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Entrepreneurial orientation and sustainable business growth of small and medium enterprise South-East in Nigeria

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Abstract

The study examined the relationship between entrepreneurial orientation and sustainable business growth of Small and Medium Enterprise South-East in Nigeria. The specific objectives were to: evaluate the relationship between pro-activeness and long-run survival and ascertain the relationship between innovativeness and increased market-share. Study area was South East of Nigeria. The research design of the study was descriptive survey design. The sample size of 362 respondents was drawn from population of 265 registered Small Medium Enterprises (SMEs) in South-East Nigeria with 6,455 total numbers of staff. The selected SMEs under study were Benny Brothers & Company Limited, Rice-Mill Company Nigeria Ltd, Tummy-Tummy Foods Industrial Ltd, Camela Vegetable Oil Company Ltd and M.O. Nnaji Bakery. Research questions were answered using frequency, mean and standard deviation. The hypotheses stated were tested using Pearson correlation statistic. The empirical results showed that pro-activeness has significant relationship with long-term survival (r-statistic = 0.861; *p*-value 0.00 < Sig-value (0.05) and innovativeness have significant relationship with increased market-share (r-statistic = 0.780; *p*-value 0.00 < Sig-value (0.05). The study recommended that SMEs entrepreneurs should innovate and launch new products and services that meet the demands of their market. SMEs should prioritize innovation as a central component of their business strategy.

Keywords: Entrepreneurial orientation, Innovativeness, Pro-activeness, Sustainable business growth

1.1 Background of the study

Enterprises are leaning toward entrepreneurialism to foster constant innovation, rapid development, wealth generation, strategic advantage, and increased performance and effectiveness (Abbas & Mustapha, 2020; Onikoyi & Fetuga, 2023) [1, 16]. Entrepreneurship focuses on seizing opportunities via creative thinking to optimize potential earnings and growth (Waidi-Adeniyi & Olubunmi, 2024) [17]. Entrepreneurship does not only energize business development, employment generation, economic advance, productivity, growth, and revenue income but also is a major driver of the innovative performance of any business (Okunbanjo, Adewale & Akinsulire, 2017) [13].

Kozubíková, Sopková, Krajčík and Tyll, (2017) [8] and Ibikunle, Akpa and Nwankwere, 2023) [6] concurred that three measures of entrepreneurial orientation have been employed often in the literature: innovativeness, risk taking, and pro-activity. Innovativeness refers to a company's willingness to invest in new concepts and employ innovative methods to generate improved products and services. Risk-taking is defined as a strong desire to promote undertakings with uncertain rewards. Proactivity entails seizing and pursuing alternative business potential in emerging areas. Competitive aggressiveness and autonomy were introduced by Lumpkin and Dess 1996 cited in NuelOkoli, Nwosu and Okechukwu, (2021) [11]. Competitive aggressiveness refers to a person's willingness to take greater initiative to improve their market advantage. Autonomy refers to how empowered individuals and teams are to work independently, implement decisions, and respond to change. An organization's conduct can be classified on a scale ranging from extremely conventional to extremely enterprise development. The association between entrepreneurial orientation and performance has revealed that businesses with an entrepreneurial mindset outperform those with a conventional mindset (Rauch *et al*., 2009).

Although many studies mainly concentrate on the three initial factors, most entrepreneurial orientation studies employ the aggregated five aspects described above (Campos, Acuna, Parra & Valenzuela, 2023) [2]. Entrepreneurial orientation (EO) has been identified as a critical component of organizational effectiveness, leading to improved company profits or profitability (Etim, Adabu & Ogar, 2017) [4]. Haider, Asad and Fatima, (2017) found that an enterprise's entrepreneurial orientation has a strong association with its innovativeness in a study of Malaysian public companies. Entrepreneurial orientation (EO) is therefore an important idea in the adoption of strategy in the concept of entrepreneurship and strategic management, which has been identified in earlier studies as affecting SMEs operations. As a result, EO is expected to be adopted to boost the performance of SMEs, demonstrated by their resources. The birth, growth and sustainability of small and medium-sized enterprises are essential for achieving economic growth and development of countries.

1.2 Statement of the problem

The activities of SMEs are affected by problems such as inaccessibility of finance, infrastructural inadequacy, inconsistent policies of government, limited access to market, multiple taxation and outdated technologies, leading to a high failure rate. The slow growth of SMEs in South-East Nigeria cannot be ascribed mainly to the aforementioned challenges, but mainly to limited Entrepreneurial orientation (EO). In light of the above framework, many efforts have been made in recent years to increase small and medium-sized enterprises in the Nigerian economy.

Owing to the importance of SMEs in the whole but particular in Nigeria, government has supported and sponsor growth of SMEs by the way long-run and short-term policies and programmes such as Small and Medium Enterprise Development Agency of Nigeria (SMEDAN); National Business Development Program (NEDEP); National and State Councils of MSMEs; Youth Enterprise with Innovation in Nigeria (YouWiN), revised National MSMEs Policy and other access to finance from the Central Bank of Nigeria and other development banks (Hossain, Rahman & Al-Asheq, 2019) [5]. Sadly, all these efforts and support of government have not yield the best performance for the SME sector. In Nigeria, a significant number of Small and Medium-sized Enterprises (SMEs) fail within their first five years, with reports indicating that roughly 80% of these businesses do not survive beyond that period.

Although many factors can affect the performance of SMEs, thus the roles of the EO have not been fully utilized. Most of the studies performed on the effect of EO on SME performance have focused on developed countries. This study expands the literature on the EO-sustainable business growth relationship by focusing on the effect of entrepreneurial orientation on sustainable business growth of selected small and medium scale enterprises (SMEs) in Southeast Nigeria.

1.3 Objective of the Study

The main objective of this study is to examine the relationship between entrepreneurial orientation and sustainable business growth of Small and Medium Enterprise South-East in Nigeria. The specific objectives are to:

- Evaluate the relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria.
- Ascertain the relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria.

1.4 Research questions

The study aimed to answer the following questions

- What is the extent of relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria?
- What is the extent of relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria?

1.5 Significance of the study

This study would be beneficial and important to the following groups of individuals and groups namely: owners of SMEs, employee of SMEs and researchers.

Owners of SMEs: The result of study would encourage owners of SMEs to abreast entrepreneurial orientation that is characterized by innovativeness, pro-activeness, and risk-taking capable of driving innovation, improving performance, and fostering a competitive edge, ultimately leading to higher profitability and growth.

Employee of SMEs: The finding of the study would encourage employee to think and act like entrepreneurs, fosters innovation, engagement, and proactive problem-solving, ultimately leading to a more dynamic and successful organization.

Students: The findings of the study would be beneficial to prospective students who will need some information contained in this work to guide their own research work which is related to the present study.

2.1 Conceptual literature

2.1.1 Entrepreneurial orientation

Entrepreneurial orientation refers to firm's ability to incorporate innovative activities and take risks in order to develop new products or services and incorporate fresh markets, as well as proactively move ahead of its competitors in taking advantage of new market opportunities (Kozubíková, Sopková, Krajčík & Tyll, 2017) [8].

Mohammed, Mohammed and Halimu, (2022) [9], describes entrepreneurial orientation as a company's readiness to take risks, implement new manufacturing processes, and serve consumers ahead of the competition. According to most research, EO has three basic measurements: inventiveness, pro-activeness, and risk-taking (Musawa & Ahmad, 2019) [10]. Nevertheless, there are still some disagreements in the literature about the multi-dimensionality of entrepreneurial orientation (Okangi, 2019) [12].

EO is a business-level planned positioning that brings out the firm's strategy-making practices, the managerial philosophies, and firm behaviours that are entrepreneurial in nature. It is further illustrated as the process undertaken by the business to gain entrance into a new market (Lumpkin and Dess, 1996 cited in Olowofeso & Ale, 2019) [14]. EO is summed up comprising the organizational phenomenon that showcases a managerial ability with which firms are involved in proactive and aggressive ingenuity to transform the competitive arena to their favour (Okunbanjo, Adewale & Akinsulire, 2017) [13]. Lumpkin and Dess 1996 cited in Olowofeso & Ale, 2019) [14] further expounded five scopes that differentiate the EO of a firm, these are innovation, proactive steps, risk-taking, competitive aggressiveness and autonomy. EO is seen as a decision making with regards to the firm's strategy to embark these dimensions (Oni, Agbobli & Iwu, 2019) [15].

2.1.2 Dimensions of entrepreneurial orientation

This EO framework includes the same five dimensions as the ones determined by Lumpkin and Dess 1996 cited in Abbas and

Mustapha, (2020) [14]: pro-activeness, risk-taking, innovativeness, autonomy and competitive aggressiveness.

Pro-activeness

Proactivity is described as taking action ahead of time to address a potential problem. Lumpkin and Dess 2001 cited in Abbas and Mustapha, (2020) [1] stressed the relevance of this component in determining a company's entrepreneurial orientation, which is primarily concerned with the forward-looking viewpoint that comes with any inventive or new enterprise activities (Lumpkin & Dess, 2001 cited in Abbas & Mustapha, (2020) [1]. Furthermore, pro-activeness is described as the method of trying to anticipate and taking actions on future demand by pursuing growth avenues that may or may not be involved in numerous transactions, introducing new offerings abreast, and advantageously eradicating transactions that are in the sophisticated or shrinking phases of the life cycle (Musawa & Ahmad, 2019) [10]. Proactiveness shows the firm's activities in taking advantage of and quickly responding to any anticipated evolving opportunities.

Proactivity may also be described as the development and introduction of new products or services ahead of the competition in order to take advantage of strategic initiatives and impact demand (Onikoyi & Fetuga, 2023; Waidi-Adeniyi & Olubunmi, 2024) [16, 17]. A proactive company is forward-thinking and on the lookout for new opportunities (Okunbanjo, Adewale & Akinsulire, 2017) [13]. Whereas innovativeness, as previously said, represents the company's willingness to participate in and encourage new ideas, curiosity development, and generation of ideas, pro-activeness relates to how these activities are implemented in terms of predicting and exploiting potential prospects (Lumpkin & Dess, 2001 cited in Abbas and Mustapha, 2020) [1].

2.2 Innovativeness

Innovation is the propensity to be involved in and support the generation of new ideas, distinct in originality, experimentation and creative processes occasioning the manufacturing of new or amendment of new products (Abbas & Mustapha, 2020) [1]. Innovativeness is defined by Rauch *et al*. (2004), Musawa and Amad (2019) [10], as a company's behavior that develops fresh concepts that allow for new or enhanced operations, products, or services. Furthermore, Lumpkin and Dess (1996) offered a new realm of technical innovation that had previously been unnoticed by earlier research, which had a product-market-oriented approach to innovation. He suggested that innovation is defined as the willingness of an organization to abandon established technology in favor of new ways of doing things.

Kozubíková, Sopková, Krajčík and Tyll, (2017) [8] similarly relate innovation to creativity, but they argue that if the invention is to become a commercial opportunity, it must also be tied to entrepreneurship. According to Ibikunle, Akpa and Nwankwere, (2023) [6], innovation is seen as a means of boosting productivity expansion. Innovation is important for both huge corporations and small businesses. NuelOkoli, Nwosu and Okechukwu, (2021) [11], as well as Campos, Acuna, Parra and Valenzuela, (2023) [2] identified three types of innovations: product, process, and technology. Product innovation includes shortening the product life cycle, improving the commercial manufacturing process, boosting sales and income, and recouping development costs. Product innovation refers to the introduction of new or considerably better products or services in terms of their attributes or associated applications (Olowoye, 2016). To accomplish specified production objectives, product and process innovations are linked and interlinked.

Risk taking

Risk-taking is the readiness to commit resources venture activities and projects under a condition of uncertainty of the outcomes (Lumpkin and Dess, 1996). Risk-taking is further seen as the extent to which an entrepreneur is ready and willing to make a high business commitment (Etim; Adabu & Ogar, 2017) [4]. Risk-taking is also defined as a proclivity for embarking on high-risk initiatives (Haider, Asad & Fatima, 2017). It is assumed that companies that perform better would have a higher risk inclination (Leko-Simic & Horvat, 2006). Olawoye, 2016) defined risk for entrepreneurs as the uncertainty and potential losses associated with outcomes that may result from a specific set of actions or behavior. The willingness to take risks is determined by risk inclination and risk perception. That is, the lesser the worry about risk or taking risks, the higher the risk inclination (Olawoye, 2016). According to current research, entrepreneurs take more chances than non-entrepreneurs, and they are typically thought to take more risks than non-entrepreneurs since this business owner have a much more unpredictable set of options (Musawa & Ahmad, 2019; Olowoye, 2016) [10]. Organizations that embrace an entrepreneurial mindset are frequently associated with high risk-taking behavior, such as investing on substantial loans or devoting significant resources to initiatives to generate enormous profits depending on existing prospects (Musawa & Ahmad, 2019; Olowoye, 2016) [10].

Competitive aggressiveness

Competitive Aggressiveness refers to a company's willingness to confront and battle its competitors directly and passionately to exceed them in the industry. These techniques include cheap pricing, distinctiveness, and focusing on a competitor's vulnerabilities, as well as outbidding competitors on advertising, quality of services, promotional offers, and advertisement (Hossain, Rahman & Al Asheq, 2019) [5].

Kosa, Mohammad and Ajibie, (2018) [7] describe it as a company's proclivity to actively and strongly battle competitors to gain entrance or enhance advantages in the consumer market, and therefore surpass existing rivals. Having a significant market share in comparison to competitors is a sign of competitive aggression. Developing new products or services, as well as pricing, budget, reputation, and logistics, may all help organization gain a competitive edge (Kozubíková, Sopková, Krajčík & Tyll, 2017) [8]. The competitive aggressiveness is viewed in the form of a passion of the firms to constantly increase their market positioning and share by outwitting and exceeding their competitors in the market (Lumpkin and Dess, 1996). It is a combative approach or outlook aimed at better positioning or overcoming competitors' threats. Competitive aggressiveness is a strong struggle to overcome competitors (Lumpkin and Dess, 1996).

Autonomy

Autonomy constitutes an important dimension of entrepreneurial orientation. The entrepreneurial attitude required to inspire new companies is one of the key drivers of learning interest. Lumpkin and Dess (1996) define firm independence as an individual's actions or a team's autonomous activity in drawing forth a concept or a purpose and seeing it through to fruition. With autonomy, the firm seeks independence to take action. It may involve individual or teams being independent generating ideas and concepts through being executed from the gestation to completion (Mohammed, Mohammed & Halimu, (2022) [9]. Autonomy accords employees the opportunity to perform effectively by being independent, self-directed, motivated and creative. Similarly, Musawa and Ahmad, (2019) [10] defined autonomous as the flexibility given to individuals within an organization to be innovative, propose new initiatives, and modify present practices by developing the notion of freedom.

Sustainable business growth

Okangi, (2019) [12] defined financial growth is the ability of a business to earn continuous profit and sales revenue, maintain market share, maintain long-run survival and prevent competitors entry. Sustainable business growth is the goal of many entrepreneurs and companies, but achieving it can be challenging in a competitive and dynamic market. Sustainable growth means being able to grow business without compromising its stability, quality, or values. It also means being able to adapt to changing customer needs, environmental factors, and industry trends. Sustainable business growth goes beyond simply chasing quick profits; it focuses on building a business that can thrive in the long term. Olowofeso and Ale (2019) [14] opine that financial growth usually acts as the entrepreneur's reward for his/her investment. As a matter of fact, profit is the main motivator of an entrepreneur for doing business. Financial growth involves the capacity to make benefits from all business operations of an organisation, firm or company (Aigboje, 2018).

Sustainable business growth is the increase in the value of an asset or business over a period of time. It is usually measured in terms of the appreciation of the asset, such as a stock or bond, or the increase in the value of a company, such as in terms of sales or profits. Financial growth is an important part of economic growth and is important for long term economic stability.

2.3 Contextual literature

2.3.1 Relationship between pro-activeness and long-run survival of SMEs

Generally speaking, pro-activeness means looking forward and seeking opportunities. It entails a company taking the lead to launch novel goods or services that set them apart from their rivals in an effort to lead by example, set the standard, make the first move, or gain the upper hand in satisfying consumer needs in any given circumstance by launching new procedures, goods, or services before their rivals (Okunbanjo, Adewale & Akinsulire, (2017) [13]. Proactive SMEs don't only follow the lead of other companies; instead, they always aim to be industry leaders (Zaato, Ismail, Uthamaputhran & Owusu-Ansah, 2020). It is an indication of opportunity recognition and how they are aware and responsive to market signals ahead of competitors (Zaato, Ismail, Uthamaputhran & Owusu-Ansah, 2020). Furthermore, some studies have reported that SMEs 'with high responsive ability' should consider pro-activeness as a vital aspect of their business and always strive to have a first-mover advantage over their counterparts in identifying and turning ideas into opportunities (Oni, Agbobli & Iwu 2019); Adamu, Wan & Gorondutse, 2019) [15,]. SMEs should, therefore, focus on building their capacity in order to be proactive. This involves improving both their material and non-material resources, such as their human resource capability, in order to be able to recognize opportunities to meet current and future market demands in a timely manner, influence policymakers, set the market's pace based on their market share, adopt technology, and stay up to date with advancements in the field (Abbas & Mustapha, 2020) [1].

2.3.2 Relationship between innovativeness and increased market-share of SMEs

Onikoyi and Fetuga (2023) [16] defined innovativeness as an iterative process initiated by the perception of a new market and/or new service opportunity for a technology-based invention which leads to development, production, and marketing tasks striving for the commercial success of the invention. Waidi-Adeniyi and Olubunmi, (2024) [17] defines innovativeness as the introduction of a product which is new to consumers or with higher quality than existing products, new methods of production, the opening of new markets, the use of new sources of supply and new forms of competition that lead to the restructuring of an industry. Okunbanjo, Adewale & Akinsulire, (2017) [13] submitted that innovativeness is a key factor in success, both in business and in life, as it allows individuals and organizations to remain competitive in the ever-changing market. Innovativeness can require a combination of creative and analytical thinking, as well as an understanding of the current market and trends.

Innovation leads to increased efficiency and productivity. By introducing new ideas and technologies, businesses can get more output from their existing resources. This means they can increase their profits while reducing their costs (Ibikunle, Akpa & Nwankwere, 2023) [6]. Likewise, innovation can give businesses a competitive edge over their competitors. By introducing new products and services, they can capture a larger share of the market and gain an advantage over their competitors. Innovation leads to improved product and service quality (NuelOkoli, Nwosu & Okechukwu, 2021) [11]. New technologies and processes can be used to make better products at lower costs. This can help businesses stay ahead of the competition and win more customers. Also, innovation encourages employees to think creatively and come up with new ideas. This can lead to higher job satisfaction and increased motivation among employees (Etim, Adabu & Ogar, 2017) [4]. Innovation can lead to better customer service. By introducing new products and services, businesses can meet the changing needs of their customers and keep them satisfied (Hossain, Rahman & Al Asheq, 2019) [5].

2.4 Theoretical literature

2.4.1. The Resource Based View Theory (RBV)

For investigating EO in predicting SMEs competitive advantage in Lagos, this study invokes the Resource Based View (RBV) Theory. This theory is key for understanding and defining pro-activeness, innovation and sustainability that enables leaders take advantage of internal resources (Barney & Arikan, 2021). Adekunle and Owolabi (2022) sated that resource-based theory emphasizes how businesses use a variety of resources to launch their entrepreneurial endeavors. Although having access to capital increases the likelihood of a new business venture succeeding, entrepreneurs frequently launch their ventures with little available cash. Entrepreneurs may also leverage human resources, such as education, and other resources, as well as social networks and the knowledge they offer. Furthermore, the intangible components of leadership the entrepreneur adds to the mix operate as resources that cannot be replaced but can help uncover ways of utilizing resources optimally, which is necessary for SMEs (Adekunle and Owolabi, 2022). Birger (1995) states that RBV theory remarkably impacts a firm's pro-activeness, innovativeness and sustainability. Evans and Jonanovic (2016) asserted that the process of strategic planning starts with an examination of a company's competitive standing within a certain industry. This is regularly accomplished by taking into account the surroundings of the company and determining what course of action might perhaps enhance the company's performance. Given this context, it makes sense for Anderson and Mullar (2003) to suggest that Resource-Based (RBV) theory can be viewed as a strategy formulation process that occurs "inside out." The process begins with acknowledging the resources that the company obtains, exploring opportunities for value creation, and implementing a plan that will support sufficient and sustainable value creation.

Moreover, the ideas of resources also encompass the diverse cognitive capacities that the business owner possesses in order to generate and integrate mixed resources. Identifying behaviors and skills that can be viewed as resources, organizing and combining resources, building a firm out of those resources, and producing a variety of outputs that outperform competitors are the primary objectives of this analysis (Anderson & Miller, 2003).

2.5 Empirical literature

Waidi-Adeniyi and Olubunmi, (2024) [17] examined the relationship between entrepreneurial orientation and competitive Advantage of Small and Medium Enterprises in Lagos State. The survey research design was employed in this study and the study relied on primary data. The targeted population of this study is 1,511 SMEs (wholesalers and retailers only), which were drawn from Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Lagos state. A snowballing sampling technique was used to choose 316 participant SMEs to which the questionnaires were administered, of which 243 questionnaires were returned. The hypotheses of the study were analyzed using multiple regression analysis. The results showed that pro-activeness, innovativeness, and risk-taking significantly improve the performance of SMEs in Lagos state. The study concluded that innovative, entrepreneurial-oriented businesses are more likely to lead their industry in innovations and carry out tasks in a way that better serves clients and increases the firm's power. In order to improve the performance of their companies, the study recommended that SMEs' owners and managers to be dedicated to process and radical innovation in their interactions.

Ibikunle, Akpa and Nwankwere, (2023) [6] examined the relationship between entrepreneurial orientation and financial growth of quoted pharmaceutical companies in Nigeria. The specific objectives are to: evaluate the relationship between pro-activeness, innovativeness; competitiveness aggressiveness and long-run survival of quoted pharmaceutical companies in Nigeria. The study adopted a survey research design. The population of the study was 308 staff of quoted pharmaceutical companies in Nigeria. The data analytical technique was multiple and hierarchical regression analysis. The results revealed that entrepreneurial orientation had significant effect on financial growth of quoted pharmaceutical companies in Nigeria (Adj. $R2 = 0.200$; $F (5, 296) = 16.093$, $p < 0.05$). The study concluded that entrepreneurial orientation had significant influence on financial growth of quoted pharmaceutical companies in Nigeria. The study recommended that management of pharmaceutical companies should adopt strategies that would enable them to identify and capitalize on emerging market opportunities, as well as improving their organizational performance.

Onikoyi and Fetuga, (2023) [16] investigated the impact of entrepreneurial orientation on performance of manufacturing firms in Nigeria. The specific objectives of this study were to: investigate the impact of risk-taking on the innovative performance, examine the influence of autonomy on the innovative performance and assess the moderating role of competitive environment on the relationship between entrepreneurial orientation and innovative performance of selected manufacturing firms in Nigeria. A purposive sampling technique was adopted to select the sample size of 373. Primary data were collected through the use of questionnaire and the data were analysed using descriptive statistics, simple linear regression and hierarchical regression. Hypothesis One indicated that there is a significant positive association between risk-taking and innovative performance ($R2 = 0.728$, $p=0.000 < 0.05$). Similarly, hypothesis Two revealed a significant positive association between autonomy and innovative performance ($R2 = 0.604$, $p=0.000 < 0.05$). Hypothesis Three showed that competitive environment moderates the relationship between entrepreneurial orientation and innovative performance (Adjusted R2 = 0.673, p=0.000 < 0.05). The study recommends that consumer goods manufacturing firms should make continuous and intense efforts to increase their competitive aggressive stance by out-performing their industry rivals in all business activities.

Adegboyega, Omoshaewa, Olufemi and Odeh, (2023) investigated the impact of entrepreneurial orientation on innovative performance of selected manufacturing firms in Lagos State, Nigeria. Specifically, the study sought to examine the influence of competitive aggressiveness, pro-activeness, risk-taking and autonomy on innovative performance of selected manufacturing firms. The survey research design was adopted because the study focused on eliciting opinions from respondents about the variables of the study. The population of this study consisted of 5592 employees of the five selected consumer goods firms listed on the Nigerian Exchange. The first hypothesis findings revealed a significant positive association between competitive aggressiveness and innovative performance (R2 = 0.524, p=0.000 < 0.05). Hypothesis two showed a significant positive association between pro-activeness and innovative performance (R2 = 0.554, p=0.000 < 0.05). Therefore, the study recommends that consumer goods manufacturing firms should make continuous and intense efforts to increase their competitive aggressive stance by out-performing their industry rivals in all business activities.

NuelOkoli, Nwosu, and Okechukwu, (2021) [11] examines the effect of entrepreneurial orientation on performance of selected small and medium scale enterprises (SMEs) in Southeast Nigeria. The specific objectives of this study were to: investigate the impact of risk-taking on the innovative performance, examine the influence of autonomy on performance of (SMEs) in Southeast Nigeria. The survey research method was employed in this study and the study relied on secondary and primary data. The population of this study was drawn from SMEs in the five states in the Southeast Nigeria. The study was done using three hundred and sixty six small and medium enterprises (SMEs). Complete enumeration was adopted. Simple regression analysis was used to analysis the hypotheses. The study revealed that there is a significant positive relationship between pro-activeness, innovativeness and risk taking on performance of SMEs in Southeast Nigeria. The study recommends that SMEs owners and managers should be committed to process and radical innovation in their dealings so as to increase and expand their customer base.

Abbas and Mustapha, (2020) [1] investigated the influence of entrepreneurial orientation on firms performance in Small and Medium Enterprises in Nigeria. Specifically, the study sought to analyses how entrepreneurial orientation (EO) i.e. pro-activeness, competitive aggressiveness autonomy, innovation, and risk-taking influence firms' performance in Abuja. To fulfil this purpose, survey research design and a theoretical framework were developed depicting the different EOs and firm performance in its context. Sampling technique of simple random was adopted in which only one hundred and ten (110) SMEs in Abuja responded to the survey questionnaire and a total of ninety-seven (97) valid responses were judged to be appropriate. The descriptive statistics and as well as inferential statistical tool was used to analyses the data. It was revealed that proactiveness, risk-taking and autonomy are positive and significantly related to business performance while, competitiveness was positive but insignificant. It is recommended the firms must be consistent in being pro-active which implies that they should have foresights to seize business opportunities at all times. This will enable them take first mover advantage and become strong market competitor.

2.6 Literature gaps

There exist research gap between this study and past researches. The research gap covers subject gap, gap on geographical location of the study; gap on the variables and gap on methodology.

Subject gap: The subject matter of this work and some reviewed empirical studies has some differences. There are limited studies on relationship between entrepreneurial orientation and sustainable business growth of Small and Medium Enterprise South-East in Nigeria. The study is geared to bridge the time gap in literature.

Gap on geographical location of the study: This work covers SMEs in Nigeria and specifically SMEs that operate in South-East of Nigeria. None of the past studies used the Benny Brothers & Company Limited, Rice-Mill Company Nigeria Ltd, Tummy-Tummy Foods Industrial Ltd, Camela Vegetable Oil Company Ltd and M.O. Nnaji Bakery as mentioned SMEs and most of the past studies were done outside South East of Nigeria.

Gap on the variables and contents of the study: The variables used in this study includes pro-activeness, competitiveness aggressiveness and innovativeness (for independent variable and proxy of entrepreneurial orientation) and long-run survival, increased market-share and profit maximization (for dependent variable and proxy for sustainable business growth) were not used by past researches.

Gap on methodology: The data analytical techniques used in this work in some ways differ from what was employed from past researches. The data analytical technique of the study was Pearson Correlation method. The statistical technique was chosen because of its basic properties of best Linear, unbiased and efficient (BLUE) estimators. It is best for relationship/correlation analysis.

3.1 Methodology

Study area was South East of Nigeria. The research design of the study was descriptive survey design. The study used structured questionnaire to obtain data. The choice of location was based on proximity, effective coverage and cost minimization. The population of this study comprises of 265 registered Small Medium Enterprises (SMEs) in South-East Nigeria with 6,455 total numbers of staff (Corporate Affair Comission, 2023). The choice for only staff of the registered Small Medium Enterprises (SMEs) in South-East Nigeria was because of homogeneous nature of production function. Simple random technique was used to select four SMEs Firms in Nigeria namely: Benny Brothers & Company Limited, Rice-

Mill Company Nigeria Ltd, Tummy-Tummy Foods Industrial Ltd, Camela Vegetable Oil Company Ltd and M.O. Nnaji Bakery. The sample size of 362 respondents was drawn from population of the study using Freund and Williams sampling technique. Research questions were answered using frequency, mean and standard deviation. The hypotheses stated were tested using Pearson correlation statistic.

4.1 Data presentation and analysis

Table 1: Comprehensive demographic distribution of the respondents

Title	Frequency	Percentage
Questionnaire distributed	362	100%
Returned questionnaire	358	98%
Not Returned questionnaire	04	02%
Gender		
Female	213	59.5%
Male	145	40.5%
Age bracket		
20-30 Years	153	42.7%
31-40 Years	111	31.0%
41-50 Years	66	18.4%
51Years – above	28	7.8%
Marital status		
Married	223	62.3%
Single	125	34.9%
Widow/widower	7	1.9%
Divorce	3	0.8%
Educational qualification		
HND/B.sc	230	64.2%
MBA/M.sc	125	34.9%
Ph.D	3	1.10%

Sources: Field survey, 2025

Three hundred and sixty two (362) copies of questionnaire were designed and distributed to the respondents. Out of the 362 Questionnaires distributed, 358 (98%) were completed and returned while 4 (02%) were not returned. Therefore, 98 percent respondents were a good representation. The table showed the respondents profile in frequency and percentage distribution of gender, age bracket, marital status and educational qualification.

4.2 Data analysis

Question One: What is the extent of relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria?

Table 2: Responses of respondents on what is the extent of relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria

S/N	Question items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	The pro-activeness behavior equip entrepreneurs the ability to identify emerging market trends and customer needs before their competitors	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
2	The pro-activeness behavior enable entrepreneurs initiate new markets and business models, rather than simply reacting to existing ones.	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
3	Proactive entrepreneurs are more likely to invest in research and development to create new products and services that differentiate them from the competition.	1000	404	135	18	3	1560	4.36	0.0033
		200	101	45	9	3	358		
		59%	28%	13%	2%	0.8%	100%		
4	Proactive entrepreneurs who act quickly and decisively can gain a first-mover advantage in the market, allowing them to establish a strong brand and market share.	950	444a	105	24	10	1533	4.28	0.0032
		190	111	35	12	10	358		
		53%	31%	9%	3%	2%	100%		
	Grand Mean							4.255	0.0031

This table showed the opinion of respondents on the extent of relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria. The respondents are in agreement with all the items. The research items 1,2,3,4, have mean score of above 4.0 point respectively and it was rated great extent by respondents. Thereby study revealed that pro-activeness has significant relationship with long-run survival of Small and Medium Enterprise South-East in Nigeria since proactive entrepreneurs are more likely to invest in research and development to create new products and services that differentiate them from the competition (Grand-mean 4.255 was greater than the cutoff point 3.00).

Question Two: What is the extent of relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria?

Table 3: Responses of respondents on what is the extent of relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria

S/N	Question items	VGE (5)	GE (4)	ME (3)	LE (2)	VLE (1)	Total	Mean	SD
1	Innovativeness entrepreneur fosters creativity that enable businesses to adapt to market changes, and create new opportunities for growth	630	632	192	40	10	1504	4.20	0.0030
		126	158	64	20	10	358		
		35%	44%	18%	5%	2%	100%		
2	Innovativeness allows entrepreneurs to develop and offer unique products or services that meet unmet needs or solve problems in new ways, leading to increased market share and revenue.	580	632	222	26	17	1477	4.13	0.0029
		116	158	74	13	17	358		
		32%	44%	21%	3%	2%	100%		
3	Innovative ideas can help entrepreneurs identify and enter new markets, expanding their reach and customer base.	900	400	144	46	7	1497	4.18	0.0030
		180	100	48	23	7	358		
		50%	30%	13%	6%	1%	100%		
4	Innovative ideas can help entrepreneurs identify and enter new markets, expanding their reach and customer base.	985	416	111	24	8	1544	4.31	0.0032
		197	104	37	12	8	358		
		55%	29%	10%	3%	2%	100%		
	Grand mean							4.205	0.0030

This table showed the opinion of respondents on the extent of relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria. The respondents are in agreement with all the items. The research items 1,2,3,4, have mean score of above 4.0 point respectively and it was rated great extent by respondents. Thereby study revealed that innovativeness has significant relationship with increased market-share of Small and Medium Enterprise South-East in Nigeria since innovativeness allows entrepreneurs to develop and offer unique products or services that meet unmet needs or solve problems in new ways, leading to increased market share and revenue (Grand-mean 4.205 was greater than the cutoff point 3.00).

4.3 Test of hypotheses

4.3.1 Test of hypothesis one

H_1 = Pro-activeness has no significant relationship with long-run survival of Small and Medium Enterprise South-East in Nigeria.

Correlations

		Pro-activeness	Long-run survival of SMEs
Pro-activeness	Pearson correlation	1	.861**
	Sig. (2-tailed)	-	.000
	N	358	358
Long-run survival of SMEs	Pearson correlation	.861**	1
	Sig. (2-tailed)	.000	-
	N	358	358

**. Correlation is significant at the 0.01 level (2-tailed)

In testing this hypothesis, pro-activeness was tested relationship with long-run survival of SMEs. The result of the Pearson product correlation analysis showed the model to evaluate the relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria. The empirical result showed that the Pearson product moment correlation analysis (r) was 0.761. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that pro-activeness has significant relationship with long-run survival of Small and Medium Enterprise South-East in Nigeria (r-statistic = 0.861; *p*-value 0.00 < Sig-value (0.05).

4.3.2 Test of Hypothesis Two

H_2 = Innovativeness has no significant relationship with increased market-share of Small and Medium Enterprise South-East in Nigeria.

Correlations

		Innovativeness	Increased market-share
Innovativeness	Pearson correlation	1	.780**
	Sig. (2-tailed)	-	.000
	N	358	358
Increased market-share	Pearson correlation	.780**	1
	Sig. (2-tailed)	.000	-
	N	358	358

**. Correlation is significant at the 0.01 level (2-tailed).

In testing this hypothesis, innovativeness was tested relationship with increased market-share of SMEs. The result of the Pearson product correlation analysis showed the model to ascertain the relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria. The empirical result showed that the Pearson product moment correlation analysis (r) was 0.780. The strength of relationship between the two variables was high. However, we rejected the null hypothesis and concluded that innovativeness has significant relationship with increased market-share of Small and Medium Enterprise South-East in Nigeria (r-statistic = 0.780; p-value 0.00 < Sig-value (0.05).

4.4 Discussion of the findings

4.4.1 Relationship between pro-activeness and long-run survival of Small and Medium Enterprise South-East in Nigeria

The findings of the study revealed that pro-activeness has significant relationship with long-term survival of Small and Medium Enterprise South-East in Nigeria since proactive entrepreneurs are more likely to invest in research and development to create new products and services that differentiate them from the competition (r-statistic = 0.861; p-value 0.00 < Sig-value (0.05).

The outcome of the study was in line with the study of Waidi-Adeniyi and Olubunmi, (2024) [17] that examined the relationship between entrepreneurial orientation and competitive Advantage of Small and Medium Enterprises in Lagos State. A snowballing sampling technique was used to choose 316 participant SMEs to which the questionnaires were administered, of which 243 questionnaires were returned. The hypotheses of the study were analyzed using multiple regression analysis. The results showed that pro-activeness, innovativeness, and risk-taking significantly improve the performance of SMEs in Lagos state.

4.4.2 Relationship between innovativeness and increased market-share of Small and Medium Enterprise South-East in Nigeria

The findings of the study revealed that innovativeness has significant relationship with increased market-share of Small and Medium Enterprise South-East in Nigeria since innovativeness allows entrepreneurs to develop and offer unique products or services that meet unmet needs or solve problems in new ways, leading to increased market share and revenue (r-statistic = 0.780; p-value 0.00 < Sig-value (0.05).

The outcome of the study was in line with the study of Ibikunle, Akpa and Nwankwere, (2023) [6] that examined the relationship between entrepreneurial orientation and financial growth of quoted pharmaceutical companies in Nigeria. The specific objectives are to: **e**valuate the relationship between pro-activeness, innovativeness; competitiveness aggressiveness and long-term survival of quoted pharmaceutical companies in Nigeria. The study adopted a survey research design. The population of the study was 308 staff of quoted pharmaceutical companies in Nigeria. The data analytical technique was multiple and hierarchical regression analysis. The results revealed that entrepreneurial orientation had significant effect on financial growth of quoted pharmaceutical companies in Nigeria (Adj. R2 = 0.200; F (5, 296) = 16.093, $p < 0.05$).

5.1 Summary of findings

The following are the major findings of the study**:**

- The study revealed that pro-activeness has significant relationship with long-term survival of Small and Medium Enterprise South-East in Nigeria since proactive entrepreneurs are more likely to invest in research and development to create new products and services that differentiate them from the competition (r-statistic = 0.861; p-value 0.00 < Sig-value (0.05).
- The study revealed that innovativeness has significant relationship with increased market-share of Small and Medium Enterprise South-East in Nigeria since innovativeness allows entrepreneurs to develop and offer unique products or services that meet unmet needs or solve problems in new ways, leading to increased market share and revenue (r-statistic = 0.780; p-value 0.00 < Sig-value (0.05).

5.2 Conclusion

The study concluded that there is positive and significant relationship between entrepreneurial orientation and sustainable business growth of Small and Medium Enterprise South-East in Nigeria. The empirical findings highlighted the crucial role of entrepreneurial orientation in driving sustainable business growth in a dynamic and global economy. The results revealed that the components of entrepreneurial orientation, including innovativeness and pro-activeness are the major components of entrepreneurial orientation among risk-taking, competitive aggressiveness, and entrepreneurial autonomy, individually and collectively influenced the sustainable business growth of Small and Medium Enterprise South-East in Nigeria.

The pro-activeness behavior equip entrepreneurs the ability to identify emerging market trends and customer needs before their competitors. Proactive entrepreneurs are more likely to invest in research and development to create new products and services that differentiate them from the competition. Innovativeness entrepreneur fosters creativity that enable businesses to adapt to market changes, and create new opportunities for growth. Innovativeness allows entrepreneurs to develop and offer unique products or services that meet unmet needs or solve problems in new ways, leading to increased market share and revenue.

5.3 Recommendations

Based on the above, the following recommendations are hereby made:

- SMEs entrepreneurs should innovate and launch new products and services that meet the demands of their market. SMEs should prioritize innovation as a central component of their business strategy. This includes investing in research and development, adopting new technologies, and encouraging creative problem-solving to enhance products and services.
- SMEs entrepreneurs should constantly use high innovation in product marketing operations because the innovation dimension drives new business opportunities. SMEs should continuously assess their competitive positioning within the market. This involves adopting strategies that differentiate their offerings, improving operational efficiency, and developing a unique value proposition to stay ahead of competitors.

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