# ENTREPRENEURIAL ORIENTATION AND BUSINESS PERFORMANCE OF SMALL-SCALE ENTERPRISES IN SOUTH-EAST NIGERIA

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***Abstract***
*This study examined how entrepreneurial orientation (EO) influences the performance of small-scale enterprises in South-East Nigeria. The study adopted a descriptive survey methodology. Quantitative data were collected from 379 business owners and managers out of a population of 7,061 across Abia, Anambra, Ebonyi, Enugu, and Imo states. The study was anchored on the Dynamic Capabilities Theory which posits that in rapidly changing environments, a firm's sustained competitive advantage comes from its ability to continuously reconfigure and renew its capabilities. The focus of the study was on selected three key EO dimensions: risk-taking, competitive aggressiveness, and proactiveness. The findings revealed a significant positive relationship between these entrepreneurial traits and business performance. Entrepreneurial risk-taking was strongly linked to improved financial stability, indicating that small businesses willing to engage in calculated risks are better positioned for long-term financial resilience. Competitive aggressiveness emerged as critical for business survival, emphasizing the importance of assertive market strategies in highly competitive environments. Additionally, entrepreneurial proactiveness significantly enhanced market share, highlighting the value of anticipating market trends and innovating ahead of competitors. The study concludes that adopting a robust entrepreneurial mindset, characterized by calculated risk-taking, competitive aggressiveness, and proactiveness, is vital for small business performance in South-east Nigeria. Such an approach enables these businesses to thrive, sustain themselves, and grow.*

***Key words:*** *Entrepreneurial Orientation, Business Performance, Small scale Enterprises.*

## Introduction

In today's dynamic global landscape, entrepreneurship has emerged as a crucial catalyst for economic growth, driving innovation and fostering sustainable development. This is particularly evident in developing economies, where entrepreneurial activity generates employment, alleviates poverty, and promotes economic diversification. Nigeria, Africa's largest economy, has witnessed significant transformation fueled by

entrepreneurial ventures, with small-scale businesses contributing substantially to the nation's Gross Domestic Product (GDP) (Edobor & Sambo-Magaji, 2025). Often described as the engines of development, these businesses create opportunities for wealth generation and improved living standards across communities. Yet, despite their potential, small-scale enterprises in Nigeria, particularly in the South-East, face persistent challenges, including inadequate infrastructure, limited access to finance, restrictive regulations, and a shortage of managerial expertise. As global competition intensifies, understanding the factors that shape their performance and sustainability has become imperative (Agbionu, Onyejedum & Nwakalor, 2024), with Entrepreneurial Orientation (EO) increasingly recognized as central to this discourse.

The relevance of EO in today's rapidly evolving business environment has been widely underscored by scholars such as Moses et al. (2025) and Gameti & Morrish (2025). EO refers to an organization's strategic posture towards entrepreneurship, characterized by innovativeness, proactiveness, and risk-taking (Akinwale, Adelowo & Surujlal, 2025). In an interconnected global market, businesses must adopt an entrepreneurial mindset to stay ahead of shifting consumer demands, respond quickly to market dynamics, and consistently create unique value propositions. EO is strongly associated with a firm's capacity to identify and exploit opportunities, pursue continuous innovation, and take calculated risks, all of which drive superior performance. Conversely, businesses lacking EO often struggle to maintain competitiveness. This highlights its importance for the survival and sustained growth of small enterprises in challenging contexts such as South-East Nigeria.

EO is a multidimensional concept that reflects an organization's processes, practices, and decision-making styles toward entrepreneurial activity (Akinwale et al., 2025). It is commonly examined through five dimensions: risk-taking, proactiveness, innovativeness, autonomy, and competitive aggressiveness (Al-Dhobee, Goail & Al-Dhobee, 2025). Together, these dimensions illustrate how firms identify opportunities, adapt to environmental changes, and navigate uncertainty. Small businesses in emerging economies like Nigeria are inherently entrepreneurial, operating in uncertain environments with limited resources and external pressures that demand adaptability. In South-East Nigeria, EO is particularly critical as it enables firms to maximize scarce resources, gain competitive advantage, and adapt swiftly to volatile market conditions (Gameti & Morrish, 2025). Small-scale businesses that embed EO into their strategies are more likely to achieve sustainable growth and contribute meaningfully to regional economic vibrancy.

The link between EO and business performance has been the subject of extensive academic inquiry. Empirical evidence shows that firms with stronger EO often record superior financial and non-financial performance (Moses et al., 2025; Cheng, Wu & Xiao, 2025). For small-scale enterprises in South-East Nigeria, EO fosters the agility

needed to navigate dynamic markets by embedding a culture of innovation and proactive decision-making (Al-Dhobee et al., 2025). It encourages owners and managers to embrace calculated risks, develop differentiated products or services, and explore new markets, actions that can significantly enhance competitiveness, market positioning, and overall performance (Cheng, Wu & Xiao, 2025).

The South-East region, comprising Anambra, Abia, Enugu, Imo, and Ebonyi states, is distinguished by a strong entrepreneurial spirit, with small businesses forming the backbone of its economy. These businesses operate across diverse sectors, including retail, manufacturing, agriculture, and services. Research has consistently demonstrated EO's positive influence on performance indicators such as sales growth, profitability, market share, and competitiveness (Akinwale et al., 2025). Firms that emphasize innovation and proactiveness are more likely to introduce products and services aligned with market needs, driving growth and resilience. Similarly, by taking calculated risks and leveraging emerging opportunities, businesses can secure first-mover advantages that position them ahead of competitors (Moses et al., 2025).

A nuanced understanding of EO's dimensions and their interaction is essential for assessing their collective impact on business performance. Risk-taking allows firms to enter new markets or launch innovative products but requires effective risk management to mitigate potential losses (Galadanchi & Alkali, 2023). Proactiveness, which entails anticipating and acting on market shifts before competitors, provides a strategic edge (Al-Dhobee et al., 2025). Innovativeness, by encouraging creativity and continuous idea generation, is particularly vital in industries where differentiation is key. Collectively, these dimensions underscore EO's critical role in shaping business outcomes, making the EO, performance relationship a vital area of study for small-scale enterprises in emerging economies such as Nigeria.

## Statement of the Problem

Despite the widely acknowledged theoretical promise of Entrepreneurial Orientation (EO), which encompasses risk-taking, innovativeness, proactivity, autonomy, and competitive aggressiveness, small-scale enterprises in emerging economies like Nigeria continue to operate in a hostile environment that actively stifles entrepreneurial behavior. This environment discourages innovation, cripples proactive decision-making, and dampens the spirit of risk-taking (Agbionu et al., 2024). Consequently, small businesses in these regions remain highly vulnerable, struggling to survive rather than leveraging EO to achieve sustainable growth. Instead of gaining a competitive edge or contributing meaningfully to economic progress, they are trapped in cycles of financial instability, weak market positioning, and an inability to adapt to dynamic market forces (Akinwale et al., 2025). Without supportive conditions that enable the effective application of EO, these businesses fail to optimize limited resources, expand

market reach, or attain sustainable profitability. This has contributed to a stagnant entrepreneurial landscape that undermines economic development and worsens unemployment, particularly in critical regions like South-East Nigeria.

In South-East Nigeria, small-scale businesses face an array of interconnected challenges—including poor access to finance, limited managerial and technical expertise, deteriorating infrastructure, and volatile regulatory environments, that severely hinder their ability to integrate EO into their operations (Moses et al., 2025). Despite the region's vibrant entrepreneurial spirit, many enterprises operate reactively, addressing short-term challenges instead of engaging in strategic planning for long-term growth. This reactive posture undermines their competitiveness, limits adaptability to market shifts, and constrains business expansion (Agbionu et al., 2024).

The inability of small-scale businesses in South-East Nigeria to effectively adopt EO significantly curtails their growth potential, leading to stagnant or declining performance reflected in low profitability, minimal market share, and limited scalability (Akinwale et al., 2025). Furthermore, the absence of proactive innovation and strategic foresight prevents these businesses from differentiating themselves in increasingly competitive markets, resulting in eroded customer loyalty and suppressed regional economic development. Over time, this contributes to higher unemployment, reduced economic diversification, and missed opportunities for regional transformation.

While EO has been extensively studied in developed economies, there is a paucity of empirical evidence on how its dimensions directly influence the performance of small-scale enterprises in South-East Nigeria. Existing studies tend to focus on the general challenges of small businesses or broad entrepreneurial constraints in Nigeria, but few explicitly examine the mechanisms through which EO shapes firm outcomes in this unique regional context. This gap limits both scholarly understanding and policy formulation. Therefore, this study seeks to provide a comprehensive assessment of the influence of EO on the performance of small-scale businesses in South-East Nigeria, thereby offering context-specific insights that can inform strategies for enhancing competitiveness, sustainability, and economic contribution in the region.

## Objectives

The broad objective of the study was to determine the effect of Entrepreneurial Orientation on the Business Performance of Small-Scale Enterprises in South-east Nigeria. The specific objectives were:

1. To ascertain the influence of entrepreneurial risk-taking on financial stability of Small-Scale Enterprises.
2. To determine the effect of entrepreneurial competitive aggressiveness on

corporate survival of Small-Scale Enterprises.

3. To assess the influence of entrepreneurial proactiveness on market share of Small-Scale Enterprises.

## Hypotheses

$H_{01}$: Entrepreneurial risk-taking has no significant influence on financial stability of Small-Scale Enterprises in the South-east Nigeria.

$H_{02}$: Entrepreneurial competitive aggressiveness has no significant effect on corporate survival of Small-Scale Enterprises in the South-east Nigeria.

$H_{03}$: Entrepreneurial proactiveness has no significant influence on market share of Small-Scale Enterprises in the South-east Nigeria.

## Literature Review

### Small Business vs. Small-scale Enterprise

The terms "small scale (or small business) business" and "small-scale enterprise" are often used interchangeably in everyday language to describe enterprises that are limited in size, revenue, and market reach compared to large corporations. However, upon closer examination, subtle distinctions can emerge in their usage, influenced by regional definitions, industry standards, and contextual nuances. The primary criteria for classifying a business's scale universally include the number of employees and financial metrics. For instance, the European Commission (2021) defines a small enterprise as one with fewer than 50 employees, while in the United States, the Small Business Administration (n.d.) often employs a higher threshold of 500 employees for many industries. Similarly, a company's annual revenue or asset base is a common financial benchmark, though the specific thresholds are set by national bodies and are not universal (OECD, 2017).

Beyond these quantitative measures, qualitative differences often inform the choice between "business" and "enterprise." A small-scale business frequently implies a simpler ownership structure, such as a sole proprietorship or partnership, where the owner is deeply involved in daily operations. Its market scope is typically local or regional, like a neighborhood café or a local contractor, and it may function as a "lifestyle business" with growth being a secondary objective. In contrast, the term small-scale enterprise can suggest a slightly more formalized organization with a defined management hierarchy, even if it remains small. It may operate in a broader, perhaps national, market and is often associated with a more entrepreneurial spirit and a strategic intention to scale and innovate, reflecting a greater growth potential even at its current size (Lucas, 2020). Ultimately, while the core concepts of "small-scale business" and "small-scale enterprise" overlap significantly, the latter term is

occasionally leveraged to denote a venture that is more structured, growth-oriented, and formally organized. The precise interpretation, however, remains highly dependent on the specific context and the defining criteria of the institution using the term.

## Entrepreneurial Orientation (EO)

Entrepreneurial Orientation (EO) has garnered growing attention in recent years as a critical determinant of firm performance, particularly among small-scale enterprises (SSEs) operating in challenging and evolving environments such as South-East Nigeria. EO is broadly defined as a strategic posture that embodies a firm's willingness to innovate, take risks, and act proactively in order to achieve and maintain competitive advantage. In volatile economic contexts, such as Nigeria's, these entrepreneurial dimensions become vital, not just for growth, but for survival. Firms that exhibit a strong entrepreneurial orientation are typically more adept at navigating uncertainty and responding to environmental shifts. Agu et al. (2024) argue that EO fosters strategic flexibility and encourages firms to pursue unconventional opportunities—traits especially valuable in regions characterized by infrastructural deficits and policy inconsistencies. Similarly, Macaulay (2023) emphasizes that EO contributes meaningfully to firm outcomes such as sales growth, customer retention, and operational efficiency. This is achieved by cultivating a culture of innovation and resilience that empowers business owners to respond swiftly to market demands and competitive pressures.

## Risk-Taking and Financial Stability

A crucial dimension of EO is risk-taking, the readiness to allocate resources toward initiatives with uncertain outcomes. In the South-East Nigerian business climate, calculated risk-taking can spell the difference between stagnation and financial success. Entrepreneurs who are willing to explore new markets, adopt emerging technologies, or diversify product lines, even amidst uncertainty, are often better positioned to enhance their firms' financial stability. Oiku and Akanbi (2023) found that SSEs that pursued informed risk-taking were more likely to secure financial resilience and profitability. However, their research also highlights that this success hinges on the presence of sound financial management structures and contingency planning.

## Competitive Aggressiveness and Corporate Survival

Another salient component of EO is competitive aggressiveness, which refers to the intensity with which a firm confronts its rivals. In highly competitive and often saturated markets such as those in South-East Nigeria, businesses must adopt assertive strategies to stand out and retain their customer base. Tactics such as aggressive pricing,

rapid product launches, and focused marketing campaigns enable small businesses to challenge more established competitors. According to Obi et al. (2021), firms that demonstrate a high degree of competitive aggressiveness tend to enjoy superior levels of corporate survival, as they are better equipped to counteract rival advances, capture market attention, and adapt to shifting customer preferences.

**Proactiveness and Market Share**

Proactiveness, the third major EO dimension under review, involves the anticipation of future market trends and the initiation of change ahead of competitors. Proactive firms are typically the first to identify and respond to emerging customer needs, allowing them to secure early mover advantages and reinforce customer loyalty. In the volatile and fast-evolving economic landscape of South-East Nigeria, this trait is particularly valuable. Onyemesi et al. (2021) underscore the positive relationship between proactiveness and market share among SMEs in the region, noting that businesses that frequently introduce new products and adapt swiftly to market feedback tend to enjoy sustained customer patronage. Complementing this, Nwabuatu (2024) affirms that proactive strategies not only boost market penetration but also foster innovation and enhance overall competitiveness.

In essence, entrepreneurial orientation—through the individual and combined effects of risk-taking, competitive aggressiveness, and proactiveness—plays a pivotal role in shaping the performance outcomes of small-scale businesses in South-East Nigeria. In such a context, where formal institutional support may be lacking, internal strategic capabilities become even more critical. Businesses that cultivate and leverage a strong EO mindset are therefore better equipped to withstand environmental turbulence, exploit market opportunities, and secure long-term growth.

**Conceptual Framework**

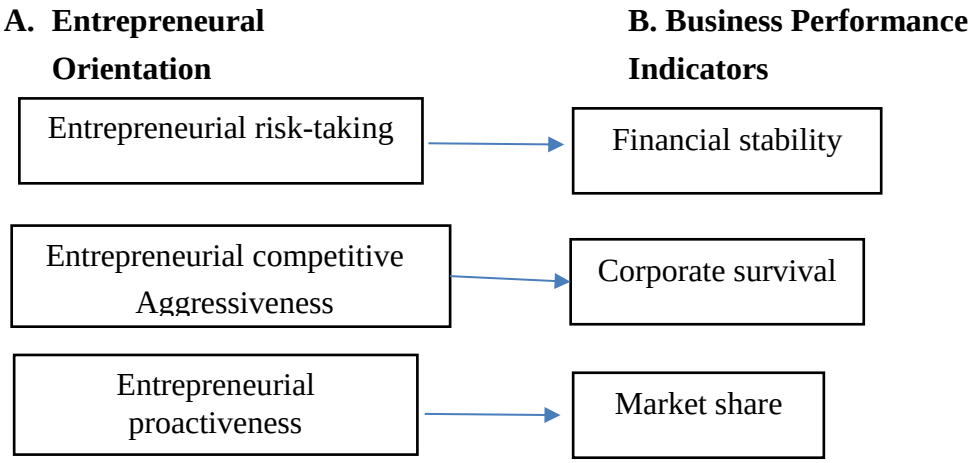

Fig. 1: Schema of the Conceptual Relationships between Entrepreneurial Orientation and Business Performance Indicators

Figure 1 illustrates the conceptual framework linking Entrepreneurial Orientation (EO) with Business Performance in small-scale enterprises in South-East Nigeria. The framework highlights that three selected key dimensions of EO directly influence various aspects of business performance. Each dimension of EO is proposed to have a unique impact on specific performance indicator as represented by the arrows leading from the EO dimensions to the corresponding business performance outcomes. The diagram focuses on entrepreneurial risk-taking which is indicated to influence financial stability. Certainly, the willingness to assume calculated risks often leads to innovative practices, market expansion, and increased resilience in the face of competition and macroeconomic volatility. Entrepreneurial competitive aggressiveness, on the other hand is shown to affect corporate survival. Small businesses that actively engage in competitive actions such as aggressive marketing, pricing strategies, or operational improvements, are more likely to survive in a competitive market. This link implies that small businesses with high competitive aggressiveness can better withstand market pressures, adapt to changes, and outmaneuver rivals, ensuring their long-term existence. Similarly, entrepreneurial proactiveness is shown to positively influence the market share of businesses, emphasizing that businesses that anticipate and react to market trends quickly can expand their market presence and outperform competitors.

## Theoretical Framework

The study was anchored on the Dynamic Capabilities Theory, proposed by Teece, Pisano, and Shuen (1997). This theory posits that in rapidly changing environments, a firm's sustained competitive advantage comes from its ability to continuously reconfigure and renew its capabilities. Unlike static resource-based views, this theory emphasizes adapting, integrating, and reconfiguring internal and external competences (Wójcik, 2015). Key dynamic capabilities include sensing and seizing opportunities, and transforming resources (Stoyanova, 2018). This framework is highly relevant to Entrepreneurial Orientation (EO) in small Nigerian businesses, as EO's risk-taking, proactiveness, and innovativeness align with sensing and adapting to dynamic market conditions (Akinwale, et al, 2025). It explains how EO impacts their financial stability, market share, and survival.

## Methodology

This study investigated the impact of entrepreneurial orientation (EO) on the performance of small-scale businesses in South-East Nigeria, employing a descriptive survey research design. This approach allowed for the exploration of relationships between various EO dimensions,innovativeness, proactiveness, competitive aggressiveness, and autonomy, and key business performance indicators like financial stability, market share, operational efficiency, survival, and competitive advantage. The descriptive nature of the study ensured that existing conditions were examined without manipulating variables. Quantitative data were gathered using structured questionnaires administered to small business owners or managers, facilitating objective and statistical analysis. The research was conducted across the five states of South-East Nigeria: Abia, Anambra, Ebonyi, Enugu, and Imo. This region was selected due to its vibrant entrepreneurial culture, particularly among the predominantly Igbo ethnic group, known for its business acumen. The area's significant contribution to Nigeria's economy, largely through SMEs, and its diverse industries (manufacturing, agriculture, food processing, wholesale/retail, and services) made it an ideal setting for this investigation.

The target population comprised small-scale businesses in the South-east, identified using data from the 2020 SMEDAN report, which acknowledged the existence of 7,061 of such businesses across the five SE states. Thus, from the larger population of 7,061 small business units, a sample size of **379** was determined using Taro Yamane's formula, and a stratified random sampling technique was employed for selection. Data collection utilized a structured questionnaire divided into two sections. Section A captured demographic information (age, gender, education, business experience), while Section B focused on entrepreneurial orientation dimensions (risk-taking, competitive aggressiveness, proactiveness, innovativeness, autonomy) and their perceived influence on business performance indicators (financial stability, corporate survival, market share, operating efficiency, competitive advantage). A 5-point Likert scale was used for responses.

To ensure validity, content validity was assessed by experts in entrepreneurship and business management, leading to revisions for clarity and relevance. Reliability was established through a pilot study with 40 small business units outside the study area. Cronbach's Alpha analysis revealed high internal consistency for all constructs, with values ranging from 0.866 to 0.891, all exceeding the 0.70 threshold, thus confirming the reliability of the measurement scales. Data collection spanned two weeks, with validated questionnaires administered by the researcher and trained assistants. Completed questionnaires were collected online for efficient processing. Data analysis involved using SPSS version 26. Descriptive statistics (means, frequencies, percentages) summarized demographic data and Likert scale responses. Inferential statistics (correlation and regression analysis) were employed to test hypotheses,

examining the strength and direction of the relationship between entrepreneurial orientation and business performance. The decision rule for hypothesis testing was to reject the null hypothesis if the p-value was less than 0.05, indicating a statistically significant relationship.

## Results

The output of the linear regression analysing each of the hypotheses are shown below in Tables 1 to 3.

### Hypothesis I

$H_{01}$: Entrepreneurial risk-taking has no significant influence on financial stability of small scale businesses in South-east Nigeria.

$H_{a1}$: Entrepreneurial risk-taking has significant influence on financial stability of small scale businesses in South-east Nigeria.

Table 1: Test of hypothesis One: Effect of Entrepreneurial risk-taking on financial stability

| Model | | Unstandardized Coefficients | | t |
|---|---|---|---|---|
| | | B | Std. Error | |
| 1 | (Constant) | 1.077 | .269 | 4.005 |
| | Entrepreneurial Risk-Taking | .878 | .026 | 33.209 |

$R^2$ =.771
Adj. $R^2$ =.771
F= 1102.851 p<.000

Table 1 shows the result of the Test of Hypothesis I. The model summary indicates that entrepreneurial risk-taking explains 77.1% of the variation in financial stability ($R^2$ = 0.771). This suggests that entrepreneurial risk-taking has a strong explanatory power in determining financial stability, while the remaining 22.9% is attributable to other factors not included in the model.

The F ratio of 1102.851 with a probability of 0.000 reveals that the model is statistically significant. This confirms that entrepreneurial risk-taking collectively influences financial stability and that the relationship is not due to random chance. The constant ($\beta = 1.077$, $p = 0.000$) suggests that even when entrepreneurial risk-taking is absent, financial stability remains positive but at a lower baseline level. This baseline reflects the impact of other business-related factors on financial stability.

The coefficient table shows that entrepreneurial risk-taking has a positive influence on financial stability ($\beta = 0.878$, $p = 0.000$). This implies that for every unit increase in

entrepreneurial risk-taking, financial stability improves by 0.878 units. Since the p-value is less than 0.05, the influence is statistically significant at a 5% level. Thus, the null hypothesis ($H_{01}$) is rejected, while the alternate hypothesis was accepted. This indicates that entrepreneurial risk-taking significantly and positively influences financial stability among small-scale businesses in South-east Nigeria ($\beta = 0.878$, $p = 0.000$).

**Hypothesis II**

$H_{02}$: Entrepreneurial competitive aggressiveness does not have significant influence on the corporate survival of small scale businesses in South-east Nigeria.

$H_{a2}$: Entrepreneurial competitive aggressiveness has significant influence on the corporate survival of small scale businesses in South-east Nigeria.

Table 2 Test of Hypothesis II: Effect of choice of entrepreneurial competitive aggressiveness **on corporate survival**

| Model | | Unstandardized Coefficients | | T | Sig. |
|---|---|---|---|---|---|
| | | B | Std. Error | | |
| 1 | (Constant) | 1.127 | .262 | 4.303 | .000 |
| | Entrepreneurial Competitive Aggressiveness | .875 | .026 | 34.156 | .000 |

$R^2$ =.781
Adj. $R^2$ =.780
F= 1166.615 p<.000

Table 2 shows the result of the test of Hypothesis II. The model summary indicates that entrepreneurial competitive aggressiveness accounts for 78.1% of the variance in corporate survival ($R^2 = 0.781$). This suggests that entrepreneurial competitive aggressiveness is a strong determinant of corporate survival, with only 21.9% of the variance explained by other factors.

The F ratio of 1166.615 with a probability of 0.000 reveals that the model is statistically significant. This implies that entrepreneurial competitive aggressiveness significantly contributes to corporate survival. The constant ($\beta = 1.127$, $p = 0.000$) suggests that even when entrepreneurial competitive aggressiveness is absent, corporate survival remains at a baseline level. This indicates that other business strategies contribute to corporate survival, but competitive aggressiveness enhances it further.

The coefficient table reveals a positive influence of entrepreneurial competitive aggressiveness on corporate survival ($\beta = 0.875$, $p = 0.000$). This means that for every unit increase in entrepreneurial competitive aggressiveness, corporate survival increases by 0.875 units. Since the p-value is below 0.05, the influence is statistically

significant at a 5% level. Therefore, the null hypothesis ($H_{02}$) is rejected while the alternate hypothesis ($H_{a2}$) was accepted. This affirms that entrepreneurial competitive aggressiveness significantly influences corporate survival in small-scale businesses in South-east Nigeria ($\beta = 0.875$, $p = 0.000$).

**Hypothesis III**

$H_{03}$: Entrepreneurial proactiveness has no significant influence on market share of small scale businesses in South-east Nigeria.

$H_{a3}$: Entrepreneurial proactiveness has no significant influence on market share of small scale businesses in South-east Nigeria.

Table 3: Test of hypothesis III: Effect of entrepreneurial proactiveness on market share

| Model | | Unstandardized Coefficients | | T | Sig. |
|---|---|---|---|---|---|
| | | B | Std. Error | | |
| 1 | (Constant) | 1.500 | .289 | 5.185 | .000 |
| | Entrepreneurial Proactiveness | .871 | .029 | 29.987 | .000 |

$R^2$ =.733
Adj. $R^2$ =.733
F= 899.245 p<.000

Table 3 shows the result of the Test of Hypothesis III. The model summary shows that entrepreneurial proactiveness explains 73.3% of the variance in market share ($R^2 = 0.733$). This suggests that entrepreneurial proactiveness plays a crucial role in determining market share, with 26.7% attributed to other factors.

The F ratio of 899.245 with a probability of 0.000 reveals that the model is statistically significant, thereby confirming that entrepreneurial proactiveness meaningfully influences market share. The constant ($\beta = 1.500$, $p = 0.000$) suggests that in the absence of entrepreneurial proactiveness, market share still exists but at a foundational level. This underscores the role of other business strategies in maintaining market share.

The coefficient table shows that entrepreneurial proactiveness has a positive influence on market share ($\beta = 0.871$, $p = 0.000$). This implies that a unit increase in entrepreneurial proactiveness leads to a 0.871 unit increase in market share. Since the p-value is below 0.05, the influence is statistically significant at a 5% level. Consequently, the null hypothesis ($H_{03}$) is rejected while the alternate hypothesis ($H_{a3}$) is accepted. This indicates that entrepreneurial proactiveness significantly influences market share among small-scale businesses in South-east Nigeria ($\beta = 0.871$, $p = 0.000$).

## Discussion

This study investigated the crucial link between entrepreneurial orientation (EO) and the performance of small-scale businesses in South-east Nigeria, revealing several significant positive relationships. The findings consistently highlighted that an entrepreneurial mindset, characterized by specific behaviors, is vital for business performance and sustainability in the region.

1. Entrepreneurial Risk-Taking and Financial Stability: The analysis showed a significant positive influence of entrepreneurial risk-taking on financial stability among small-scale businesses ($\beta=0.878, p=0.000$). This means that entrepreneurs willing to take calculated risks are better positioned to achieve long-term financial resilience. In the volatile economic landscape of South-east Nigeria, businesses that are strategically bold, innovate, explore new opportunities, and make informed investments tend to weather financial challenges more effectively. This aligns with the Dynamic Capabilities Theory, suggesting that adaptability driven by risk-taking enhances stability. This finding is supported by various studies, including Akinwale, Adelowo, and Surujlal (2025), Usman and Male (2024), Kariuki and Mungai (2024), and Agu et al. (2024), all of whom found positive links between risk-taking and financial performance. However, Bannah et al. (2023) presented a contrasting view, suggesting external factors like economic instability might moderate this relationship.
2. Entrepreneurial Competitive Aggressiveness and Corporate Survival: Entrepreneurial competitive aggressiveness was found to significantly and positively influence corporate survival ($\beta=0.875, p=0.000$). This emphasizes that an aggressive approach to market strategies is critical for business viability, especially in competitive environments. Small-scale businesses in South-east Nigeria that proactively enter markets, employ innovative pricing, and differentiate their offerings are more likely to sustain their operations. This aligns with the Dynamic Capabilities Theory, where aggressive strategies help businesses outpace competitors and adapt to changes. This result is consistent with Rocha, Ed-Dafali, and Sharma (2025), Nwagbala et al. (2023), Galadanchi and Alkali (2023), and Gawuna et al. (2024), who all support the idea that competitive aggressiveness contributes to sustained advantage and survival. Conversely, Sunyoto (2024) observed a weaker effect of competitive aggressiveness in some saturated markets.
3. Entrepreneurial Proactiveness and Market Share: The study revealed that entrepreneurial proactiveness significantly and positively influences market share ($\beta=0.871, p=0.000$). This highlights the importance of forward-thinking decision-making in expanding a business's presence. Proactive entrepreneurs anticipate market trends, seize opportunities early, and often create demand, positioning their businesses to gain market share ahead of competitors. This supports the Dynamic

Capabilities Theory by stressing the importance of actively seeking and creating opportunities. This finding is reinforced by Ezekiel et al. (2024), Cheng, Wu, and Xiao (2025), Akingbade and Famodun (2024), and Gawuna et al. (2023), all indicating that proactiveness positively impacts sales, market orientation, and profitability. However, Ringo, Tegambwage, and Kazungu (2022) found a negative effect of proactiveness on export performance, suggesting context-dependency.

## Conclusion

The study conclusively demonstrates the critical role of entrepreneurial orientation in shaping the performance and sustainability of small-scale businesses in South-east Nigeria. The strong and positive relationships observed across various entrepreneurial dimensions (risk-taking, competitive aggressiveness, and proactiveness, and key business outcomes (financial stability, corporate survival, and market share) suggest that businesses embracing a dynamic and aggressive entrepreneurial posture are better positioned to thrive. The significant statistical relationships indicate that EO is not just a theoretical concept but a practical and influential factor in determining business performance.

These findings highlight the interconnectedness between entrepreneurial behavior and business sustainability. Small-scale enterprises that exhibit higher levels of entrepreneurial attributes are more likely to navigate economic uncertainties, ensuring long-term stability and growth. The strong effect sizes further emphasize that these traits are major determinants of business resilience and success in the region. Furthermore, the study suggests broader economic implications, as fostering entrepreneurial attributes can contribute to a more vibrant and sustainable economy in South-east Nigeria, leading to increased employment, wealth creation, and overall regional development.

## Recommendations

Based on these findings, the study offers the following recommendations for small-scale business owners in South-east Nigeria:

1. Business owners should be willing to take calculated risks and diversify their strategies to enhance long-term financial stability. This involves investing in new opportunities and proactively adapting to market changes.
2. Focus on developing aggressive market strategies, such as differentiation and innovative marketing, to maintain a competitive edge and ensure business longevity in a highly competitive environment.

3. Entrepreneurs should prioritize forward-thinking decision-making, including early market entry, anticipating customer needs, and creating innovative products or services to gain a competitive advantage and capture greater market share.

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