MARKET AND ENTREPRENEURIAL ORIENTATIONS AS PREDICTORS OF SMALL AND MEDIUM ENTERPRISES (SMES) PERFORMANCE IN COVID-19 ERA

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ABSTRACT

The COVID-19 pandemic affected all sectors of the economy, including Small and Medium Enterprises (SMEs). When some SMEs succumb to the pandemic, others thrive. Therefore, the study investigates the influence of market orientation and entrepreneurial orientation as well as their dimensions on the performance of SMEs in COVID-19 era. A cross-sectional research design was used in the study. Data were collected through questionnaire administered to 385 SME owners and managers in Lagos State, Nigeria. 320 copies of the questionnaire representing 83.1%, were retrieved and used for the analyses. The results of Structural Equation Modelling revealed that entrepreneurial orientation and its dimensions significantly influenced SMEs performance. Innovativeness and pro-activeness positively influenced performance, while risk-taking negatively influenced performance. Furthermore, the findings show that market orientation and its dimensions have no significant influence on SMEs performance. The insights from the findings will help SME owners and managers run their operations in a challenging business environment. It will also help SME Development Agencies in their efforts to encourage SME growth and long-term viability.

Keywords: SMEs; Customer Orientation; Innovativeness; Performance; Sustainability.

INTRODUCTION

Small and Medium Enterprises (SMEs) are globally acknowledged as critical drivers of economic growth in developing and developed countries (Shehu & Mahmood, 2014; Adams, 2019). As pointed out by Olubiyi (2021) a well-functioning SME sector would contribute more value to economic fortunes and create more job possibilities than any other sector. SME performance is important for continuous growth in all economies, but low performance and a high failure rate have significant negative consequences for the economy, particularly in developing nations with limited capital. Profitable SMEs contribute to GDP, improve industrialization, increase revenue, and reduce unemployment and poverty, all of which enhance people's lives (Sebastian, 2016; Buli, 2017; Olubiyi et al., 2019). As such, emerging countries are consistently searching for innovative strategies to strengthen SMEs to ensure economic stability (Maaodhah et al., 2021). However, according to Oyeku & Oduyoye (2020) the COVID-

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19 pandemic has exacerbated the rate of business failure, particularly among SMEs. This has resulted in low market share, poor sales growth and weak profitability.

Five out of ten SMEs fail within the first twelve months of operation, with about two surviving for more than ten years (Edwin, 2019). Every year, several of these SMEs fail, showing that they could not cope with the pressures of the business environment (Adegbuyi et al., 2018). Despite the implementation of many strategies to safeguard the success and long-term sustainability of SMEs, the rate of business failure has continued to rise since COVID-19 (Tumber, 2020). This may be attributed to observation that most of the measures are financial, aimed at enhancing SMEs' access to low-cost finance. However, a number of internal and external factors influence business performance. SMEs face various obstacles, including poor market orientation and low entrepreneurial skills. The inability of the owners or managers to be innovative, proactive and take calculated risks have been identified as some of the reasons for the declining performance of SMEs. Thus, this research investigates the influence of market orientation and entrepreneurial orientation on SMEs performance during COVID-19. An analysis of previous studies revealed that majority of the researchers examined market orientation and entrepreneurial orientation separately while others investigated market orientation as a mediating variable. However, this study examines the combined influence of market orientation and entrepreneurial orientation and their dimensions on the performance of SMEs in COVID-19 era.

LITERATURE REVIEW

SMEs Performance

SMEs are non-affiliated, self-contained businesses with revenues, assets, or workers below a particular level (Liberto, 2019). Usually, businesses that employ less than 10 employees are micro businesses, between 10 to 49 employees are referred to as small scale and between 50 to 199 are medium scales (SMEDAN (2010). According to the National Bureau of Statistics (2019), there are 41.5 million micro, small, and medium-scale enterprises in Nigeria, with micro businesses accounting for 99% (41,469,947), small businesses 0.17% (71,288), and medium size 0.004% (1,793). The difference in ratio between the numbers of micro enterprises to those of SMEs is at an extreme 99% to 0.174%. This reveals a significant gap in the transition of micro businesses to SMEs. Due to SME increased capacity for employment, SMEs tend to produce more products and contribute to a country's socio-economic progress than micro businesses. If the number of SMEs increases, which means more micro business expansion, the business sector will have a greater overall capacity to promote the country's economy. One of the unique characteristics of SMEs in Nigeria is that ownership is centred on a single person or family. Therefore, majority of SMEs are sole proprietorships or partnerships. As a result, a research of this sort is required to aid SMEs owners and managers in improving their business performance (Adebusuyi, 1997).

SME performance refers to the outcomes of SME business activities. It refers to how well a small business meets its objectives and its potential to survive and thrive in the long run (Maaodhah et al., 2021). Performance can be measured with financial and non-financial measures (Arshad et al., 2014). These include annual sales growth, yearly profits growth, and investment in the business, market share, customer satisfaction. Although, the outbreak of COVID-19 pandemic had an impact on business operations and performance in general, some businesses were able to overcome the challenging business environment and soar (Rahaman et

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al., 2021). This suggests that strategic orientation can have an impact on performance during challenging circumstances. In Nigeria, SMEs have compelling growth potential, and like other emerging economies, it is most likely that they will constitute a significant portion of GDP in the nearest future. Therefore, it is necessary to explore how SMEs can better meet the needs of their customers and strive for sustainability.

Market Orientation and SMEs Performance

The business philosophy and culture that focuses on customer requirements and long-term profitability to provide value for customers and superior performance for the business is market orientation (Tumber, 2020). According to Hussain et al. (2017) a market-oriented firm is dedicated to understanding customer needs, sharing consumer information across the organization, and establishing coordination among all functional areas to provide higher value to customers". It focuses on gathering and disseminating market knowledge that helps a business better understand and meet consumer needs than competitors. It also successfully coordinates all internal business processes to offer long-term value to customers, the business, and other stakeholders (Amin, 2016). Market orientation increases a business's ability to predict, react to, and manage changes in the environment, resulting in higher performance (Maaodhah et al., 2021). A market-oriented organization is required to structure its activities, processes and products in response to existing and potential customers' requests and needs (Acar & Ozşahin, 2018). Market orientation has been studied extensively in the past, and it has been found to have a positive association with performance (Shehu & Mahmood, 2014; Amin, 2016; Maaodhah et al., 2021; Rahaman et al., 2021).

Market orientation is a multidimensional construct that is measured by customer orientation, competitor orientation and inter-functional coordination (Narver & Slater, 1990). Customer orientation is the set of beliefs indicating that customer needs and satisfaction are the priorities of a business (Acar & Ozşahin, 2018). It prioritizes the customer's interests and constantly looks for new methods to give superior customer value, increase customer satisfaction, and improve consumer preference. It assists businesses in interpreting the customer value chain to provide higher value to customers. To be customer-oriented, businesses need to gather information about their customers, engage in customer support, brand awareness and customer familiarity. Some studies (Buli, 2017) found that customer orientation significantly affects performance; however, it was not significant in the study of Acar & Ozşahin (2018).

Competitor orientation focuses on gathering and disseminating intelligence about competitors in the target market across the organization. It necessitates recognizing competitors' *strengths and weaknesses and comprehending competitors'* skills and tactics (Acar & Ozşahin, 2018). As Amin (2016) points out, SMEs should regularly watch and analyze their competitors' activities and plans. Scholars have found a substantial positive and significant association between competitor orientation and market success (Asomaning & Abdulai, 2015; Buli, 2017; Acar & Ozşahin, 2018). On the other hand, inter-functional coordination is the coordination of people and other resources to provide higher value to customers (Acar & Ozşahin, 2018). The authors pointed out that a firm's ability to respond to consumer wants and requests depends on a coordinated effort among diverse functions Kemi (2019). According to the literature, SMEs that foster coordinated working relationships among their departments and units will better serve their customers. Asomaning & Abdulai (2015); Buli, (2017); Acar & Ozşahin (2018) found a

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strong positive and substantial connection between inter-functional coordination and market performance.

Entrepreneurial Orientation and Performance

Entrepreneurial orientation is a type of business decision-making that involves new, inventive and risky initiatives and proactive steps (Adegbuyi et al., 2018). Successful SMEs build an entrepreneurial mindset which entails the invention of new ideas and their implementation in the form of new products or processes. Several studies have demonstrated a significant positive association between entrepreneurial orientation and performance (Shah & Ahmad, 2019; Herlinawati et al., 2019; Oyeku & Oduyoye, 2020; Olowofeso et al., 2021; Rahaman et al., 2021). That is why Meekaewkunchorn et al. (2021) believe entrepreneurial orientation is a critical component of business growth, performance and competitive advantage. As indicated by Maaodhah et al. (2021) organizations with an entrepreneurial attitude are better suited to adapt and shape changes in a complex market environment more quickly, thus, enhancing their performance and development potential. The literature indicates that entrepreneurial orientation is measured by several dimensions (Lumpkin & Dess, 1996; Lee & Peterson, 2000), but a majority of the authors (Kreiser et al., 2013; Adegbuyi et al., 2018; Meekaewkunchorn et al., 2021) are of the view that entrepreneurial orientation is a combination of the three dimensions of innovativeness, pro-activeness and risk-taking activities (Ademosu & Morakinyo, 2021).

The ability to develop and implement new techniques to improve a product, technology, design or processes is referred to as innovativeness (NuelOkoli et al., 2021). The ability of a firm to engage in and support new ideas, novelties, experimentation, and creative processes that may result in new goods or technological processes is an important aspect of entrepreneurial orientation (Herlinawati et al., 2019). Businesses that put more effort into innovation are thought to do better than businesses that do not put as much effort into innovation (Olowofeso et al., 2021). In today's highly competitive market, increased and on-going product innovation is critical for success. According to new ideas and inventions should be supported even if their benefits are not immediately apparent. If the new concept succeeds, it would result in a large market share profits and propel the business to new heights. Several authors (Arshad et al., 2014; Adegbuyi et al., 2018; Herlinawati et al., 2019; Garba, 2020; Olowofeso et al., 2021; NuelOkoli et al., 2021) have discovered a substantial positive association between innovativeness and performance, however, some studies (Buli, 2017; Shah & Ahmad, 2019; Olubiyi et al., 2019) indicated that innovativeness was not a major factor.

Pro-activeness is the inclination to recognize and take up new opportunities. It is a forward-looking characteristic with the foresight to look for opportunities in anticipation of future requests (Herlinawati et al., 2019). It means being the first initiator of actions directed to secure and protect market share. It is a way of taking initiatives by anticipating future demands, pursuing new opportunities, and participating in emerging markets (Lee & Lim, 2009). Hence, pro-activeness can be described as the attitude of predicting and ascertaining future needs and expectations instead of waiting for the needs to arise before taking action. A proactive entrepreneur monitors trends, identifies existing customers' future needs, and anticipates changes in demand or potential problems that could lead to new opportunities (Abugu & Abuja, 2020). Pro-activeness has been found to significantly influence performance (Arshad et al., 2014;

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Adegbuyi, 2018; Herlinawati et al., 2019; Olubiyi et al., 2019; Shah & Ahmad, 2019; Garba, 2020; Olowofeso et al., 2021; NuelOkoli et al., 2021).

The tendency and willingness to invest appropriate resources to take chances or engage in business initiatives where the outcome may not be entirely understood is referred to as risk-taking (NuelOkoli et al., 2021). It is the willingness to take planned risks. This implies that to be successful, SMEs will have to take on more risky ventures. Businesses incur risks to gain a larger market share and bigger profit margins. These risks include taking on a lot of debt, committing a lot of resources, bringing completely new products into new markets, and investing in new technologies. By its very nature, risk-taking is fraught with vulnerabilities and unknowns; as a result, businesses should exercise caution so that the risk can provide a competitive advantage and increased market share. In the study of Arshad et al. (2014); Shah & Ahmad (2019); NuelOkoli et al. (2021) risk-taking is positively related to firm performance, while Kreiser et al. (2013); Olubiyi et al. (2019); Herlinawati et al. (2019); Garba (2020) in their studies found that risk-taking and performance are negatively related. On the contrary, Olowofeso et al. (2021) found in their research that the relationship between risk-taking and performance is not significant (KSA, 2021).

Some studies have attempted to investigate the mediating and moderating effect of market orientation on the relationship between entrepreneurial orientation and performance. For example, Amin et al. (2016) investigated market orientation as a mediating component in the relationship between entrepreneurial orientation and SME performance. It was found that market orientation has a substantial link with SME performance, and that market orientation mediates the relationship between entrepreneurial orientation and SME performance. Cho & Lee (2020) examined how market orientation can mediate the relationship between entrepreneurial orientation, learning orientation, and financial performance. The findings show that the entrepreneurial orientation's innovative-proactiveness dimension has a statistically significant effect on financial performance, but the risk-taking propensity component has no effect. The customer orientation dimension of market orientation fully mediates the correlations between innovative-proactiveness and financial success, whereas the competitor orientation dimension has a limited mediating effect. Hussain et al. (2017) looked at market orientation's role as a moderator in the link between entrepreneurial orientation and organizational performance. Organizational performance and entrepreneurial orientation was found to be favorably associated. The findings also revealed that market orientation plays a mitigating influence in the relationship.

Except in few cases, the literature has established that the practical application of the two orientations individually or collectively improves performance. Hussain et al. (2017) pointed out that investigating the individual role of entrepreneurial orientation in affecting organizational performance may provide incomplete understanding. Buli (2017) also mentioned that integrating entrepreneurial and market orientations into the operations of SMEs contribute to superior performance, which in turn enables them to thrive in complex and economically turbulent environments. The degree of variations in the influence of both market orientation and entrepreneurial orientation on SME performance has not been the prime focus in the research of developing countries. As noted by Rahaman et al. (2021) there is a call to reassess the extent of market orientation and entrepreneurial orientation's impact on business performance in different business conditions and cultures. Hence, the aim of the study is to investigate the extent to which market orientation and entrepreneurial orientation contribute to the performance of SMEs during the COVID-19 pandemic. Thus, the following hypotheses are formulated:

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H_1: *Market orientation has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_{1a}: *Customer orientation has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_{1b}: *Competitor orientation has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_{1c}: *Inter-functional coordination has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_2: *Entrepreneurial orientation has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_{2a}: *Innovativeness has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_{2b}: *Pro-activeness has a significant influence on the performance of SMEs in COVID-19 pandemic.*

H_{2c}: *Risk-taking has a significant influence on the performance of SMEs in COVID-19 pandemic.*

METHODOLOGY

The study adopted a survey research design. The study area is Lagos State, Nigeria, because it is the economic hub of Nigeria. The target population consists of owners and managers of all licensed SMEs in Lagos State, Nigeria, operating in the area of manufacturing, trading, and services. As pointed out by Lagos Ministry for Commerce, Industry, and Cooperatives, 11, 663 SMEs are operating in the state (Olubiyi, 2021). Using Karasar (2014) formula, which is given as:

$$n = \frac{Nt^2 pq}{d^2(N-1)} + t^2 pq$$

Where:

n =Sample size
N=Population size
t =Theoretical value taken from t table at a specified level of significance
p =Probability of the event occurring
q =Probability of the event not occurring
d =Sampling error

$$n = \frac{11,663\,(1.96)^2\,0.5(0.5)}{0.05^2(11,663-1)} + (1.96)^2\,0.5(0.5)$$

n =385

Therefore, the sample size was put at 385. A sample of 385 SME owners and managers was drawn from the population. The researcher adopted quota sampling techniques in the selection of SME businesses based on manufacturing (20%), trading (30%) and services (50%). The survey questionnaire was constructed using the Likert scale approach. There are four sections to the questionnaire. The demographics of the respondents and the business are covered

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in Section A, which is the first section. Section B is on market orientation. The measurement items of market orientation were based on three dimensions (customer orientation, competitor orientation and inter-functional coordination) adapted. Section C which was derived from Lee & Lim (2009); Meekaewkunchorn et al. (2021) addressed entrepreneurial orientation, while Section D, adapted measured SMEs performance. The principal researcher and two research assistants administered the questionnaires to the owners or managers of the SMEs Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2010). Although 385 copies of the questionnaire were administered, 320 representing 83.1% were retrieved and analyzed (Jegede, 2018).

RESULTS AND DISCUSSION

Demographic Analysis

According to the demographic analysis, more than half of the respondents, 66.2 per cent, were males, while 33.8 per cent were females. 50.6 per cent were between the ages of 31 and 40, 29.6 per cent were under 30, 12.2% were between the ages of 41 and 50, 5.5% were between the ages of 51 and 60, and 2.1% were 61 years and older. The bulk of businesses are in the service industry, with 48.8 per cent in the service sector, 29.9 per cent in the trading, and 21.3 per cent in manufacturing. Moreover, half of the businesses (51.5 per cent) have been in operation for less than ten years, 27.4 per cent for 11 to 20 years, 18.3 per cent for 21 to 30 years, and 2.7 per cent for 31 years or more. The bulk of the businesses, 61.3 per cent were small businesses with fewer than 49 employees (Table 1).

Table 1
DEMOGRAPHIC PROFILE OF THE RESPONDENTS AND BUSINESS

Characteristics	Frequency	Per cent
Gender		
Male	217	66.2
Female	111	33.8
Age (in years)		
Below 30	97	29.6
31-40	166	50.6
41-50	40	12.2
51-60	18	5.5
61 and above	7	2.1
Sector of Business		
Manufacturing	70	21.3
Trading	98	29.9
Services	160	48.8
Age of Business		
Less than 10	169	51.5
11-20	90	27.4
21-30	60	18.3

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31 and above	9	2.7
Number of Employees		
10-49	201	61.3
50-89	106	32.3
90-129	15	4.6
130-159	6	1.8

Model Assessment

The result of the PLS algorithm for the structural equation model is presented in Figure 1.

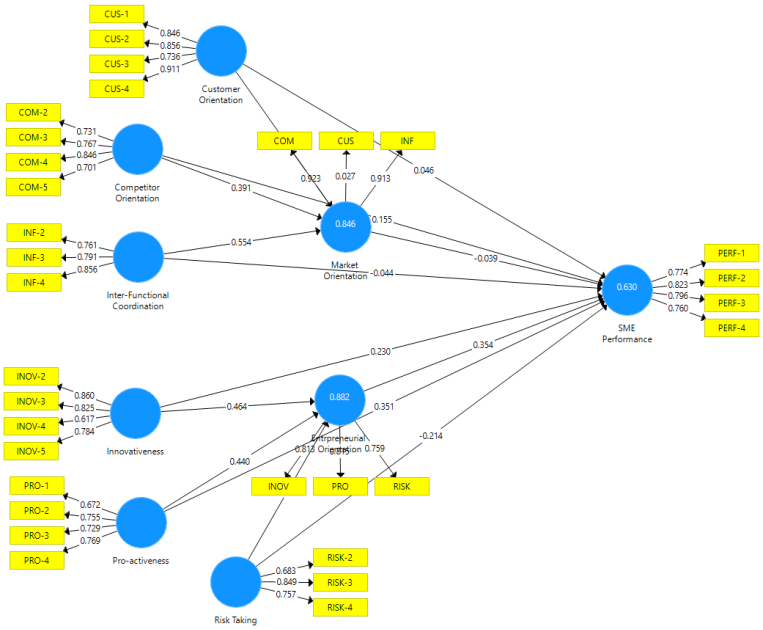

FIGURE 1
STRUCTURAL EQUATION MODEL

Convergent Validity and Composite Reliability

Factor loadings were computed for all the items in the research questionnaire, and those with loadings less than 0.6 were removed from the model. Table 2 summarizes the retained items for each construct and their respective loadings.

Table 2
VALIDITY AND RELIABILITY OF MEASURING ITEMS

Second-Order Construct	First Order Construct	Item Code	Loadings	AVE	CR
Market Orientation	Customer Orientation	CUS-1	0.846	0.705	0.905
		CUS-2	0.856		
		CUS-3	0.736		

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		CUS-4	0.911		
	Competitor Orientation	COM-2	0.731	0.583	0.848
		COM-3	0.767		
		COM-4	0.846		
		COM-5	0.701		
	Inter-functional Coordination	INF-2	0.761	0.646	0.845
		INF-3	0.791		
		INF-4	0.856		
Entrepreneurial Orientation	Innovativeness	INOV-2	0.864	0.603	0.857
		INOV-3	0.825		
		INOV-4	0.617		
		INOV-5	0.784		
	Pro-activeness	PRO-1	0.672	0.536	0.822
		PRO-2	0.755		
		PRO-3	0.729		
		PRO-4	0.769		
	Risk-Taking	RISK-2	0.683	0.587	0.809
		RISK-3	0.849		
		RISK-4	0.757		
	SME Performance	PERF-1	0.774	0.622	0.868
		PERF-2	0.823		
		PERF-3	0.796		
		PERF-4	0.760		

The results of the factor loadings show that all the retained items have loadings greater than the minimum acceptable value of 0.5, suggesting that they all share significant variance with their respective construct variables. In addition, the result of the convergent validity reveals that the Average Variance Extracted (AVE) of the construct variables are all above the threshold of 0.50. Furthermore, the construct variables' Composite Reliability (CR) values are above the minimum threshold value of 0.7, implying that the items have no reliability problem.

Discriminant Validity

Table 3
FORNELL-LARCKER CRITERION

	Customer Orientation	Competitor Orientation	Inter-Functional Coordination	Innovativeness	Pro-activeness	Risk-Taking
Customer Orientation	0.840					
Competitor Orientation	0.012	0.763				
Inter-Functional Coordination	0.002	0.687	0.804			
Innovativeness	0.054	0.264	0.211	0.777		
Pro-activeness	0.081	0.335	0.216	0.618	0.732	

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Risk-Taking	0.014	0.496	0.418	0.469	0.444	0.766

The Fornell-Larcker (1981) criterion is presented in Table 3. The square root of the AVE of the construct variables are located in the diagonal and bolded. All other values are the inter-construct correlations among the variables. None of the inter-construct correlations is greater than the square root of the AVEs, thus satisfying the condition for discriminant validity.

Table 4
ITEM CROSS-LOADINGS

	Items	**CUS**	**COM**	**INF**	**INOV**	**PRO**	**RISK**	**PERF**
CUS-1	Since COVID-19, our customers have been satisfied with the pricing of our products.	0.846	0.032	0.007	0.061	0.085	0.038	0.098
CUS-2	Since COVID-19, our customers have been satisfied with the quality of our products.	0.856	0.045	0.038	-0.004	0.049	-0.014	0.066
CUS-3	Since COVID-19, the business rarely receives complaints from our customers.	0.736	-0.054	-0.020	0.055	0.035	-0.008	0.044
CUS-4	The business serves a lot of previous customers.	0.911	-0.006	-0.022	0.068	0.088	0.017	0.109
COM-2	Since COVID-19, the business has regularly analyzed competitive strategies for our primary competitors.	0.006	0.731	0.703	0.330	0.241	0.539	0.315
COM-3	Our business targets customers and customer groups where we can develop a competitive advantage.	0.015	0.767	0.726	0.114	0.236	0.227	0.104
COM-4	Our business carries out benchmarking towards main competitors.	0.027	0.846	0.709	0.124	0.276	0.332	0.19
COM-5	Our sales force shares competitor information.	-0.016	0.701	0.453	0.235	0.273	0.404	0.275
INF-2	In general, employees are proud of working in our business.	-0.003	0.675	0.761	0.312	0.178	0.510	0.279
INF-3	Since COVID-19, employees work beyond their duties to ensure the success of the business.	-0.015	0.637	0.791	0.074	0.102	0.159	0.017
INF-4	The relations between the business and its employees are strong.	0.02	0.614	0.856	0.111	0.229	0.314	0.166
INOV-2	Since COVID-19, we seek out new ways to do things.	0.045	0.254	0.196	0.860	0.406	0.430	0.510
INOV-3	In my business, there exist a very strong emphasis on R&D and innovations.	0.001	0.294	0.25	0.825	0.508	0.372	0.533

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INOV-4	My business favour experimentation and original approaches to problem-solving.	0.132	0.043	0.071	0.617	0.468	0.320	0.468
INOV-5	I try my unique way of doing things rather than doing it as everyone else does.	0.005	0.201	0.121	0.784	0.537	0.330	0.548
PRO-1	My business typically initiates action to which the competition then responds.	0.073	0.308	0.215	0.474	0.672	0.277	0.433
PRO-2	My business excels at identifying opportunities.	0.02	0.175	0.098	0.472	0.755	0.335	0.452
PRO-3	My business acts in anticipation of future problems, needs or changes.	0.100	0.321	0.256	0.390	0.729	0.349	0.621
PRO-4	In the business, we monitor trends in the environment to take specific steps.	0.041	0.175	0.06	0.482	0.769	0.333	0.588
RISK-2	My business is quick in decision making on new ideas and product improvements.	-0.014	0.463	0.377	0.200	0.270	0.683	0.216
RISK-3	Owing to the nature of the environment, wide-range strategies are necessary to achieve the business's objectives.	0.010	0.396	0.352	0.415	0.366	0.849	0.234
RISK-4	We take bold actions by venturing into the unknown	0.031	0.296	0.243	0.439	0.373	0.757	0.257
PERF-1	Sales of the business have increased since COVID-19.	0.077	0.210	0.117	0.614	0.538	0.365	0.774
PERF-2	Return on investment (ROI) has increased since COVID-19.	0.084	0.236	0.139	0.486	0.584	0.224	0.823
PERF-3	Return on assets (ROA) has increased since COVID-19	0.048	0.237	0.176	0.463	0.568	0.172	0.796
PERF-4	The profit of the business has increased since COVID-19.	0.108	0.235	0.207	0.374	0.596	0.199	0.760

According to Chin (1998), the cross-loading criterion for discriminant validity requires that all the loadings must be higher on their individual constructs than loadings on their corresponding constructs. Results from Table 4 suggest that this condition is satisfied by the indicator items of the construct variables.

Table 5
HETEROTRAIT-MONOTRAIT (HTMT) RATIOS

Construct	Customer Orientation	Competitor Orientation	Inter-Functional Coordination	Innovativeness	Pro-activeness	Risk-Taking
Customer						

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Orientation						
Competitor Orientation	0.061					
Inter-Functional Coordination	0.040	0.910				
Innovativeness	0.087	0.352	0.283			
Pro-activeness	0.101	0.457	0.298	0.842		
Risk-Taking	0.050	0.716	0.607	0.653	0.648	

The HTMT ratios of the construct variables, as indicated in Table 5, are all below 1. This implies that all the variables satisfy the HTMT condition for discriminant validity.

Model Fit

Table 6
R-SQUARE

	R Square	R Square Adjusted
Market Orientation	0.846	0.845
Entrepreneurial Orientation	0.882	0.881
SME_Performance	0.630	0.621

The R-squared value is used to establish the model fit and specify the predictive power of the variables in the formative model. The results in Table 6 reveal that all the first-order constructs variables strongly account for the variations in their respective second-order constructs (Market Orientation, R2=0.846 and Entrepreneurial Orientation, R2=0.882). In addition, the second-order constructs variables show a good predictive power on the endogenous variable (SME performance, R2=0.63).

Estimates of the Structural Model

To show the significance of the relationships among the constructs and test the research hypotheses, bootstrapping was conducted on the PLS-SEM. The estimates, t-statistics and p-values are revealed in Tables 7 & 8.

Table 7
RELATIONSHIPS OF THE FIRST ORDER CONSTRUCTS WITH THEIR SECOND-ORDER CONSTRUCTS

Second-Order Construct	First Order Construct	Estimates	T Statistics	P-Values
Market Orientation	Customer Orientation	0.042	0.552	0.581
	Competitor Orientation	0.391	10.828	0.000
	Inter-Functional Coordination	0.554	14.63	0.000
Entrepreneurial Orientation	Innovativeness	0.464	16.692	0.000
	Pro-activeness	0.440	15.932	0.000
	Risk-Taking	0.212	8.288	0.000

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The relationship result shows that all the weights of the first-order constructs are significant on their respective second-order construct ($p<0.05$), except that of '*Customer Orientation'*, which has a non-significant *p-value* of 0.581. This suggests that only *'Entrepreneurial Orientation*' has significant dimensions between the two second-order constructs. Furthermore, *'Inter-Functional Coordination'* has the highest weight amongst the three dimensions of *'Market Orientation'* (beta=0.554) while '*Innovativeness*' has the higher weight amongst the three dimensions of *'Entrepreneurial Orientation'* (beta=0.464).

Table 8
HYPOTHESES TESTING

Hypothesized Path	Beta	T-Statistics	P-Values	Decision
Customer Orientation -> SME Performance	0.046	1.242	0.215	Not Supported
Competitor Orientation -> SME Performance	0.155	1.914	0.056	Not Supported
Inter-Functional Coordination_ -> SME Performance	-0.044	0.444	0.657	Not Supported
Market _Orientation -> SME Performance	-0.039	0.382	0.703	Not Supported
Innovativeness -> SME Performance	0.230	3.079	0.002	Supported
Pro-activeness -> SME Performance	0.351	6.091	0.000	Supported
Risk Taking -> SME Performance	-0.214	4.008	0.000	Supported
Entrepreneurial Orientation -> SME Performance	0.354	3.602	0.000	Supported

The results of the hypotheses testing in Table 8 reveal that the regression coefficients of '*Customer Orientation*', '*Competitor Orientation'* and '*Inter-functional Coordination*' (beta= 0.046, 0.155 & -0.044) are not significant at the 5% statistical level (p=0.215, 0.056 & 0.657). This implies that none of the dimensions of market orientation exerts significant influence on SME performance. In addition, the coefficient of the hypothesized path between *'Market Orientation*' and *'SME Performance'* is negative (beta=-0.039) and non-significant at the 5% level (p=0.703). This suggests an inverse but non-significant relationship between market orientation and SME performance in the COVID-19 era. These findings are contrary to the findings of (Shehu & Mahmood, 2014; Asomaning & Abdulai, 2015; Aminu, 2018; Buli, 2017; Maaodhah et al., 2021; Rahaman et al., 2021) that market orientation has a significant positive relationship with performance. However, the results support the findings of Acar & Ozşahin, 2018) that customer orientation has no significant influence on performance. Thus, H_1, H_{1a}, H_{1b} and H_{1c} were not supported.

Further results from Table 8 show that at the 5% statistical level, there exist a significant and direct relationship between '*Innovativeness*' and '*SME Performance*' (beta=0.23 & p=0.002); a significant and direct relationship between '*Pro-activeness*' and '*SME Performance*' (beta=0.351 & p=0.00) and a significant but inverse relationship between '*Risk-Taking*' and '*SME Performance*' (beta=-0.214 & p=0.00). This implies that all the dimensions of entrepreneurial orientation significantly influence SME performance. The finding that innovativeness has a significant influence on SME performance corroborates the results of (Arshad et al., 2014; Adegbuyi et al., 2018; Herlinawati et al., 2019; Garba, 2020; Olowofeso et al., 2021; NuelOkoli et al., 2021) but contradict the findings of (Buli, 2017; Shah & Ahmad, 2019; Olubiyi et al., 2019). Similarly, the finding that risk-taking has a significant negative influence on SME performance aligns with the results of Kreiser et al. (2013); Olubiyi et al. (2019); Herlinawati et al. (2019) and Garba (2020) but contradicts the finding of (Arshad et al., 2014; Shah & Ahmad, 2019; NuelOkoli et al., 2021) that risk-taking is positively related to performance. Also, in the study of Olowofeso et al. (2021), risk-taking was insignificant. The

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finding that Pro-activeness significantly influence SME performance supports the results of previous studies (Arshad et al., 2014; Buli, 2017; Adegbuyi et al., 2018; Herlinawati et al., 2019; Olubiyi et al., 2019; Shah & Ahmad, 2019; Garba, 2020; Olowofeso et al., 2021; NuelOkoli et al., 2021). Similarly, the coefficient of the hypothesized path between *'Entrepreneurial Orientation*' and *'SME Performance'* is positive (beta=0.354) and significant at the 5% level (p=0.00). This suggests that entrepreneurial orientation significantly and directly influences SME performance in COVID-19 era. These findings agree with previous findings (Shah & Ahmad, 2019; Herlinawati et al., 2019; Oyeku & Oduyoye, 2020; Olowofeso et al., 2021; Rahaman et al., 2021) that entrepreneurial orientation significantly influence performance. Hence, H_2, H_{2a}, H_{2b} and H_{2c} were supported.

CONCLUSION

The study's objective is to examine the extent to which market orientation and entrepreneurial orientation influenced SMEs' performance during the COVID-19 pandemic. The results of the study indicate that entrepreneurial orientation and its dimensions (innovativeness, pro-activeness and risk-taking) significantly influenced SMEs' performance. The findings reveal that SMEs in Nigeria overcame the challenges of the COVID-19 pandemic using the dimensions of entrepreneurial orientation. The findings imply that SMEs owners and managers should be innovative. They should engage in new ideas, novelties, experimentation, and creative processes to create new products and technological processes. They should be proactive by having the foresight to look for opportunities in anticipation of future requests or changes in the business environment. Finally, they should take calculated risks. The study has provided insights into the factors that can sustain the performance of SMEs in a challenging business environment. This will enable SME owners, managers and policymakers to create enduring businesses.

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