

# EFFECT OF ENTREPRENEURIAL ORIENTATION ON PERFORMANCE OF AGRO-PROCESSING SMALL AND MEDIUM ENTERPRISES IN ANAMBRA STATE, NIGERIA

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## ABSTRACT

*The entrepreneurial orientation (EO) of agro-processing small and medium enterprises (SMEs) is vital in influencing performance. The objective of the study was to investigate the effect of innovativeness, risk-taking, proactiveness and competitive aggressiveness on the performance of agro-processing SMEs in Anambra State. The study used a descriptive research design and structured questionnaires to collect data from owner-managers of 400 agro-processing SMEs registered with Corporate Affairs Commission (CAC).*

*Data were analysed using multiple regression analysis to test the hypotheses. The results indicate that there is a significant positive relationship between innovativeness, risk-taking, proactiveness, competitive aggressiveness and performance of SMEs. The EO of agro-processing SMEs is constitutive of not only risky-taking, innovativeness, and proactiveness but also competitive aggressiveness in response to the ever-changing customer demands. The aggressive pursuit of competitive target market is a critical element of the redefined EO which enhances organizational performance of agro-processing SMEs in Nigeria.*

**Keywords:** Entrepreneurial Orientation, Risk-Taking, Proactiveness, Competitive Aggressiveness, SME Performance

## INTRODUCTION

In any organization, the practices, processes and decision-making activities that enact entrepreneurship are central to organizational performance. One of the contemporary areas attracting the interest of entrepreneurship researchers is the effect or relationship between entrepreneurial orientation and performance of small and medium enterprises (SMEs) in a volatile, uncertain, complex and ambiguous (VUCA) environment (Nwankwo & Kanyangale, 2020). In Nigeria, SMEs are important as they form the backbone of the economy, constituting about 87 percent of all enterprises (Nwankwo & Kanyangale, 2020). The variety of strategic orientations which SMEs can adopt to survive include market orientation, customer orientation, learning orientation, and technology orientation, but it is EO that is touted as a strategic way of enhancing organizational performance (Nwankwo & Kanyangale, 2019). EO is an influencer of both large and small-sized firm performances. Firms that possess higher levels of EO perform better than those with lower levels of EO (Dada, 2012). Higher levels of EO allow firms to take calculated risks, innovate and be proactive in identifying opportunities and threats, mobilizing resources and building capabilities (Soininem, 2013). EO represents a posture and processes that

provides organizations with a world view and basis for entrepreneurial insights, efficiency, and agility to respond to change (Rauch & Wiklund, 2009).

Three scholarly issues are key in understanding the relationship of EO- Performance in SMEs. First, the capacity of owner-managers or owners of SMEs to be innovative, proactive and futuristic is identified as key in the performance of SMEs (Amah & Eshegheri, 2017). Second, research findings show that the relationship between EO and organizational performance is unclear and inconclusive (Rauch et al., 2009). For instance, Aroyeun et al. (2019) found a positive relationship between EO and organizational performance of SMEs in Ogun state in Nigeria. Orlando and Alexandra (2016) concluded that both innovativeness and pro-activeness have positive significant effect on export performance of firms in Portugal. Similar findings on the significant and positive effect of innovativeness and proactiveness on SME performance were found in Turkey while risk taking did not have any significant effect (Kaya & Ağca, 2019). Shamsuddin et al. (2012) are among the researchers who found a negative relationship between EO-performance. Lastly, the relationship between EO-performance is not direct but depends on certain organizational and environmental conditions and variables such as organizational culture, organizational structure, and availability of organizational resources, competitive and dynamic environments, and top management support.

There are growing and specific calls for further research to focus on EO-Performance of Agro-processing SMEs and their intent on enhancing performance through the adoption of entrepreneurial orientation. Nwankwo & Kanyangale (2020); Aroyeun et al. (2019) are some of the many scholars who have scholarly interest on the concept of EO to understand how it affects SME survival and performance in order to find ways of reducing the high rate of SMEs' failure in Nigeria. There are limited studies which have situated the phenomenon of EO within the agro-processing SMEs, their performance and survival in Nigeria. The value of understanding EO-Performance relationship is critical not only for SME owners, and prospective entrepreneurs, but also policy makers and trainers of entrepreneurs in the agro-processing sector. This study has the potential to contribute new insights on EO but also contribute to the survival of agro-processing SMEs in Nigeria and others in similar context. There is a need for scholarly research to focus on redressing the situation in Nigeria where 85 percent of businesses do not live beyond their fifth birthday while the little percentage that survives beyond the fifth-year collapse between sixth and tenth years of existence (Gwadabe & Amirah, 2017). While the concept of EO is promising to explain the performance of SME in general, it suffers from conceptual controversies and inconsistency. Extant EO research shows that most of the previous studies have predominantly adopted the seminal view of EO which combines three aspects, namely proactiveness, innovativeness, and calculated risk-taking (Zhai et al., 2018). Majority of studies on EO in Nigerian among the SMEs have adopted this traditional view despite the fact that this approach continues to yield inconclusive and inconsistent results. There is a need for alternative conceptualization of EO which are responsive to the research context and reality of different enterprises such as agro-processing SMEs. Arisi-Nwugballa et al. (2016) exemplify a different conceptualization of EO with three dimensions of innovativeness, proactiveness and competitive aggressiveness. Arisi-Nwugballa et al. (2016) removed risk taking and replaced it with competitive aggressiveness in their study in Nigeria as competition was a more relevant and day-to-day concern which impacted on the orientation and performance of micro, small and medium enterprises (MSMEs) in Ebonyi State. In another study, Otieno et al. (2012) conceptualized EO in terms of product innovativeness, process innovativeness, and technological innovativeness, management proclivity for risk-seeking and pro-active competitive posture. Clearly, differences

in the conceptualization of EO provide evidence for the non-universality of the dimensions of EO. Nonetheless, the different conceptualizations underscore that EO is an integrated construct such that it is valuable to question which dimensions and constituent items are considered as more relevant than others to operationalise EO in a study. For some time, the prevalent view is that differences on the dimensionality of the EO are constraining conceptual development. It is probably time that scholars view the conceptual differences as opportunity for novel ways of developing context-specific meaning of EO for research. It is prudent to also note that the way performance is operationalised and measured (financial, non-financial performance measures) is critical in a study of EO.

The objective of the study was to investigate the effect of innovativeness, risk-taking, proactiveness and competitive aggressiveness on the performance of agro-processing SMEs in Anambra State. The article is valuable as it seeks to explore alternative conceptualization EO on agro-processing SMEs in Nigeria premised on a new and nuanced conception of EO in terms of innovativeness, risk-taking, proactiveness and competitive aggressiveness. The study begins by conceptualising the traditional core EO dimensions and specific modifications made for the purpose of this study. Thereafter, the article discusses the phenomenon of SME performance before focusing on the methodology. Subsequently, findings are presented to reflect on the effect of EO on performance of agro-processing SMEs in Nigeria as well as limitations and recommendations.

## LITERATURE REVIEW

### Entrepreneurial Orientation (EO)

The origin of the concept of EO is traced to Danny Miller and colleagues whose seminal work published in 1982 introduced the idea of firm-level entrepreneurship. EO as a firm-level attribute is reflected by the presence of sustained behavioural patterns of risk taking, innovativeness, and proactiveness. Notably, adhoc presence of these three behavioural patterns fails to depict high frequency or sustained behavioural pattern to be entrepreneurial. The question of whether EO is unidimensional or multidimensional to require high level on all the three dimensions require clarity in a study. As EO is a latent phenomenon, Miller & Friesen (1982) developed a fifteen-item scale to examine proactiveness, innovativeness, and risk taking.

### Innovativeness

The “*word innovation is derived from the Latin word innovare, which means new*” (Stenberg, 2017). The simplest definition of innovation is doing something different or new (Farniha et al., 2016). Innovation can also be described as a method and technology for new markets, new product methods and the identification of new customer groups (Baskaran & Mehta, 2016). This implies that firms, irrespective of their size, need to innovate and promptly respond to changing customer needs and market conditions to thus capitalise on an emerging opportunity (Baregheh et al., 2009; Linton, 2019).

In this study, the EO component of innovativeness allows the owner-manager to focus on new ideas that would help lead the business towards exploring new markets, products and/or processes. The rate at which a successful firm emphasises innovation in its market actions can range from being a highly innovative new market creator to an incremental market builder (Becherer et al., 2012:2). Innovativeness is defined as “*a firm's ability to engage in creative*

*processes, experimentation of new ideas, which may result in the institution of new methods of production and/or bringing new products or services to current or new markets”* (Taghipouriana & Gharibb, 2015). SME owner-managers continually champion new ways to create value which include: methods to segmentation, pricing, brand management, packaging, customer communication and relationship management, credit, logistics and service levels, amongst other operational activities. Furthermore, the *“innovativeness aspect of entrepreneurial orientation would promote change and creative behaviours, which encourage active exchange of ideas, increase information flows and novelty in new product development and management of relationships”* (Morrish, 2011).

## **Proactiveness**

Proactiveness has been described in many ways and in different contexts. The meaning of proactive, as drawn from the Merriam-Webster’s dictionary, refers to controlling a situation by making things happen or by preparing for possible future problems (Merriam-Webster, 2015). Generally, proactiveness is defined as an opportunity-seeking, forward-looking perspective characterised by the introduction of new products, services and ideas ahead of the competitions and acting in anticipation of future demand (Rauch et al., 2009). In fact, a proactive firm has a better understanding of market dynamics and quickly responds to market indications (Brege, 2018; Yusuff et al., 2018). Implementing a proactive business method allows the firm to identify and appraise new opportunities as well as keep an eye on the market trends. It thus places the business in an excellent position to utilise identified market opportunities before its competitors (Neneh & van Zyl, 2017). Proactiveness is fundamental to the success of firms as it allows them to act in advance, thus affording them the opportunity of setting the pace and consequently reaping the rewards (Du et al., 2010; Kerr et al. (2017) maintain that proactiveness has a significant relationship with firm business growth. More specifically, Gürbüz and Ayko (2009) observed that proactiveness significantly relates to the sales growth of the small business firm.

Core to the concept of proactiveness is the passion and anticipatory willingness to be the first to make entrepreneurial moves in the marketplace. This includes introducing new products and/or processes before competitors do in anticipation of change. In this study, proactiveness is further defined as the ability of the owner-manager to identify and satisfy inherent, unfelt or unnoticed needs which have not been anticipated by customers. This agrees with Taghipouriana and Gharibb (2015) who assert that proactiveness is about implementing new things, doing what is essential to anticipate and act upon an entrepreneurial opportunity. Nwaizugbo and Anukam (2014) affirm that a firm’s offering is not purchased based on the price of the products, but on service innovation, differentiation and qualified employees, guided by an anticipatory mindset, who are proactive in meeting the needs of customers and the business.

## **Risk Taking**

The concept of risk-taking has long been applied in academic literature. Niklas Luhmann, a sociologist, considers the term risk as a neologism which transited from traditional to modern ideology. Allah and Nakhaie (2011) note that in the Middle-Ages, the term residuum was used to defined and describe all types of sea trade and the legal problems which resulted from damage and loss. In the 16th century, the words riezgo and rischio were used to describe *“loss and damage”* (Aven 2014). However, with the common use of the term risk, the older notion of loss, damage and bad fortune began to change (Bijloos, 2017). Risk-taking is defined as the tendency

to engage in behaviours that have the potential to be dangerous and/or harmful yet provide the opportunity for outcome that can be perceived as positive and helpful (Allah & Nakhaie, 2011). Kapepa and Van Vuuren (2019) define risk-taking “*as the tendency to take bold decisions such as venturing into unknown new markets, committing a large portion of resources to ventures with uncertain outcomes and/or borrowing heavily with a chance to fail*”. Risk-taking is regularly used to explain the uncertainty that is brought about by entrepreneurial behaviour (Olaniran et al., 2016). Hosseini et al. (2018) observed that the risk-taking dimension of EO captures the degree to which the organisation’s processes involve and/or ignore risks. Taking risks involves engaging in manageable and calculated risks to obtain benefits, rather than taking bold risks which are detrimental to an organisation’s performance and survival (Dess & Lumpkin, 2005; Morris et al., 2008). Risk taking could be described as “*the willingness to commit substantial resources to opportunities having in mind a reasonable chance of costly failure and willingness to discontinue from the tried-and-true path*” (Bijloos, 2017).

This study views calculated risk taking as a firm’s ability to consciously select an option from amongst several alternatives which hold great potential. Opportunities in Nigeria depict relative potential and advantages. Pursuit of that potential and advantage must be strengthened by the potential of loss through misconstrued efforts. More importantly, risk taking as part of EM is not only the readiness to take a chance on an opportunity, but also the ability of the firm to use calculated approaches to mitigate the risk intrinsic in the opportunity.

### **Competitive Aggressiveness**

The word competitive aggressiveness has become a contemporary issue in today’s literature. Scholars and researcher have started to explore the word in its concept and its entirety. It has been observed to be a powerful tool used by business owners to surmount and overcome the dynamics, fluctuations, uncertainties and the challenges that are characterized by the business environment which has been intensified owing to globalization. Competition is no longer only within the domestic firms but also with the global arena. To avoid being kicked off the market, competitive aggressiveness has become a way of survival for businesses and as a way to remain a going concern.

Chalchissa and Bertrand (2017) views competitive aggressiveness as a part of EO which refers to the type of competitive prowess required by new entrants to compete with the existing rivals. In this regard, competitive aggressiveness includes the wide range of actions taken by a firm to outsmart its competitors in the business environment which is aimed at getting a greater share of the market. The variety of actions may take the forms of low-price penetration strategy, aggressive advertisement, first mover advantage, quick response to challenges, competitive differentiation, better quality products and services as compared to other competing firms and aggressive market campaign. Grchetti (2016) concur that firms who engage in a high level of competitive aggressiveness enjoy better profitability, competitive advantage and a greater market share against those that do not. In a slightly different vein et al. (2014) sees competitive aggressiveness as the strategic response of a firm to competitiveness with the view of protecting its competitive market share. It has been observed that the ability of top management team to dictate and analyze the relevant business environment remains one of the factors that influence firm’s competitive aggressiveness (Mwaura et al., 2015). Similarly, Schillo (2011) suggest that competitive aggressiveness is a way in which a firm engages with its competitors that there is a distinction between firms that avoids direct competition with other firms and those that aggressively pursue competitive target market. Ventraman (1989) as cited in Aroyeun et al.

(2018) sees competitiveness aggressiveness as the position employed by firms through apportioning resources with the objective of gaining positions in a particular market better than its competitors. This can be in form of product innovation, market development and high investment to improve market share and to achieve a competitive position. Evidences of competitive aggressiveness could be attained by evaluating the attitude of management with respect to competitive aggressiveness (Covin & Lumpkin, 2011). In the same vein, Osare (2013), postulates that organizations that pursue growth through competitive aggressiveness should portray a defined and strategic focus of ‘beating the competitors’.

## **SME Performance**

SMEs performance has been measured in several ways using different proxies as variables by different scholars. For example, some scholars use qualitative ways to evaluate SMEs performance while others use quantitative variables to measure the performance of SMEs. There are also issues of measuring the performance of SMEs in holistic or specific ways, but also the adoption of micro or macro view of SMEs performance. From the macroeconomic point of view, the European Commission (2016) sees SMEs performance as a three dimensional outcome which includes: number of SMEs; number of employees; and the added value of SMEs.

At the micro level, Li et al. (2006); Qrunfleh and Tarafdar (2014), postulate that SMEs performance can be seen as the way and manner an organization or a firm actualizes its financial and market-oriented objectives. In the same vein, Daft (2001), posits that SMEs performance is the ability and capacity of SMEs to execute its aim and objectives by effectively and efficiently putting in place its various types of resources. Quantitatively, SMEs performance refers to efficiency, financial results, level of production, and number of customers (Anggadwita & Mustafid, 2014); Gupta and Batra (2016); Zimon (2018) pinpointed market share, profitability, productivity, dynamics of revenue, cost and liquidity as the measures to ascertain SMEs performance. In their study, Gopang et al. (2017) used comprehensive indicators to ascertain SMEs performance namely: reputation, productivity, employee satisfaction, profits, sales, prompt order delivery, sufficient working capital, effectiveness in operations of production, product quality, achievement of targets, number of clients, easiness in supervision, reduction in product cost and product diversification.

In terms of qualitative understanding of SME performance, Anggadwita and Mustafid, (2014) focused on SMEs performance by using aspects such as leadership style, employee behavior and goals achievement, while Alpkhan et al. (2007) viewed SMEs performance as customer Satisfaction. In a different vein, Sheehan (2013) sees SMEs performance indicators in terms of product and process innovation, organisational and marketing innovation.

In view of the above, this study will look at the various indexes which include innovativeness (e.g, ability to understand customers’ needs, ability to identify new approaches, ability to anticipate changes), proactiveness (e.g, creating a new strategy, often and regularly introduction of new products/services, initiating actions), risk-taking (e.g, careful evaluation of relevant risk area, recruitment of low-paid staff, investing on calculated risk area) and competitive aggressiveness (e.g, price war, superior products, aggressive response, information sourcing) to ascertain the performance of SMEs (e.g, firm’s strategy, staff capability, firm’s resources, environment, process, innovation and learning).

## METHODOLOGY

The study adopted positivism as the research paradigm. This study used a quantitative research design which involved all the registered agro-processing SMEs in Anambra state of Nigeria. Within the agro-processing SMEs, the focus was on owner-managers of agro-processing SMEs. A survey was used to collect data via a structured questionnaire administered to 400 owner-managers. Cronbach's alpha coefficients were used to test the reliability after a pilot study had been conducted. Exploratory factor analysis was used to validate the findings. Multiple Regression Analysis (MRA) was applied to test the hypotheses using IBM Statistical Package for Social Science (SPSS) version 25. To achieve this, preliminary investigation of multivariate variables was also conducted to avoid violation of the assumptions of homoscedasticity, linearity, multicollinearity and normality. The following measures were employed for the preliminary test; chi-square value was used to evaluate the general fitness of the model as well as the extent of inconsistency between the covariance matrices and sample. In this paper, the corresponding P-value and the degree of freedom were reported, and the accepted rule was indicated below.

### Decision Rule

Probability value (P-value) measures the individual significant level of the individual independent variables. A P-value that is less than 0.05 (P-value < 0.05) level of significance shows that the variable is significant but when the P-value is more than 0.05 (P-value > 0.05) level of significance, it shows that the variable is not significant.

## RESULTS

The presentation and interpretation of data were based on the questionnaire administered from 400 owner-managers of agro-processing SMEs in Anambra State. Out of the total number of copies distributed, 372 copies were completely filled and retrieved, and represents 93 percent response rate. Below are the result that illustrates the relationship between EO (innovativeness, risk-taking, proactiveness and competitive aggressiveness) and performance of agro-processing SMEs in Anambra State.

Ho: There is no significant relationship between EO (innovativeness, risk-taking, proactiveness and competitive aggressiveness) and performance of agro-processing SMEs in Anambra State.

		<b>Entrepreneurial orientation</b>	<b>SMEs performance</b>
<b>Entrepreneurial orientation</b>	Pearson's Correlation	1	623**
	Sig. (2-tailed)		.000
	N	372	372

		<b>Entrepreneurial orientation</b>	<b>SMEs performance</b>
<b>SMEs performance</b>	Pearson's Correlation	623**	1
	Sig. (2-tailed)	.000	
	N	372	372

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

Table 1 shows the correlation coefficient between EO (innovativeness, risk-taking, proactiveness and competitive aggressiveness) and performance of agro-processing SMEs in Anambra State ( $r = 0.623$ ,  $p < 0.05$ ). The correlation coefficient table shows that all EO dimensions are positively and significantly correlated with the dependent variable (SMEs performance). The value of  $p$  is lower than 0.05 and the correlation coefficient is 0.623 or 62.3%. With this level of significance, the null hypothesis was rejected. This result shows a positive and significant relationship between EO (innovativeness, risk-taking, proactiveness and competitive aggressiveness) and performance of agro-processing SMEs in Anambra State, Nigeria. However, the relationship between the two variables is not only significant but equally strong and positive. Having acknowledged the relationship between dimensions of EO and SMEs performance, further tests were carried out using multiple regressions analysis to ascertain the individual contribution of each dimensions EO on the performance of agro-processing SMEs in Anambra State, Nigeria. The EFA results were also presented in Table 2 to measures each of the dimensions of EO factor loading.

<b>Item</b>	<b>Mean</b>	<b>SD</b>	<b>Factor loading</b>	<b>Item total correlation</b>
<i>EO dimensions</i>				
Proactiveness	3.18	1.229	.768	.618
Risk taking	3.15	1.237	.747	.592
Competitive aggressiveness	3.95	.978	.723	.532
Innovativeness	4.08	1.086	.679	.512

KMO = .716;  $X^2 = 627.274$ ; DF = 4;  $P < .000$ ; Cronbach's  $\alpha = .683$ ; Percentage of variance explained = 59.46%.

In this paper, reliability was used to assess the level of internal consistency of the measurements used in the research construct. The internal consistency of components, or factors, and the respective items which appeared from the EFA measurement was analysed separately



using Cronbach's alpha coefficient via IBM SPSS statistics version 25. The Cronbach's alpha coefficients are: innovativeness (0.712), proactiveness (0.693), risk taking (0.702), and competitive aggressiveness (0.678). A factor consisting of a four items measurement of SMEs performance shows an internal consistency of 0.728. No factor was excluded in the measurement model as Cronbach's alpha coefficients' results were above 0.600. Based on the results of the EFA, the EO dimensions in this paper were examined via the multiple regression analysis/model measurement depicted in Table 3. The result also integrates model summary, ANOVA and coefficients in one broad table to thus obtain a clear, holistic view.

	<b>R</b>	<b>R square</b>	<b>Adjusted R square</b>	<b>F</b>	<b>Beta</b>	<b>T</b>	<b>Sig</b>
	.703 <sup>a</sup>	.537	.482	23.148	----	----	.000b
Innovativeness					.167	2.529	.000
Proactiveness					.179	2.425	.001
Risk taking					.158	3.101	.000
Competitive aggressiveness					-.162	-3.462	.002
(Constant)					---	2.473	.001
a. Dependent Variable: SMEs performance							
b. Predictors: (Constant) innovativeness, risk-taking, proactiveness, competitive aggressiveness							

For Table 3, the regression model shows an R square of 0.537 and an adjusted R square of 0.482. This means that the model (EO dimensions) predicts 48.2% of the variations of agro-processing SMEs performance. This is significant at  $p < .05$ , meaning a significant relationship between the independent variables of different dimension of EO and the dependent variable, namely agro-processing SMEs performance. These results support the alternative hypothesis, which states a significant relationship between EO dimension (innovativeness, risk-taking, proactiveness, and competitive aggressiveness) and agro-processing SMEs performance. Notably, the standardised Beta and the corresponding P-values for innovativeness ( $\beta = 0.167$ ,  $p < 0.000$ ), proactiveness ( $\beta = 0.179$ ,  $p < 0.001$ ), risk taking ( $\beta = 0.158$ ,  $p < 0.000$ ), and competitive aggressiveness ( $\beta = 0.162$ ,  $p < 0.002$ ), show that proactiveness made the largest contribution to the model, followed by innovativeness, and risk taking. With the findings of this study, it is pertinent to say that proactiveness, innovativeness and risk taking jointly serves as a predictor to agro-processing SMEs performance in Anambra State, Nigeria, while competitive aggressiveness also made a unique contribution with respect to agro-processing SMEs performance in this study. In the light of this, it is clear that there is a significant positive relationship between EO dimensions and agro-processing SMEs performance in Anambra State, Nigeria.

## DISCUSSION

This paper has shown that owner-manager's EO dimensions have significant and positive relationship with the performance of agro-processing SMEs in Nigeria. This manifest in the test results shown in the four EO dimensions (innovativeness, proactiveness, risk-taking and competitive aggressiveness). Though, not all EO dimensions exhibited a shows relationship with the performance of agro-processing SMEs. Surprisingly, competitive aggressiveness in this paper shows a negative relationship in terms of the firm's strategies, and resources with the SMEs performance in the agro-processing sector in Nigeria. This finding is inconsistent with a variety of existing studies in the body of knowledge. For example, a study by Arisi-Nwugballa et al. (2016) studied the three dimensions of EO namely; innovativeness, proactiveness and competitive aggressiveness but found that the three dimensions were all significant to MSMEs performance. Amah and Eshegheri (2017) examined EO using innovativeness and proactiveness to measure the resilience of SMEs in Nigeria, but conclude that both innovativeness and proactiveness are significantly related to resilience. In this regard, resilience refers to the ability to continue despite adversity. In Pakistan, Khurum et al. (2017) focused on innovativeness, proactiveness, risk-taking, autonomy and competitive aggressiveness as elements of EO to conclude that that EO wields a positive influence on the performance of SMEs. In particular, Rauch et al. (2009); Otieno (2012) as well as Mahmood and Hanafi (2013), revealed that EO has a significant effect on the performance of SMEs in terms of sales growth, profitability and overall firm performance of women-based SMEs in Malaysia, Singapore and Kenya respectively. A study by Etim et al. (2017), which investigated survival strategies for small and medium scale enterprises in Africa, concluded that the variables of EO (innovation, risk taking and proactiveness) have significant positive influence on SME survival. This is interesting, as EO seems to influence not only performance but also the survival of SMEs. The study by Yusuff et al. (2018) extended the roles of EO to focus on the use of support services. This study revealed that the firm's performance was influenced by direct contact of EO as well as the use of external support services. This implies that EO was able to improve the effectiveness of a firm's utilisation of services. That is, an entrepreneur with high EO has an improved chance to gain benefit from the support services.

On the other hand, another study by Duru et al. (2018), five EO dimensions were ranked in terms of level of importance starting with autonomy, proactiveness, innovativeness, and risk-taking. Duru et al. (2018) posit that the EO dimension of competitive aggressiveness was not demonstrated by SMEs in Abuja, Nigeria. It is interesting that innovativeness was the only EO dimension, out of the possible five, that exerted a positive and statistically significant relationship on the performance of SMEs. Notably, the other three dimensions of EO (proactiveness, risk-taking and autonomy) showed a positive but insignificant relationship with performance. Interestingly, this differs from the findings of this study which shows that the three EO dimensions of proactiveness, innovativeness and risk-taking exerted a positive and significant relationship with the performance of agro-processing SMEs in Anambra State, Nigeria. Notably, the dimension of competitive aggressiveness in this paper depicts a significant but negative relationship with agro-processing SMEs.

Conclusively, this raises two critical issues namely the link between competitive aggressiveness, the age of the business and different contributions by EO dimensions to the performance of mature agro-processing SMEs in Nigeria. Firstly, the participants to this study were owner-managers of agro-processing SMEs who have gone through the maturity stage of business life. The age of the enterprise is critical in the adoption and pursuit of competitiveness

because many Nigerian SMEs fail in the early stage for the reason that they do not implement sound marketing and entrepreneurship strategies which leverages on competitive aggressiveness. Implicitly, this underscores the significance of competitive aggressiveness to performance. As such, it is arguable that agro-processing SMEs in Nigeria, that have performed to become mature and then enter the decline stage, may have a repertoire of tried and tested procedures and techniques. These may have worked well in the past and, as such, they have been repeated as the most obvious way to address certain issues. This may put owner-managers in a tactical dilemma of preserving the status quo versus espousing competitive aggression. In this way, mature agro-processing SMEs, when failing to be competitive, face the risk of gradually declining and losing their competitive edge whilst strategically drifting. Arisi-Nwugballa et al. (2016) argued that many owner-managers of SMEs still operate in accordance with the conventional methods of competition. In addition, they are less interested in price war, introduction of superior products, aggressive response to rivals in the market, and exploitation of information. Again, they do not anticipate current changes in the sector and would not encourage the development of younger and brighter entrepreneurs in the business. After surviving and having reached maturity, or the stage of decline, owner-managers may become victims of the path of dependence. In a nutshell, owner-managers tend to prefer past (traditional) practices and keep applying them even if there are better alternatives available strategies today. Even when past circumstances are no longer relevant, the decisions owner-managers in mature agro-processing SMEs face are limited by what has been decided in the past. This may differ from resourceful SMEs which bring competitiveness to the business process in order to: move along with current trends in market dynamics, change in consumer tastes and demands regarding existing products and follow the already existing customer relations and use of market knowledge. As market creators, owner-managers provide completely new solutions and values for customers.

The second issue is the assertion that EO affects enterprise performance. However, not all dimension of EO may exert similar effects (Hughes & Morgan, 2007; Lee et al., 2011). Lumpkin and Dess (1996) explicitly stated that each dimension of EO may not necessarily be equally important, or suitable, to boost firms' performance as different stages of firm development call for different inputs. There is a need for increased scholarly research into competitive culture within the mature agro-processing SMEs and how this enhances or impedes the performance of SMEs.

## CONCLUSION

Finally, it is clear that EO plays a significant role in the way owner-managers of SMEs particularly agro-processing SMEs run their businesses. Though there are some challenges intermittently faced by them. The study recommends that owner-managers of SMEs especially agro-processing SMEs adopt the EO dimensions of innovativeness, proactiveness, risk-taking, and competitive aggressiveness to increase the chance of SME performance. As competitive aggressiveness depicts a significant and negative relationship with performance of SME, the recommendation is that owner-managers should prioritise this and thus ensure that non-conventional methods of competition are adopted.

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