

Will Entrepreneurial Orientation Contribute to Entrepreneurial Success?

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ABSTRACT

The purpose of this study is to examine the effect of entrepreneurial orientation on entrepreneurial success. The study population is the 9,450 small and medium enterprises (SMEs) who are registered members of the National Association of Small and Medium Enterprises (NASME), National Association of Small Scale Industrialists (NASSI) and Association of Small Business Owners in Nigeria (ASBON) in Lagos State. The study employs probability sampling technique and specifically, proportionate stratified random sampling method to select its samples from the sampling frame. Sample size of 381 determined using the formula developed by the National Education Association (1960) for

sample size determination was used for this study. The study employed questionnaire as research instrument to collect primary data on the dependent variable (Entrepreneurial success) and independent variable (Entrepreneurial orientation). Entrepreneurial orientation measures are: Innovativeness, Proactiveness and Risk taking while measures for entrepreneurial success are: profitability, market share, net asset growth, sales growth and government policies. The questionnaire was pretested by a pilot study of 50 selected SMEs. Data from the pilot study was analyzed and based on the result, the questionnaire was slightly modified giving an overall Cronbach's Alpha value of 0.853. The value of $F(3,206) = 21.848, p < .05$, shows that the combined effect of innovativeness, risk taking and pro-activeness was statistically significant in explaining changes in entrepreneurial success in Lagos State. The findings of the study also reveal that entrepreneurial pro-activeness had the highest influence on SMEs entrepreneurial success because the p value was 0.000 followed by risk taking with 0.007, and lastly innovativeness with a p value of 0.942. This finding may be of help to the owner/managers of SMEs to be more entrepreneurial oriented and developed competitive edge in order for them to survive the intensely competitive market environment.

Keywords: Entrepreneurial success, entrepreneurial orientation, innovativeness, proactiveness and risk taking.

INTRODUCTION

Success in entrepreneurial activity is very important to any entrepreneur for personal fulfillment and personal financial reward. Many theories have been put forward to explain entrepreneurial success. Entrepreneurial success was established as a phenomenon characterized by exploring the result of positive consequences as perceived by the entrepreneur (Fisher, Maritz, and Lobo, 2014) giving the entrepreneurs innate knowledge of when they have reached a satisfactory level of entrepreneurial success.

Windapo's (2018) identified three personality characteristics as factors that lead to successful entrepreneurial outcomes, namely: a high degree of self-confidence, employing a task-result oriented approach to achievements, and being a risk-taker; in this study risk taking include personality traits such as innovation, creativity, flexibility, and resourcefulness. Razak, Said, Ahmad, and Jumain (2017) suggested that there several critical factors affecting entrepreneurial success and proposed that an individual's entrepreneurial success is influenced by four primary success factors including risk-taking behavior, locus of control, perceived barrier, and self-efficacy. Characteristics of raw intelligence, high energy, a vivid imagination, a consuming passion for succeeding, and a resolute sense of self-determination explained that the traits of successful entrepreneur (Scheers, 2016).

Lee (2019) stated that the extraversion, the need for achievement, predilection to risk-taking, and a desire for personal independence are characteristics exhibited by entrepreneurs that correlate to entrepreneurial success. Ayala and Manzano (2014) noted that resilient entrepreneurs demonstrate a high degree of tolerance for situations that are formed of ambiguity and

competitiveness, thus adapting quickly to initiate change in order to achieve success and further suggested that the personal characteristics of hardiness, resourcefulness, and optimism have a statistically significant positive relationship with both objective and subjective entrepreneurial growth and success.

The study carried out by Staniewski, Janowski, and Awruk (2016) illustrated that personality traits of entrepreneurs most positively contribute to economic success. Apart from the following personality of emotional stability, a need for achievement, innovativeness, and self-efficacy, Staniewski et al., 2016 identified the need for autonomy, the ability for disagreeableness, innate conscientiousness, and openness to various experiences as factors contributing to entrepreneurial success.

Research carried out by Chen, Chang, & Lo, 2015 suggests that entrepreneurs participating in different sectors, industries, or domains may judge their success in different ways while research by Wach, Stephan, Gorgievski, and Wegge (2018) drew attention to the suggestion that many entrepreneurs gauge success in more than monetary measures, and based on this Wach, et al (2018) have proposed a five-element conceptual framework as subjective measures of entrepreneurial success namely multifaceted measures of firm performance, the establishment of workplace relationships, personal fulfillment, community impact, and personal financial rewards.

Wales (2016) opined that entrepreneurial orientation is the most established construct for explaining the link between entrepreneurial behaviour and a firm's performance though researchers are yet to reach a consensus on the direction of the relationship. However, several studies have indicated positive relation between entrepreneurial orientation and firm performance (Covin and Slevin, 1991; Martins and Rialp, 2016; Wiklund and Shepherd, 2005). Some studies on the other hand, found lower correlations between entrepreneurial orientation and performance while others are unable to find a significant relationship (Lumpkin et al., 2006).

The purpose of this study is therefore, to examine whether entrepreneurial orientation with innovativeness, proactiveness and risk taking as measures will contribute to entrepreneurial success of small and medium enterprises in Lagos State, Nigeria.

METHODOLOGY

Sample, Procedures and Measures

The population for this study is the small and medium enterprises in Lagos state who are engaged in all kinds of enterprises including food & beverages, construction, consultancy, education, computer services, manufacturing, retailing, healthcare, and so on. The population is 9,450 registered members of NASME, NASSI and ASBON in Lagos State. This study employed probability sampling technique and specifically, proportionate stratified random sampling method to select it samples from the sampling frame. As a first step, the sampling frame was stratified into the following nine strata: Education, Food and Beverage, Manufacturing/production (non-food and beverage), Services (including consultancy, media), Computer (Internet/IT) and electronics, Construction (including construction materials), Health care, Retail/Sales and Others. In the second step, samples were selected proportionately from all the strata based on the determined sample size using simple random sampling technique. National Education Association (1960) formula for sample size determination was used because of its simplicity in determining sample size from a

known population size. Using this formula, the sample size was determined as 381 out of the sample population of 9,450.

The study employed questionnaire as research instrument to collect primary data on the dependent variable (Entrepreneurial success) and independent variable (entrepreneurial orientation). The questionnaire was divided into three sections, namely: demography and company's characteristics (10 items), entrepreneurial orientation (11 items) and entrepreneurial success (16 items). In addition to the primary data, secondary data were collected from both published and online materials.

This study employed a mixture of methods to administer and retrieve questionnaires. The questionnaires were self-administered by nine trained enumerators (one enumerator per strata). A combination of interview, telephone/text messages/email (for follow up), administer and collect, drop and collect etc were employed depending on the circumstances the enumerators found themselves.

Pilot study was used to pretest the questionnaire to be used with the aim of reducing measurement errors, improving validity of the construct measurement and identifying problems in the design and layout of the questions (Dillman, 2000). Following the recommendation by Monette, Sullivan and DeJong (2002), the study randomly selected 50 small and medium enterprises that were part of the study using the designed questionnaire. The questionnaires were administered randomly to the congress participants during the Lagos State Congress of NASME (National Association of Small and Medium Scale Enterprises) at the Federal Institute of Industrial Research Oshodi, Lagos. Forty-three (43) of the administered questionnaires were retrieved and analyzed.

The data from the pilot study was analyzed with Statistical Package for Social Sciences (SPSS), Version 25. Based on the result of the analysis, the questionnaire was slightly modified giving an overall Cronbach's Alpha value of 0.853. Cronbach Alpha that are less than 0.6 are generally considered to be poor, those in the 0.7 range are to be accepted and those over 0.8 to be good; the closer the reliability coefficient gets to 1.0, the better the research instrument (Islam et al, 2011). The overall Cronbach's alpha is 0.853 which implies that the research instrument is reliable.

Entrepreneurial Orientation questionnaire was adapted from Miller and Friesen (1982) and Covin and Slevin (1989). This questionnaire has eight items but the study added two items to solicit responses from respondents on innovativeness, proactiveness and risk taking as measures of entrepreneurial orientations. Entrepreneurial success measures i.e. profitability, sales growth, government policies, market share and net asset growth used in the design of the questionnaire was developed based on financial and non-financial measures reported in literature (Murphy, Trailer & Hill, 1996); Wiklund, 1999; Butler, Keh & Chamommmam, 2000; Murphy & Callaway, 2004; Gupta & Govindarajan, 1984).

Statistical Procedures

Researchers in the field of entrepreneurial studies have analyzed their data using different statistical packages, specially developed software and mathematical models including: different forms of regression models, i.e. Logit (Perez & Canino, 2009), Linear (Torres & Watson, 2013), multiple and multivariate (Owoseni & Akanbi, 2011; Sorensen, 2007; Amit, Muller & Cockburn,

1995), binomial (Dyer, Greggersen & Christensen, 2008), trimmed model logistic (Rose et al, 2006); Structural Equation Model- AMOS 6 (Setyawati et al, 2011; Sarwoko et al, 2013); Partial Least Square (Kotey et al, 2013); Rough Set Theory- RST with aid of Software ROSE -Rough Set Data Explorer (Wei-Wen Wu, 2009); ACCESS data base and the STATA statistical Analysis programme (Burger, O'Neill & Mahadea, 2005) ; Ethnograph software programme (Buttner, 2001) and so on. This study employed Simple and Multiple Regression Analysis to predict the impact of the independent variable(s) on the dependent variable using Statistical Packages for Social Sciences (SPSS).

MODEL SPECIFICATIONS

The relating equations are:

$Y = f(X)$, where: Y= Entrepreneurial Success (ENT_SU) and X is Entrepreneurial Orientation (ENT_ORIEN). ENT_ORIEN is measured by INN (Innovativeness), PROAC (Proactiveness) and RT (Risk Taking).

From the hypotheses:

$$ENT_SU = f(ENT_ORIEN) \text{ or } ENT_SU = f(INN, PROAC, RT)$$

The implicit form of the functional relationship of the variables expressed above is:

$ENT_SU = \alpha_0 + \beta ENT_ORIEN + e$ or $ENT_SU = \alpha_0 + \beta_1 INN + \beta_2 PROAC + \beta_3 RT + e$ where $\beta_1 - \beta_3$ are coefficients of independent variables and e is the error term.

RESULTS

Research Objective:

To examine the effect of entrepreneurial orientation on entrepreneurial success.

Research Question:

What is the effect of entrepreneurial orientation on entrepreneurial success?

Table 1 question (1) on innovativeness indicated that 16 respondents representing 7.6% were unsure that there exist a very strong emphasis on research and development, technological leadership and innovations in their company, 2 respondents representing 1.0% strongly disagreed, 16 respondents representing 7.6% disagreed, 14 respondents representing 6.7% partially disagreed, 30 respondents representing 14.3% partially agreed, 48 respondents representing 22.9% agreed and 84 respondents representing 40.0% strongly agreed.

Question (2) on innovativeness showed that 20 respondents representing 9.5% were uncertain that their company introduced many new lines of products or services in the past five years, 22 respondents representing 10.5% disagreed, 22 respondents representing 10.5% partially disagreed, 32 respondents representing 15.2% partially agreed, 50 respondents representing 23.8% Agreed and 64 respondents representing 30.5% strongly agreed.

Table 1: Descriptive statistics of opinions of respondents on entrepreneurial orientation

Entrepreneurial Orientation	UD	SD	D	PD	PA	A	SA	$\bar{X}$	SD
In my company, there exist a very strong emphasis on R&D, technological leadership and innovations.	16 7.6%	2 1.0%	16 7.6%	14 6.7%	30 14.3%	48 22.9%	84 40.0%	4.48	1.815
My company introduced many new lines of products or services in the past five years.	20 9.5%	0 0.0%	22 10.5%	22 10.5%	32 15.2%	50 23.8%	64 30.5%	4.15	1.870
The changes in product lines (types/number of products) for my company have usually been dramatic.	16 7.6%	10 4.8%	16 7.6%	26 12.4%	54 25.7%	54 25.7%	34 16.2%	3.86	1.725
I reward employees who find creative ways of improving company's performance.	8 3.8%	8 3.8%	8 3.8%	12 5.7%	50 23.8%	66 31.4%	58 27.6%	4.47	1.541
I decide to adopt new ideas only on the basis of their relative cost and benefits to the organization.	4 1.9%	2 1.0%	2 1.0%	18 8.6%	38 18.1%	56 26.7%	90 42.9%	4.91	1.291
My company is typically the first to initiate actions to competitors, for which competitors then respond.	22 10.5%	24 11.4%	22 10.5%	22 10.5%	42 20.0%	52 24.8%	26 12.4%		
Very often, my company is the first company to introduce new products/services, techniques, technologies etc.	22 10.5%	34 16.2%	20 9.5%	34 16.2%	28 13.3%	34 16.2%	38 18.1%		
While my project idea may not entirely be new, I am thinking of new and better ways to make it competitive.	10 4.8%	4 1.9%	2 1.0%	8 3.8%	24 11.4%	80 38.1%	82 39.0%		
I have strong preference for high risk projects with chances of very high return.	8 3.8%	8 3.8%	10 4.8%	8 3.8%	50 23.8%	72 34.3%	54 25.7%		
When confronted with decision making situations involving uncertainty, my firm typically adopt a cautious, "wait and see" posture in order to minimize the probability of making costly decisions.	0 0.0%	72 34.3%	44 21.0%	12 5.7%	10 4.8%	6 2.9%	66 31.4%		
I believe that, owing to the nature of environment, bold, wide ranging acts are necessary to achieve the firm's objectives.	10 4.8%	0 0.0%	10 4.8%	4 1.9%	28 13.3%	78 37.1%	80 38.1%		

Key: UD (Undecided), SD (Strongly Disagree), D (Disagree), PD (Partially Disagree), PA (Partially Agree), A (Agree) and SA (Strongly Agree).

Question (3) on innovativeness indicated that 16 respondents representing 7.6% were unsure that changes in product lines for their company have usually been dramatic, 10 respondents representing 4.8% strongly disagreed, 16 respondents representing 7.6% disagreed, 26 respondents representing 12.4% partially disagreed, 54 respondents representing 25.7% partially agreed, 54 respondents representing 25.7% agreed and 34 respondents representing 16.2% strongly agreed.

Question (4) on innovativeness showed that 8 respondents representing 3.8% were unsure that their company rewards creativeness of employees, 8 respondents representing 3.8% strongly disagreed, 8 respondents representing 3.8% disagreed, 12 respondents representing 5.7% partially disagreed, 50 respondents representing 23.8% partially agreed, 66 respondents representing 31.4% agreed and 58 respondents representing 27.6% strongly agreed.

Question (5) on innovativeness indicated that 4 respondents representing 1.9% were uncertain in adopting new ideas only on the basis of their relative cost and benefits to the organization, 2 respondents representing 1.0% strongly disagreed, 2 respondents representing 1.0% disagreed, 18 respondents representing 8.6% partially disagreed, 38 respondents representing 18.1% partially agreed, 56 respondents representing 26.7% Agreed and 90 respondents representing 42.9% strongly agreed.

Question (6) on pro-activeness indicated that 22 respondents representing 10.5% were unsure that their company is typically the first to initiate actions to competitors, for which competitors then respond, 24 respondents representing 11.4% strongly disagreed, 22 respondents representing 10.5% disagreed, 22 respondents representing 10.5% partially disagreed, 42 respondents representing 20.0% partially agreed, 52 respondents representing 24.8% agreed and 26 respondents representing 12.4% strongly agreed.

Question (7) on pro-activeness showed that 22 respondents representing 10.5% were uncertain that very often their company is the first company to introduce new products/services, techniques, technologies etc. 34 respondents representing 16.2% strongly disagreed, 20 respondents representing 9.5% disagreed, 34 respondents representing 16.2% partially disagreed, 28 respondents representing 13.3% partially agreed, 34 respondents representing 16.2% agreed and 38 respondents representing 18.1% strongly agreed.

Question (8) on pro-activeness indicated that 10 respondents representing 4.8% were unsure that while their project idea may not entirely be new, that they are thinking of new and better ways to make it competitive, 4 respondents representing 1.9% strongly disagreed, 2 respondents representing 1.0% disagreed, 8 respondents representing 3.8% partially disagreed, 24 respondents representing 11.4% partially agreed, 80 respondents representing 38% agreed and 82 respondents representing 39.0% strongly agreed.

Question (9) on risk taking indicated that 8 respondents representing 3.8% were unsure that they have strong preference for high risk projects with chances of very high return, 8 respondents representing 3.8% strongly disagreed, 10 respondents representing 4.8% disagreed, 8 respondents representing 3.8% partially disagreed, 50 respondents representing 23.8% partially agreed, 72 respondents representing 34.3% agreed and 54 respondents representing 25.7% strongly agreed. Question (10) on risk taking showed that 72 respondents representing 34.3% strongly disagreed that when they are confronted with decision making situations involving uncertainty, their firm typically adopt a cautious, “wait and see” posture in order to minimize the probability of making costly decisions, 44 respondents representing 21.0% disagreed, 12 respondents representing 5.7% partially disagreed, 10 respondents representing 4.8% partially agreed, 6 respondents representing 2.9% agreed and 66 respondents representing 31.4% strongly agreed.

Question (11) on risk taking indicated that 10 respondents representing 4.8% were unsure that they believe that, owing to the nature of environment, bold, wide ranging acts are necessary to achieve the firm’s objectives, 10 respondents representing 4.8% disagreed, 4 respondents representing 1.9% partially disagreed, 28 respondents representing 13.3% partially agreed, 78 respondents representing 37.1% agreed and 80 respondents representing 38.1% strongly agreed.

Table 2: Descriptive statistics of opinions of respondents on entrepreneurial success

Entrepreneurial Success	UD	SD	D	PD	PA	A	SA	$\bar{X}$	SD
I am satisfied with the profit level of my business.	12 5.7%	34 16.2%	20 9.5%	30 14.3%	44 21.0%	48 22.9%	22 10.5%	3.39	1.785
The Company's' profitability ratio such as return on investment and return on equity showed that the firm is making sustainable profit.	12 5.7%	2 1.0%	20 9.5%	22 10.5%	46 21.9%	76 36.2%	32 15.2%	4.11	1.567
Earnings per share (EPS) of the firm have increased.	20 9.5%	2 1.0%	24 11.4%	28 13.3%	46 21.9%	60 28.6%	30 14.3%	3.80	1.741
The firms' overall financial performance has been acknowledged by its bank(s).	20 9.5%	6 2.9%	16 7.6%	36 17.1%	44 21.0%	48 22.9%	40 19.0%	3.82	1.797
Since take off of my business, sales level has grown significantly.	14 6.7%	0 0.0%	8 3.8%	22 10.5%	50 23.8%	70 33.3%	46 21.9%	4.32	1.562
There has been an increase in the number of people who are willing to sell and patronize the company's goods/services.	14 6.7%	2 1.0%	6 2.9%	18 8.6%	32 15.2%	92 43.8%	46 21.9%	4.44	1.577
The company's sales strategy is responsible for its increased revenue through enhanced sales.	16 7.6%	8 3.8%	4 1.9%	18 8.6%	40 19.0%	86 41.0%	38 18.1%	4.23	1.679
Government policies on patronage of made in Nigeria goods is a boost to sales in my company.	22 10.5%	6 2.9%	12 5.7%	16 7.6%	34 16.2%	82 39.0%	38 18.1%	4.06	1.834
There has been a significant increase in the company's market share.	18 8.6%	6 2.9%	8 3.8%	22 10.5%	60 28.6%	60 28.6%	36 17.1%	4.02	1.694
The company has expanded to other products and markets.	14 6.7%	18 8.6%	22 10.5%	8 3.8%	60 28.6%	58 27.6%	30 14.3%	3.79	1.765
The company's product(s)/service(s) have taken over a large chunk of the market in its immediate environment and beyond.	12 5.7%	8 3.8%	24 11.4%	28 13.3%	40 19.0%	62 29.5%	36 17.1%	3.93	1.685
The company's products/services now enjoy a wider acceptance compared to when the products/services were introduced.	14 6.7%	4 1.9%	10 4.8%	18 8.6%	46 21.9%	72 34.3%	46 21.9%	4.28	1.634
My business has experienced considerable growth in net asset.	14 6.7%	2 1.0%	4 1.9%	20 9.5%	60 28.6%	66 31.4%	44 21.0%	4.30	1.547
The net asset of the company and its liability are healthy enough to guarantee success.	14 6.7%	0 0.0%	14 6.7%	18 8.6%	56 26.7%	66 31.4%	42 20.0%	4.23	1.579
The company has tangible fixed assets suitable as collateral to guarantee bank loan to enhance business operations and profitability.	14 6.7%	6 2.9%	6 2.9%	18 8.6%	54 25.7%	64 30.5%	48 22.9%	4.27	1.638
My company's current asset always places it at advantage for business.	16 7.6%	2 1.0%	12 5.7%	22 10.5%	46 21.9%	76 36.2%	36 17.1%	4.15	1.636

Key: UD (Undecided), SD (Strongly Disagree), D (Disagree), PD (Partially Disagree), PA (Partially Agree), A (Agree) and SA (Strongly Agree).

Table 2 Question (1) on profitability indicated that 12 respondents representing 5.7% were uncertain that they are satisfied with the profit level of their business, 34 respondents representing 16.2% strongly disagreed, 20 respondents representing 9.5% disagreed, 30 respondents representing 14.3% partially disagreed, 44 respondents representing 21.0% partially agreed, 48 respondents representing 22.9% agreed and 22 respondents representing 10.5% strongly agreed.

Question (2) on profitability revealed that 12 respondents representing 5.7% were unsure that their company's profitability ratio such as return on investment and return on equity showed that their firm made sustainable profit, 2 respondents representing 1.0% strongly disagreed, 20 respondents representing 9.5% disagreed, 22 respondents representing 10.5% partially disagreed, 46 respondents representing 21.9% partially agreed, 76 respondents representing 36.2% agreed and 32 respondents representing 15.2% strongly agreed.

Question (3) on profitability showed that 20 respondents representing 9.5% were unsure that earnings per share of their firm increased, 2 respondents representing 1.0% strongly disagreed, 24 respondents representing 11.4% disagreed, 28 respondents representing 13.3% partially disagreed, 46 respondents representing 21.9% partially agreed, 60 respondents representing 21.6% agreed and 30 respondents representing 14.3% strongly agreed.

Question (4) on profitability indicated that 20 respondents representing 9.5% were uncertain that their firms' overall financial performance was acknowledged by its bank(s), 6 respondents representing 2.9% strongly disagreed, 16 respondents representing 7.6% disagreed, 36 respondents representing 17.1% partially disagreed, 44 respondents representing 21.0% partially agreed, 48 respondents representing 22.9% agreed and 40 respondents representing 19.0% strongly agreed.

Question (5) on sales growth revealed that 14 respondents representing 6.7% were uncertain that since take off of their business, sales level has grown significantly, 8 respondents representing 3.8% disagreed, 22 respondents representing 10.5% partially disagreed, 50 respondents representing 23.8% partially agreed, 70 respondents representing 33.3% agreed and 46 respondents representing 21.9% strongly agreed.

Question (6) on sales growth showed that 14 respondents representing 6.7% were uncertain that there has been an increase in the number of people who were willing to sell and patronize their company's goods/services, 2 respondents representing 1.0% strongly disagreed, 6 respondents representing 2.9% disagreed, 18 respondents representing 8.6% partially disagreed, 32 respondents representing 15.2% partially agreed, 92 respondents representing 43.8% agreed and 46 respondents representing 21.9% strongly agreed.

Question (7) on sales growth revealed that 16 respondents representing 7.6% were unsure that their company's sales strategy was responsible for its increased revenue through enhanced sales, 8 respondents representing 3.8% strongly disagreed, 4 respondents representing 1.9% disagreed, 18 respondents representing 8.6% partially disagreed, 40 respondents representing 19.0% partially agreed, 86 respondents representing 41.0% agreed and 38 respondents representing 18.1% strongly agreed.

Question (8) on government policies indicated that 22 respondents representing 10.5% were unsure that government policies on patronage of made in Nigeria goods was a boost to sales in their company, 6 respondents representing 2.9% strongly disagreed, 12 respondents representing 5.7% disagreed, 16 respondents representing 7.6% partially disagreed, 34 respondents representing 16.2% partially agreed, 82 respondents representing 39.0% agreed and 38 respondents representing 18.1% strongly agreed.

Question (9) on market share indicated that 18 respondents representing 8.6% were uncertain that there has been a significant increase in the company's market share, 6 respondents representing 2.9% strongly disagreed, 8 respondents representing 3.8% disagreed, 22 respondents representing 10.5% partially disagreed, 60 respondents representing 28.6% partially agreed, 60 respondents representing 28.6% agreed and 36 respondents representing 17.1% strongly agreed.

Question (10) on market share showed that 14 respondents representing 6.7% were unsure that their company has expanded to other products and markets, 18 respondents representing 8.6% strongly disagreed, 22 respondents representing 10.5% disagreed, 8 respondents representing 3.8% partially disagreed, 60 respondents representing 28.6% partially agreed, 58 respondents representing 27.6% agreed and 30 respondents representing 14.3% strongly agreed.

Question (11) on market share indicated that 12 respondents representing 5.7% were uncertain that their company's product(s)/service(s) had taken over a large chunk of the market in its immediate environment and beyond, 8 respondents representing 3.8% strongly disagreed, 24 respondents representing 11.4% disagreed, 28 respondents representing 13.3% partially disagreed, 40 respondents representing 19.0% partially agreed, 62 respondents representing 29.5% agreed and 36 respondents representing 17.1% strongly agreed.

Question (12) on market share indicated that 14 respondents representing 6.7% were unsure that their company's products/services enjoyed a wider acceptance compared to when their products/services were introduced, 4 respondents representing 1.9% strongly disagreed, 10 respondents representing 4.8% disagreed, 18 respondents representing 8.6% partially disagreed, 46 respondents representing 21.9% partially agreed, 72 respondents representing 34.3% agreed and 46 respondents representing 21.9% strongly agreed.

Question (13) on net asset growth indicated that 14 respondents representing 6.7% were unsure that their business had experienced considerable growth in net asset, 2 respondents representing 1.0% strongly disagreed, 4 respondents representing 1.9% disagreed, 20 respondents representing 9.5% partially disagreed, 60 respondents representing 28.6% partially agreed, 66 respondents representing 31.4% agreed and 44 respondents representing 21.0% strongly agreed.

Question (14) on net asset growth showed that 14 respondents representing 6.7% were uncertain that the net asset of their company and its liability were healthy enough to guarantee success, 14 respondents representing 6.7% disagreed, 18 respondents representing 8.6% partially disagreed, 56 respondents representing 26.7% partially agreed, 66 respondents representing 31.4% agreed and 42 respondents representing 20.0% strongly agreed.

Question (15) on net asset growth indicated that 14 respondents representing 6.7% were unsure that their company had tangible fixed assets suitable as collateral to guarantee bank loan to enhance business operations and profitability, 6 respondents representing 2.9% strongly disagreed, 6 respondents representing 2.9% disagreed, 18 respondents representing 8.6% partially disagreed, 54 respondents representing 25.7% partially agreed, 64 respondents representing 30.5% agreed and 48 respondents representing 22.9% strongly agreed.

Question (16) on net asset growth indicated that 16 respondents representing 7.6% were unsure that their company's current asset always placed it at advantage for business, 2 respondents representing 1.0% strongly disagreed, 12 respondents representing 5.7% disagreed, 22 respondents representing 10.5% partially disagreed, 46 respondents representing 21.9% partially agreed, 76 respondents representing 36.2% agreed and 36 respondents representing 17.1% strongly agreed.

Combining results in Tables 1 and 2 together, it can be seen that entrepreneurial orientation has positive effect on entrepreneurial success. This provides answer to the research question and also enables the achievement of the objective of the study.

Statement of Hypothesis (H₀):

Entrepreneurial orientation has no significant effect on entrepreneurial success.

In order to test the hypothesis, multiple linear regression analysis was done with entrepreneurial success as the dependent variable and with entrepreneurial orientation factors as tested predictor variables. SMEs entrepreneurial orientation variables were tested as predictor variables in multiple linear regression analysis. Data from two hundred and twenty one respondents were analyzed. The table of results of the multiple linear regression analysis is illustrated in Table 3.

Table 3: Relationship between Entrepreneurial Orientation and Entrepreneurial Success

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	27.193	5.908		4.603	.000		
	Entrepreneurial Innovativeness	.290	.308	.080	.942	.347	.513	1.951
	Entrepreneurial Proactiveness	1.466	.391	.320	3.752	.000	.506	1.975
	Entrepreneurial Risk taking	1.181	.436	.185	2.710	.007	.787	1.271
a. Dependent Variable: Entrepreneurial Success								

F (3,206) = 21.848, p = 0.000, R² = .241, R² Adjusted = .230

Table 3 shows multiple linear regression analysis to measure the relationship between predictor variables (innovativeness, pro-activeness and risk taking) and dependent variable (entrepreneurial success). First was the test of multicollinearity among the predictor variables. In order to test for multicollinearity among the predictor variables, variance-inflation factor (VIF) and tolerance were applied. The multicollinearity statistics showed that the tolerance indicator for innovativeness (INN), pro-activeness (PROAC) and risk taking (RT) are all greater than 0.2, and their VIF values are less than 10. The result indicates that no multicollinearity problem has occurred (Neter, Kutner, Wasserman, & Nachtsheim, 1996; Ott & Longnecker, 2001).

The statistics of the model summary of the correlation co-efficient reveal that: R = .491 showing that the combined influence of the three predictor variables had a moderate positive relationship with entrepreneurial success. The table shows that the coefficient of determination also called the R square is .241 or 24.1%. This suggests that the combined influence of the predictor variables

(innovativeness, pro-activeness and risk taking) explains 24.1% of the variations in entrepreneurial success. The value of $F(3,206) = 21.848$, $p < .05$, shows that the combined effect of innovativeness, risk taking and pro-activeness was statistically significant in explaining changes in entrepreneurial success in Lagos State. This is demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05. The multiple linear regression equation obtained for the analysis of ENT_SU as the dependent variable, explaining the results which are illustrated in Table 3 is given by:

$$\text{ENT_SU} = 27.193 + .080\text{INN} + .320\text{PROAC} + .185\text{RT}$$

Where:

ENT_SU = Entrepreneurial Success

INN = Innovativeness

PROAC = Pro-activeness

RT = Risk Taking

The multiple linear regression model shows that innovativeness, risk taking and pro-activeness were positively and statistically significant in explaining the entrepreneurial success in Lagos State. The findings imply that all the predictor variables were strong determinants of SMEs success. The model indicate that; an increase in the effectiveness of innovativeness by one unit leads to an increase in SMEs success by 0.080 units; an increase in the effectiveness; an increase in the effectiveness of pro-activeness by one unit leads to an increase in SMEs success by 0.320 units; and an increase in the effectiveness of risk taking by one unit leads to an increase in SMEs entrepreneurial success by 0.185 units. The value of each predictor variable coefficient determines the extent to which the predictor variable influences of entrepreneurial orientation on the SMEs entrepreneurial success in Lagos State, Nigeria. Therefore, the findings of the study reveal that entrepreneurial pro-activeness had the highest influence on SMEs entrepreneurial success because the p value was 0.000 followed by risk taking with 0.007, and lastly innovativeness with a p value of 0.942. It can therefore be inferred that entrepreneurial pro-activeness followed by risk taking and lastly innovativeness influence of entrepreneurial orientation on the SMEs entrepreneurial success in Lagos State, Nigeria. Based on the findings of the reported association between ENT_SU and certain entrepreneurial orientation factors (innovativeness, pro-activeness and risk taking), the null hypothesis one (H_0) which states that entrepreneurial orientation has no significant effect of entrepreneurial success is hereby rejected.

DISCUSSION

From the analysis conducted above, it was established that a significant relationship exists between entrepreneurship orientation and entrepreneurial success. This finding is consistent with the expectation based on the hypothesis that was raised for this study. It indicates that it is a frame of mind and a perspective about entrepreneurship that are reflected in a firm's ongoing processes and corporate culture and firms are encouraged to embrace entrepreneurial orientation to excel and overcome the challenges. The findings are consistent with the studies of Wiklund (1999) and Covin and Slevin (1991) who continually found the significant effect of entrepreneurial orientation (EO) on business success. Also, the study of Rauch, Wiklund, Lumpkin and Frese (2009) is in consonance with the findings of this study. They performed a meta-analysis of the relationship between EO and business success. Their study of 51 articles from various aspects showed a significant positive relationship between EO and business success. Swierczek and Ha (2003) found a partial positive relationship between EO and business.

Relating our findings to other studies particularly dimensions of EO and entrepreneurship success. Kreiser et al. (2002) discovered that high innovativeness exhibits positive relationship with sales growth, while pro-activeness is reported to produce positively relationship with sales level, sales growth and gross profit. On another study, risk taking yields inverted curvilinear relationship with sales level and sales growth (Begley & Boyd, 1987; Kreiser et al 2002; Miller & Friesen, 1982). In other notes, pro-activeness and competitive aggressiveness are related to business success differentially (Kreiser et al 2002; Lumpkin & Dess 2001) and innovation and pro-activeness were found not equally critical in determining firm's success (Kreiser et al, 2002).

Awang, Khalid, Yusof, Kassim, Ismail, Zain and Madar (2009) revealed in their study that the independent effect of each entrepreneurial orientation dimension on performance contributes more in-depth knowledge in the differential relationship of innovativeness, proactiveness and risk taking with objective performance. Tayauova (2011) reported that international entrepreneurial orientation represented by innovativeness, risk-taking, and pro-activeness dimensions were positively and significantly correlated with strategic adaptation. In a study conducted by Hassim, Abdul-Talib and Bakar (2011) both entrepreneurial orientation and innovativeness exert a positive effect on business performance but market orientation exhibit a negative effect on business performance, due to the lack of proactive and risk taking elements in market orientation dimension; nevertheless this was complemented by entrepreneurial orientation behavior; however, entrepreneurial orientation is positively related to market orientation and was considered as an input to market orientation. Based on the findings and its supporting literature the study therefore, rejects the null hypothesis (H_0) which states that entrepreneurial orientation has no significant effect of entrepreneurial success with p-value of 0.00 which is greater the adopted level of significance 0.05.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The study is not without some limitations which suggest opportunities for future research. The study measured entrepreneurial success majorly within the context of financial measures using profitability, sales growth, market share, net asset growth. Future research might consider a balance combination of both financial and none financial measures including workplace relationship, community impact, personal fulfillment and financial rewards of the entrepreneurs (Wach et al., 2018).

The present study covered nine categories of enterprises under the classification of small and medium enterprises. Future research work could be industry specific to examine whether there could be significant differences in results from industry to industry.

Another limitation could be in the size of the sample and response rate for this study. A sample size of 381 small and medium enterprises (SMEs) out of over 9,000 SMEs in Lagos could limit the extent to which we can generalize the results of the study. Future study could consider larger sample size.

CONCLUSION

The study establishes that there is a significant and positive relationship between entrepreneurial orientation and entrepreneurial success. The combined effect of innovativeness, risk taking and pro-activeness was statistically significant in explaining changes in entrepreneurial success in Lagos State. The findings of the study also reveal that entrepreneurial pro-activeness had the

highest influence on SMEs entrepreneurial success because the p value was 0.000 followed by risk taking with 0.007, and lastly innovativeness with a p value of 0.942. This finding may be of help to the owner/managers of SMEs to be more entrepreneurial oriented and developed competitive edge in order for them to survive the intensely competitive market environment.

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