



MODERATING EFFECT OF NEED FOR ACHIEVEMENT ON THE RELATIONSHIP BETWEEN ENTREPRENEURIAL ORIENTATION AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN GOMBE STATE

Zainab Faruk Yunusa*, Mohammed Aminu§, Muazu Saidu Badara§, & Nura Naala§
 Corresponding author's e-mail: farukzainab@gmail.com

*School of Business Education, Federal College of Education (Technical), Gombe - Nigeria.

§ Department of Business Administration, Business School,
 Ahmadu Bello University, Zaria, Kaduna - Nigeria.

ABSTRACT

The fast-growing development of SMEs and their performance is a growing phenomenon in today's global world, because of the fact that nation's markets are linked economically. Given the level of globalization and the highly dynamic volatile environment which relates to pro-activeness and innovation, SMEs are faced with non – chalet attitude of owners/managers towards responding to these turbulent economic changes, for instance changes in technology, competition from other firms, as well as poor strategic orientations, inadequate infrastructure, weak capabilities, poor management, accessibility to market, different tax rates, access to credit, inconsistent government policies among others. This study set out to investigate why SMEs fail by assessing the moderating effect of entrepreneurial achievement on the relationship between entrepreneurial orientation and performance of SMEs in Gombe state. This research study adopted the survey research design. The population for this study consists of 440 SMEs. Partial Least Square Structural Equation Model (PLS –SEM) path modeling and PLS path 2.0 soft wire was applied for the purpose of analyzing the questionnaire. This study found that the direct relationship between proactive, innovation and performance indicates a significant positive relationship as well as achievement positively moderates the relationship between proactive, innovation and performance.. The study recommends that entrepreneurs, owners and managers should exhibit high level of need for achievement in order to be proactive and innovative by engaging in the development of new products and services, entry into new markets in Gombe state.

Keywords: Pro-activeness; Innovation; Risk-taking and Performance

1.0 Introduction

Small and medium-sized businesses are critical to any society's economic growth since they provide a pathway for innovation and job creation (Umrani, Kura & Ahmed, 2018; Ismail & Kuivalainen, 2015; Jalali, Jaafar, & Ramayah, 2013). Ali, Bala and Yusuf, (2015) have argued that SMEs are recognized as the world's primary source of economic growth, because they provide the vehicle for achieving industrialization. Uchenna and Sanjo, (2019) postulated that SMEs encourage the growth niches market in Local Government area, or emerging markets within State and the nation at large. Small and medium-sized enterprises (SMEs) contribute to the development of living standards by bringing significant local capital formation in order to achieve high levels of productivity and long-term industry diversification (Bello, Jibir, & Ahmed, 2018; Fakhrul, Wan Norhayate, Lawan, Hasnizam & Hazianti, 2018).

The economic benefits of SMEs have prompted governments, particularly in developing countries, to adopt programs that may encourage entrepreneurship, particularly among the youth (Obi & Amaihian, et al, 2018). In Nigeria, SMEs play a significant and critical role in the country's economic development (Eniola, 2020; Eniola, Ojo, & Ajala, 2019; Eniola, Entebang & Sakariyau, 2015). The sector's performance is intrinsically linked to the growth and enhancement of business ventures and job creation, resulting in gainful employment for Nigeria's population. SME form the bulk of businesses in Nigeria. According to a survey conducted by PWC (2020) and NBS (2020) SMEs contribute 48% of the national GDP, account for 96% of Nigerian businesses and create 84% of employment in Nigeria. Since SMEs drive the economic growth, industrial transformation and export growth of the nation, it is safe to say that they form the backbone of Nigeria's economy, while other 16% are tied to medium industries globally.

The owners/managers are responsible for implementing EO through proactive orientation, innovations and risk-taking towards gaining competitive advantage by using new technological developments and other strategies (Imran et al., 2019). Literature has further suggested that EO is a vital element in sustaining SME performance and growth (Etuk, Etuk, & Michael, 2014; Shah & Ahmad, 2019). Scholars have generally observed that entrepreneurial motives often display a key element in achieving sustainable performance of SMEs (Iqbal et al., 2021; Akhtar, Hongyuan, Iqbal, & Ankomah, 2020). Owners/managers have to be entrepreneurially oriented towards better performance. Owners/managers that are more self-officious and have desire to achieve can influence the entrepreneurial orientation - performance relationship (Bandura, 1995).

Thus in spite of that SMEs sector has experienced dwindling performance that was characterized by lack of proper entrepreneurial motivational traits and derives like achievement (Emezie, 2017), EO practices, poor managerial skills among others are some of the challenges that has given this study a cause for concern. This persistence challenges have become precedence for high rate of closure of SMEs in Nigeria especially in Gombe state. Due to the lack of owner/manager to have the desire to have a foresight to identify opportunities in the environment and to capitalized on the opportunity to be creative and make commitment towards maximizing profit and improving performance (Covin & Slevin, 1991; Miller, 1983; Eniola, 2020). Hence, the performance of SMEs is below expectation which compounded with issues such as turbulent economic changes, changes in technology, changes in consumer taste, competition from other firms, as well as lack of the need to achieve, access to credit, inconsistent government policies among others which are crucial for them to flourish, and survive in the emerging, volatile and dynamic market that is full of innovation (Abiodun & Kida, 2016). Several studies that have been carried out on the impact of entrepreneurial achievement and entrepreneurial orientation (EO) on performance of SMEs that show non-significant influence, while others found work of mixed result. Therefore; since there is insufficient empirical research that evaluates the moderating role of achievement which these factors play on the nexus of entrepreneurial orientation (innovation, proactive and performance) this study becomes necessary. With this research gap in mind, this research seeks to study the moderating effect of achievement on the association between EO and performance of SMEs in Gombe.

This research study aims at investigating the moderating effect of achievement on the relationship between EO and performance of SMEs in Gombe State. The independent variable for this study is EO which was measured with pro-activeness, innovation and risk-taking. The dependant variable for this study is performance of SMEs which was measured with financial and non-financial as one-dimensional construct. The study will increase the awareness about moderating effect of achievement on the relationship between EO and performance of SMEs

in Gombe State. The study will also be significant to managers of firms as it is very imperative to know how the newly introduced SMEs affects EO and the anticipated result will enhance the understanding of the various construct. The remaining of this paper is structured as follows; section two reviews literature related to this study and presents the theoretical framework. In section three, methodological issues are raised and discussed. Presentations and discussion forms the content of section four while section five concludes the work and proffers recommendations in the light of the major findings.

2.0 Conceptualization

2.1 Concept of Innovation

Wales et al. 2020. said innovativeness can be define as the degree of organizational commitment that makes the SMEs managers to be creative and more experimental in creating new ideas to develop new products, services, and processes. This means EO encompasses strategic decision-making activities in trying to introduce new product-services and reshape organizational philosophies and behaviours around entrepreneurship. Abbas and Martins (2020) stated that innovation is a process where entrepreneur are acting in an independent manner and within the organized business, in order to perceive and create new opportunities, evaluate and exploit by applying innovation and introduce new ideas into the market under uncertainty. Syed and Syed (2021) viewed innovation is as the wide concept that explained different types of innovation like innovation process, innovation technology, innovative markets and product innovation that have different scales in measuring incremental to essential innovation. Asheq, 2020 stated that innovativeness is the readiness dimension of EO which reflects the level of involvement and ability to support creativity by introducing new services, products and technologies. This means innovative SMEs usually have a large number of knowledgeable and skilled employees which can lead to establishment of unique competencies.

2.2 Concepts of Proactiveness

Atikur et al. (2021) stated that proactiveness is the approach that are used by management where leaders run their company proactively. This implied that they are more active in terms of seeking out new opportunities for the companies and dealing with any threats of problems before they even emerge. Similarly, Rakhmawati et al. (2020) stated that proactiveness can be seen as the willingness of the SMEs managers to pursue ideas from opportunities presented. Edi et al. (2020) defined proactivity as the willingness of entrepreneurs to dominate competitor's environment through the combination, aggressive and proactive movements that aid in the introduction of new products or services on top. In addition, Mostafiz et al. (2021) viewed Proactiveness as the SME's ability to seize initiatives related to market opportunity this can happen by implementing innovation ahead of competitors and market changes

2.3 Concept of Risk Taking

Risk taking is often related to EO because they are both sides of the same coin as it involves the assumption of personal risk-taking (Covin & slevin, 1988: Miller, 1983). Edi et al. (2020) taking risks entails the entrepreneurial attitude which involves the willingness of SMEs to tie up resources and to have courage in order to face challenges by exploiting and engaging in business strategies that would possibly results to full of uncertainty. Mostafiz et al. (2021) risk-taking simply refers to the willingness of SMEs manager that depart from routine organizational activities and take bold actions. Hardo and Airlangga (2021) define risk-taking as the tendency to which SMEs managers commit large amounts of resources to the new business initiated. Santos et al. (2020) viewed risk takers as the constant trial and error by

allocating the resources and believe that the business opportunities can be seized and executed. In other words, they dare to make sacrifices and put themselves on the line business.

2.4 Concepts of Performance

Also, extant of literature have revealed that SMEs performance is when they utilize the important opportunities in the emerging market like Nigeria. Musawa and Ahmad (2018) opine that performance is the situation whereby SMEs innovativeness can be achieved when they are efficient, more especially when the environment is highly volatile. Thus, the SMEs that were able to sustain themselves in a highly volatile environment are only those that are determine to be profitable and efficient.

2.2 Empirical Review of the Study

2.2.1 Innovation

EO is often associated with the firm's ability to be more creative. Lahiru et al (2021) examine the effect of EO effect on SMEs' innovativeness using 523 SMEs in Sri Lanka. The study employ the uses of EO dimension such as risk- taking, proactiveness, autonomy, innovativeness, and Competitiveness. In analyzing the data multiple regression were employed on 300 SMEs to analyze the data. Results of the study shown that EO has significantly impacts on innovative performance. Specifically, the four dimensions of EO, namely risk-taking, proactiveness, innovativeness, and autonomy significantly impact SMEs innovative performance. On the other hand, Competitiveness does not have a significant influence on SMEs' innovation performance. Hardo and Airlangga (2021) stated that proactiveness, innovativeness, and risk-taking as a dimension of EO reflects a comprehensive perspective that relates to business that constituted a mindset, beliefs, and values that are deeply rooted in terms of proactiveness, love of risk, and innovativeness. However in a similar study, Santos et al. (2020) suggested an addition of two new dimensions in order to enrich the EO measurement, this include: passion and perseverance. Adegbuyi et al. (2018) evaluate the effect of EO on SMEs' performance. Using 500 register SMEs by Corporate Affairs Commission in Nigeria. The study considered the following dimension of EO such as innovation, dynamic operations and value added in association with performance. The data was analysis with the aid of SMART-PLS 2.0. The results of the study show a significant positive relationship with performance.

2.2.2 Pro-activeness

EO is extensively used to describe the relationship between the variables and performance. Musawa and Ahmad (2018) evaluated the effects of EO on performance of SMEs. The study considered the following construct of EO such dimensions this include: innovativeness, risk taking, pro-activeness, competitive aggressiveness, and autonomy. The result of the study shows the significant positive relationship between EO and performance of SMEs. Mostafiz et al. (2021) examine the relationship between EO and performance of the SMEs and Hybrid approach was used by applying structural equation modelling (SEM) and deep-learning artificial intelligence (DL-AI) in analyzing the data using 268 Malaysian family firms. The results indicates that innovativeness, proactiveness and risk-taking dimensions of EO and firm performance were positively significant. Amarteifio and Agbeblewu (2020) viewed proactiveness as the process of anticipating and acting on future needs when seeking new opportunities which ought not to relate to the present line of operations. Therefore, this indicated that proactiveness is a forward-looking perspective where it is accompanied by innovative or new-venturing activity. In their assertion they investigates the effect of individual entrepreneurial orientation (IEO) on the performance of SMEs using 200 SMEs manager in Indonesian. The results of the study indicates all IEO dimensions such as innovativeness, risk-taking, proactiveness, passion, and perseverance has positive effect on performance of SMEs.

2.2.3 Risk-taking

Bhandari and Amponstira (2021) in their study investigated the effect of entrepreneurial orientation towards the 153 SMEs successes in Indonesia. The EO covers three indicators namely innovation, proactive, and risk-taking ability. The data were tested using a multiple regression. The findings show that innovation and proactive have a significant and positive effect, while risk-taking ability has a negative and insignificant effect on the SMEs success in Indonesia. Amarteifio and Agbeblewu, (2020) investigated the relationship between EO and performance of SMEs. The study shows that most of the SMEs has a strong correlation with entrepreneurial orientation. Therefore, based on this study it was indicated that about 1800 employee have benefited from the SMEs businesses this means the concepts of proactive, competitive aggressiveness and risk taking should play a central role in enhancing the performance of SMEs. Adegbuyi, et al, (2018) investigated the relationship between EO and performance of SMEs using innovation, proactiveness and risk taking. The result of the study shows that all the three construct of EO have significant positive relationship.

2.2.4 Performance of SMEs.

Dative (2018) examine the relationship between various dimension of EO and performance of SMEs in Rwanda. Using 226 firms that engaged in SMEs, the study established a strong link between EO and performance of SMEs. The study used the population of 4,623 registered SMEs between the year 2015-2016 and the data was analyze using inferential statistics. The finding of the study indicates that EO has significant positive relationship with SME performance. Aroyeun, Adefulu, and Asikhia (2019) investigate the effect of EO on performance of SMEs in Ogun State. They employed the use of a Survey research design using a population of 1794 registered SMEs. The study used 412 as the sample size which was determined by using Cochran's sample size. The study used pro-activeness, innovativeness aggressiveness and autonomy has significant positive relationship with performance using growth as performance measure.

Swierczek & Thai (2019) investigated the role of moderating effect using achievement on the relationship between EO and SMEs performance. The study uses 306 registered SMEs in Vietnamese. The data were analyze using SMART-PLS 3.0. The result of the study show significant positive relationship between EO and SMEs performance.

2.3 Theoretical Framework

This study is anchored on the Zahra and Covin's (1995) theory of entrepreneurial orientation. In their assertion when firms have target in line with EO it can easily achieve the target performance. Firm can easily achieve this also by monitoring the forces of the market changes and quickly take advantage of that by respond quickly through capitalizing on the emerging opportunities. Therefore, in this case innovation can play a central role by edging the firms over the competitors by taking competitive advantage that would yield better financial results (Zahra & Covin 1995). In case of pro-activeness it gives firms the ability to present new offers from taking over the market. In respect to risk-taking firms should always attempted to enter the new market opportunities in trying to edge the existing firms that are into the line of production (Aroyeun, Adesoga & Asikhia, 2019). Therefore, base on the above assertion the theory of entrepreneurial orientation remains key in providing impetus for examining the role of EO on performance of SMEs and its adoption.

3.1 Methodology

The study adopted the cross-sectional survey research design, and quantitative in nature. The design was chosen because of its advantages in obtaining data from a large number of respondent (Neumann, 2003; Babbie 2007). The population for the study consists of 904

registered SMEs with the Gombe state board of Inland Revenue and Bureau of statistic situated in the 11 local government areas of Gombe state of Nigeria (SMEDAN, 2017). Yamane, (1973) formula was used to calculate the sample size with 95% confidential level at 5% level of precision. Therefore, the calculation for the sample size is given in the following equation.

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

Where:

n = sample size;

N = population;

e = error of the sampling or level of significance

1 = constant.

The sample size of the study is 400 owners/managers/entrepreneurs. For the purpose of anticipated non-response bias and non-return of completed questionnaire, the questionnaire will be increased by 10% to the above minimum sample size given by the formula to make it 440. This will also take care of other unavoidable errors such as incorrect filling and failure of some respondents to return questionnaire (Israel, 2013). The study employed convenience sampling method because it has the privilege of obtaining basic data and trends regarding the study without the complications of using a randomized sample. Data were collected with the help of research assistants, staff and self. Questionnaire was used as instrument for data collection.

The technique used for data analysis is the (PLS –SEM) path modeling 2.0 for the purpose of testing the model. The study was tested for validity and reliability of the instrument. The items were rated on a 5-point likert scale. Therefore, its validity index is 0.83. CVI of 0.83 which was recorded on entrepreneur orientation Therefore, all the scales have to meet the minimum of 0.80 (Polit & Beck, 2003).

4.1 Measurement Model Analysis

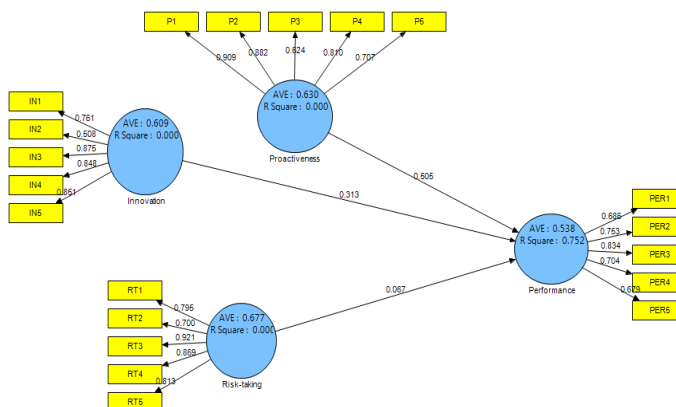
The table 1 represents the reliability and convergent validity of constructs of this study.

Constructs	Items	Loadings	AVE	CA	CR
Proactiveness	P1	0.909	0.630	0.848	0.893
	P2	0.882			
	P3	0.624			
	P4	0.810			
	P5	0.707			
Innovation	IN1	0.762	0.609	0.835	0.883
	IN2	0.508			
	IN3	0.875			
	IN4	0.848			
	IN5	0.852			

Risk-taking	RT1	0.795	0.677	0.879	0.912
	RT2	0.708			
	RT3	0.921			
	RT4	0.869			
	RT5	0.813			
Achievement	A1	0.711	0.567	0.807	0.867
	A2	0.754			
	A3	0.688			
	A4	0.872			
	A5	0.724			
Performance	PER1	0.676	0.538	0.783	0.853
	PER2	0.749			
	PER3	0.837			
	PER4	0.703			
	PER5	0.688			

Source: PLS –SEM) path modeling and PLS path 2.0 soft wire

The reliability of the constructs was tested using composite reliability whereas, convergent validity (CV) of such constructs was used in arriving at average variance extracted (AVE)



Garson (2016). However, for each reflective construct to achieve internal reliability, CR should be ≥ 0.7 (Lee & Chen, 2013), while AVE should be ≥ 0.5 for it to attain of convergent validity (Garson, 2016). The Item that was loaded are above 0.5 (Hair *et al.*, 2014). From the results presented on Table 1, both reliability and convergent validity of all the constructs are therefore achieved.

Table 2: Discriminant Validity using Fornell-larcker criterion (n=389)

Latent Variable Correlations	Latent Variable Correlations	Latent Variable Correlations	Latent Variable Correlations	Latent Variable Correlations
	Innovation	Performance	Proactiveness	Risk-taking
Innovation	0.925313			
Performance	0.841909	0.85712		
Proactiveness	0.780667	0.733383	0.932154	
Risk-taking	0.823058	0.825245	0.793755	0.918282

Source: (PLS –SEM) path modeling and PLS path 2.0 soft wire

The bold diagonal of all the corresponding value to the square root of AVE are the reflective construct. The constructs of proactiveness, innovation and risk-taking are considered as Higher Order Component and performance is seen as Lower Order Component and the latent scores often serve as formative indicator.

4.2 Hypotheses Tested

To test for direct effect of innovation, proactiveness and risk-taking on performance bootstrapping was done using 5000 subsamples using 389 cases and the result were presented below.

Table 3: Direct Path Coefficient

	T Statistics (O/STERR)	P-Value
H ₁ : IN -> PER	3.941407	0.00
H ₂ : P -> PER	5.735944	0.00
H ₃ : RT -> PER	0.900383	0.37
R Square	75%	

Source: PLS –SEM) path modeling and PLS path 2.0 soft wire

From Table 3, innovativeness and pro-activeness has significant effect on performance of SMEs in Gombe State. While, risk-taking indicated insignificant relationship with performance

Table 4: Effect Size for Direct Relationships

Construct	f ²	Effect Size
P	0.101	Small
IN	0.048	Small
RT	0	None

Source: (PLS –SEM) path modeling and PLS path 2.0 soft wire

Effect sizes of the exogenous variables on the endogenous variables were assessed through f². According to Cohen (1988), the f² values of 0.10, 0.05, and 0. Indicate small, small and no effects respectively. Table 4 shows the effect size of innovativeness, pro-activeness, and risk-taking

on performance of SMEs. Pro-activeness and innovativeness has a small effect on performance of SMEs while risk-taking has no effect size on performance of SMEs.

Table 5: Predictive Relevance of Exogenous Variables

Construct	SSO	SSE	Q ² = 1-SSE/SSO
Performance	1140.000000	684.197505	0.399

Source: PLS –SEM) path modeling and PLS path 2.0 soft wire

According to Stone-Geisser’s Q² if the value of exogenous latent variables on the reflective endogenous latent variable are greater than zero it means it has predictive relevance so the result has failed the condition (Hair *et al.*, 2014). Therefore, this means the model has some degree of large predictive relevance on the performance of SMEs (Cohen, 1988).

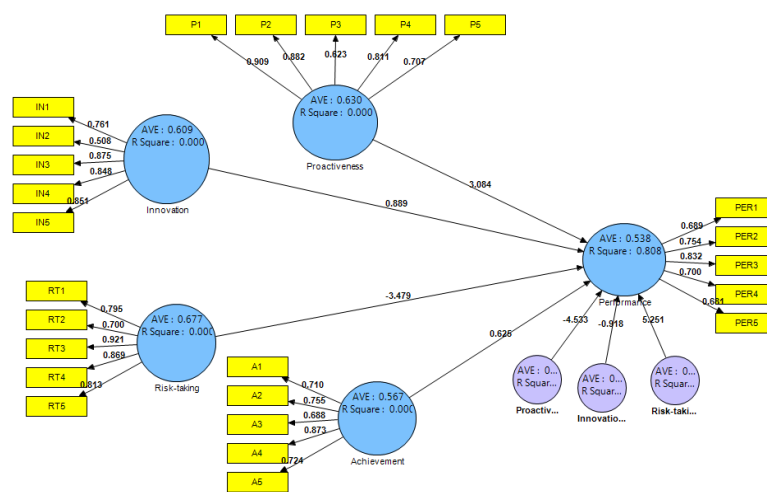


Figure 2: Structural Model for Moderated Relationship

Source: PLS2

Table 6

Hypotheses	Relationship	T-value	p-value	Decision
H4	IN * A -> PER	1.247749	0.21	Accepted
H5	P*A->PER	4.18249	0.00**	Rejected
H6	RT * A -> PER	5.092556	0.00**	Rejected
R ²	0.54%			

***P value <0.01, **P value<0.05 *P-value<0.1: Source: PLS2

Table 6, shows the moderating result that achievement significantly moderates the relationship between proactiveness, risk-taking and performance. While achievement insignificantly moderate their relationship innovativeness and performance of SMEs.

Table 7: Effect Size and Predictive Relevance

Construct	R ² included	R ² excluded	F ²	Effect size
-----------	-------------------------	-------------------------	----------------	-------------

P*A->PER	0.808	0.771	0.193	Medium
IN*A->PER	0.808	0.796	0.063	Small
RT*A->PER	0.808	0.778	0.03	Small

Source: PLS2

Table 7 shows the effect size and predictive relevance of the exogenous variables on the endogenous variable on the direct relationship. It assess the effect size and predictive relevance of the moderated relationship. On this note, the first interaction term (P*A->PER) has medium effect size on the endogenous variable while the second interaction term (IN*A->PER) and (RT*A->PER) on the other hand also has small effect size as presented on table 7.

4.3 Discussion of findings

From the results obtained after performing multiple regression analysis was conducted to examine the most contributory explanatory variables among the relationship of the EO variables were pro-activeness, innovation, and risk-taking best predict performance. The result indicates that pro-activeness, innovation and risk-taking jointly explained 54% of the variance. The overall results between the individual EO and performance variables of this study found that the hypotheses of the study were fully supported. The statistically significant results on the relationship of EO and performance is consistent with some past studies, including (Musthofa et al.2017; Dative, 2018; Aroyeun et al. 2019; Swierczek & Thai, 2019), These studies found that pro-activeness, innovation, risk-taking have significant relationship with performance.

As shown in Table 3, pro-activeness had significant impact on performance of SMEs in Gombe State (t-value = 3.941407 and p-value <0.00). Therefore, the research hypothesis was rejected (H_{01}). Finding on pro-activeness has a significant effect on the performance. It shows that in the area of SMEs, pro-activeness has effect on performance. The study results agreed with the findings of (Syed et al, 2017; Musawa & Ahmad, 2018)

As also, shown in Table 3, innovation and performance of SMEs in Gombe state.(t-value = 5.735944 and p-value <0.00). Therefore, the research hypothesis was rejected (H_{02}). The finding indicates that innovation has a significant influence on performance. It also shows that in the area of SMEs, innovation has effect in influence owner/manager decision which leads to performance. This finding is in line with the work of (Adegbuyi et al. 2018; Yusuf, 2017; Silas & Joyce, 2017).

The Table 3, risk-taking had insignificant effect on performance of SMEs in Gombe state (t-value = 0.900383 and p-value > 0.37). Therefore, the research hypothesis is accepted (H_{03}). This indicates that risk-taking has insignificant effect on performance. This finding is in line with the work of (Adegbuyi et al., 2018; Syed et al., 2017; Krishan &Dissanayake, .2015)

The Table 6, achievement does not moderate the effect between innovativeness and performance of SMEs in Gombe state. ($t= 1.247749, p>0.21$). Therefore, the research hypothesis is accepted (H_{04}). Finding on innovativeness and performance when moderated with achievement have has insignificant influence looking at the p-value of 0.21 which revealed a significant level of 10%. The study result agreed with the findings of (Oyeku, Oduyoye, and Elemo, 2020: Syed, Muzaffar, and Minaa, 2020).

The Table 6 indicated that achievement moderate the relationship between pro-activeness and performance of SMEs in Gombe state ($t = 4.18249$; $p < 0.00$). Therefore, the research hypothesis was rejected (H_{05}). The finding is in line with the work of (Patrick, 2020 and Swierczek & Thai, 2019).

The Table 6, show that achievement moderate the relationship between risk-taking and performance of SMEs in Gombe state. ($\beta = t = 5.092556$; $p < 0.00$). Therefore, the research hypothesis was rejected (H_{06}). This finding is in line with the work of (Imran, Ahmed, Streimikiene, Soomro, Parmar, & Vveinhardt, 2019).

5.0 Conclusion and Recommendations

Considering the nature of the study and the construct used in this study resource base view are considered more relevant. The study also examined the impact of two dimensions of EO on performance using SME's in Gombe state. The level of EO was direct and dominant in most part Gombe State that operate SMEs and this show that there is noteworthy relationship between the various construct used in this study such as innovativeness, pro-activeness, risk-taking and performance of SMEs. As the results of the study established the important role of achievement towards competitive advantage of SMEs performance. The overall findings from the study in broad term have proven that, the effect of EO, achievement and performance of SMEs have been established for the study. Specifically, EO such as innovation, pro-activeness and risk-taking have significant positive causal relationship with performance of SMEs. Therefore, the study recommended that SMEs operators are expected to continuously be more innovative in order to attend high level of achievement. Secondly, SMEs operator should be more pro-active so that they should maintained high level of achievement which are associated with performance of SMEs. Thirdly, the owners/managers should take risk so that they can achieve higher performance and stay long in the SMEs business.

REFERENCES

- Abbas U. I. and Martins M. A. (2020) Performance: *Evidence from Small and Medium Enterprises Nigeria in Received: 19 December 2019 Accepted: 08 February 2020 DOI: <https://doi.org/10.32479/ijefi.9126>*
- Atikur R., Kaniz F. L., Zhao L. P, Mohammad S' I., Md. Mobarak K. (2021) Do Risk-Taking, Innovativeness, and Proactivity Affect Business and Performance of SMEs? *A Case Study in Bangladesh Journal of Asian Finance, Economics and Business* 8 (5)23-45 doi 0689-0695689doi:10.13106/jafeb.2021.vol8.no5.0689
- Syed S/ A. Z, and Syed S. Z. Z. (2021) Linking Entrepreneurial Orientation and innovation Intensity: *Moderating Role of Environmental Turbulence Journal of Entrepreneurship, Management, and Innovation* 3, (2) 34-51.
- Amarteifio, A., & Agbeblewu, S. (2020). Entrepreneurial Orientation and Firm Performance of Tourist Accommodation Establishment in Ghana. *Open Journal of Business and Management*, 8(4), 1619-1640.
- Abiodun, T.S., & Kida, M.I. (2016). Impact of Strategic Orientation on Performance of Small and Medium Enterprise: The Role of Entrepreneurial Orientation in Promoting Economic Development. *International Journal of Economic, Commerce and Management*. 8(4)45-58.
- Abiodun, T.S., & Kida, M.I. (2016). Impact of strategic orientation on performance of small and medium enterprise: The role of entrepreneurial orientation in promoting

- economic development. *International Journal of Economic, Commerce and Management*. 4 (4).65-72.
- Adegbuyi, A.A., Oladele, O.P., Iyiola, O.O., Adegbuyi, O.O., Ibidunni, A.S., & Fadeyi, O.I. (2018). Assessing the Influence of Entrepreneurial Orientation on Small and Medium Enterprise Performance. *International Journal of Entrepreneurship*. 2(4)21-39. <https://www.researchgate.net/publication>
- Akhtar, S., Hongyuan, T., Iqbal, S., & Ankomah, F. Y. N. (2020). Impact of Need for achievement on Entrepreneurial Intentions; Mediating Role of Self-Efficacy. *Journal of Asian Business Strategy*, 10(1), 114-121. doi.org/10.18488/journal.1006.2020.101.114.121
- Ali, Y.M., Bala, A., & Yusuf, E.E. (2015). Selected operational challenges of small-scale business in Gombe State. *IIIMJ Journal of Arts and Social Science*. 1(1)15-31
- Angelo, R.C, Fernado, P.O. C & Jose A.V.F (2020). International performance of SMES' International Strategic Groups *Administrative Science*. 10(65); <https://doi:10.3390/admsci10030065>
- Aroyeun, T. F., Adefulu, A. D. & Asikhia, O.U., (2019). Effect of Entrepreneurial Orientation on Performance of Selected Small and Medium Scale Enterprises in Ogun State Nigeria *International Journal of Business and Management Invention (IJBMI) ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X www.ijbmi.org | | 8(1), 16-27*
- Babbie E.R. (2007). *The Practice of Social Research*. Belmont: CA Thomson Wadsworth.
- Bello, A., Jibir, A.S., & Ahmed, I. (2018). Impact of Small and Medium Enterprises on Economic Growth: Evidence from Nigeria. *Global Journal of Economic & Business*. 4(2), 236-244. www.refaad.com
- Bhandari, R., & Amponstira, F. (2021) Model of Entrepreneurial Orientation, Competitive Advantage and Performance of Women-Owned Enterprises in Gandaki Province, Nepal. *Journal of Business and Management*, 9, (2) 2854-2865.
- Buli, B.M. (2017). Entrepreneurial orientation, market orientation and performance of SMEs in the manufacturing industry: Evidence from Ethiopian enterprises. *Management Research Review*, 40(3), 292-309.
- Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10 (1), 75-87.
- Covin, J., & Slevin, D. (1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theoretical Practice*, 7-25.
- Dative M. (2018). The Relationship between Entrepreneurial Orientation, Government Policy and SME Performance: The Case of Small and Medium Enterprises in Rwanda. *Jönköping International Business School (JIBS), Jönköping University*, 8,(2), 31-48 <http://www.ju.se/earp>, E-mail: EARP@ju.se
- Deepa Babu K. G. & James M. (2016) Entrepreneurial Orientation and Firm Performance: A Critical Examination. *IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668*. 18, (4), 21-28 www.iosrjournals.org

- Dess, G., & Robinson, R. (1984). Measuring Organizational Performance in the Absence of Objective Measures: The Case of the Privately-Held Firm and Conglomerate Business Units. *Strategic Management Journal* 5(3), 265-273.
- Emezie, S., (2017). Prospects and Challenges of SMEs in 21st Century Africa. Centria University of Applied Sciences.
- Eniola, A. A. (2020). Entrepreneurial self-efficacy, entrepreneurial orientation, and institutional environment: SME in Nigeria. *SCMS Journal of Indian Management*, 17(1), 16-27.
- Eniola, A. A., Ojo, O. R., & Ajala, A. B. (2019). A cultural identity perspective of entrepreneurial performance of small firms. *International Journal of Research Studies in Management*, 8(1), 89-100, doi.org/10.5867/ijrsm
- Eniola, A.A., Entebang, H & Sakariyu, O.B, (2015). Small medium enterprise scale business performance in Nigeria challenges from an intellectual perspective: *International journal of Research studies in Management* 4(1), 59-71
- Eze, T. C. & Okapala, C.S, (2019). Quantitative analysis of the impact of small and medium enterprise on the growth of Nigeria economy: *International Journal Development and Emerging Economies*. 3(1), 26-38.
- Fakhrul A. Z., Wan Norhayate, W.D., Lawan, S. A., Hasnizam, S& Hazianti, A. H., (2018). A Linkage between Entrepreneurial Leadership and SMEs Performance: *An Integrated Review*. *International Journal of Academic Research in Business and Social Sciences*. 8(4) 21-37, E-ISSN: 2 2 2 2-6990
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable Variables and measurement error. *Journal of Marketing Research*, 2(1) 39-50.
- Garson, G. D. (2016). Partial Least Squares Regression and Structural Equation Models: (Statistical Associates Blue Book Series 10), 8(26) 547-65.
- Hair Jr, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2014). A primer on partial least squares *Structural equation modeling (PLS-SEM)*. Sage Publications.
- Ibrahim, A. U. & Abu, M. M. (2021). Influence of Entrepreneurial Orientation on Firms Performance: Evidence from Small and Medium Enterprises in Nigeria. *International Journal of Economics and Financial Issues*, 10(2), 99-106
- Imeokparia, P.O, Ekman & Edigbonya, K. (2014). Small and Medium Scale Enterprises (SMEs): A Catalyst in Promoting Economic Development in Nigeria. *Journal of Education and Practice* 5, (33) 93-101. www.iiste.org
- Imran, T., Ahmed, R. R., Streimikiene, D., Soomro, R. H., Parmar, V., & Vveinhardt, J. (2019). Assessment of entrepreneurial traits and small-firm performance with entrepreneurial orientation as a mediating factor. *Sustainability (Switzerland)*, 11(19), 1-23. <https://doi.org/10.3390/su11195301>
- Iqbal, S., Martins, J. M., Mata, M. N., Naz, S., Akhtar, S., & Abreu, A. (2021). Linking entrepreneurial orientation with innovation performance in smes; the role of organizational commitment and transformational leadership using smart pls-sem.

Sustainability (Switzerland), 13(8), 1-18. <https://doi.org/10.3390/su13084361>

- Ismail, N.A & Kuivalainen, O, (2015).The effect of internal capabilities and external environment on small- and medium-sized enterprises' international performance and the role of the foreign market scope: The case of the Malaysian halal food industry; *Journal of International Entrepreneurship development*, 13(4), doi: 10.1007/510843-015-0160
- Isreal, G. D. (2013). Sampling the evidence of extension program impact. Programs evaluation and organizational size, University of Florida. IEAS Extension Development, IFAS, University of Florida. *Journal of Personality and Social Psychology*, 51 (6), 1173-1182.
- Kirshan, I. K., & Dissanayake, M. S. (2015). The Impact of Entrepreneurial Orientation on Growth of SMEs in Sri- Lanka. *International Conference on Business, Marketing and Information System Management*. 15(3), 22-26.
- Kithaka J. N. (2016) *Influence of Entrepreneurial Orientation on Firm Performance among Small and Medium Enterprises in the Automobile Industry in Nairobi County, Kenya*. A. Research Project Report Submitted in Partial Fulfilment of the Requirements for the Award of the Degree of Master of Arts in Project Planning and Management of the University of Nairobi 1-70
- Laukkanen, T., Nagy, G., Hirvonen, S., Reijonen, H., & Pasanen, M. (2013). The effect of strategic orientations on business performance in SMEs. *International Marketing Review*, 30(6), 510-535.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-172.
- Lumpkin, G. T., Coglisier, C. C., & Schneider, D. R. (2009). Understanding and measuring autonomy: An entrepreneurial orientation perspective. *Entrepreneurship Theory and Practice*, 33(1), 47-69.
- Mabotuwana V. S. S. U (2020).Entrepreneurial orientation and business performance: An Empirical investigation on small and medium enterprises of Western Province in Sri Lanka *International Journal of Multidisciplinary and Current Educational Research(IJMCER)*, 2(5), 135-140, ISSN: 2581-7027
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29 (7), 770-791.
- Miller, D. (1983).The correlates of entrepreneurship in three types of firms. *Management Science*. 29(7), 770-791. [doi:10.1287/mnsc.29.7.770](https://doi.org/10.1287/mnsc.29.7.770).
- Mostafiz, M. I., Hughes M. and Sambasivan M. (2021) opine that entrepreneurial orientation encompasses the competitive advantage and strategic knowledge management capability in SMEs. *International Journal of Academic Research in Business and Social Sciences*. 8(4) 21-37,
- Musawa, M.S, & Ahmad, K. (2018). A conceptual framework for the influence of entrepreneurial orientation and environmental dynamism on marketing innovation performance in SMEs. *Business and Economics Journal*, 9(3), 361-379.

- Neumann, E. (2003). *Creating Customer Value: The Path to Sustainable Competitive Advantage*, Cincinnati, OH: Thomson Executive Press.
- Neumann, E. (2003). *Creating Customer Value: The Path to Sustainable Competitive Advantage*, Cincinnati, OH: Thomson Executive Press.
- Obi, J., Ibidunni, A.S, Tolutope, A., Olokundun, M.A., Amaihian, A.B, et al, (2018) Moderating effect of entrepreneurial orientation on entrepreneurial competencies and performance of agro- based SMES *Journal of Management & Marketing Research (IJMMR)*, 5 (3), 29-41. DOI: 10.9734/AJEBA/2018/38594
- Ogbuanu, A.S., Kabuoh, W. H., & Okwu, P. (2014). Enhancing organizational innovation capability through systemic action research; A case of a Swiss SME in the Food Industry. *System Practical Action Research Journal*, 6(3), 58-79
- Oluwale, B.A., & Garwe.A. (2010). Factors Influencing Entrepreneurial Orientation of Smallholders Farmers in Southwestern Nigeria. *FUTA Journal of Management and Technology Entrepreneurial Orentation of Farmers*. 1(2) 21-39.
- Otugo, N.E, Edoko, T.D &Ezeanolue, U.S., (2018). Effect of small and medium enterprise on economic growth in Nigeria. *Sumerianz Journal of Bhsiness Management and Marketing*. 1(2), 73-78
- Polit, D.F. & Beck, C.T. (2003). *Nursing research principles and methods*. 7 Lipincot. Williams and Wilkins, Philadelphia
- Qamruzzaman, M., & Jianguo, W. (2018). SME financing innovation and SME development in Bangladesh: An application of ARDL. *Journal of Small Business & Entrepreneurship*.
- Rakhmawati S S., Bakti I. G. M. Y., Yarmen M. and Damayanti S. (2020) Innovativeness, Proactiveness, and Risk-taking: Corporate *Entrepreneurship of Indonesian SMEs IOP Conf. Series* 3(2)32-45: Materials Science and Engineeringdoi:10.1088/1757-99X/722/1/0120
- Santos, G., Marques, C. S., & Ferreira, J. J. M. (2020). Passion and perseverance as two new dimensions of an individual entrepreneurial orientation scale. *Journal of Business Research*, 112(March), 190-199.<https://doi.org/10.1016/j.jbusres.2020.03.016>.
- Hardo F. G. G. M, and Airlangga S. K. (2021) Entrepreneurial orientation and entrepreneurial intention: When more learning exposures are efficacious. *Jurnal Ekonomi dan Bisnis*, 24 (2), 271-288.
- Abbas and Martins (2020) Influence of Entrepreneurial Orientation on Firms Performance: Evidence from Small and Medium Enterprises in Nigeria *International Journal of Economics and Financial Issues*, 2020, 10(2), 99-106. DOI: <https://doi.org/10.32479/ijefi.9126>.
- Edi S., Bomer P., Iwan K. S.(2020) The Effect of Innovation and Entrepreneurial Orientation on Business Performance with Knowledge Management as Mediation Variables in MSMES West Java *International Journal of Arts and Social Science* www.ijassjournal.com 3 (5) 23-41.

- Sherif, M., Galloway, L., & Zarrouk, H. (2019). Performance and Entrepreneurial Orientation in SMEs: the Case of Abu Dhabi. *Int. J. Accounting, Auditing and Performance Evaluation*, 15(3), 241-261.
- Sila, K., & Joyce, M. (2017). Effect of innovativeness on performance of small and medium scale enterprises in Nakuru County, Kenya. *International Journal of Academic Research and Reflection* 5(2), 2309-2405.
- SMEDAN (2017). National bureau of statistics collaborative survey: Selected findings. Abuja: Small and medium scale enterprises development agency of Nigeria. 204, 195-204. [https://doi.org/10.1002/\(SICI\)1097-0266\(199902](https://doi.org/10.1002/(SICI)1097-0266(199902)
- Swierczek, F. W & Thai, T.H (2019). Motivation, Entrepreneurship and the Performance of SMEs in Vietnam *Journal of Entrepreneurship Culture* 11 (1) Pp47-68
- Syed, H.H., Muzaffar, A. & Minaa, F. (2017). Entrepreneurial orientation and business performance of manufacturing sector small and medium scale enterprises of Punjab Pakistan. *European Business & Management*, 3(2) 68-75
- Uchenna, P.D., & Sanjo, O.M. (2019) Entrepreneurial Orientation and Micro, Small and Medium Enterprises (MSMES) Performance in Abia State, Nigeria *Covenant Journal of Entrepreneurship* 3(1)
- Umrani, W. A., Kura, K. M., & Ahmed, U. (2018). Corporate entrepreneurship and business performance: the moderating role of organizational culture in selected banks in Pakistan. *PSU Research Review*, 2(1), 59-80.
- Ussif, R & Slifu, K, (2020). Contributions of small & medium enterprises to economic developments in sub-saharan Africa. *Applied Psychology: An International Review*, 46(1), 69-88
- Wales, W. J., Covin, J. G. and Monsen, E. (2020), "Entrepreneurial Orientation: The Necessity of a Multi-Level Conceptualization", *Strategic Entrepreneurship Journal*. 2(1)35-48
- Wang (2016). Social embeddedness, entrepreneurial orientation and firm growth in ethnic minority small businesses in the UK. *International Small Business Journal*, 30(1), 3-23.
- Wassim, J. A. (2015). Entrepreneurial Orientation Diagonisis in SMEs: Some conceptual and methodological dimensions. *Journal of Digital Entrepreneurship Ecosystem*. 1(1), 1-27.
- Yamane, T. (1973). *Statistics, an introductory analysis*, 2nd Ed., New York: Harper and Row.
- Yousif. A & Mohammad, H. (2018). The Impact of Entrepreneurial Motivation on Small Business Performance in Iraq. *International Journal of Academic Research in Business and Social Sciences* 8(1)
- Yusuf E. (2017). Influence of Entrepreneurship Education, Technology and Globalization on Performance of SMEs in Nigeria. *African Journal of Business Management*. 11 (15), 367-374
- Zahra, S. A., & Covin, J. G. (1995). Contextual influences on the corporate entrepreneurship-performance relationship: A longitudinal analysis. *Journal of business venturing*, 10(1), 43-58.