The Efficacy of Entrepreneurial Orientation on SMEs' Performance

Kowo Solomon Akpoviroro1*, Popoola Mufutau Akanmu2

1,2Kwara State University, Malete, Nigeria

Abstract

Entrepreneurial Orientation is a key source of intangible value for organizations to sustain the competitive advantage through highlighting the new opportunities available in the business environment, exploiting them optimally, and making them successful, especially in a highly competitive business environment. EO has emerged as an area of research, and EO impact studies have become a sub-field in Entrepreneurship Education research. The objectives of the study were to determine the effect of Organizational Culture on EO and also to examine the effect of Entrepreneurship Orientation (EO) on firm performance. The study population refers to the managers of SMEs registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Lagos State. Analysis of variance (ANOVA), correlation efficiency, and regression analysis was adopted. The research found that organizational culture is EO-driven. Entrepreneurial orientation can be supported through organizational culture hence; organizational culture may have the capability to influence SME’s performance and, therefore, enhance competitiveness. The study also found a positive relationship between EO and firm performance, which can be interpreted by the fact that a high EO level in firms shows that the firm is highly innovative, proactive, and capable of undertaking risky activities. The study recommends that Entrepreneurial Orientation should be encouraged in the SME sector by undertaking different policy measures, thereby resulting in better performance. The firm’s performance can be leveraged to enhance organizational learning processes, creative performance, corporate performance, improved decision-making processes, and adaptation to a rapidly changing work environment.

Keywords: Entrepreneurial Orientation, Entrepreneurship, Innovativeness, Organizational Culture, SMEs' Performance,
I. Introduction

1.1. Background
The significant impact of (SMEs) on a developing economy is increasingly recognized (Adenuga, 2015; Sule, 2014). They have often been acknowledged as productive and efficient job creators, large-scale seed companies, and national economic engines (Kao & Tsaur, 2016). In the world's economy, professionals, politicians, and scholars have been increasingly concerned with the study of entrepreneurship and SMEs (Kale, Aknar & Basar et al., 2019). Entrepreneurship has been recognized widely in developing countries as an influential instrument for poverty reduction and an enhancer of economic growth (Otokiki, 2013). All countries in general and developing countries particularly seek to enhance and expand the entrepreneurial business to support economic improvement and stability (Basson & Erdian, 2019). Entrepreneurship is currently the primary cause of development and is considered the driving force behind financial and social growth in most advanced and developing countries. Moreover, entrepreneurs play a very prominent role in employing the rural population, provide self-employment to those who start their own business, and enhance the economic environment of the different sectors (Gal, 2018).

Furthermore, entrepreneurial orientation represents the management's orientation towards seeking new vistas for the firm's progression in a competitive environment. As a result, firms that focus on entrepreneurship show a higher tendency towards realizing growth through the process of exploratory strategic actions rather than the exploitative ones (Alayo et al., 2019), and this influence may increase over time (Kohtamäki et al., 2019; Short et al., 2018; Youssef, Boubaker & Omri, 2018). Entrepreneurial orientation supports the flexibility of organizations as a strategy to address environmental uncertainty. The ability of an organization to develop new products, provide distinct product alternatives, and adjust production level as needed can be stimulated through autonomy, risk-taking, innovativeness, competitive aggressiveness, and proactiveness (Al Bulushi & Bagum, 2017; Bendig et al., 2018; Sheng & Chen, 2016). Likewise, entrepreneurial orientation affects several organizational outcomes within any organization, such as firm performance (Ugoji, Mordi & Ajonbadi, 2014; Ojeaga & Owolabi, 2011; Altinay et al., 2016; Sherperd et al., 2010; Adisa, Adeoye & Okunbanjo, 2016; Siren et al., 2017). The entrepreneurial environment in Nigeria is still in progress, but actions can be taken to support the growth of national entrepreneurship. Nigeria can promote and stimulate entrepreneurial growth by providing favorable environmental factors. Political stability is based on global ratings and is the most appealing feature. It also has a policy of free economy that is essential for new companies (Sule, 2014; Akinbola, Ogunnaike & Amaihan, 2015).

Nigeria's SME sector has shown growth and development (Adenuga, 2009; Kowo & Adenuga, 2019). The government in Nigeria has taken initiatives to promote its SMEs, but gaps still exist (Oviawe & Anarberokhai, 2008). In order for SME owners to be able to start their own businesses and provide jobs in a market, the government has provided short-term loans. Researchers have clarified that SMEs can succeed if they receive long-term loans at low financial costs, making it easy for owners to repay their loans (Otokiti, 2013). SME short-term loans always hamper the success of a company, even an excellent one (Al Bulushi & Bagum, 2017). The SME sector in Nigeria begins the growth curve, and this sector
needs a high level of governmental assistance. Nigeria's SME contribution to GDP is small but helps the country to reduce the volume of unemployment (Kowo, Sabitu & Adegbite, 2018). Akinbola, Ogunaikye & Amahien (2015) highlighted how the Nigerian government took extraordinary actions to enhance its SMEs and the economy of its entire country in 2015. Nearly 80% of private industry is based on SMEs, and it offers many job opportunities for young people, resulting in a significant fall in national unemployment over the last two years (Adisa, Adeoye & Okunbanjo, 2016). In view of the above discussions, this study examines the following research questions (i) how does organizational culture affect Entrepreneurial Orientation (EO) in Nigeria? (ii) What is the effect of Entrepreneurial Orientation (EO) on firm performance in Nigeria?

1.2. Objective
i. Determine the effect of Organizational Culture on Entrepreneurship Orientation (EO)
ii. Examine the effect of Entrepreneurship Orientation (EO) on firm performance.

II. Literature Review

2.1 The Concept of Entrepreneurship
In 1732, the Irish economist Richard Cantillon used the concept of entrepreneurship in reference to individuals who are ready to carry out types of arbitration concerning the financial risk of a new venture (Gill & Johnson, 2010; An & Kang, 2016; Al Bulushi & Bagun, 2017). Entrepreneurship requires more studies to indicate and define its main elements, for, despite the efforts of previous studies, there is no satisfactory definition (Alharthi, 2017). There is no doubt that the majority of studies on entrepreneurship revolve around the complexity of this term and the dialectics that have been raised about its definition, despite the existence of hundreds of studies (Gilannia et al., 2013). Sismanoglu et al. (2019) mentioned that the concept of entrepreneurship is multi-dimensional. In this vein, there are several definitions of the concept. In addition, studies related to the definition of entrepreneurship and its role in the economy can be categorized in different ways, such as chronology, in the school of thought, and jobs attributed to entrepreneurs (Thomos, 2013). Schmutz and Sidibe (2019) argued that many factors influence developing a comprehensive concept for entrepreneurship. Some of these factors are related to culture, the economy, or society. Because social and economic factors are not consistent, according to the surrounding environment, it is fair to say that there is not yet a comprehensive definition of the concept of entrepreneurship, which includes all types and characteristics of entrepreneurship. Jafamejad et al. (2013) indicated that entrepreneurship is a multifaceted phenomenon, analyzed as a process, resource, or state-of-being. According to Alshezawi and Khan (2018), the reason behind not developing a global definition is that entrepreneurship has been documented in various disciplines, resulting in many opinions about its meaning. Cocco and Quttainah (2015) defined Entrepreneurship as the capacity of an individual to transform ideas and suggestions into action. It includes the capability to create, innovate and take risks in order to achieve objectives and to plan and manage projects. It promotes all people in their lives, both in their homes and in society. It also helps workers to be more conscious of the context of their job and to make better use of opportunities and offers a
basis for entrepreneurs to start up a social or business activity. Entrepreneurship can also be considered as an employment and self-sufficiency scheme that can take the national economy to its highest level and bring it out of poverty (Adeiza, Malek & Ismail, 2017).

2.2 Entrepreneurship Orientation

In recent years, academic and business interests have continued to focus on entrepreneurship orientation (Thomas, 2013), internationalization, and competitive strategies (Abdullah, Musa & Aziz, 2017). Entrepreneurs have an entrepreneurial orientation (EO) that indicates the procedures, structures, and behavior of the firm to take advantage of opportunities. Sustainable entrepreneurs are described by previous literature as agents of change with the ability to disrupt an unsustainable system of industries and engage in complex entrepreneurial and sustainability trade-off decisions (Otokiti, 2013). Seifari & Amoozedah (2014) argued that entrepreneurial orientation is reflected in the execution processes of organizations and organizational culture. It is a vital element for achieving higher performance through differentiation, developing better alternatives before competitors, supporting adaptation to environmental changes and market trends, weakening competitors’ competitiveness, and responding to future actions rapidly (Semrau, Ambos & Kraus, 2016). The cornerstone of entrepreneurship is EO, and it is one of the significant predictors of firm performance (Kalmuk & Acar, 2015). Solikaham & Mohammed (2019) stated that EO had been widely discussed through previous studies in entrepreneurship, so it can be considered as one of the main topics in this field and the most commonly used measure of entrepreneurial behavior or inclination in strategies and entrepreneurship studies. The knowledge of EO has been further extended and has greatly benefited from two critical constructs. This construct basically recognizes EO as having a fundamental and uni-dimensional strategic orientation that is self-evident in the simultaneous existence of three elements, innovativeness and proactiveness behaviors, as well as risk-taking which is considered an attitudinal propensity. Proactiveness indicates a desire to pursue self-motivated willingness to enhance the current situation and create an environment conducive for growth as well as incubation for germinating of new opportunities, while risk-taking refers to the courage and ability to channelize investments and efforts in uncertain domains in order to capitalize on exponential return possibilities in terms of gains. (Kurtulmus & Warner, 2015). The second idea is multidimensional, as it does not mandate simultaneous or parallel occurrence of different elements and offers two new co-factors, namely, competitive aggressiveness and autonomy, which together profess a strategy to challenge competitors in order to outsmart rivals in the industry and to continuously focus on a single-minded aim to excel and pursue options and directions that leads to the pursuit of opportunities and growth (Abassi, Akbari & Tajeddini, 2015). The entrepreneurial orientation is essentially the process of creating the entrepreneurial strategy used by managers and decision-makers in organizations to establish shared objectives, maintain vision and ensure the competitive advantages of their entities (Al-Btoush, 2015). EO is closely connected with strategic management and strategic decision-making (Gal, 2018; Gu & Qian, 2019). Additionally, Oni et al. (2019) described EO as entrepreneurial strategy decision processes used by senior managers to develop a vision, mission and achieve competitive advantage. The company’s orientation towards entrepreneurship is its tendency to act independently, innovate, take risks, and act
proactively when facing market opportunities. Companies improve their market position over competitors through applying competitive strategies (Lechner & Gudmundsson, 2014). In addition, EO is an organizational concept that demonstrates the managerial ability through which companies execute proactive and aggressive initiatives to achieve competitive advantage (Adenuga, 2009; 200Gloss et al., 2017).

2.3. Dimensions of Entrepreneurial Orientation

Several studies in EO have identified and used three dimensions of EO: innovativeness, proactiveness, and risk-taking. More so, two variables were suggested by researchers which are competitive aggressiveness and autonomy (e.g., Hair et al., 2014; Otokiti, 2013).

2.3.1 Autonomy

Employees can influence the strategic decision-making process if they are allowed to have the autonomy to a certain level, with the independent action. In this way, employees can be encouraged to perform at their best level and can share and implement their views and ideas on behalf of the company (Otokiti, 2013). In other words, autonomy may mean decision-making in the absence of the supervisor and the will to control actions. Autonomy helps the company and the team creating and using independent work units to increase the volume of innovative solutions and ideas to solve problems (Alexe & Alexe, 2018).

2.3.2 Innovativeness

Within the work environment, organizations are forcing themselves to become more innovative than ever because of the competitive advantage achieved (An & Kang, 2016). In addition, Short et al. (2018) highlighted that innovation is often described as the cornerstone of entrepreneurship. Also, Sule (2014) confirmed that innovation is a continuous process and has an important place in entrepreneurship. It does not mean to create something new, but the application of new, improved thoughts and ideas to existing methods. Thus, in the era of competition, innovation has become a critical dimension of entrepreneurship. Innovativeness is based on the willingness to move forward from current techniques or processes and explore beyond the current boundaries and demonstrate that the company is making an effort to introduce new products into the market (Ojeaga & Owolabi, 2011; Soedarmono et al., 2019) Ugoji, Mordi & Ajonbadi (2014) argued that an entrepreneur often encountered with new challenges, by applying innovative solution he may overcome out of them. Each product and service has its certain life cycle. For suitability, we should upgrade the product and service to have competitive advantages and should enhance organizational function by innovative concepts (e.g., production, marketing, sales, and distribution. Innovativeness reflects innovation in the product market or technological innovation. Innovativeness can also lead to strategic renovations or improving the existing products, processes, or systems (Hair et al., 2014; Gloss et al., 2019).

2.3.3 Risk-Taking

In the task of entrepreneurship, Alayo et al. (2019) argued that entrepreneur encountered any kind of risks; market risk, technological risk, credibility risk, competition risk, etc. to become the leader amongst the competitors, entrepreneur takes risk. He stated that risk-taking is the willingness to conduct a business for a new product or a new service with uncertain results of such investment. However, it is essential for an entrepreneur to apply
the tools to minimize the risk by having the proper ability to manage the available opportunities. Risk behaviours have been concentrated in entrepreneurial activities because the benefits of opportunities in the market, trying new things, and the distinction of the company from its competitors always involves some risks (Sherperd et al., 2010; Thomas, 2013). Additionally, the risk is not only a feature of entrepreneurial companies; it is also an individual tendency towards risk when one tries to implement the idea of business despite low opportunities for success or investments in companies with very high profits and losses (Soedarmono et al., 2019; Hair et al., 2014).

2.3.4 Proactiveness
Proactiveness is defined, according to Otokiti (2013), as the implementation and follow-up action by which the entrepreneur should have the capacity to control any situation before causing negatives rather than waiting for the response. He should predict the possible events in well advance, should be ready with alternative remedial actions, and seeking an innovative solution to achieve predetermined goals. Alayo et al. (2019) revealed that proactiveness represents a future perspective, predicting changes and opportunities in the organization, exploring future market trends, and encouraging development in tactics. Alshezawi & Khan (2018) demonstrated that a proactive company could identify potential emerging problems and find solutions.

2.3.5 Competitive aggressiveness
Conversely, sensitivity includes an immediate response to a contender's activity; for instance, a firm may slice costs and give up benefits to keep up its share of the overall industry when a competitor develops a rival product (Siren et al., 2017; Thomas, 2013). According to Gal (2018), aggressiveness could improve its competitiveness over its competitors as the organization's performance would increase. Thus, aggression is the most treasured characteristic for an entrepreneur. The previous studies confirmed that such aggressiveness is necessary to any firm in order to undermine its competitors and to create a competitive advantage that will let a firm expand its position in the market. In other words, challenging the competitors directly or indirectly by price-cutting, marketing, promoting, and advertising products and services rather than avoiding them helps an entrepreneur to become a leader instead of a follower. It also helps an entrepreneur to extend market place. However, an entrepreneur must consider the fact that most SMEs have limited resources that do now allows for such aggressiveness and challenging movements in the market as it is so costly and not all the time a suitable behavior due to the cultural differences (Akinbola, Ogunnaike, and Amaihan, 2015).

2.4. Firm Performance
Understanding the factors that lead some companies to be more competitive than their competitors and thus making a bigger profit than their competitors is a matter of interest not only for academics but also for managers (Osuagu, 2002). Akinbola, Ogunnaike, and Amaihan (2015) pointed out that the need to acquire and manage knowledge is emphasized to increase the overall organizational performance and achieve competitive advantage. Previous studies have shown no consensus on how to measure a company's performance (Soedarmono et al., 2019). Financial indicators to evaluate performance are not sufficient;
non-financial indicators should be taken into account and use an integrated approach, including financial and non-financial indicators, to evaluate performance (Gloss et al., 2007).

### 2.5. Organizational culture

Several scholars have extensively discussed organizational behavior and corporate communications (Basson & Erdiaw, 2019). Alayo et al. (2019) pointed out that organizational culture is multi-layered. It includes four distinct and interrelated components: common core values, rules, artifacts, and organizational behaviours (Gal, 2018). Although the concept of organizational culture has been applied as an organizational phenomenon since the early 20th century, this concept has received considerable attention from researchers in the last decades (Adenuga, 2009). Siren et al., (2017) indicated that, for academic and managerial practice, organizational culture becomes an important issue because it has more influence than other factors on the success or failure of any organization (Short et al., 2010). Moreover, organizational culture is an important tool for enhancing the effectiveness of the firm, improving operational and process efficiency, and supporting organizational strategy (Sheng & Chien, 2010). Strong corporate culture can significantly encourage employees' creativity and innovative behavior, enhance creative ideas, and regard innovation as a cornerstone of the organization's success (Schmutz & Sidibe, 2019). Further, an organizational culture emerges as a necessary regulatory condition to support the work engagement among employees within the organization and their performance. Thus, organizational employees' trust will be enhanced (Siren et al., 2017). Organizational culture helps control the ability, efficiency, survival, and achievement of an organization (Gill & Johnson, 2010).

### 2.6. Theoretical Review

#### 2.6.1 Resource-Based Theory (RBT)

Edith Penrose (1959) developed the Resource-Based Theory (RBT), which examines the role of resources in the growth or empowerment of company hierarchies. She describes "the physical items which a company purchases, rents or provides for its own use and the general population are enlisted according to conditions which make them an appropriate part of the company" (Kellermanns et al., 2016). At first, the RBT grew in the field of management. Nag et al. (2007) have developed the concept of vital administration. They indicated that core management handles the significant anticipated and emerging operations of general supervisors, including the use of resources to enhance business efficiency by owners. "Therefore, essential administration directs managers and corporation manages persons or groups of individuals acting freely or as a function of a company structure, forming or reinventing new associations" (Sharma & Chrisman, 1999; Kellermanns et al., 2016). The RBT examines the suitability of the assets of companies to achieve strong efficiency with their characteristics. RBT's most distinctive achievement is the plan of criteria that must be met to ensure the company's continued advancement of assets (Kellermanns et al., 2016). Barney (1991), who declared that a company's assets preserved its upper hand, produced one of the most convincing texts of essential administration in history. He explained that a company is said to be the upper hand when it updates a value scheme that any current or potential competitor executes at the same moment and when those various companies are unable to copy the benefits of that scheme.
Early RBT work identified that the company is a complex asset-based structure (Kellermanns et al., 2016; Lonial & Carter, 2015; Martin & Javalgi, 2016). In any case, RBT has become the world's main view for key management assessments (Peteraf, 1993), and having an RBT-business interface is a minimal requirement in providing a "research setting" for observational work (e.g., Chandler and Hanks, 1994). Because most asset-based studies fail to account for the thinking of the company, RBT fails to a considerable extent to include imagination and entrepreneurial demonstration (Barney et al., 2001). The company's resource basis perspective (RBV) has proven to be one of the most commonly used hypotheses in management studies. The central premise of RBV is that the company produces upper hands, thanks to its outstanding asset structure (Lonial & Carter, 2015).

2.7. Empirical Review
Kuratko et al. (2005), in their study, revealed that some factors influence the size and depth of business activities that are carried out within the company to pursue corporate entrepreneurship, and these variables are identified as an antecedent for the corporate entrepreneurial activities. Yildiz (2014) found that organizational culture is one of these antecedents. Organizational culture can be regarded as a major driver of entrepreneurial business (Okta et al., 2015). Additionally, Brettel et al. (2015), Fayolle et al. (2010), Aloulou & Fayolle (2005), and Shepherd et al. (2010) found that organizational culture has a key role to play in promoting entrepreneurial orientation (EO). Several previous studies have examined the connection between different cultural and entrepreneurial elements in different contexts. The capacity of an organization to create and retain an entrepreneurial posture depends on its culture (Yildiz, 2014). Brettel et al. (2015) study revealed that entrepreneurial orientation is the entrepreneurial decisions and actions based on the culture and value system of an organization. Organizational culture is divided into four types: group cultures, development cultures, hierarchical cultures, and rational cultures. Eddleston and Kellermanns (2007) and Cherchem (2017) results showed that group culture is marked by altruism which promotes loyalty and a commitment to the strategy of collaboration and family prosperity over the long term. Therefore, group culture is linked to an entrepreneurship group strategy because it accentuates cooperation on entrepreneurial decision-making and favors rewarding people who share their expertise. Kalmuk and Acar (2015) found that organizational culture can help an organization play an active role in intelligence generation, information dissemination, and in adapting to market shifts so that organizational culture can turn into an advanced market and entrepreneurial culture, which enhances SMEs performance. For organizational culture, EO generates a healthy internal workplace. The more entrepreneurial a company is, the more learning-oriented it is, and the more it promotes values that encourage commitment to learning, openness, and a shared vision.

2.8. Research Gap
SMEs have an important influence on the Nigerian economy. In order for small and medium enterprises to prosper and survive in a dynamic business environment, they must design and implement their philosophy in enterprise activities. The study of EO on firm performance is generally considered within the business field, but the findings vary from an immediate positive to no critical correlation between the entrepreneurial orientation and
performance (Adisa, Adeye & Okunbanjo, 2016; Alayo et al., 2019). This study confirms that such variations are due to cultural characteristics related to the Africa environment and developing countries, given that EO in SMEs requires a property (Udoji, Mordi & Ajonbadi, 2014; Sherpherd et al., 2010; Siren et al., 2017). More studies have been called to determine in what way an EO can be beneficial. Additionally, Kohtamaki et al. (2019) found that a positive and direct relationship existed between entrepreneurial orientation and firm performances. This relationship requires extensive investigation in Africa. Moreover, prior studies have revealed certain questionable results regarding the connection between EO and firm performance (Sien et al., 2017; Short et al., 2018). However, the significance of organizational culture as an EO history has been emphasized by prominent researchers such as Aloulou & Fayolle (2005); Covin & Slevin (1991); Brettel et al. (2015); Seifari & Amoozadeh (2014); Shepherd et al.,(2010) and Hauser et al. (2006), yet the relationship between Organizational culture and EO is not ascertained (Engelen et al., 2014; Roshani, 2016; Lomberg et al., 2017). Many researchers, such as Yildiz (2014) and Okta et al. (2015), have called for further consideration of such a relationship.

### III. Methodology

#### 3.1. Data

This section discusses the methodology of the study and research design. It introduces research philosophies, research approach, data sources, and research design. Additionally, it details the use of the survey method, sampling design, questionnaire development, questionnaire design, and measurement. In addition, the techniques of the data collection employed and the application of the study strategy are covered. The expo factor method was used. Furthermore, the current quantitative phase of the data collection, through which a description of the methods used in implementing the quantitative phase in this study were also provided. The argumentation begins with the justification behind selecting a sample survey method. The study adopts a self-administered survey for data collection, as detailed. Moreover, the research focused on the survey design, the pilot study applied to test different issues in the study strategy and the study’s latent variables. In addition, the questionnaire was the research instrument for this study's description, and their related indicators are provided. The research’s data preparation technique employed to verify the data accuracy was discussed, followed by the data preparation, which includes dealing with missing values and outlier issues. The issue of the methodology of choosing the methods of data collection to be used for the study depends on the fact that what are the aims and objectives of the research under consideration (Giddings & Grant, 2006; Gill & Johnson, 2010). Primary data was used for this study. Furthermore, the collected data was employed to propose a possible understanding of the study's variables’ relationships.

#### 3.2. Model Development and Method

Therefore, the current study sample units have been chosen as SME managers. A survey is used to collect data for theoretical model validity purposes. The study population refers to the managers of SMEs registered with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Lagos State. The sample frame was obtained from the (SMEDAN), the surveyed SMEs were randomly selected from the sample frame. The sample
size was determined using the Yamane formula (Easterby-Smith et al., 2011; Cresswell, 2009). Therefore, the sample size was determined by

\[
n = \frac{N}{1 + Ne^2}
\]

where \( n \) = the sample size
\( N \) = population
\( E \) = the limit of tolerance

Therefore, \( n = \frac{152}{1 + 152(0.05)^2} \)
\( = \frac{152}{1 + 152(0.0025)} \)
\( = \frac{152}{1 + 0.38} \)
\( = \frac{152}{1.38} \)
\( = 110.14 \)
\( = 110 \) respondents (approximately)

A sample of one hundred and ten (110) employees out of the one hundred and fifty-two (152) employee population were selected; the simple random sampling technique was adopted. Towards this end, the test re-test reliability approach was adopted for the convenience of the researcher (Gill & Johnson, 2010; Gefen et al., 2000). Cronbach Alpha coefficient and SPSS were adopted.

IV. Results and Analysis

<table>
<thead>
<tr>
<th>Table 1. Distribution of respondents and response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents and Occupation</td>
</tr>
<tr>
<td>----------------------------</td>
</tr>
<tr>
<td>Top Level Managers</td>
</tr>
<tr>
<td>Middle Level Managers</td>
</tr>
<tr>
<td>Lower Level Managers</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Gender/Category</td>
</tr>
<tr>
<td>M</td>
</tr>
<tr>
<td>F</td>
</tr>
<tr>
<td>No of Returned Questionnaire</td>
</tr>
<tr>
<td>No of Not Returned Questionnaire</td>
</tr>
<tr>
<td>Total no of Questionnaires</td>
</tr>
</tbody>
</table>

Source: Field Survey 2020

<table>
<thead>
<tr>
<th>Table 2. The Descriptive statistics of Entrepreneurship Orientation and Firm Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses</td>
</tr>
<tr>
<td>Organizational Culture and Entrepreneurial Orientation (EO) has ignored the moderating role that generational involvement could play on this relationship.</td>
</tr>
<tr>
<td>Organizational Culture is a driver of Entrepreneurial Orientation which can improve firm performance</td>
</tr>
</tbody>
</table>
EO enhances an increase in the size and the output of a firm and is very closely related to its survival without neglecting the role of Organizational Culture organizational culture influences EO firms significantly and positively Organizational Culture evolves through an ongoing dynamic process of intergenerational interaction.

Entrepreneurship Orientation and Firm Performance

<table>
<thead>
<tr>
<th>Total</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>EO enhances an increase in the size and the output of a firm and is very closely related to its survival without neglecting the role of Organizational Culture organizational culture influences EO firms significantly and positively Organizational Culture evolves through an ongoing dynamic process of intergenerational interaction.</td>
<td>91</td>
</tr>
<tr>
<td>When new ideas occur, we encourage people in our company to take risks</td>
<td>91</td>
</tr>
<tr>
<td>We engage in new risky to stimulate future growth.</td>
<td>91</td>
</tr>
<tr>
<td>Entrepreneurial Orientation (EO) is one of the factors that determine the growth and performance of firms</td>
<td>91</td>
</tr>
<tr>
<td>Your Firm is considered an innovative firm.</td>
<td>91</td>
</tr>
<tr>
<td>Organizations try to lead customers rather than respond to them.</td>
<td>91</td>
</tr>
</tbody>
</table>

Source: Field Survey 2020

4.1 Test of Hypotheses

Hypothesis 1:

\[ H_0: \] Organizational Culture does not affect Entrepreneurship Orientation

\[ H_1: \] Organizational Culture affects Entrepreneurship Orientation

Table 3. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.458a</td>
<td>75.314</td>
<td>1</td>
<td>89</td>
<td>.000</td>
</tr>
</tbody>
</table>

\* Predictors: (Constant), Organizational Culture

Source: Field Survey 2020

Table 4. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>8.656</td>
<td>1</td>
<td>8.656</td>
<td>75.314</td>
<td>.000a</td>
</tr>
<tr>
<td>1</td>
<td>Residual</td>
<td>10.229</td>
<td>89</td>
<td>.115</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18.884</td>
<td>89</td>
<td></td>
<td>75.314</td>
<td>.000a</td>
</tr>
</tbody>
</table>

\* Predictors: (Constant), Organizational Culture

Source: Field Survey 2020

Interpretation of results

The results from table 5 show the extent of the variance in Entrepreneurship Orientation and Organizational Culture, which is 36.3%, i.e. (R square = 0.458). The ANOVA table shows the Fcalc 75.314 at 0.0001 significance level. Organizational Culture significantly affects Entrepreneurship Orientation.
Table 5. ANOVA<sup>b</sup> Coefficients<sup>a</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.895</td>
<td>.266</td>
<td>7.129</td>
</tr>
<tr>
<td></td>
<td>Organizational Culture</td>
<td>.565</td>
<td>.065</td>
<td>.677</td>
</tr>
</tbody>
</table>

<sup>a</sup> Dependent Variable: Entrepreneurship Orientation

Source: Field Survey 2020

Table 5 above shows the simple model that expresses how Organizational Culture affects Entrepreneurship Orientation. The model is shown mathematically as follows; 

\[ Y = a + bx \]

where \( y \) is Entrepreneurship Orientation and \( x \) is Organizational Culture, \( a \) is a constant factor, and \( b \) is the value of the coefficient. From this table therefore, Entrepreneurship Orientation = 1.895 + 0.565 Organizational Culture. This means that for every 100% change in Entrepreneurship Orientation, the significance level below 0.01 implies statistical confidence of above 99%. This implies that Organizational Culture affects Entrepreneurship Orientation. Thus, the decision would be to reject the null hypothesis (H0) and accept the alternative hypothesis (H1).

Hypothesis 2

H<sub>0</sub>: There is no relationship between Entrepreneurship Orientation (EO) and Firm Performance.

H<sub>1</sub>: There is a relationship between Entrepreneurship Orientation (EO) and Firm Performance.

Table 6. Model Summary

<table>
<thead>
<tr>
<th>Change Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), EO

Source: Field Survey 2020

Table 7. ANOVA<sup>b</sup>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.825</td>
<td>1</td>
<td>2.825</td>
<td>9.871</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>25.473</td>
<td>89</td>
<td>.286</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>28.298</td>
<td>90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), EO


Source: Field Survey 2020

Interpretation of results

The results from the model summary table above revealed that the extent to which the variance in Firm Performance can be explained by EO is 10.0%, i.e. (R square = 0.100). The
ANOVA table shows the Fcal 9.871 at the 0.0001 significance level. EO significantly assists Firm Performance.

Table 8. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>3.127</td>
<td>.309</td>
<td>10.131</td>
<td>.000</td>
</tr>
<tr>
<td>EO</td>
<td>.227</td>
<td>.072</td>
<td>.316</td>
<td>3.142</td>
</tr>
</tbody>
</table>

Source: Field Survey 2020

Table 8 shows how EO affects Firm Performance. The model is shown mathematically as follows; $Y = a + bx$ where $y$ is Firm Performance and $x$ is EO, $a$ is a constant factor, and $b$ is the value of the coefficient. The results indicate that Firm Performance = $3.127 + 0.227EO$. The results revealed that every 100% change in Firm Performance, EO would contribute 22.7%

4.2 Discussion of Findings
The findings indicated that organizational culture is EO-driven. This outcome answers the first question. The derived result is consistent with several previous studies. For example, Okta et al. (2015) and Yildiz (2014) outlined that organizational culture is one of the entrepreneurial orientation antecedents, and organizational culture can be considered as a major driver of entrepreneurial enterprises. Entrepreneurial orientation can be supported through organizational culture (Fayolle et al., 2010; Brettel et al., 2015; Shepherd et al., 2010). Hence, organizational culture may have the capability to influence organizational performance and therefore can lead to enhancement in competitiveness. Likewise, organizational culture factors have strong effects on firm entrepreneurial innovativeness and performance. The study's results indicated that organizational culture affects entrepreneurial orientation. This result is in line with Engelen et al. (2014), who indicated that organizational culture's values and features have a significant impact on the degree of EO within an organization. Entrepreneurial orientation can be promoted greatly by organizational culture when several generations are engaged at the same time (Cherchem, 2017). This result is also tangible with the findings of Brettel et al. (2015) that found that Organizational culture has a significant impact on EO. Organizational culture is seen as a significant strategic resource that can gain a strong competitive advantage by encouraging and maintaining entrepreneurial operations. Organizational culture is an integral antecedent for entrepreneurial decision-making in entrepreneurship studies. It was observed that the EO dimension is influenced significantly and positively by organizational cultural factors. Moreover, the effect of EO on firm performance has been tested. Previous studies have found the same result in different samples and environmental settings (i.e., Kuraktko et al., 2005; Shepherd et al., 2010; Ojeaga & Owolabi, 2011; Hair et al., 2014; Fayolle et al., 2014; Aloulou & Fayolle, 2005; Kurtulmuş & Warner, 2015; Martin & Javalgi, 2016). The positive relationship between EO and firm performance shows that a high EO level in firms indicates that the firm is highly innovative, proactive, and capable of undertaking risky activities. The finding of this study is in accordance with Barney's (1991)
of Resource-Based Theory (RBT), Entrepreneurship Orientation has made the organization stay ahead of its rivals (Barney, 1991). Analysts have noticed the importance and the relative links between EO and firm performance. In turn, organizations with these organizational capabilities are performing in the market at an unusual level. Entrepreneurial Orientation, which enhances management capacities for entrepreneurs, tends to improve business performance.

V. Conclusion and Recommendation

5.1. Conclusion
This study explores the relationship between entrepreneurial orientation and a firm's performance in Nigeria. It was not clear earlier how the organizational culture of Nigeria affects EO; therefore, it was necessary to study the role of organizational cultural factors in shaping the entrepreneurial orientation, specifically in South Nigeria. The results postulate that organizational culture positively affects entrepreneurial orientation, more so the findings also indicate a positive relationship between OE and firm performance. The results of this study have great practical implications for policymakers and management of SMEs in Nigeria, developing countries, and the world in general. Entrepreneurial orientation should be encouraged in the SME sector by undertaking different policy measures, thereby resulting in better performance. The firm's performance can be leveraged to enhance organizational culture and improved decision-making processes. The study also has great theoretical implications, which can effectively contribute to the body of knowledge. More so, the study has certain limitations: the data used in this study is cross-sectional, incorporation of longitudinal data may affect the results, other contextual and environmental variables could be included in the future study. The study focuses exclusively on SMEs, Managers. Future research should focus on other employees, stakeholders, and human resources personnel's of the SMEs.

5.2. Recommendation
In the light of the findings of the current study, small and medium enterprises in Nigeria should be more proactive in developing strategies, improving operations, and paying attention to entrepreneurial orientation and organizational culture.

There is also a necessity to form an organizational culture that contributes to developing entrepreneurial spirit among SME managers that enhances a spirit of partnership between management and employees. Hence, creating flexible communication channels between employees is a major necessity, encouraging creative ideas to be properly channelized and institutionalized in a culture of openness and freedom.

The management of SMEs should adopt entrepreneurial orientation behaviors (autonomy, innovativeness, risk-taking, proactiveness, and competitive aggressiveness) and encourage creativity to exploit opportunities in the work environment through the expansion of investment in technology in order to produce novel products as well as augmenting the current ones.
References


