressive risk-taking strategies, but as it matures, its orientation might shift towards measured innovation and strategic proactiveness. This flexibility is crucial in volatile economies like Nigeria, where entrepreneurs face policy inconsistencies, infrastructural deficits, and shifting consumer behaviour. A business that continuously refines its

entrepreneurial orientation is better positioned to stay relevant and competitive. This evolving nature makes entrepreneurial orientation a key competency rather than a fixed trait, one that enables entrepreneurs to learn from challenges and continuously reposition their strategies. In this regard, agility and strategic learning become hallmarks of entrepreneurial success in Nigeria (Balogun, 2023).

The significance of entrepreneurial orientation in driving business performance cannot be overstated, particularly in developing economies. Yakubu and Urhiako (2020) stressed that firms with high entrepreneurial orientation often outperform competitors in areas such as innovation, customer satisfaction, and market penetration. These firms are not only responsive but also anticipatory, often creating new markets and redefining industry standards. In Nigeria, where economic uncertainties and infrastructural challenges persist, entrepreneurial orientation equips businesses with the resilience to withstand external shocks. It empowers entrepreneurs to diversify, innovate, and embrace disruptive change. Moreover, it has a ripple effect, influencing job creation, community development, and wealth distribution. As such, entrepreneurial orientation is increasingly recognised as a national economic driver, one that holds the potential to transform not only individual enterprises but also the broader business landscape (Adesina, 2021).

### **2.2.2 Entrepreneurial Traits**

Entrepreneurial traits refer to the distinctive characteristics, behaviours, and mindsets that drive individuals to identify opportunities, take risks, and innovate in order

to establish and grow businesses. Damakin (2023) asserted that these traits are not only crucial for personal business success but are also instrumental in the overall economic development of a society. Typically, such traits include proactiveness, creativity, resilience, and self-motivation. Entrepreneurs often demonstrate a heightened level of self-confidence and a willingness to take calculated risks in the face of uncertainty. These traits empower them to make bold decisions, withstand business challenges, and continuously seek improvement. The possession of these qualities frequently distinguishes successful entrepreneurs from others in the business environment, particularly in volatile economies like Nigeria's. By developing these attributes, aspiring entrepreneurs enhance their capacity to adapt, compete, and thrive in dynamic markets (Udochi & Olalekan, 2021).

The concept of entrepreneurial traits is deeply rooted in both psychological and behavioural theories, which suggest that certain inherent or learned qualities shape an individual's entrepreneurial journey. Udokpa (2022) noted that these traits are often influenced by a blend of personality factors, life experiences, and environmental conditions. While some argue that entrepreneurs are born with these characteristics, others believe that with proper exposure and training, anyone can cultivate them. Traits such as risk-taking, perseverance, and vision have been identified as fundamental to successful entrepreneurship. In the Nigerian context, cultural factors, access to resources, and societal expectations also play a role in the expression of these traits. As entrepreneurship continues to be seen as a viable path to addressing unemployment and

poverty in Nigeria, understanding the dynamics of these traits becomes more essential (Ogunbiyi, 2020).

Entrepreneurial traits also encompass strong leadership qualities and the ability to inspire and mobilise others toward a common goal. According to Dagbona and Nwafor (2021), effective entrepreneurs often possess emotional intelligence, communication skills, and strategic thinking, all of which are vital in navigating the business landscape. These characteristics not only help in managing teams and resources but also in building networks, securing funding, and negotiating with stakeholders. In emerging economies like Nigeria, entrepreneurs with such traits tend to outperform others because they can better leverage opportunities and navigate systemic challenges. Furthermore, these attributes can influence the level of innovation and sustainability in their enterprises, contributing to long-term business success (Chibuzor, 2022).

The development and enhancement of entrepreneurial traits are strongly tied to education, mentorship, and practical experience. Egunjobi (2023) emphasised that structured entrepreneurship education and exposure to real-world business challenges are essential in shaping these traits. Educational institutions, particularly in Nigeria, are increasingly incorporating entrepreneurship training into their curricula to nurture critical thinking, creativity, and risk tolerance in students. Moreover, mentorship from successful entrepreneurs can help individuals understand the realities of the business world and refine their entrepreneurial mindset. Continuous learning and personal development also

play a key role in sharpening these traits over time. This deliberate cultivation of entrepreneurial qualities can significantly improve the success rate of new ventures in Nigeria and beyond (Adebowale, 2021).

### **2.2.3 Innovation**

Innovation refers to the process of creating new ideas, products, services, or processes that add value and foster business growth. Ganiyat (2023) asserted that innovation is the cornerstone of entrepreneurial success as it empowers businesses to adapt to changing market demands and remain competitive. In the entrepreneurial landscape, innovation is not limited to technological advancements but encompasses creative problem-solving, rethinking business models, and introducing improved methods of delivering value to customers. Entrepreneurs who embrace innovation often enjoy a first-mover advantage, which enables them to capture market share and build strong brand identities. By continuously seeking novel approaches, these entrepreneurs not only disrupt existing markets but also pave the way for new industries. This dynamic quality of innovation is what distinguishes enterprising individuals and organisations in the competitive economic environment (Ubogu & Okonkwo, 2021).

Innovation also plays a pivotal role in addressing local challenges by offering context-specific solutions through entrepreneurial ventures. Gambo (2021) emphasised that in the Nigerian context, innovation in entrepreneurship has led to the development of products and services that meet unique social, economic, and infrastructural needs. For

example, local tech start-ups have created mobile payment solutions tailored to the unbanked population, thereby promoting financial inclusion. Similarly, entrepreneurs in the agricultural sector have introduced smart farming tools and techniques to boost productivity and reduce waste. These innovations are often born out of a deep understanding of the local environment and a commitment to solving societal problems, which is a hallmark of impactful entrepreneurship. As such, innovation becomes both a tool for profitability and a mechanism for social transformation (Tariko & Adebayo, 2020).

Moreover, innovation in entrepreneurship enhances operational efficiency and resource optimisation within business enterprises. Irete and Bello (2022) noted that when entrepreneurs innovate, they often develop more effective production processes, streamline supply chains, and improve customer experiences. These improvements contribute to cost reduction and better service delivery, which are critical factors for business sustainability. In the face of global competition and economic uncertainty, Nigerian entrepreneurs are increasingly leveraging innovation to overcome challenges such as limited access to capital, inadequate infrastructure, and regulatory constraints. The integration of digital tools, for instance, has enabled many small businesses to transition to online platforms, reaching broader audiences at reduced costs. In essence, innovation ensures the continuous evolution of entrepreneurial activities in ways that foster resilience and adaptability (Nwachukwu, 2023).

Innovation serves as a catalyst for entrepreneurship education and the nurturing of a creative mindset among aspiring business owners. Sheriff and Olatunde (2023) pointed out that embedding innovation in entrepreneurial training equips individuals with the skills to think critically, embrace change, and identify opportunities in their environments. In universities and vocational institutions across Nigeria, there is a growing emphasis on incorporating practical innovation projects into the curriculum to stimulate students' entrepreneurial capacities. This educational shift recognises the importance of preparing learners not just to seek jobs, but to create them through innovative ventures. Furthermore, government and private sector initiatives such as hackathons, incubation hubs, and pitch competitions encourage innovation and provide platforms for entrepreneurs to develop and scale their ideas. By cultivating a culture of innovation, Nigeria is investing in a new generation of entrepreneurs who are equipped to drive economic growth and societal progress (Shekpaduku & Ezeani, 2020).

#### **2.2.4 Relationship Between Entrepreneurial Orientation and Business Performance**

Entrepreneurial orientation plays a fundamental role in shaping the strategic posture of businesses and directly influences their overall performance. Risikat (2023) asserted that firms that exhibit strong entrepreneurial characteristics such as innovativeness, proactiveness, and risk-taking often enjoy a competitive edge in their industries. These traits enable businesses to identify and exploit emerging opportunities faster than their competitors, which is particularly crucial in rapidly changing markets. In

Nigeria's dynamic economic climate, firms that adopt entrepreneurial orientation tend to adapt more easily to external shocks, thereby maintaining or even improving their performance. This relationship is more evident among small and medium-sized enterprises, where resource constraints require a more agile and innovative approach to remain viable. Entrepreneurial orientation fosters a mindset of resilience and proactive problem-solving that can help firms navigate uncertainties and pursue growth (Tegbe, 2022).

Innovation, a core component of entrepreneurial orientation, has been consistently linked to improved business outcomes in both local and global contexts. Imoni (2022) observed that Nigerian enterprises that invest in product and process innovations often outperform their peers in terms of customer satisfaction, market expansion, and profitability. Innovation allows businesses to offer unique value propositions that differentiate them from competitors, thereby enhancing customer loyalty and financial performance. Furthermore, companies that embed innovation in their strategic planning are more likely to create sustainable business models that withstand economic turbulence. In a highly competitive environment like Nigeria's, innovation acts as a driving force behind customer retention, market relevance, and long-term viability. Entrepreneurs who continuously refine their offerings through innovation are better positioned to lead and succeed in their industries (Bassey, 2023).

Risk-taking, another key dimension of entrepreneurial orientation, is essential for business growth, though it involves the possibility of failure. Dakuku (2020) emphasised that Nigerian entrepreneurs who engage in calculated risk-taking are more likely to identify high-yield investments and venture into uncharted markets. This behaviour often translates to superior financial results and market leadership. However, the ability to manage and mitigate risks effectively is what distinguishes successful firms from struggling ones. Nigerian firms that foster a culture of informed risk-taking often develop adaptive strategies and maintain competitiveness in unpredictable markets. Encouraging risk-taking also helps businesses experiment with new ideas, some of which may become game-changers. A proactive attitude towards risk leads to faster innovation cycles and a stronger presence in both local and international markets (Ezeanya, 2021).

Proactiveness is equally important in connecting entrepreneurial orientation to business success. Ifeanyi (2021) maintained that businesses which anticipate and act on future demands, rather than merely reacting to changes, tend to enjoy first-mover advantages. This proactive stance allows Nigerian firms to establish market presence before competitors and set industry standards, which significantly contributes to their performance. Being proactive also enables businesses to align resources effectively and foster strategic partnerships that drive growth. Moreover, a forward-looking approach helps firms stay relevant by responding quickly to evolving customer needs and market dynamics. Proactive firms in Nigeria are often better positioned to withstand economic uncertainties and regulatory disruptions. They lead innovation efforts, engage customers

early, and continuously refine their business strategies to sustain competitive advantage (Yahaya, 2023).

Autonomy, although less frequently discussed, is a critical dimension of entrepreneurial orientation that facilitates swift decision-making and creativity within organisations. Ejiofor (2023) argued that firms which grant employees and managers the freedom to explore new ideas and solutions often see improvements in efficiency and innovation. In the Nigerian context, where hierarchical decision-making can delay responses, autonomous teams are able to respond more quickly to market needs, thus enhancing business performance. When employees feel empowered, they contribute more actively to strategic objectives and are more committed to organisational success. Autonomy also promotes accountability and ownership, which are vital for fostering a result-oriented work environment. Nigerian businesses that encourage decentralised decision-making often outperform rigid, top-down structures in terms of adaptability and responsiveness (Okonkwo, 2022).

Competitive aggressiveness, the final dimension of entrepreneurial orientation, further illustrates the positive relationship between entrepreneurial orientation and performance by focusing on how firms respond to competitors. Salami (2022) noted that Nigerian businesses that aggressively strive to outperform rivals—whether through pricing strategies, market penetration, or customer acquisition—often report higher profit margins and customer base expansion. This competitive drive is especially relevant in

densely populated commercial hubs like Lagos and Port Harcourt, where market competition is fierce. Competitive aggressiveness pushes businesses to innovate constantly, improve service delivery, and adopt efficient practices. When pursued strategically, it enables firms to dominate their sectors and expand into new territories. However, such aggressiveness must be guided by ethical considerations to ensure long-term sustainability and reputation management (Ndubuisi, 2023).

### **2.2.5 Entrepreneurial Traits that Enhance Business Success**

One of the most essential traits that contribute to entrepreneurial success is vision. Ubieko (2023) asserted that entrepreneurs who possess a clear and compelling vision are better positioned to align their strategies and operations towards long-term goals. Vision helps business owners anticipate trends, recognise future market needs, and create innovative solutions that give them a competitive edge. It also inspires teams and investors to commit to the entrepreneur's mission, thereby building loyalty and drive. A clear vision ensures that even when external factors challenge progress, the business remains anchored to a central purpose. This trait separates ordinary businesses from those that make a lasting impact. Entrepreneurs who lack vision often struggle with direction and may fall behind in a rapidly changing market environment. Vision is therefore not optional, but rather a core necessity for any aspiring entrepreneur (Okoh, 2021).

Another key trait vital for entrepreneurial success is resilience. Nwokolo and Dariye (2023) noted that resilience equips entrepreneurs to endure the inevitable setbacks, failures, and uncertainties that often accompany business ventures. Entrepreneurs with this trait recover quickly from setbacks, learn from experiences, and adapt their strategies to meet new demands. This quality is particularly important in Nigeria's unpredictable economic environment, where challenges such as poor infrastructure, inflation, and inconsistent government policies persist. Resilience fuels a never-give-up attitude and helps entrepreneurs keep going even when odds seem unfavourable. Those who embody this trait are better able to maintain long-term growth and navigate turbulent business climates. They treat failure not as defeat but as a lesson that strengthens their resolve. Without resilience, many would abandon their businesses at the first sign of trouble, thus missing out on potential success (Oluwatosin, 2020).

Creativity and innovation also stand out as indispensable entrepreneurial traits. Saheed (2022) highlighted that entrepreneurs who cultivate creativity are more likely to identify unique opportunities and design exceptional solutions for everyday problems. Innovative thinking allows entrepreneurs to introduce new products, improve services, and enhance customer experiences. This is especially important in a competitive economy like Nigeria, where businesses must differentiate themselves to survive. Creative entrepreneurs think outside the box, using limited resources to develop cost-effective strategies and deliver value. Many successful Nigerian start-ups have thrived by introducing fresh ideas in fintech, agriculture, and fashion industries. Innovation not only

attracts customers but also draws investors who are eager to support original ventures. It helps entrepreneurs respond swiftly to market changes and demands. Without creativity, businesses risk becoming stagnant and obsolete in the face of evolving customer needs (Agbaje, 2023).

A fourth important trait is the ability to take risks. According to Danladi (2021), successful entrepreneurs are not reckless but rather calculated risk-takers who weigh the potential benefits and downsides of every decision. Risk-taking enables business owners to step outside their comfort zones, invest in promising opportunities, and expand their ventures. In a dynamic and sometimes unpredictable economy like Nigeria's, this trait is vital. Entrepreneurs often face challenges such as fluctuating currency values and shifting regulations, and only those willing to take bold steps can capitalise on emerging trends. However, effective risk-taking must be guided by sound research and decision-making skills. Those who succeed in business are typically those who are not paralysed by fear of failure. Instead, they view risk as a pathway to growth and are willing to learn from whatever outcomes they encounter (Chukwuma, 2022).

Equally significant is the trait of effective communication. Umoh (2020) observed that entrepreneurs with strong communication skills are better able to express their ideas, convince investors, and manage employees. Communication creates understanding and trust between entrepreneurs and their clients, partners, or team members. It also helps in resolving misunderstandings and establishing strong business relationships. In Nigeria,

where business success often depends on effective networking and collaboration, good communication opens doors to new partnerships and resources. Entrepreneurs who speak clearly, listen attentively, and adapt their messages to suit various audiences tend to enjoy more credibility and loyalty. Whether through presentations, social media, or customer service, communication is the bridge between a business and its stakeholders. Without it, even the best ideas can go unnoticed or misunderstood, resulting in lost opportunities (Ikpigbi, 2023).

Self-discipline and time management are traits that no entrepreneur can ignore. Ubiameji (2022) stressed that entrepreneurs who practise discipline are more likely to maintain focus, avoid distractions, and consistently work towards their business objectives. Time management allows for better organisation of tasks, leading to increased productivity and efficiency. In Nigeria, where entrepreneurs often face numerous responsibilities with limited support, discipline ensures that crucial activities are prioritised and completed on schedule. Entrepreneurs who master this trait are less likely to procrastinate or mismanage resources. They tend to plan their days strategically, setting achievable goals and monitoring their progress regularly. Self-discipline also helps entrepreneurs resist the temptation to give up when faced with obstacles. It keeps them committed to their business vision, even when immediate results are not visible (Iweala, 2021).

## **2.2.6 Impact of Innovation on the Growth of SMEs**

Innovation plays a pivotal role in driving the growth and competitiveness of small and medium-sized enterprises (SMEs). Tarigbe (2023) asserted that innovative practices such as introducing new products, modernising services, or adopting emerging technologies can significantly enhance the performance of SMEs. These innovations allow businesses to differentiate themselves from competitors, build brand recognition, and respond swiftly to changing market demands. In Nigeria, where SMEs face infrastructure, finance, and market access challenges, innovation becomes a vital survival tool. Many SMEs have adopted cost-effective innovations like mobile money solutions, eco-friendly packaging, and virtual customer service. This has not only enhanced their operational efficiency but also improved customer satisfaction. Furthermore, innovation encourages continuous improvement, pushing SMEs to refine their offerings regularly. As competition increases globally, SMEs that embrace innovation tend to experience sustainable growth and greater profitability (Abang, 2021).

Technological innovation has become a cornerstone for efficiency and growth in SMEs. Dirisu (2022) opined that the adoption of digital tools such as mobile applications, inventory software, and online payment systems enhances business operations and customer engagement. Nigerian SMEs have been quick to tap into mobile banking, e-commerce platforms, and customer feedback apps to streamline their processes. These technologies improve accuracy, reduce manual errors, and foster better decision-making through data analytics. Cloud computing and automation have further allowed SMEs to operate beyond traditional business hours and locations, reaching customers across

various regions. In the face of Nigeria's infrastructural limitations, technology bridges critical gaps, making businesses more resilient and agile. By improving customer service and internal processes, tech-based innovation continues to contribute immensely to the survival and expansion of SMEs in Nigeria (Yekini, 2023).

Product innovation plays a critical role in boosting the sustainability and market relevance of SMEs. Raheed (2021) stated that the development of new or improved products enables SMEs to meet evolving customer preferences and gain a competitive edge. In Nigeria, many SMEs in sectors like food processing, fashion, and cosmetics are producing unique, high-quality products tailored to local tastes. These innovations not only attract new customers but also foster loyalty among existing ones. For example, SMEs introducing organic or eco-friendly alternatives often see increased patronage from environmentally conscious buyers. By focusing on product excellence and creativity, SMEs are able to position themselves as reputable brands in local and even international markets. Innovation ensures that products remain relevant, cost-effective, and appealing, thereby contributing significantly to revenue generation and growth (Lawani, 2022).

Process innovation is essential in enhancing the productivity and competitiveness of SMEs. Salakwe (2023) argued that refining internal business procedures through automation or process re-engineering allows SMEs to achieve greater efficiency and reduce waste. In Nigeria, SMEs that adopt smart systems for inventory control, invoicing, and employee management often report better time and resource utilisation. These

process improvements help businesses to streamline their workflows, minimise errors, and allocate resources more strategically. For instance, using digital point-of-sale systems allows for real-time sales tracking and better customer interaction. SMEs in sectors like logistics and retail have also benefited from integrating technology into their delivery and stock management systems. As these businesses grow, such innovations ensure they remain scalable and responsive to customer needs. Ultimately, process innovation supports operational excellence and long-term business stability (Muyiola, 2022).

Marketing innovation remains a driving force behind the visibility and profitability of SMEs. Ibekwe (2022) asserted that SMEs that embrace new marketing techniques, such as influencer campaigns, viral challenges, or data-driven advertising, experience higher engagement and brand recall. In Nigeria, where traditional advertising is often expensive, SMEs turn to digital marketing for cost-effective promotion. Platforms like Instagram, WhatsApp, and Facebook have become powerful tools for product showcasing and customer interaction. SMEs also use data analytics to study consumer preferences and adjust their marketing strategies accordingly. Innovative branding, storytelling, and targeted ads help build trust and create emotional connections with consumers. These modern marketing approaches enable SMEs to expand their customer base without needing large budgets. As marketing landscapes evolve, innovative strategies ensure SMEs remain visible, relevant, and successful in the face of competition (Nwosu, 2023).

Human resource innovation contributes significantly to the long-term success of SMEs by fostering a motivated and high-performing workforce. Usifo and Adediran (2021) noted that businesses that encourage employee participation in decision-making and innovation tend to see increased productivity and creativity. Nigerian SMEs that invest in continuous staff training, skills development, and digital HR tools create environments where employees feel valued and engaged. Initiatives such as flexible working hours, remote work, and performance-based bonuses help attract and retain top talent. These HR innovations not only improve staff morale but also drive overall organisational effectiveness. By promoting a culture of innovation and inclusivity, SMEs ensure their teams are adaptable to change and capable of solving emerging business challenges. Ultimately, when human capital is nurtured through innovative practices, SMEs are better positioned to scale and succeed (Chukwuka, 2023).

## **2.3 Theoretical Review**

The study is hinged on the Resource-Based View (RBV) theory propounded by Jay Barney in 1991.

### **2.3.1 Resource-Based View Theory (RBV)**

The Resource-Based View (RBV) is a prominent theory in strategic management that emphasizes the importance of a firm's internal resources and capabilities in achieving sustained competitive advantage and superior performance. According to RBV, firms that possess valuable, rare, inimitable, and non-substitutable resources are better

positioned to outperform their competitors. These resources can be tangible, such as physical assets and financial capital, or intangible, such as intellectual property, brand reputation, and organizational culture. In the context of entrepreneurial orientation and business performance, RBV suggests that a firm's entrepreneurial capabilities, such as risk-taking, innovation, and proactiveness, are key resources that can influence its ability to adapt to changes in the market, innovate, and maintain competitive advantage. These capabilities, when effectively leveraged, lead to enhanced performance outcomes, particularly in dynamic and competitive business environments.

The theory hold out that the strategic orientation of a firm depends on its willingness to take risks, engage in innovative practices, and proactively seek out new opportunities in the marketplace. According to the Resource-Based View, the entrepreneurial orientation of a firm represents a valuable resource that enables the organization to be more flexible, innovative, and responsive to environmental changes. For example, firms with a high level of risk-taking may be more likely to invest in new technologies or enter new markets, potentially resulting in higher returns. Similarly, firms with a strong emphasis on innovation are better equipped to develop new products or services, differentiating themselves from competitors and creating a unique market position.

The theory also highlights the role of resource heterogeneity, which refers to the idea that not all firms have access to the same resources or capabilities. In the context of

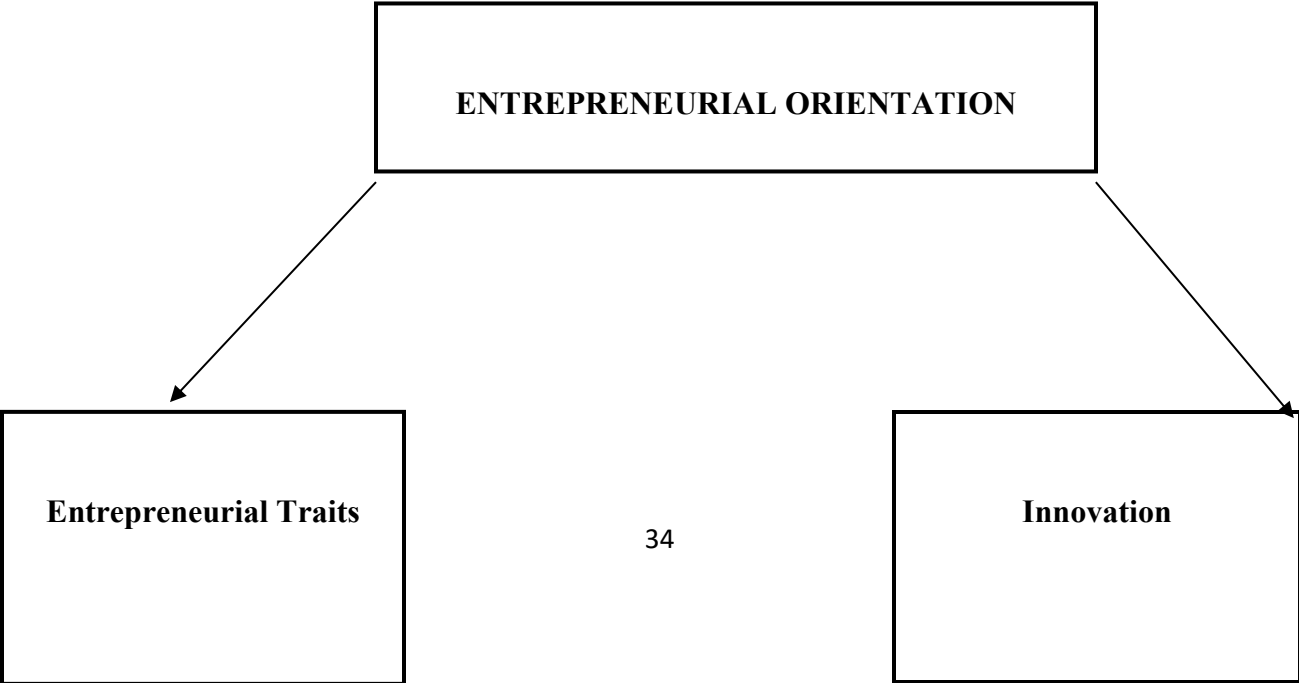
entrepreneurial orientation, this means that firms with strong entrepreneurial capabilities, such as a culture that encourages creativity and risk-taking, will have a competitive edge over firms that lack these resources. Entrepreneurial orientation enables firms to effectively utilize their resources, exploit emerging opportunities, and navigate threats in the market. For instance, a firm with a proactive orientation may be better at recognizing trends in consumer preferences or technological advancements, allowing it to capitalize on these trends before competitors. In contrast, firms that are less entrepreneurial may miss these opportunities, leading to stagnation and suboptimal performance.

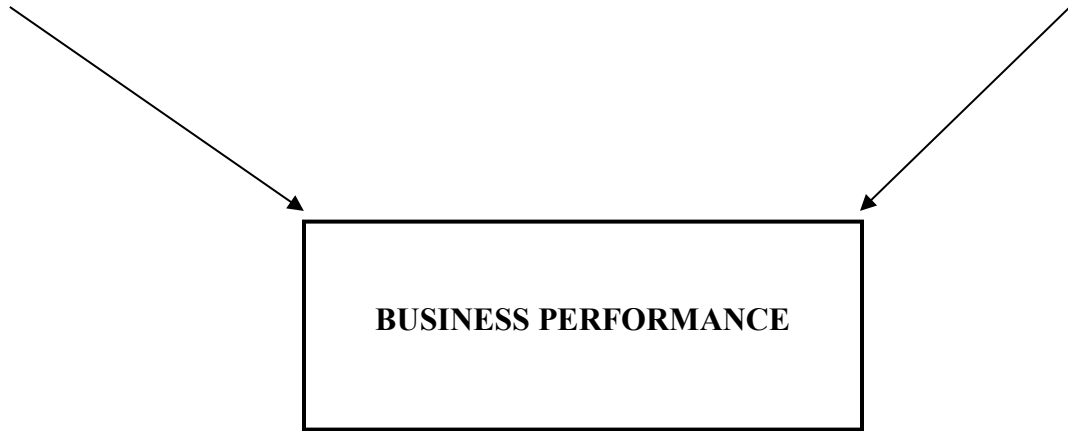
The theory underscores the importance of resource immobility, which refers to the difficulty of replicating valuable resources across firms. Entrepreneurial orientation, as a dynamic and firm-specific resource, is often difficult for competitors to imitate, especially when it is deeply embedded within the company's culture and processes. The tacit knowledge and expertise developed by entrepreneurs within a firm are typically non-transferable, making them a source of sustained competitive advantage. Firms with a strong entrepreneurial orientation, therefore, create unique capabilities that are not easily replicated by competitors, contributing to long-term business success. This concept of inimitability is critical in explaining how firms with a high entrepreneurial orientation can achieve superior performance and maintain their competitive edge over time.

The theory is relevant to the study as it help provides a useful framework for understanding the relationship between entrepreneurial orientation and business

performance. By viewing entrepreneurial orientation as a valuable, rare, and inimitable resource, firms can better understand how their internal capabilities influence their ability to achieve competitive advantage. Entrepreneurial orientation, with its focus on innovation, risk-taking, and proactiveness, enables firms to effectively utilize their resources to adapt to market changes, exploit new opportunities, and overcome challenges. Ultimately, firms that invest in cultivating entrepreneurial orientation as a core resource are more likely to achieve superior business performance, making RBV an essential theory in analyzing how internal resources contribute to long-term success.

**2.4 Conceptual Framework**





**Source: Author's Compilation (2025)**

## **2.5 Empirical Review**

Babatunde (2021) carried out a comprehensive study on the relationship between entrepreneurial orientation and business performance among small and medium-sized enterprises (SMEs) in Lagos State, Nigeria. The study sampled 500 SMEs selected from the manufacturing, retail, and service sectors through stratified random sampling. A quantitative survey method was employed, using structured questionnaires to gather data on dimensions of entrepreneurial orientation such as innovativeness, risk-taking, and proactiveness, and their influence on performance indicators like profitability, customer retention, and market share. The data were analyzed using multiple regression and

structural equation modeling (SEM). Findings revealed a significant positive relationship between entrepreneurial orientation and business performance, particularly highlighting that innovativeness and proactiveness had stronger effects compared to risk-taking. The study recommended that SMEs should cultivate a culture of innovation and proactive market behavior to enhance performance outcomes, and that entrepreneurship training should emphasize these dimensions.

Dudu and Yusuf (2020) examined the influence of entrepreneurial orientation on the performance of micro-enterprises in Northern Nigeria. Using a sample of 350 micro-enterprises operating in the informal sector, the researchers adopted a cross-sectional survey design. Data collection involved administering semi-structured questionnaires, focusing on entrepreneurial orientation traits (autonomy, risk-taking, innovativeness) and key performance indicators such as revenue growth, customer satisfaction, and employee productivity. The study utilized correlation and regression analyses to test hypotheses. The results indicated a statistically significant positive correlation between entrepreneurial orientation and business performance. Among the variables, autonomy was identified as the most influential factor, followed by risk-taking. The study concluded that micro-enterprises that exhibited higher entrepreneurial orientation tended to adapt better to environmental changes, thereby improving business outcomes. It recommended enhanced access to entrepreneurship development programs, especially for informal sector operators.

Takpodia (2022) investigated the impact of entrepreneurial orientation on the financial performance of SMEs in Oyo State, Nigeria. A total of 400 SMEs were randomly selected across Ibadan metropolis, and data were collected using a structured questionnaire based on the Entrepreneurial Orientation Scale (EOS) and business performance measures. The study applied path analysis and factor analysis to explore the mediating effect of competitive advantage on the entrepreneurial orientation–performance link. The results showed that entrepreneurial orientation positively influenced financial performance through enhanced competitive advantage. Specifically, risk-taking and competitive aggressiveness were found to play significant roles in helping firms outperform competitors. The study noted that firms that were willing to invest in new ventures and take calculated risks enjoyed better financial outcomes. Adebajo recommended that SMEs should be encouraged to pursue bold strategic actions supported by government financial incentives and mentorship programs.

Fagbemi and Salami (2021) explored the moderating effect of environmental dynamism on the relationship between entrepreneurial orientation and business performance in the Nigerian hospitality industry. The study employed a sample of 300 hotel businesses in Abuja and Lagos, using a descriptive survey design. Data were collected using standardized instruments and analyzed using hierarchical regression modeling. The findings revealed that entrepreneurial orientation had a direct positive impact on business performance, but the strength of this relationship increased significantly in highly dynamic environments. In volatile market conditions, firms that

exhibited high levels of proactiveness and innovativeness performed better than those that did not. The study emphasized the need for hospitality businesses to develop dynamic capabilities and responsive strategies that align with entrepreneurial orientation. It concluded that policy interventions should focus on fostering agility and responsiveness among SMEs in the hospitality sector to improve business sustainability.

Nnamani (2023) conducted a study to assess the role of gender in the influence of entrepreneurial orientation on business performance among women-owned SMEs in Southeastern Nigeria. The study involved 250 women entrepreneurs across Enugu, Anambra, and Abia States. A combination of quantitative surveys and in-depth interviews was used to collect data, which were then analyzed using descriptive statistics, regression analysis, and thematic analysis. The study found that entrepreneurial orientation significantly enhanced the business performance of women-led SMEs, particularly in terms of customer growth and innovation. However, cultural constraints, limited access to capital, and gender biases were identified as challenges limiting the full exploitation of entrepreneurial orientation traits. The study recommended the establishment of gender-sensitive entrepreneurship development programs that would equip women entrepreneurs with the skills and resources necessary to leverage their entrepreneurial orientation for improved business performance.

Manakpor and Effiong (2022) investigated how entrepreneurial orientation affects the long-term sustainability of family-owned businesses in Cross River and Akwa Ibom

States. The study sampled 300 family businesses and utilized a longitudinal research design over a two-year period. Data were collected at two intervals using structured questionnaires and business performance reports. Analysis was conducted using paired t-tests and regression analysis. The findings indicated that entrepreneurial orientation significantly improved business performance over time, particularly in areas of business growth, innovation in product offerings, and adaptability to market trends. However, the study also noted that generational conflict and resistance to change among older family members sometimes hindered the full implementation of entrepreneurial strategies. The researchers recommended that succession planning and intergenerational mentoring be prioritized to ensure that entrepreneurial orientation becomes an embedded practice in family-owned businesses for long-term success.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter outlined the methodological framework adopted for conducting the research, providing a detailed discussion under various sub-headings. The research design presented the blueprint that guided the study, ensuring a systematic approach to achieve

the research objectives. The population of study defined the target group from which the data was drawn, while the sample and sampling method explained the criteria and techniques used to select a representative subset of the population. Furthermore, the sources and methods of data collection described the tools and procedures employed to gather relevant information, ensuring reliability and validity. The definition and measurement of variables clarified the operationalization of key concepts to ensure consistency in interpretation. Lastly, the method of data analysis provided insight into the techniques and software utilized to interpret the data, thereby facilitating meaningful conclusions. These components collectively formed the foundation of the research process.

### **3.2 The Research Design**

The research design adopted for this study was the cross-sectional survey research design. Cross-sectional research design is a type of observational study that analyzed data from a population, or a representative subset, at a specific point in time. It provided a snapshot of variables of interest to assess conditions or relationships at that time.

### **3.3 Population of the Study**

The population for this study was made up of all small-scale business owners in Egor Local Government Area of Edo State. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), there were 5,401 registered small-scale businesses in Egor Local Government Area of Edo State.

### 3.4 Sample and Sampling Methods

The sample size for the study was made up of 100 small-scale business owners in Egor Local Government Area of Edo State. The sample size was determined using Taro Yamane's formula as follows:

$$\text{Sample size} = \frac{N}{1+N(e)^2}$$

Where:

N = Population size

1 = Constant

e = margin of error (usually 0.1 for a 90% confidence level)

Thus;

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

$$= \frac{5,401}{1+5,401(0.1)^2}$$

$$N = \frac{5,401}{1+5,401(0.01)}$$

$$N = \frac{5,401}{1+54.01}$$

$$N = \frac{5,401}{54.01}$$

$$N=100$$

Thus, the calculated sample size is 100 respondents.

### 3.5 Model Specification

The study examined the relationship between entrepreneurial orientation (EO) and business performance (BP), with entrepreneurial traits (ET) and innovation (IN) as additional explanatory variables. The regression model was specified as follows:

$$BP_i = f(EO_i, ET_i, IN_i)$$

$$BP_i = \beta_0 + \beta_1 EO_i + \beta_2 ET_i + \beta_3 IN_i + \mu_i$$

Where:

- $BP$  = Business Performance (dependent variable)
- $EO$  = Entrepreneurial Orientation (independent variable)
- $ET$  = Entrepreneurial Traits (independent variable)
- $IN$  = Innovation (independent variable)
- $\beta_0$  = Intercept
- $\beta_1, \beta_2, \beta_3$  = Regression coefficients
- $\mu$  = Error term

### 3.6 Operationalization of Variables

This study focused on the following key variables related to entrepreneurial orientation and business performance among Small and Medium Enterprises (SMEs):

Variables	Definition	Source
Entrepreneurial Orientation	Entrepreneurial orientation refers to the strategic posture of SME owners and managers toward identifying and exploiting business opportunities. It includes risk-taking, proactiveness, and competitive	Nadriye (2023)

(EO)	aggressiveness, which together reflect a firm’s entrepreneurial mindset  <b>(Measurement Indicators:</b> Entrepreneurial Orientation was measured using a structured questionnaire with Likert-scale (1–5) items assessing respondents’ levels of risk-taking, proactiveness, and competitive aggressiveness)	
Entrepreneurial Traits (ET)	Entrepreneurial traits refers to the personal attributes and characteristics of entrepreneurs that influence their approach to business management and decision-making. These traits include leadership skills, persistence, resilience, and vision.  <b>(Measurement Indicators:</b> Entrepreneurial traits was measured through Likert-scale (1–5) questionnaire items assessing respondents’ leadership abilities, persistence, resilience, and visionary outlook)	Damakin (2023)
Innovation (IN)	Innovation refers to the ability of SMEs to develop and implement new products, processes, or ideas that enhance competitiveness and business growth. It encompasses product innovation, process innovation, and creativity.  <b>(Measurement Indicators:</b> Innovation was assessed through questionnaire items on a Likert scale (1–5), focusing on the frequency and extent of product innovation, process innovation, and creative practices)	Ganiyat (2023)
Business Performance (BP)	Business performance refers to the extent to which SMEs achieve their organizational goals, as reflected in indicators such as profitability, sales growth, and customer satisfaction.  <b>(Measurement Indicators:</b> Business performance was measured using Likert-scale (1–5) questionnaire items evaluating performance in profitability, sales growth, and customer satisfaction over a given period)	Uduaghan (2023)

### 3.7 Sources and Method of Data Collection

The researcher used primary data. The primary source of data for this study was the questionnaire, which was designed to collect relevant information from the participants. The questionnaire gathered information from the respondents on entrepreneurial orientation and business performance. The researcher administered the

questionnaire in person, ensuring clarity and addressing any questions the participants had during the process. This method was chosen for its efficiency and effectiveness in gathering first-hand information directly from the respondents.

### **3.8 Research Instrument**

The primary research instrument employed in this study was the questionnaire. The questionnaires were distributed to respondents, who completed them anonymously. The questionnaire was structured to collect sufficient and relevant information from the respondents. It was divided into three sections: A, B, and C. Section A focused on the relationship between entrepreneurial orientation and business performance. Section B gathered information on the key entrepreneurial traits that enhanced business success. Section C evaluated the impact of innovation on the growth of SMEs.

### **3.9 Validity of the Instrument**

The developed questionnaire was submitted to the project supervisor for evaluation to ensure content validity. Any corrections suggested by the supervisor were incorporated into the final version of the questionnaire before it was administered to the respondents.

### **3.10 Reliability of Instrument**

To establish the reliability of the questionnaire, a pilot study was conducted on a small sample drawn from respondents similar to the main study population. The findings from this preliminary test were analyzed using Cronbach's alpha to evaluate the internal

consistency of the instrument. Table 3.1 presents the Cronbach’s alpha values for the study’s variables:

**Table 3.1: Reliability Test Result**

<b>Variables</b>	<b>Cronbach’s Alpha Reading</b>	<b>Remark</b>
Entrepreneurial Orientation	0.78	Reliable
Entrepreneurial Traits	0.80	Reliable
Innovation	0.77	Reliable
Business Performance	0.81	Reliable
<b>Overall Scale</b>	<b>0.79</b>	Reliable

The reliability analysis shows that all constructs in the study exhibited high internal consistency. Specifically, Entrepreneurial Orientation had a Cronbach’s alpha of 0.78, Entrepreneurial Traits achieved a value of 0.80, Innovation recorded an alpha of 0.77, and Business Performance reported a coefficient of 0.81. Overall, the entire instrument yielded a reliability coefficient of 0.79, confirming that the questionnaire is both dependable and appropriate for the study.

### **3.11 Method of Data Analysis**

The data collected for this study was analyzed using simple linear regression analysis. This statistical technique was employed to examine the relationship between the independent variable and the dependent variable. The analysis helped determine whether

changes in the independent variable significantly predicted or influenced changes in the dependent variable. Prior to the regression analysis, the data was cleaned and coded appropriately. Descriptive statistics such as frequency counts and simple percentages were also used to provide a preliminary summary of the respondents' demographic characteristics and the distribution of responses. However, the primary focus was on regression analysis to draw inferential conclusions and test the formulated hypotheses.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSES OF RESULTS**

#### **4.1 Introduction**

In this chapter, the findings from the administered questionnaires are presented and thoroughly examined. The collected data are displayed in frequency tables and summarized using percentages for clarity. All information used in this analysis comes directly from the completed questionnaires. Out of the 100 questionnaires distributed, all were fully filled out and returned, forming the basis of the analysis carried out in this chapter.

**4.2 Presentation of the Bio-Data of the Respondents**

In this section, demographic details such as gender, age, educational attainment, and years of business experience are discussed to establish a well-rounded perspective on entrepreneurial orientation and business performance.

**Table 1: Distribution of Respondents by Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	37	37%
Female	63	63%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Researcher’s Field Work, 2025**

Table 1 shows the distribution of respondents according to gender. As shown in the table above, male respondents constituted 37% while female respondents accounts for 63%. This indicates that majority of the respondents were females.

**Table 2: Distribution of Respondents by Age**

<b>Age Range</b>	<b>Respondents</b>	<b>Percentages</b>
15-20	14	14%
21-25	47	47%
26-30	28	28%
30 years and above	11	11%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Researcher’s Field Work, 2025**

Table 2 presents the distribution of respondents by age. The age range of 15–20 accounts for 14% of respondents, while the largest group, aged 21–25, makes up 47%. Those aged 26–30 represent 28%, and respondents aged 30 years and above form the smallest category at 11%. This indicates that majority of the respondents are those within the age range of 21-25 years.

**Table 3: Distribution of Respondents by Qualifications**

<b>Qualifications</b>	<b>Respondents</b>	<b>Percentages</b>
SSCE	8	8%
OND	22	22%
HND/B.Sc.	59	59%
M.Sc. and above	11	11%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Researcher’s Field Work, 2025**

Table 3 shows that 8% of the respondents hold an SSCE qualification, representing the least educational attainment in the study. The majority, 59%, possess an HND/B.Sc., indicating that most respondents have a higher education degree. Those with an OND

qualification make up 22%, while the smallest group, 11%, have an M.Sc. or higher educational qualifications. This distribution highlights a well-educated sample, with the largest concentration at the HND/B.Sc. level.

**Table 4: Distribution of Respondents by Years of Business Experience**

<b>Years</b>	<b>Respondents</b>	<b>Percentages</b>
0-5yrs	34	34%
6-10yrs	57	57%
10 years and above	9	9%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Researcher’s Field Work, 2025**

Table 4 shows that 34% of the respondents have 0-5 years of business experience. The majority, 57%, have 6-10 years of experience, while the smallest group, 9%, have 10 years and above of business experience. This indicates that majority of the respondents are those with 5-10 years of business experience.

### 4.3 DATA PRESENTATION

**Research Question 1:** What is the relationship between entrepreneurial orientation and business performance?

**Table 5: Distribution of Responses on Relationship between Entrepreneurial Orientation and Business Performance**

S/N	Items	SA	A	N	D	SD
1.	My business regularly takes calculated risks to achieve better performance	63 (63%)	29 (29%)	1 (1%)	5 (5%)	2 (2%)
2.	Proactiveness in identifying market opportunities contributes significantly to my business success	57 (57%)	31 (31%)	3 (3%)	6 (6%)	3 (3%)
3.	Entrepreneurial decision-making in my business has improved overall performance	54 (54%)	21 (21%)	3 (3%)	17 (17%)	5 (5%)
4.	There is a strong relationship between entrepreneurial mindset and profitability in my business	66 (66%)	17 (17%)	2 (2%)	11 (11%)	4 (4%)
5.	A high level of entrepreneurial orientation is evident in the strategies employed in my business.	47 (47%)	26 (26%)	1 (1%)	23 (23%)	3 (3%)

**Source: Field Work, 2025**

The data in Table 5 presents respondents' perceptions of the relationship between entrepreneurial orientation and business performance. For item 1, a large majority (63% strongly agree and 29% agree) confirm that taking calculated risks enhances performance, resulting in 92% total agreement, while only 1% are neutral and a combined 7% disagree. In item 2, 57% strongly agree and 31% agree that proactiveness in identifying market opportunities drives success, giving 88% support, whereas 3% are neutral and 9%

disagree. Item 3 shows that 54% strongly agree and 21% agree that entrepreneurial decision-making improves performance, making 75% total agreement, though 3% remain neutral and 22% disagree. Similarly, in item 4, 66% strongly agree and 17% agree that an entrepreneurial mindset relates to profitability, yielding 83% agreement, while 2% are neutral and 15% disagree. Finally, item 5 reveals that 47% strongly agree and 26% agree that entrepreneurial orientation is evident in business strategies, giving 73% agreement, while 1% are neutral and a combined 26% disagree. Overall, the findings indicate strong support that entrepreneurial orientation significantly influences business performance, though the level of agreement varies across specific dimensions such as risk-taking, proactiveness, and strategy adoption.

## Results of Research Question 2

**Research Question 2:** What are the key entrepreneurial traits that enhance business success?

**Table 6: Distribution of Responses on Key Entrepreneurial Traits that Enhance Business Success**

S/N	Items	SA	A	N	D	SD
1.	Being innovative is one of the traits that have positively influenced my business	61 (61%)	33 (33%)	2 (2%)	1 (1%)	3 (3%)
2.	Risk-taking behavior has helped my business grow	68 (68%)	23 (23%)	2 (2%)	4 (4%)	3 (3%)
3.	My ability to be proactive gives my business a competitive advantage	58 (58%)	33 (33%)	1 (1%)	3 (3%)	5 (5%)
4.	Persistence and resilience are key traits that contribute to my business success	69 (69%)	18 (18%)	2 (2%)	9 (9%)	2 (2%)
5.	Leadership and vision are essential entrepreneurial traits for achieving long-term goals	53 (53%)	31 (31%)	4 (4%)	5 (5%)	7 (7%)

**Source: Field Work, 2025**

The data in Table 6 presents respondents' views on the entrepreneurial traits that significantly enhance business success. For item 1, a large majority (61% strongly agree and 33% agree) affirm that being innovative positively influences their business, giving 94% agreement, while 2% remain neutral and a combined 4% disagree. In item 2, risk-taking behaviour is highly valued, with 68% strongly agreeing and 23% agreeing,

totalling 91% support, whereas 2% are neutral and 7% disagree. Item 3 shows that proactiveness provides competitive advantage, with 58% strongly agreeing and 33% agreeing, amounting to 91% support, while 1% are neutral and a combined 8% disagree. For item 4, persistence and resilience emerge as vital, as 69% strongly agree and 18% agree, yielding 87% support, while 2% are neutral and 11% disagree. Finally, item 5 highlights the importance of leadership and vision in achieving long-term goals, with 53% strongly agreeing and 31% agreeing, totalling 84% support, while 4% are neutral and 12% disagree. Overall, the data strongly emphasises that innovation, risk-taking, proactiveness, persistence, resilience, leadership, and vision are crucial entrepreneurial traits for driving business success.

### Results of Research Question 3

**Research Question 3:** What is the impact of innovation on the growth of SMEs?

**Table 7: Distribution of Responses on Impact of Innovation on the Growth of SMEs**

S/N	Items	SA	A	N	D	SD
1.	Innovation in products or services has significantly improved my business growth	59 (59%)	31 (31%)	2 (2%)	5 (5%)	3 (3%)
2.	The use of technology and new processes has increased operational efficiency in my business	66 (66%)	21 (21%)	3 (3%)	4 (4%)	6 (6%)
3.	Innovation helps my business stay relevant in a competitive market	57 (57%)	29 (29%)	4 (4%)	6 (6%)	4 (4%)
4.	Continuous innovation has led to increased customer satisfaction in my business	69 (68%)	18 (18%)	2 (2%)	9 (9%)	2 (2%)
5.	Investment in innovation has resulted in the expansion of my business	48 (48%)	37 (37%)	4 (4%)	6 (6%)	5 (5%)

**Source: Field Work, 2025**

The data in Table 7 presents respondents' perceptions of the impact of innovation on the growth of SMEs. For item 1, a strong majority (59% strongly agree and 31% agree) confirm that innovation in products or services has significantly improved business growth, totalling 90% agreement, while 2% are neutral and 8% disagree. In item 2, technology and new processes are recognised as drivers of operational efficiency, with

66% strongly agreeing and 21% agreeing, amounting to 87% support, while 3% are neutral and 10% disagree. Item 3 shows that innovation helps maintain competitiveness, with 57% strongly agreeing and 29% agreeing, giving 86% support, while 4% remain neutral and a combined 10% disagree. For item 4, continuous innovation is strongly linked to customer satisfaction, with 68% strongly agreeing and 18% agreeing, totalling 86% support, while 2% are neutral and 11% disagree. Finally, item 5 reveals that investment in innovation drives business expansion, with 48% strongly agreeing and 37% agreeing, resulting in 85% support, while 4% are neutral and 11% disagree. Overall, the data underscores that innovation, particularly in products, processes, technology, and customer-focused practices, plays a critical role in SME growth and competitiveness.

#### 4.4 TEST OF HYPOTHESES

##### Hypothesis 1:

**HO<sub>1</sub>: There is no significant relationship between entrepreneurial orientation and business performance.**

**Table 8: Linear Regression Analysis of Entrepreneurial Orientation and Business Performance**

Variable	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	F(df)	β (EO)	t- value	p- value	Remark

Entrepreneurial Orientation	0.745	0.555	0.548	F(1,73) = 91.012, p < .001	0.732	9.541	0.000	Significant
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The result of the linear regression analysis reveals a significant and positive relationship between entrepreneurial orientation and business performance ( $\beta = 0.732$ ,  $t = 9.541$ ,  $p < 0.001$ ). The R-value of 0.745 indicates a strong correlation, while the  $R^2$  value of 0.555 shows that approximately 55.5% of the variation in business performance can be explained by entrepreneurial orientation. The F-value of 91.012 confirms that the model is statistically significant. Since the p-value is less than the 0.05 threshold, the null hypothesis ( $H_{01}$ ) is not accepted. This implies that entrepreneurial orientation significantly influences business performance, emphasizing the need for strategic entrepreneurial initiatives.

**Hypothesis 2:**

**$H_{02}$ : Key entrepreneurial traits do not significantly enhance business success.**

**Table 9: Linear Regression Analysis of Entrepreneurial Traits and Business Success**

Variable	R	$R^2$	Adjusted $R^2$	F(df)	$\beta$ (Traits)	t-value	p-value	Remark
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Entrepreneurial Traits	0.712	0.507	0.499	F(1,73) = 75.132, p < .001	0.689	8.669	0.000	Significant
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The linear regression analysis shows that entrepreneurial traits significantly enhance business success ( $\beta = 0.689$ ,  $t = 8.669$ ,  $p < 0.001$ ). The R-value of 0.712 demonstrates a strong correlation, while the  $R^2$  of 0.507 indicates that 50.7% of the variation in business success is explained by entrepreneurial traits. The adjusted  $R^2$  value of 0.499 confirms the robustness of the model, and the F-statistic of 75.132 with a p-value below 0.05 indicates statistical significance. Thus, the null hypothesis ( $H_{O2}$ ) is not accepted, confirming that key entrepreneurial traits are critical for driving business success.

**Hypothesis 3:**

**$H_{O3}$ : Innovation has no significant impact on the growth of SMEs.**

**Table 10: Linear Regression Analysis of Innovation and SME Growth**

Variable	R	$R^2$	Adjusted $R^2$	F(df)	$\beta$ (Innovation)	t-value	p-value	Remark
Innovation	0.768	0.590	0.584	F(1,73) = 105.132, p < .001	0.754	10.256	0.000	Significant

The analysis indicates that innovation has a significant and positive impact on SME growth ( $\beta = 0.754$ ,  $t = 10.256$ ,  $p < 0.001$ ). The R-value of 0.768 reflects a strong relationship, while the  $R^2$  of 0.590 suggests that innovation accounts for 59.0% of the variance in SME growth. The adjusted  $R^2$  of 0.584 confirms the reliability of the model, and the F-statistic of 105.132 with a p-value well below 0.05 signifies a statistically significant model. Therefore, the null hypothesis ( $H_{03}$ ) is not accepted, emphasizing that innovation is a key driver of SME growth and competitiveness.

#### **4.5 Discussion of Findings**

Findings from the study shows that entrepreneurial orientation significantly influences business performance. The finding can be explained by the fact that businesses with strong entrepreneurial orientation—characterized by innovativeness, proactiveness, and risk-taking—are better positioned to identify and exploit new opportunities, adapt to market changes, and maintain competitive advantage. Such firms tend to develop unique products or services, adopt forward-looking strategies, and respond swiftly to environmental uncertainties, which enhances efficiency, customer satisfaction, and profitability. Consequently, entrepreneurial orientation fosters resilience, growth, and long-term sustainability, making it a critical driver of superior business performance. This findings is in corroboration with Risikat (2023) who asserted that firms that exhibit strong entrepreneurial characteristics such as innovativeness, proactiveness, and risk-taking often enjoy a competitive edge in their industries.

Findings from the study revealed that the key entrepreneurial traits that enhance business success include innovation, risk-taking, proactiveness, persistence, resilience, leadership, and vision. This finding suggests that entrepreneurial traits such as innovation, risk-taking, proactiveness, persistence, resilience, leadership, and vision are critical for business success because they equip entrepreneurs with the mindset and skills needed to navigate challenges, seize opportunities, and maintain a competitive edge. Innovation allows entrepreneurs to create unique products and services, while risk-taking enables them to explore new markets and strategies despite uncertainties. Proactiveness ensures they anticipate changes and respond quickly to trends, and persistence coupled with resilience helps them overcome setbacks and remain focused on long-term goals. Leadership and vision provide direction, inspire teams, and align resources toward growth, making these traits essential for sustaining and scaling businesses in dynamic and competitive environments. This findings support the views of Ubieko (2023) who asserted that entrepreneurs who possess a clear and compelling vision are better positioned to align their strategies and operations towards long-term goals.

Findings from the study indicated that innovation, particularly in products, processes, technology, and customer-focused practices, plays a critical role in SME growth and competitiveness. The finding can be explained by the fact that innovation often enhance efficiency, improve customer satisfaction, and create differentiation in saturated markets. Product and process innovations allow SMEs to deliver higher-quality offerings and streamline operations, while technological innovation improves

productivity, market reach, and adaptability to change. Similarly, customer-focused innovations strengthen loyalty and attract new markets by aligning business strategies with evolving consumer needs. Collectively, these innovations foster continuous improvement, open new revenue streams, and build competitive advantage, thereby driving the growth and sustainability of SMEs. In support of the findings, Tarigbe (2023) asserted that innovative practices such as introducing new products, modernising services, or adopting emerging technologies can significantly enhance the performance of SMEs.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study investigated entrepreneurial orientation and business performance. The population for this study was made up of all small scale business owners in Egor Local Government Area of Edo State. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), there are 5,401 registered small scale business in Egor Local Government Area of Edo State (Source: SMEDAN, 2025). The sample size for this study was made up of 100 small scale business owners in Egor Local Government Area of Edo State. The primary source of data for this study was the questionnaire which was designed to collect relevant information from the participants. The data collected for this study was analyzed through linear regression analysis. Additionally, descriptive statistics, including frequency distributions and percentages,

was applied to offer an initial overview of the respondents' demographic profiles and response patterns.

## **5.2 Summary of Findings**

The following constitutes the major findings of the study;

1. The findings of the study in research question one revealed that entrepreneurial orientation significantly influences business performance. The finding can be explained by the fact that businesses with strong entrepreneurial orientation, characterized by innovativeness, proactiveness, and risk-taking—are better positioned to identify and exploit new opportunities, adapt to market changes, and maintain competitive advantage. Such firms tend to develop unique products or services, adopt forward-looking strategies, and respond swiftly to environmental uncertainties, which enhances efficiency, customer satisfaction, and profitability. Consequently, entrepreneurial orientation fosters resilience, growth, and long-term sustainability, making it a critical driver of superior business performance. This findings is in corroboration with Risikat (2023) who asserted that firms that exhibit strong entrepreneurial characteristics such as innovativeness, proactiveness, and risk-taking often enjoy a competitive edge in their industries.
2. The findings of the study in research question two revealed that the key entrepreneurial traits that enhance business success include innovation, risk-taking, proactiveness, persistence, resilience, leadership, and vision. This finding

suggests that entrepreneurial traits such as innovation, risk-taking, proactiveness, persistence, resilience, leadership, and vision are critical for business success because they equip entrepreneurs with the mindset and skills needed to navigate challenges, seize opportunities, and maintain a competitive edge. Innovation allows entrepreneurs to create unique products and services, while risk-taking enables them to explore new markets and strategies despite uncertainties. Proactiveness ensures they anticipate changes and respond quickly to trends, and persistence coupled with resilience helps them overcome setbacks and remain focused on long-term goals. Leadership and vision provide direction, inspire teams, and align resources toward growth, making these traits essential for sustaining and scaling businesses in dynamic and competitive environments. This findings support the views of Ubieko (2023) who asserted that entrepreneurs who possess a clear and compelling vision are better positioned to align their strategies and operations towards long-term goals.

3. The findings of the study in research question three revealed that innovation, particularly in products, processes, technology, and customer-focused practices, plays a critical role in SME growth and competitiveness. The finding can be explained by the fact that innovation often enhance efficiency, improve customer satisfaction, and create differentiation in saturated markets. Product and process innovations allow SMEs to deliver higher-quality offerings and streamline operations, while technological innovation improves productivity, market reach,

and adaptability to change. Similarly, customer-focused innovations strengthen loyalty and attract new markets by aligning business strategies with evolving consumer needs. Collectively, these innovations foster continuous improvement, open new revenue streams, and build competitive advantage, thereby driving the growth and sustainability of SMEs. In support of the findings, Tarigbe (2023) asserted that innovative practices such as introducing new products, modernising services, or adopting emerging technologies can significantly enhance the performance of SMEs.

### **5.3 Conclusion**

The study investigated entrepreneurial orientation and business performance. Based on the findings that emerged from the objectives, it was concluded that entrepreneurial orientation represents a vital strategic resource that drives the competitiveness and sustainability of enterprises, especially small and medium enterprises (SMEs). The relationship between entrepreneurial orientation and performance underscores the importance of risk-taking, proactiveness, and innovativeness in enabling businesses to respond effectively to dynamic market conditions. Firms that exhibit strong entrepreneurial traits such as resilience, strategic vision, adaptability, and creativity are more likely to achieve consistent growth and remain relevant in competitive environments. Entrepreneurial orientation therefore serves not only as a behavioural construct but also as a framework for improving business strategies, aligning operations with market realities, and ensuring long-term profitability.

This reinforces its central role as a major determinant of overall business performance and success.

Furthermore, the study revealed that innovation plays a critical role in enhancing growth and expansion within SMEs. Innovation was identified as a key factor that strengthens business performance by driving improvements in product design, operational processes, and service delivery, which in turn fosters efficiency, competitiveness, and customer loyalty. When combined with entrepreneurial traits such as persistence, visionary leadership, and opportunity recognition, innovation creates a strategic synergy that positions SMEs to withstand market turbulence and environmental uncertainties. The study further emphasized that firms that embrace a culture of innovation are better equipped to adapt to change, explore new business opportunities, and sustain performance in the long run. Ultimately, the study concludes that entrepreneurial orientation, when reinforced by innovation, provides a transformative pathway for sustainable growth, market leadership, and long-term survival in dynamic and competitive business landscapes.

#### **5.4 Policy Implications and Recommendations**

In view of the results obtained, the study puts forward the following policy recommendations:

1. Entrepreneurs should deliberately cultivate entrepreneurial traits such as risk-taking, proactiveness, and innovation, as these behaviours directly contribute to improved performance and competitiveness.
2. Small and medium enterprises (SMEs) should invest in continuous capacity building and training programmes that enhance entrepreneurial skills, creativity, and problem-solving among business owners and employees.
3. Policymakers and government agencies should create enabling environments that support entrepreneurial orientation through access to finance, reduced regulatory bottlenecks, and favourable tax incentives for innovative businesses.
4. Business owners should integrate innovation into their operational strategies by adopting modern technologies, diversifying products, and embracing customer-driven improvements to remain relevant in dynamic markets.
5. Collaborative networks and partnerships should be encouraged among SMEs to foster knowledge sharing, joint innovation, and resource pooling, which will collectively enhance sustainability and long-term growth.

## **5.5 Contribution to Knowledge**

This study has provided notable contributions to knowledge in the following areas:

1. The study has established that entrepreneurial orientation is not only a behavioural construct but also a strategic framework that significantly influences the performance and competitiveness of small and medium enterprises (SMEs).

2. The study has contributed to existing literature by identifying specific entrepreneurial traits such as resilience, creativity, and strategic vision that are directly linked to business success in dynamic and competitive markets.
3. The study has highlighted the pivotal role of innovation as a catalyst for growth, showing how innovative practices in product development, processes, and services can drive sustainable performance.
4. The study provides empirical evidence within the Nigerian context, thereby expanding the body of knowledge on the relationship between entrepreneurial orientation, innovation, and business performance in emerging economies.

## **5.6 Suggestions for Further Studies**

In order to extend the findings of this study, the following areas are suggested for further research:

1. Future studies should examine the role of entrepreneurial orientation in large-scale enterprises, as this study focused primarily on small and medium enterprises (SMEs).

2. Researchers could investigate the influence of cultural and social factors on entrepreneurial orientation and how these shape business performance across different regions in Nigeria.
3. Further studies should explore the relationship between entrepreneurial orientation and business performance using longitudinal data to capture long-term trends and patterns.
4. Future research may also consider the moderating role of digital transformation and technological adoption in strengthening the link between entrepreneurial orientation and innovation-driven growth.

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**DEPARTMENT OF BUSINESS ADMINISTRATION**

**FACULTY OF MANAGEMENT SCIENCES**

**UNIVERSITY OF BENIN, BENIN CITY**

**QUESTIONNAIRE**

Dear Respondent,

I am an undergraduate student in the above named department and institution. I am conducting a research on “**Entrepreneurial Orientation and Business Performance**”.

This study is purely for academic purpose and you have been selected as one of the respondents for this study. Your participation will contribute to knowledge base in the research theme.

I will be very grateful if you assist by providing honest information on the subject matter of this study. Rest assured that any information you provide will be treated with utmost confidentiality and shall be used strictly for the purpose of the academic research.

To guarantee this, your name, address and phone number are not required. It will be much appreciated if you could spare some minutes to complete this questionnaire.

Thank you.

**PRAISE TOBECHUKWU OBIAWOLO**

### **DEMOGRAPHIC DATA**

Please tick the option you consider appropriate and fill in blank spaces

Gender: Male (  ) Female (  )

Age: 15-20yrs (  ) 21-25yrs (  ) 26-30yrs (  ) 30 years and above (  )

Educational Qualification: SSCE ( ) OND ( ) HND ( ) B.Sc. ( ) MSc. ( ) PhD. ( )

Years of Business Experience: 0-5 ( ) 6-10 ( ) 10 years and above ( )

Please indicate the extent to which you agree or disagree with the following statements.

**Key: Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), Strongly Disagree (SD)**

S/N	ITEMS	SA	A	N	D	SD
	<b>Relationship Between Entrepreneurial Orientation and Business Performance</b>					
1	My business regularly takes calculated risks to achieve better performance					
2	Proactiveness in identifying market opportunities contributes significantly to my business success					
3	Entrepreneurial decision-making in my business has improved overall performance					
4	There is a strong relationship between entrepreneurial mindset and profitability in my business					
5	A high level of entrepreneurial orientation is evident in the strategies employed in my business					
	<b>Key Entrepreneurial Traits That Enhance Business Success</b>					
6	Being innovative is one of the traits that have positively influenced my business					
7	Risk-taking behavior has helped my business grow					

8	My ability to be proactive gives my business a competitive advantage					
9	Persistence and resilience are key traits that contribute to my business success					
10	Leadership and vision are essential entrepreneurial traits for achieving long-term goals					
	<b>Impact of Innovation on the Growth of SMEs</b>					
11	Innovation in products or services has significantly improved my business growth					
12	The use of technology and new processes has increased operational efficiency in my business					
13	Innovation helps my business stay relevant in a competitive market					
14	Continuous innovation has led to increased customer satisfaction in my business					
15	Investment in innovation has resulted in the expansion of my business					