

## ENTREPRENEURIAL ORIENTATION AND THE PERFORMANCE OF AUTO SPARE PARTS AND MACHINERIES DEALERS' ASSOCIATION IN LAGOS STATE NIGERIA

<sup>1</sup>ULO Fabian Udum and <sup>2</sup>SUNDAY-NWOSU, Chukwudi Emmanuel

<sup>1</sup>Department of Business Management, Ebonyi State University, Abakaliki

<sup>2</sup>Department of Entrepreneurship and Family Business, Enyimba-City Business School, Aba, Abia State

Email: <sup>1</sup>[ulofabian@yahoo.com](mailto:ulofabian@yahoo.com); <sup>2</sup>[enyimbacitybusinessschool@gmail.com](mailto:enyimbacitybusinessschool@gmail.com)

### Abstract

The spate of business poor performance and subsequent failures in recent time has been worrisome to practitioners and stakeholders in Nigeria. This is evident from the increasing difficulties in generating returns on investment, increase in profit, creating new venture, increase in market shares, dwindling sales growth, and the inability to sustain the businesses overtime. Premised on this, the study explored the extent of the relationship between entrepreneurial orientation indices (innovativeness, risk-taking propensity, proactiveness, autonomy, competitive aggressiveness and resilience) and the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State, Nigeria. Underpinned by resource-based theory, descriptive survey research design was adopted whereby sampled 260 owners/managers participated in the research. Data collected were analyzed using correlation analysis implemented in SPSS version 22 statistical programme. The result indicated that there is significant positive relationship between entrepreneurial orientation components of innovativeness ( $r = 0.241$ ,  $p < 0.001$ ); risk-taking ( $r = 0.214$ ,  $p < 0.001$ ); autonomy ( $r = 0.666$ ,  $p < 0.001$ ); proactiveness ( $r = 0.135$ ,  $p < 0.001$ ); competitive aggressiveness ( $r = 0.533$ ,  $p < 0.001$ ) and resilience ( $r = 0.649$ ,  $p < 0.001$ ) and the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State. The study recommended that business practitioners in Nigeria should utilize entrepreneurial orientation components in order to achieve optimal performance. The implication of the finding is that entrepreneurial orientation provides additional insights that enable the owners/managers to respond proactively to ecological hurly-burly within the business environment to achieve results.

**Key words:** *Entrepreneurial, Orientation, Performance, Auto spare parts, Machineries dealers, Association, Lagos state, Nigeria.*

**Citation of Article:** Ulo, FU. and Sunday-Nwosu, CE. (2022). Entrepreneurial orientation and the performance of auto spare parts and machineries dealers' association in Lagos state, Nigeria, *International Journal of Development and Management Review*, 17(1): 216-234

Date Submitted: 15/05/2022

Date Accepted: 20/05/2022



[CC BY](https://creativecommons.org/licenses/by/4.0/)

DOI: <https://dx.doi.org/10.4314/ijdmr.v17i1.13>

Publisher: Development and Management Research Group (DMRG)

## 1.0 Introduction

Over the past decades, extant literature and scholars have focused more on individually based entrepreneurship. Presently, this has gone beyond individual activities to firm level entrepreneurship (FLE). Entrepreneurial at firm level is defined as those firms that geared their activities towards innovation in the product-market by carrying out risky initiatives and which are the first to develop innovations in a proactive way in an attempt to outwit their competitors. In this regard, entrepreneurial activities are no longer confined to the entrepreneurs starting new ventures; rather it is applicable to all types of businesses or organizations. It has become larger in latitude and includes many and one of such areas that is presently receiving much attention that is the 'corporate entrepreneurship' (*Intrapreneurship*). This is entrepreneurial activities within existing and established firms which have been described as corporate entrepreneurship, intrapreneurship or entrepreneurial orientation (Antonic & Hisrich, 2004; Wiklund & Shepherd, 2003; Zahra, 1993; Lumpkin & Dess, 1996).

Entrepreneurial orientation basically has its derivation from the strategy making process literature (e.g. Mintzberg, 1973) and recognizes the distinction between entrepreneurial orientation and entrepreneurship by proposing that the entrepreneurial orientation process answers the question 'how projects are undertaken' (Lumpkin and Dess (1996). It started in strategic management and by Miller in 1980's (Miller, 1983) and a combination of three disciplines comprising economics, psychology and strategic management (Mitchell, Smith, Morse, Seawright, Paredo, & MacKenzie, 2000). These three disciplines have provided requisite primary contributions to the theoretical development of entrepreneurial orientation (Omisakin, Nakhid, Littrel & Verbistky, 2016). Entrepreneurial orientation is being considered as an individual level concept of the firm's owner-manager activities.

In an established firm, entrepreneurial activities are sometimes referred to as entrepreneurial orientation, defined by Lumpkin (1996) as the processes through which organizations seek to develop a strategic basis for decisions and entrepreneurial actions. It is the firms' entrepreneurial strategy-making process characterized by the extent to which the owner-managers are inclined to be innovative, risk-taking and proactive (Fernet, Torrès, Austin, & St-pierre 2020); embedded in a set of decision-making styles, procedures, practices, rules and standards by which firm/businesses make decision(s) to improve innovativeness, proactiveness and risk-taking propensity, competitive aggressiveness etc. at firms' level. Firms' level entrepreneurship (FLE) defines 'how' and with 'what' affects business organizations, discover, evaluate and exploit opportunities to create future goods and services (Kreizer, 2005).

Entrepreneurship at firms' level stems from the entrepreneurial venture's orientation towards identifying market opportunities that competitors have not yet recognized or that are under exploited and creating a unique set of resources to exploit them (Hughes & Morgan, 2007). It is the strategic dimension for organizational performances (Miller, Breton, Miller & Lester, 2011). Stambaugh et al. (2017) averred that entrepreneurial orientation is found to closely reflect actual entrepreneurial firm behaviour while Wang (2008) posits that it is generally found to be positively related to business performance. Wiklund & Shepherd (2003) contend that improving business

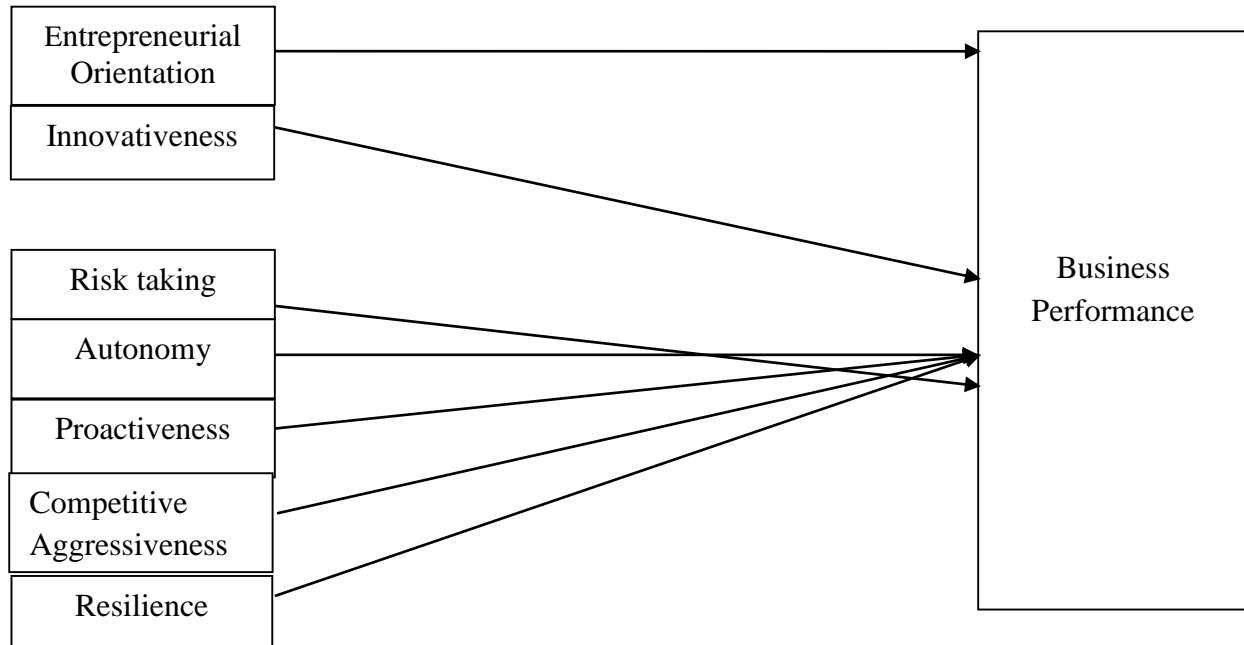
performance is the major target of entrepreneurial organization (EO). Therefore, EO is regarded as part of a company's strategic resources which can be used to identify innovative opportunities and potential markets and eventually influence product innovation performance (Song, Ma, & Yu 2019; Tang, Che, & Jin, 2015) especially in small and medium-sized enterprises (SMEs) recognized as the hub engine behind the economic development of any nation.

In Nigeria, Small and medium-sized enterprises such as Auto Spare Parts and Machineries Dealers' Association (ASPMDA), an Association of SMEs in Lagos State is recognized as one of the driving forces behind the economic development of the country. It is the major sources of technical advancement, job creation, wealth formation and redistribution and increases social stability in all modern economies in the country. Terungwa (2012), Okpara (2011) and Ogechukwu (2008) posit that in Nigeria, SMEs is recognized as pivot upon which economic growth, job creation, poverty reduction and industries can be built. Its role in the Nigerian economic development cannot be underestimated as it has been the bedrock of the country's economy (Sunday-Nwosu, 2015). SMEs such as ASPMDA in Lagos play a major role in the evolution industrial and economic development and act as the feeder line to the nation's industries, substantiated by the report of OECD (2004) affirming the notions that SMEs form a major source of income generation, creating valuable chunks of domestic and export earnings in Nigeria which ASPMDA is one of them.

Auto Spare Parts and Machineries Dealers' Association (ASPMDA) in Lagos State is an association of SMEs in Lagos International Trade Fair Complex, a complex of 350-hectare facility along Lagos-Badagry expressway hosting a number of market traders associations. This facility was constructed in the 1970s and planned to host an international trade fair upon completion. In 2002, Auto Spare Parts Dealers, Balogun Business Association and other consumer goods traders relocated to the complex. ASPAMDA which is the focus of this study is properly outlined and labeled on zoning basis starting from Zone A to F that made it easy for proper identification during the fieldwork. In extant literatures on market, there is no previous academic work on Auto Spare Parts and Machineries Dealers' Association in Lagos State.

In the contemporary business activities, the rate of poor performance and subsequent failures of small and medium enterprise (SMEs) in Nigeria in recent time has been worrisome among business practionners. This is evident from the consistent increasing difficulties associated with returns on investment, profitability, market shares, liquidity challenges, dwindling sales growth, effectiveness and efficiency, and the inability to sustain the growth of the businesses among many other performance indicators. This situation is exacerbated by the emergence of global Coronavirus pandemic that broke out in 2020 and impacted negatively on SMEs corroborated by Emenyi & Effiong (2020) that the economic impact of the virus will be long and severe for Nigeria economy. Auto Spare Parts and Machineries Dealers' Association, the association of SMEs in Lagos State appears to be negatively affected by the ugly scenario, thus creating a source of worry. Substantial evidences also indicated that firms that prioritize entrepreneurial orientation indices tend to perform better than firms that do not. Premised on this,

the study posits to explore the extent of the relationship between EO components and the performance of ASPAMDA (SMEs) in Lagos State as demonstrated in the operational framework.



**Figure 1:** Operational framework showing the link between EO indices and Business Performance

## 2.0 Review of Related Literature

Entrepreneurial orientation (EO) refers to the extent to which firm at individual level or companies demonstrate high propensity of innovativeness by initiating new ideas and proactively mobilizing available resources and taking all risks there from to achieve success. It refers to the firm's entrepreneurial strategy-making processes characterized by the extent to which the owner-managers are inclined to be innovative, risk-taking and proactive (Fernet, Torrès, Austin and St-pierre, 2020) define by Fernet *et-al.* (2020) as an entrepreneurial process that reflect manager's practices and decision-making styles to act entrepreneurially. Etim, Adalabu and Ogar (2017) state that entrepreneurial orientation is a set of decision-making styles, processes, practices, rules and norms according to which a firm makes decision to enhance its innovativeness, proactiveness and risk-taking propensity.

This has been conceptualized as the processes, practices and decision-making styles of companies that act entrepreneurially (Lumpkin & Dess, 1996) and 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 (Okoli, Nwosu, & Miracle (2021). Entrepreneurial orientation is especially important for economic growth, innovation and employment (Leonelli, Masciarelli & Fontana, 2019) and a process which gives a response to the

market by taking financial, physical and social risks (Cuevas-Vargas, Parga-Montoya & Fernandez-Escobedo, 2019).

The concept of entrepreneurial orientation captures organizational processes, structures, practices and approaches toward decision-making that might be described as entrepreneurial by nature (Bogatyreva, Beliaeva, Shirokova & Puffer, 2017). It is one of the strategic decision-making and prerogatives of the owner-manager considered at the top echelon of the organization. A firm is considered to be entrepreneurial if such a firm is innovative, risk-taking propensity, proactive, autonomy, competitively aggressive and resilience. Some studies have shown that entrepreneurial firms tend to take more risk than others and seek new business opportunities in a proactive manner.

In entrepreneurship domain, there are two schools of thought about entrepreneurial orientation (EO) namely (i) the uni-dimensional or unitary construct perspective and (ii) multidimensional construct perspective (Miller, 1983). The uni-dimensional or unitary EO construct is comprised of three dimensions that are innovative, risk-taking, and proactive (Coven and Slevin 1991) while the multidimensional school articulated five dimensions (innovativeness, risk-taking, autonomy, proactiveness and competitive aggressiveness). A number of researchers have conceptualized entrepreneurial orientation (EO) as a multidimensional construct by examining its dimensions separately (Covin & Wales, 2019; Lumpkin & Dess, 1996). It is a construct to explain the way companies face the challenging and volatile current environment (Hernandez-Linares & Lopez-Fernandez, 2018).

## **2.1 Business Performance**

There is no general consensus that the concept of organizational/business performance has a universally acceptable definition because the term is subjective in approach and relative to the organization concerned. Hence, performance could be in marketing efficiency, return on investment, production, market shares, financial, profitability, return on equity and employee among many others having their respective performance indicators. Daft (2000) defines organizational performance as the organization's ability to accomplish its aims through use of resources in a properly structured manner while Ricardo and Wade (2001) contend that it is the ability to achieve organizational goals and objectives. Performance refers to the outcomes of firms' business activities (Kotane & Kuzimina-Merlino, 2017) which may either be positive or negative using various indicators. Firm performance positive indicators are among important SMEs' performance measures such as growth, profit, sales increase, return on investment, creating new venture etc. Shepherd and Wiklund (2009) identified five common firm growth measures that have been used in past studies to comprise growth in sales, employees, profit, assets and equity.

The strategy and entrepreneurship literatures suggest that an entrepreneurial orientation (EO) improves firm performance (Wiklund & Shepherd, 2005). Preceding studies also argued that firms with a strong entrepreneurial orientation will be more successful than firms with a lower entrepreneurial orientation. This argument is based on the idea that entrepreneurial orientation is a potential source of competitive advantage (Krauss, Frese, Friedrich & Unger, 2005). Most of

these works have used financial indicators such as growth of the business, profitability or share price to measure the firm's success (Van & Versloot, 2007; Ayala & Manzano, 2014).

Kreiser, Marino & Weaver (2002) and Lumpkin & Dess (2001) posit that each of the entrepreneurial orientation dimensions affected firm performance differently, for instance, high innovativeness shows positive relationship with sales growth while proactiveness is positively related to sales level, sales growth and gross profit (Kreiser, et al., 2002). In other studies, proactiveness and competitive aggressiveness are differentially related to performance in different circumstances (Kreiser et al., 2002; Lumpkin & Dess, 2001). Awang et al. (2009) examined Malaysian Bumiputera SMEs and found that each entrepreneurial orientation dimension contributes independently in explaining the performance. In this context, we examined these entrepreneurial orientation constructs independently with the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State.

## **2.2 Risk-taking and Business Performance**

Risk-taking is the degree to which businesses are willing to consider investing in and committing resources to uncertain projects and to assume the risks associated with such initiatives. It refers to a business readiness to pursue opportunities despite uncertainty around the eventual success (Deakins & Freel, 2012). The performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State, Nigeria is a function of the individual and collective firm's ability to take risks of all types. Risk-taking propensity is an element of the personality of entrepreneurs considered to be critical for the decision to enter the entrepreneurship (Antoncic *et al*, 2018). It involves taking bold actions by venturing into the unknown, borrowing heavily and/or committing significant resources to ventures in uncertain environments with the prime objective of breaking through and subsequently making profit as a performance indicator.

## **2.3 Innovativeness and Business Performance**

This relates to the types of novelty products and services a company has introduced to the market. Innovativeness refers to the propensity toward creativity and experimentation through the introduction of new products and services, as well as to technological leadership in new processes (Schillo, 2011). It is the predisposition to engage in creative act and experimentation through the introduction of new products/services as well as technological leadership via research and development (R&D) in new processes. This may include new and creative ideas, novelty and experimentation (Lumpkin and Dess, 1996). Innovativeness is demonstrated with an inclination to challenge the status quo and support new ideas in technology, new product development and internal processes (Baker and Sinkula, 2009) and even creating new venture.

A firm is said to have a high level of innovativeness if it is planning, monitoring, rewarding and controlling system, all to provide adequate and persistent attention to the action of producing and creating new ways of doing things (Yaacob, Md Saad, & Dahalan, 2020). Operationally, the ability of the ASPAMDA to engage in innovation translating to introduction of new processes, products or services as well as technological leadership by way of research and development

(R&D) in original processes that will invariably give rise to returns on investment of individual and team businesses.

#### **2.4 Proactiveness and Business Performance**

Proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competition and acting in anticipation of future demand (Rauch, Wiklund, Lumpkin and Frese, 2009). It is all about seeking opportunities and refers to how an organization goes about anticipating future market needs. Proactiveness is futuristic and describes the characteristics of entrepreneurial actions to anticipate opportunities, both in terms of products, technologies, market shares and consumer demand. These characteristics were at the center of early economic thinking in this field of the entrepreneur; who was thought of as someone who identifies opportunities in the marketplace and proactively pursues them (Lumpkin and Dess, 1996). Auto Spare Parts and Machineries Dealers' Association in Lagos State, being proactive indicates opportunity-seeking, forward-looking and leadership in the market, rather than being followers by the owner/managers of the firms may increase equity.

#### **2.5 Autonomy and Business Performance**

This refers to the independent action of an individual or a team in bringing forth an idea or a vision and carrying it through to completion (Lumpkin and Dess, 1996) without being held back by overly stringent with organizational constraints. This dimension of EO reflects the independent and autonomous actions that are implemented by leaders and teams with the aim of launching a new venture (Krauss, Frese, Friedrich, and Unger, 2005). In this context, autonomy refers to the ability of ASPAMDA to demonstrate high level of independent action undertaken by entrepreneurial teams directed at bringing about a new venture and seeing it to fruition. Li et al. (2009) posit that autonomy is the ability and willingness to take self-directed actions in the pursuit of market opportunities that allow firms to make quick and self-reliant decisions and establish new ventures and markets with products or services.

#### **2.6 Competitive Aggressiveness and Business Performance**

Competitive aggressiveness refers to the inclination to outperform the competitors by firms rather than trying to avoid them in the operation of business activities. It is global phenomenon objectively concerned and orchestrated to enhance optimal performance by the competitors. Competitive aggressiveness reflects the intensity approach and head-to-head posturing that a firm may need in order to compete favorably with its rivals in sales growth and other business activities. It is the strength of a firm's effort to surpass its rivals and characterized by a strong offensive posture or aggressive responses to competitive threats (Rauch et al., 2009). In Auto Spare Parts and Machineries Dealers' Association in Lagos State, to sustain performance in sales growth and superior performance requires aggressive responses to competitive opportunities and threats, without which, the firm will be edged out of the business.

## **2.7 Resilience and Business Performance**

The challenges of Covid-19 lockdown and its impact on many businesses and the prompt recovery of some made it imperative for the researchers to include resilience as one of the dimensions of entrepreneurial orientation. Entrepreneurial resilience can be described as the ability to withstand shocks and quickly overcome harsh conditions. Resilience is the capability of SME to holistically utilize the ability of individual firm or companies to adjust under conditions of difficulty or misfortune and emerge more resourceful (robust). Mallak (1998) noted that the theory of resilience is thoroughly related with the capability and ability of a firm to return to a stable state after interference and is related to both the individual and organizational responses to turbulence and discontinuities within the environment of businesses.

Resilience as the drivers of entrepreneurial success and one of the dimensions of EO was added by the researchers because of the speedy recovery of some of the small and medium enterprises (SMEs) following the Coronavirus pandemic that ravaged businesses in the past two years. This is substantiated by Fatoki (2018) that it is important to understand how entrepreneurs survive during uncertainty and what drives entrepreneurship during challenging times. The pursuit of entrepreneurship often comes with high stress, multiple obstacles and high levels of uncertainty regarding outcomes (Adeniran & Johnston, 2012). Entrepreneurs have to continually keep up with changing contingencies by adjusting their goals and strategies (Ligthelm, 2017; Bullough & Renko, 2013) thus sustaining the businesses.

## **2.8 Theoretical Framework**

The theoretical framework underpinning this study is the resource-based view (RBV) theory proposed by Penrose in 1959. This theory is a managerial framework used to determine the strategic resources a firm can use to exploit resources that are valuable, rare, inimitable and non-substitutability so as to achieve sustainable competitive advantage. In this regard, various components of EO are the integral part of managerial/strategic resources a firm can utilize to gain superior performance and achieve success. The essence of Resource-Based View (RBV) theory is that firms could gain and sustain competitive advantages by constructing and employing valuable resources and capabilities. According to resource-based view (RBV), the four criteria for sustainable competitive advantage of resources of a firm are: valuable, rare, inimitable and non-substitutability (Barney, 1991) effectively combined with EO indices. Resources can be both tangible and intangible in nature (Wernerfelt, 1984) and all resource acquisition techniques having one thing in common: they seek to discover effective way of utilizing organizational resources (Bontis, 1999). To apply resource-based view (RBV) in the context of micro-enterprises, SMEs, entrepreneurial orientation and its dimensions are unique management skills that can be considered as resources for accomplishing excellent business performance, thus its relevance to this study.

## **3.0 Methodology**

The study adopted descriptive survey design using data obtained through primary source. Two hundred and eighty-nine (289) copies of questionnaire were administered on the respondents and



out of this number, twenty-nine (29) were incompletely filled which prompted the use of 260 for the investigation. Data were collected from the individual owners/managers of ASPAMDA market in Lagos State using close-ended questionnaire as instrument. The respondents were asked to select the response that best suit the degree of agreement with the respective questions structured on the six (6) components of EO in 5 points Likert scale. The six dimensions of entrepreneurial orientation consisting of innovativeness, risk-taking, proactiveness, autonomy, competitive aggressiveness and resilience were correlated with the performance of Auto Spare Parts and Machineries Dealers’ Association in Lagos State to determine the extent of their relationships. The six (6) hypotheses used for the study coded as H0<sub>1</sub>, H0<sub>2</sub>, H0<sub>3</sub>, H0<sub>4</sub>, H0<sub>5</sub>, and H0<sub>6</sub> were all formulated in null format and used to test the outcome of data presentation and analysis.

**4.0 Data Presentation and Analysis**

Data were collected from two hundred and sixty (260) respondents drawn from individual owners/managers of Auto Spare Parts and Machineries Dealers’ Association in Lagos State, Nigeria. Here, ASPAMDA performance is regarded as business performance and based on the six (6) hypotheses formulated on entrepreneurial orientation indices, the data were subjected to analysis using Statistical Package for Social Science (SPSS) 22.0

**H0<sub>1</sub>:** Innovativeness to a large extent does not relate to the performance of Auto Spare Parts and Machineries Dealers’ Association in Lagos State

**Innovativeness and Business Performance Correlations**

			Innovativene ss	Business Performance
Spearman's rho	Innovativeness	Correlation Coefficient	1.000	.241**
		Sig. (2-tailed)	.	.000
		N	260	260
	Business Performance	Correlation Coefficient	.241**	1.000
		Sig. (2-tailed)	.000	.
		N	260	260

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

The result indicated that there is a significant positive relationship between innovativeness and business performance (r=-0.241, p<0.001). As Innovation increases, the performance of ASPAMDA also increases, hence the study accepted the alternate hypothesis and rejected the null because there is a significant positive relationship between the two variables.

**H0<sub>2</sub>:** Risk-taking does not significantly relate to the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State

**Risk-Taking and Business Performance Correlations**

			Risk-Taking	Business Performance
Spearman's rho	Risk-Taking	Correlation Coefficient	1.000	.214**
		Sig. (2-tailed)	.	.001
		N	260	260
	Business Performance	Correlation Coefficient	.214**	1.000
		Sig. (2-tailed)	.001	.
		N	260	260

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

The study revealed a significant positive relationship between risk-taking and business performance ( $r = 0.214$ ,  $p < 0.001$ ). As risk-taking propensity of the firms' increases, business performance also increases in the same direction, so the null hypothesis is hereby rejected for the obvious fact that there is a significant positive relationship between the independent (autonomy) and dependent (performance) variables. This result is in conflict with those of previous research by Naldi *et al* (2007) which found a negative relationship between risk-taking and business performance. This result is supported by the earlier work of Frese *et al.* (2002), Rauch *et al.* (2009), Hughes & Morgan (2007) and Miller & Friesen (1982).

**H0<sub>3</sub>:** Autonomy to a large extent does not relate to the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State

**Autonomy and Business Performance Correlations**

			Autonomy	Business Performance
Spearman's rho	Autonomy	Correlation Coefficient	1.000	.666**
		Sig. (2-tailed)	.	.000
		N	260	260
	Business Performance	Correlation Coefficient	.666**	1.000
		Sig. (2-tailed)	.000	.
		N	260	260

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

The study indicated a strong significant positive relationship between autonomy and business performance ( $r=0.666$ ,  $p<0.001$ ). As autonomy increases, performance of Auto Spare Parts and Machineries Dealers' in Lagos State also increases, thus we rejected null hypothesis for the fact that there is a significant positive relationship between the independent and dependent variables.

**H04:** Proactiveness does not significantly relate to the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State

**Proactiveness and Performance Correlations**

			Proactiveness	Business Performance
Spearman's rho	Proactiveness	Correlation Coefficient	1.000	.135*
		Sig. (2-tailed)	.	.030
		N	260	260
		Business Performance	Correlation Coefficient	.135*
		Sig. (2-tailed)	.030	.
		N	260	260

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

The result revealed that there exists a significant positive relationship between proactiveness and business performance ( $r=0.135$ ,  $p<0.001$ ), so the null hypothesis is hereby rejected for the obvious fact that there is a significant positive relationship between proactiveness and performance.

**H05:** Competitive aggressiveness does not significantly relate to the of Auto Spare Parts and Machineries Dealers' Association in Lagos State

### Competitive aggressiveness and Business Performance Correlations

			Competitive aggressiveness	Business Performance
Spearman's rho	Competitive Aggressiveness	Correlation Coefficient	1.000	.533**
		Sig. (2-tailed)	.	.000
		N	260	260
	Business Performance	Correlation Coefficient	.533**	1.000
		Sig. (2-tailed)	.000	.
		N	260	260

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

The result indicated a significant positive relationship between competitive aggressiveness and business performance ( $r = -0.533$ ,  $p < 0.001$ ). As competitive aggressiveness of Auto Spare Parts and Machineries Dealers' in Lagos State increase, there is corresponding increase in performance, thus the null hypothesis is hereby rejected because there is a significant positive relationship between the EO component and performance indicator of ASPAMDA market in Lagos State.

**H0<sub>6</sub>:** Resilience does not to a large extent relate to the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State

### Resilience and Business Performance Correlations

			Resilience	Business Performance
Spearman's rho	Resilience	Correlation Coefficient	1.000	.649**
		Sig. (2-tailed)	.	.000
		N	260	260
	Business Performance	Correlation Coefficient	.649**	1.000
		Sig. (2-tailed)	.000	.
		N	260	260

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

The result revealed a significant positive relationship between resilience and business performance ( $r = 0.649$ ,  $p < 0.001$ ). As resilience increases, performance of Auto Spare Parts and Machineries Dealers in Lagos State also increases, so the null hypothesis is hereby rejected because there is a significant positive relationship between the dependent and independent variables.

### **5.1 Summary**

The result of the study indicated positive and significant relationship between EO components and the performance of the studied firms. For instance, the hypothesis H0<sub>1</sub> result showed a positive and significant relationship between innovativeness and business performance ( $r = 0.241, p < 0.001$ ) and H0<sub>2</sub> results revealed a significant positive relationship between risk-taking and the performance of ASPAMDA ( $r = 0.214, p < 0.001$ ) while H0<sub>3</sub> result indicated a strong and significant positive relationship between autonomy and business performance ( $r = 0.666, p < 0.001$ ). H0<sub>4</sub> results showed a significant positive relationship between proactiveness and business performance ( $r = 0.135, p < 0.001$ ) and H0<sub>5</sub> revealed a strong significant positive relationship between competitive aggressiveness and business performance ( $r = 0.533, p < 0.001$ ) while H0<sub>6</sub> result showed a strong and significant positive relationship between resilience and the performance of Auto Spare Parts and Machineries Dealers' Association in Lagos State, Nigeria ( $r = 0.649, p < 0.001$ ).

### **5.2 Conclusion**

The study concluded that entrepreneurial orientation has significant positive relationship with performance of Auto Spare Parts and Machineries Dealers' Association in Lagos, Nigeria. This is evident that as entrepreneurial orientation components level increases, the degree of business performance indicators also increases in the same direction. It is also concluded that entrepreneurial orientation of SMEs can stimulate the survival, success and growth of the businesses to perform at an optimal level. This study concluded that all the basic dimensions of Entrepreneurial Orientation: innovativeness, risk-taking, proactiveness, autonomy, competitive aggressiveness and resilience are significantly related to business or firm-level performance. Finally, it is concluded that EO provides owners/managers of ASPAMDA with the requisite knowledge and capabilities to enhance their business performance that would translate to returns on investment, increase in profit, new venture creation, increase in market shares, sales growth and sustenance of the business efficiency, employees and subsequently to industrial development and economic growth of Nigeria.

### **5.3 Recommendations**

- The study recommended that owners/managers of Auto Spare Parts and Machineries Dealers in Lagos State, Nigeria should continue to accord priority attention to all the dimensions of entrepreneurial orientation if they want to survive and grow or perish.
- That the EO components should be effectively and efficiently utilized in order to guarantee high returns on investment, increase in profit, creation of new ventures, increase in market shares, sales growth and subsequently sustaining business performance.
- Finally, the study recommended that ASPAMDA and other firms should be encouraged and supported financially by government to inspire them individually and collectively in pursuit of industrial development and economic growth of Nigeria.

## References

- Adeniran, T. K. (2012). Investigating the dynamic capabilities and competitive advantage of South African SMEs, *African Journal Business Management*, 6: 4088–4099
- Anderson, B; Covin, J. & Slevin, D (2009). "Understanding the relationship between entrepreneurial orientation and strategic learning capability: An empirical investigation". *Strategic Entrepreneurship Journal*, 3 (3): 218–40. [Doi:10.1002/sej.72](https://doi.org/10.1002/sej.72).
- Antoncic B, Antoncic, J.A, Gantar. M, Hisrich, R.D, Marks, L.J, Bachkirov, A.A, Li, Z, Polzin. P, Borges. J. L, Coelho, A. & Kakkonen. M. (2018). Risk-taking propensity and entrepreneurship: The role of power distance, *Journal of Enterprising Culture*, 26(1): 1–26 doi: 10.1142/S0218495818500012
- Antoncic, B. & Hisrich, R. D. (2004). "Intrapreneurship: Construct refinement and cross-cultural validation" *Journal of Business Venturing* 16(5): 495-452
- Awang, A. B., Ahmad, Z. A., & Subari, K. A. (2010). Entrepreneurial orientation among Bumiputera small and medium agro-based enterprises (Bsmaes) in West Malaysia: policy implication in Malaysia. *International Journal of Business and Management*, 5(5): 130
- Ayala, J. C. & Manzano, G. (2014). The resilience of entrepreneur influence on the success of the business: A longitudinal analysis, *A Journal of Economic Analysis*, 42: 126-135
- Bogatyreva, K., Beliaeva, T., Shirokova, G., & Puffer, S. M. (2017). Different as chalk and cheese, the relationship between entrepreneurial orientation and SMEs' growth: Evidence from Russia and Finland, *Journal of East-West Business*, 23(4): 337-366, doi: 10.1080/10669868.2017.1345819
- Barney, J. (1991). "Firm resources and sustained competitive advantage", *Journal of Management*, 17(1): 99-120.
- Barney, J., Wright, M. and Ketchen, D. (2001). "The resource-based view of the firm: ten years after", *Journal of Management*, 27(60): 625-641
- Baker, W. E. & Sinkula, J. M. (2009). Complementary effects of market orientation and entrepreneurial orientation on profitability in small businesses, *Journal of Small Business Management*, 47(4): 443-464

- Bolton, D.L. and Lane, M.D. (2012). "Individual entrepreneurial orientation: development of a measurement instrument", *Education Training*, 54(2/3): 219-233
- Bontis, N. (1999), "Managing organizational knowledge by diagnosing intellectual capital Framing and advancing the state of the field", *International Journal of Technology Management*, 18(5): 433-462.
- Bullough, A., Renko, M. (2013). Entrepreneurial resilience during challenging times, *Bus. Horiz*, 5: 343–350. (CrossRef)
- Emenyi, E. O. & Effiong, S. A. (2020). Macroeconomic variables and stock market performance: Covid-vectors or Covid-variables? *Journal of Critical Review* 7(12): 4685-4693
- Cuevas-Vargas, H., Parga-Montoya, N & Femandez-Escobedo, R. (2019). Effects of entrepreneurial orientation on business performance: The mediating roles of customer satisfaction: A Formative – Reflective model analysis *SAGE Open* 19(2) Retrieved from journals.sagepub.com/home/sgo 12 January, 2022
- Covin, J.G. & Wales, W. J. (2019). Crafting high-impact entrepreneurial orientation research: Some suggested guidelines. *Entrepreneurship: Theory and Practice*, 43 (1): 3-18
- Covin, J.G., and Miles, M. P. (1999). "Corporate entrepreneurship and the pursuit of competitive advantage" *Entrepreneurship Theory and Practice* 23: 47–64
- Daft, L.R., (2000) *Organization theory and design* (7<sup>th</sup> Ed) South-Western College publishing Thomas Learning USA
- Deakens, D & Freel, M. (2012). *Entrepreneurship and small firms*, 6<sup>th</sup> ed. McGraw Hills, Higher Education
- Dess, G. G & Lumpkin, G. T. (2005). The role of entrepreneurial orientation in stimulating effective corporate entrepreneurship; *Academy of Management Perspectives* 19(1): 147-156
- Etim, J. J., Adalabu, M. U. & Ogar, A. C (2017). Influence of entrepreneurial orientation as a survival strategy for small and medium enterprises: The Nigeria experience, *International Journal of Economics, Commerce and Management, United Kingdom volume v issue 8*

- Fatoki, O. (2018). The impact of entrepreneurial resilience on the success of small and medium enterprises in South Africa; *Sustainability MDPI*, 10(7): 1-12
- Fernet, C. Torres, O., Austin, S. & St-Pierre, J. (2020). The psychological costs of owning and managing an SME: Linking Job Stressors, occupational loneliness, entrepreneurial orientation and burnout, *Burnout Research*, 3: 45 - 53
- Hernandez-Linares, R & Lopez-Femandez, M. C. (2018). Entrepreneurial orientation and the family firm: Mapping the field and tracing a path for future research, *Family Business Review* 31 (3): 318-351
- Hughes, M., & Morgan, R E. (2007). Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth: *Industrial Marketing Management*, 36: 651–661
- Knight, G. A. (1997). “Firm orientation and strategy under regional market integration: A study of Canadian firms.” *The International Executive* 39(3): 351–374.
- Kotane, I., & Kuzimina-Merlino, I. (2017). Analysis of small and medium sized enterprises' business performance evaluation practice at transportation and storage services sector in Latvia *Procedia Engineering*, 178: 182–191
- Krauss, S., Frese, M., Friedrich, C., and Unger, J. M. (2005). Entrepreneurial orientation: A psychological model of success among Southern African small business owners. *European Journal Work Organizational Psychol.* 14: 315–344. doi: 10.1080/135943-20500170227
- Kraus, S., Rigtering, J. P. C., Hughes, M., & Hosman, V. (2012). Entrepreneurial orientation and the business performance of SMEs: a quantitative study from the Netherlands. *Review of Managerial Science*, 6(2): 161–182.
- Kreiser, P. M., Marino, L. D., & Weaver, K. M. (2002). Assessing the relationship between entrepreneurial orientation, the external environment, and firm performance scale: A multi-country analysis, *Frontiers of Entrepreneurship Research*
- Kreiser, P. M, and Davis, J. (2009). “A revised conceptual model of the firm level entrepreneurial process” *Journal of Small Business Strategy* 20(1): 1–19



- Leonelli, S., Masciarelli, F & Fontana, A. (2019). The impact of personality traits and abilities on entrepreneurial orientation in SMEs, *Journal of Small Business and Entrepreneurship*
- Ligthelm, A. Soweto Businesses Struggling. (2017) Available online: [https](https://www.sowetobusinesses.com) (accessed on 21 October 2020).
- Lumpkin, G. T. and Gregory G. Dess (1996). "Clarifying the entrepreneurial orientation construct and linking it to performance" *Academy Management Review* 21(1): 135-172.
- Lumpkin, G. T. and Gregory G. Dess. (2001). "Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle." *Journal of Business Venturing* 16(5): 429-451.
- Lumpkin, G. T. and Cheri B. Sloat. (2001). "Do family firms have an entrepreneurial orientation?" eds. William D By Grave, Erkkko Autio, Candida G. Brush, Per Davidsson, Patricia G. Greene, Paul D. Reynolds and Harry J. Sapienza: *Frontiers of Entrepreneurship Research*
- Mallak, L. (1998). Putting organizational resilience to work: Industrial management, December 1998
- Miller, D. (1983). "The correlates of entrepreneurship in three types of firms" *Management Science* 29(7): 770-791.
- Miller, D., Breton-Miller, L., & Lester, R. H. (2011). Family and lone founder ownership and strategic behaviour: Social context, identity, and institutional logics. *Journal of Management Studies*, 48(1): 1-25.
- Mitchell, R. K., Smith, J. B., Morse, E. A., Seawright, K. W., Paredo, & MacKenzie, J. (2002). Are entrepreneurial cognitions universal assessing entrepreneurial cognitions cross culture? *Entrepreneurship Theory and Practice*, n.v
- Mintzberg, H. (1973). Strategy-making in three modes, *California Management Review*, 16(2): 44-53.
- Okechukwu, A., Walumbwa, F. O., & Myers, A. (2012). Innovation strategy, human resource policy, and firms' revenue growth: The roles of environmental uncertainty and innovation performance. *Decision Sciences*, 43: 273-302.

- Okpara, J. O. (2011). Entrepreneurial Orientation and Export Performance, Evidence from an Emerging Economy. *International Review of Business Research Papers*, 5 (6): 195-211
- Okoli, I. E. N., Nwosu, K. C., & Miracle, E. O. (2021). Entrepreneurial orientation and performance of selected SMEs in South East Nigeria, *European Journal of Business and Management Research*, 6(4): 108-115 [www.ejbmr.org](http://www.ejbmr.org)
- Organisation for Economic Co-operation and Development OCED (2004),
- Omisakin, O. M., Nakhid, C., Littrel, R., & Verbistky, J. (2016). Entrepreneurial orientation among migrants and small and medium enterprise, *Journal of Business Administration Research*, 5(1): 7-22
- Rauch, A., Wiklund. J, Lumpkin G.T., Frese. M (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future *Entrepreneurship Theory and Practice*, 33(3): 761-787
- Ricardo. R. and Wade, D., (2001). *Corporate performance management: How to build a better organization through measurement driven strategies alignment*. Butterworth: Heinemann
- Schillo, R. S. (2011). Entrepreneurial orientation and company performance: Can the academic literature guide managers? *Technology Innovation Management Review*, 1(2): 20-25. <http://doi.org/10.22215/timreview/497>.
- Shepherd, D., & Wiklund, J. (2009). Are we comparing apples with apples or apples with oranges? Appropriateness of knowledge accumulation across growth studies, *Entrepreneurship Theory and Practice*, 33(1): 105–123
- Song, W; Ma, X; Yu, H. (2019). Entrepreneurial orientation, interaction orientation and innovation Performance: A Model of Moderated Mediation, SAGE Open October-December, 2019: 1–13 2019 doi: 10.1177/2158244019885143 journals.sagepub.Com/home/sgo
- Sunday-Nwosu, C. E. (2015). *Pathways to effective entrepreneurship: A complete guide to successful business*, Lagos, Nigeria: Guzman

- Stambaugh, J. E., Martinez, J., Lumpkin, G.T. and Kataria, N. (2017), “How well do EO measures and entrepreneurial behaviour match?” *International Entrepreneurship and Management Journal*, 13(3): 717-737.
- Tang, G., Chen, Y., & Jin, J. (2015). Entrepreneurial orientation and innovation performance: Roles of strategic HRM and technical turbulence, *Asia Pacific Journal of Human Resources*, 53: 163-184
- Wang, C.L. (2008). Entrepreneurial orientation, learning and firm orientation and firm performance, *Entrepreneurship Theory and Practice* 32(4): 895-923
- Wiklund, J., & Shepherd, D. (2003). Research notes and commentaries: knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24(13): 1307-1314.
- Wiklund, J., & Shepherd, D., (2005) Entrepreneurial orientation and small business performance: A configurational approach, *Journal of Business Venturing*, 20(1): 71-91
- Yaacob, Z., Md Saad, H. N. & Dahalan, N. (2020). Influence of contextual factors on entrepreneurial orientation and business performance. *Academy of Entrepreneurship Journal*, 26 issue 2
- Zahra, S.A. (1993). “A conceptual model of entrepreneurship as firm behaviour: A critique and extension.” *Entrepreneurship Theory and Practice*, 17(4)