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EXTENT ENTREPRENEURIAL ORIENTATION IMPROVES THE PRODUCTIVITY OF SMES IN DELTA STATE

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Abstract
This study investigated the extent entrepreneurial orientation improves the productivity of SMEs in Delta State. Two research questions guided the study while four null hypotheses were formulated. The study adopted the descriptive survey research design. The population for this study consisted 1,310 promoters of small and medium scale enterprises registered with the Delta State Ministry of Trade, Commerce and Industry. A sample of 393 entrepreneurs or managers of small and medium scale enterprises in Delta State was used for the study using proportionate stratified sampling technique. The questionnaire titled "Entrepreneurial Orientation and Productivity of Small and Medium Scale Enterprises Questionnaire" (EOPSMSEQ) was developed by the researcher. Face validity of the instrument was established using the opinions of experts. Cronbach alpha was used to determine the internal consistency of the instrument and it yielded an overall co-efficient of 0.79. Arithmetic mean and standard deviation was used to answer the research questions while Analysis of Variance (ANOVA) was used to test the null hypotheses at 0.05 alpha level. The findings revealed that entrepreneurs of SMEs in Delta State are of the opinion that entrepreneurs' merger internship and marketing strategies determine the productivity of SMEs to a high extent. The findings also revealed that entrepreneurs of SMEs in Delta State do not differ significantly in their mean ratings on the extent entrepreneurs' merger internship and marketing strategies in determining the productivity of SMEs based on years of experience.
Key Words. Entrepreneurship Orientation, Productivity, Small and Medium Scale Enterprises,

Introduction

Introduction

Throughout the world, shifts in population demographics, technological changes are bringing new challenges and opportunities to the fore-front. The issues of poverty and unemployment among the graduates have become a serious challenge to economists, educationists and the government. Adebenjo (2012) stated that the type of education that is needed for self-employment and national development has changed to include general reasoning, creative problem solving and behavioural skills as well as positive cognitive styles as against the narrow cognitive and occupational skills sought in more directed work environment. This need explains why the Federal Republic of Nigeria FRN,2013) stipulated in her National Policy on Education, that the acquisition of appropriate skills, abilities and competencies, both mental and physical are pre-requisites for individuals to live in and contribute to the development of the society.

It is in the bid to equip Nigerian graduates with skills and competencies that would enable them become self-reliant upon graduation that the Federal Government of Nigeria through the National Universities Commission (NUC) recommended that entrepreneurship education be integrated into the University curriculum (Chibuzor, 2014). Chibuzor further noted

that through this recommendation, many tertiary institutions in Nigeria have fully integrated entrepreneurship education into their school curriculum. It is expected that through this educational programme, students would acquire necessary skills and competencies that would enable them establish and run various small and medium scale enterprises upon graduation.

The term small and medium enterprises broadly cover entrepreneurial activities in production, buying, selling and the provision of services. Small and Medium Scale Enterprises (SMEs) are enterprises with a minimum assets base between N1,000,000 and 2,000,000 excluding land and working capital with the number of staff employed by the enterprise not less than five and not more than 300 (Olabiyi, Akanni & Ajibade, 2014). One of the common features of SMEs is that they are either sole proprietorship or partnership and have centralized management structure (Udechukwu, 2011). The establishment of these small and medium scale enterprises would indeed help to salvage the country from the shackles of poverty and unemployment. That is why SMEs in the global and domestic economies have been identified as the engine of growth and development. Most economies today are characterized by a large number of small and medium scale enterprises (SMEs). Most of these enterprises are domiciled in the informal sector and they account for employment of large proportion of the productive population.

It is an obvious fact that the level of industrial development expected to be generated through the development of SMEs compared to the need of the country has never been achieved. The situation in .Delta state seems to be of more concern to the researcher as a lot of SMEs come up on daily bases, source for funds or grants, register and flourish in the first one to two years, but majority go into extinction thereafter. It is on this basis that Morenikeji and Njogo (2013) observed that there has been low entrepreneurial growth and development coupled with high mortality rate of SMEs in the country. This could be attributed to lapses in the execution of the core business of SMEs which is based on level of output and the satisfied and loyal customers that can be generated by offering innovative and high-quality product and services. Thus, the low productivity could be attributed largely to lack of adequate entrepreneurial orientation among the operators of these SMEs.

Entrepreneurial orientation has become a central concept in the domain of entrepreneurship as it has received a substantial amount of theoretical and empirical attention (Covin, Greene & Slevin, 2010). Entrepreneurial orientation refers to the decision-making styles, practices, processes and behaviours that lead to entrepreneur's entry into newly established markets with new or existing goods for services (Walter, Aner & Ritter, 2006). This definition is consistent with the view that entrepreneurial orientation leads to new market entry in either new or existing markets, but also explicitly recognizes that this can be achieved with either new or existing goods or services (Krans, Rigistering, Hughes & Hosman, 2012).

It has been argued by George and Marino (2011) and further discussed by Dess, Pinkham and Yang (2013) that despite the scholarly attention given to the entrepreneurial orientation as a construct, it has not yet been clearly defined and its dimensional structure is still ambiguous. However, entrepreneurial orientation as used in this study could be viewed from strategy-making practices, organizational strategic orientation and the process of decision making of SMEs. It could be considered as the processes, practices, philosophy, and decision-making activities that lead SMEs to sustainable growth and development. Mehrdad, Abdolrahim and Hamidreza (2011) identified four basic dimensions of entrepreneurial orientation to include; merger internship, marketing strategies, choice of location of business and customer relationship management.

Merger internship is essentially a fusion of two or more companies in which one of the combining companies legally exist and the surviving company continues to operate in its original name. Osamwonyi (2008) defined merger as the pooling together of the resources of two or more corporate bodies, resulting in one surviving company while the other is absorbed and ceases to exist as a legal entity or remains a subsidiary if it survives. According to Akinsulire, the nine reasons for mergers include to: buy up a company having competent management; improve earnings per share, inject fresh ideas for better prospects and enhancement of shareholders' wealth, gain access to the financial market, eliminate duplicate and competing facilities, secure scarce raw materials, diversify into other products or markets or to complete a product range, greater asset backing; and enhance economy of scale and corporate growth.

Another dimension of entrepreneurial orientation is marketing strategies. There are numerous definitions of marketing strategy in the literature and such definitions reflect different perspectives (Liet, 2010). The consensus is that marketing strategy provides the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives. Marketing strategy is defined as the proper allocation of resources to support enterprises to win competitive advantage. Goi (2015) defined marketing strategy as the set of the marketing tools that firms use to pursue their marketing objectives in the target market. Therefore, the function of marketing strategy is to determine the nature, strength, direction, and interaction between the marketing mix- elements and the environmental factors in a particular situation. According to Owomoyela (2013), the aim of the development of an organization's marketing strategy development is to establish, build, defend and maintain its competitive advantage.

Arguably, another important dimension of entrepreneurial orientation and a factor in small business development is the strategic location of the business. This according to Goi (2015) could include the nearness to raw materials, accessibility to business premises, good road network, busyness' of the area of the business and so on. Ilian and Yasuo (2005) earlier defined location as the choice mode of entering business. Thus, the study viewed location in terms of type which could be local or international. Also, Kala (2010) also defined location as choice of where a business is to be located which could be small, medium and large cities or urban or rural locations. This definition is in line with Esteban, Yancy and Christian (2010) who described location as a choice of locating your business either in the rural or urban centre which is also linked with the type of product or service the firm tend to offer. Therefore, location could be defined as nearness and accessibility of the firm to raw materials, infrastructures, and ease of accessibility to the customers and so on. There is no doubt that a holistic integration of these dimensions of entrepreneurial orientation would enhance the productivity of SMEs across the globe.

Undoubtedly, small and medium enterprises located in the urban areas may have more access to raw materials, access to other enterprises, sources of finance and other public and private sector initiatives that are meant to equip small scale entrepreneurs. To this note, SMEs located in the urban areas are be more entrepreneurial oriented than those in the rural areas. Thus, comparing the extent of entrepreneurial orientation of SMEs in urban and rural areas may yield positive results.

Productivity is defined as a ratio between the output volume and the volume of inputs (Gboyega, 2011). In other words, it measures how efficiently production inputs, such as labour and capital, are being used in an economy to produce a given level of output. Productivity is considered a key source of economic growth and competitiveness and, as such, is basic statistical information for many international comparisons and country performance assessments. It is a measure of efficiency of business organizations in utilizing their scarce resources to produce

desirable levels of output. It is important to emphasize that the efficiency in use of resources for producing desired levels of output by SMEs is often dependent on how entrepreneurially-oriented the organizations are.

Adegbite, Ilori, Irefin, Abereijo and Aderemi (2012) observed that SMEs in developing countries have performed below expectation in their important roles of promoting and developing economic growth. Many researches on SMEs in Nigeria like Adamu (2005) and Aruwa (2006) have concentrated on finance as the basic obstacle of SMEs while several studies like such carried out by Adamu (2009) and Harris and Rowe (2010) also identified monumental challenges such as weak strategic orientations, poor infrastructure, inadequate capabilities, poor management and inadequate capabilities, poor skills development (Omolayo, 2011 & Chibuzor, 2014). It is surprising that the situation has rather become more confusing and critical as the degree of poverty, unemployment and hunger which SMEs are supposed to reduce continue to increase to even an alarming rate, in spite of all the interventions strategies, drastic measures and incentives provided yearly (Anger, 2010).

A study carried out by the Manufacturers' Association of Nigeria (MAN) in Onugu (2010) revealed that one out of every five SMEs went into extinction before their first four to five years of operation. This situation may be attributed to several factors such as, lack of adequate entrepreneurial orientation among the operators of these SMEs in Nigeria. This means that extent entrepreneurial orientation determines the productivity of the SMEs in Delta State is not yet known. Thus, this study seeks to determine the actual situation so as to proffer dependable solution.

The main purpose of the study was to determine the extent entrepreneurial orientation improves the productivity of SMEs in Delta State. Specifically, the study sought to determine the extent entrepreneurs'

1. merger internship improves the productivity of small and medium scale enterprises in Delta State.
2. marketing strategies improves the productivity of small and medium scale enterprises in Delta State.

Research Questions

1. To what extent does entrepreneurs' merger internship determine the productivity of small and medium scale enterprises in Delta State?
2. To what extent does entrepreneurs' marketing strategies determine the productivity of small and medium scale enterprises in Delta State?

Hypotheses

1. There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' merger internship determine the productivity of small and medium scale enterprises in Delta State on the basis experience (Experienced and Inexperienced).
2. There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' marketing strategies determine the productivity of small and medium scale enterprises in Delta State on the basis of experience. (Experienced and Inexperienced).
3. There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' choice of location of business determine the productivity of small and

medium scale enterprises in Delta State on the basis of experience (Experienced and inexperienced).

4. There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' customers relationship management determine the productivity of small and medium scale enterprises in Delta State on the basis of experience (Experienced and Inexperienced).

Method

The study adopted the descriptive survey research design. The population for this study consisted 1,310 promoters of small and medium scale enterprises registered with the Delta State Ministry of Trade, Commerce and Industry. A sample of 393 entrepreneurs or managers of small and medium scale enterprises in Delta State was used for the study using proportionate stratified sampling technique. The questionnaire titled "Entrepreneurial Orientation and Productivity of Small and Medium Scale Enterprises Questionnaire" (EOPSMSEQ) was developed by the researcher. Face validity of the instrument was established using the opinions of experts. Cronbach alpha was used to determine the internal consistency of the instrument and it yielded an overall co-efficient of 0.79. Arithmetic mean and standard deviation was used to answer the research questions while Analysis of Variance (ANOVA) was used to test the null hypotheses at 0.05 alpha level.

Results

Research Question 1: To what extent does entrepreneurs' merger internship determine the productivity of small and medium scale enterprises in Delta State?

Table 1.

Mean ratings on extent entrepreneurs' merger internship determine the productivity of small and medium scale enterprises in Delta State.

S/N	Entrepreneurs' Merger Internship	Mean	SD	Remark
1.	constituting wider technological, marketing, or financial base that increases or even creates the potential for radical innovations in many directions	4.11	.57	HE
2.	Creating large economic units that makes it easier to combat foreign competition	4.20	.40	HE
3.	Providing the quickest entry into other markets and industries, among others	4.50	.50	VHE
4.	Cost reduction resulting from economies of scale	4.05	.60	HE
5.	Reduction in tax liability resulting from tax-loss carry forward and unabsorbed capital allowances of one company against the profits of another	4.65	.55	VHE
6.	Enhancing effective research and development	3.06	.58	ME

7.	Generating new ideas from workers	4.29	.64	HE
8.	Having sufficient resources to develop new products	3.84	.62	HE
9.	Enhancing risk diversification	4.30	.55	HE
10.	Provision of revenue enhancement through product extension or market dominance as a result of reduced competition	2.75	.44	ME
11.	Creating opportunities for excess capacity utilization	4.30	.64	HE
12.	Cost reduction in operation	4.10	.50	HE
	Cluster Mean	**4.01**		**HE**

The cluster mean of 4.01 indicates that entrepreneurs' merger internship determines productivity in SMEs in Delta State to a high extent. Standard deviation ranged from 0.40-0.64 which shows homogeneity of responses among the respondents.

Research Question 2: To what extent does entrepreneurs' marketing strategies determine the productivity of small and medium scale enterprises in Delta State?

Table 2.
Mean ratings on extent entrepreneurs' marketing strategies determine the productivity of small and medium scale enterprises in Delta State.

S/N	Entrepreneurs' Marketing Strategies	Mean	SD	Remark
13	Effective pricing consideration	3.56	0.57	HE
14	Recognizing clear customer needs	4.21	0.62	HE
15	Offering of after sales services	3.54	0.40	HE
16	Adoption of attractive packaging	4.20	0.56	HE
17	Charging of affordable prices for the products	4.38	0.45	HE
18	Managing the marketing mix to attract and satisfy customers in a broad market	3.50	0.60	HE
19	Using technology-based tools to target and retain customers in a specific segment of the	4.53	0.40	VHE

	market			
20	Developing personal interactions between employees and individual customers	4.30	0.55	HE
21	Positioning the firm in a wider organizational system/network	3.62	0.48	HE
22	Adoption of online/internet advertisement	4.62	0.50	VHE
	Cluster Mean	**4.05**		**HE**

The cluster mean of 4.05 indicates that entrepreneurs' marketing strategies determines productivity in SMEs in Delta State to a high extent. Standard deviation ranged from 0.40-0.62 which shows homogeneity of responses among the respondents.

Hypothesis 1: There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' merger internship determine the productivity of small and medium scale enterprises in Delta State on the basis of years of experience.

Table 3.
ANOVA on the extent entrepreneurs' merger internship determines the productivity of SMEs in Delta State based on years of experience.

Source of Variance	SS	df	MS	F	P-value
Between Groups	60.701	2	24.450	3.467	.017
Within Groups	424.632	374	4.562		
Total	485.333	376			

As shown in Table 3 there was no significant difference among the three groups in terms of their mean ratings on the extent entrepreneurs' merger internship determines the productivity of SMEs in Delta State based on years of experience (0-5 years, 6-10 years, 11 years and above), as the F-ratio (2, 374) was 3.467 and *P-value* (.017) was greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis was not rejected.

Hypothesis 2: There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' marketing strategies determine the productivity of small and medium scale enterprises in Delta State on the basis of years of experience (0-5 years, 6-10 years, 11 years and above).

Table 4.
ANOVA summary on the extent entrepreneurs' marketing strategies determines the productivity of SMEs in Delta State based on years of experience.

Source of Variance	SS	df	MS	F	P-value
Between Groups	3.420	2	1.71	1.46	.023
Within Groups	291.330	374	1.17		
Total	294.475	376			

As shown in Table 4, there was no significant difference among the three groups in

terms of their mean ratings on the extent entrepreneurs' marketing strategies determines the productivity of SMEs in Delta State based on years of experience (0-5 years, 6-10 years, 11 years and above), as the F-ratio (2, 374) was 1.46 and *P-value* (.23) was greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis was not rejected.

Hypothesis 3: There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' choice of location of business determine the productivity of small and medium scale enterprises in Delta State on the basis of size of years of experience

Table 5.
ANOVA summary on the extent entrepreneurs' choice of location of business determines the productivity of SMEs in Delta State based on years of experience

Source of Variance	SS	df	MS	F	P-value
Between Groups	45.10	2	22.55	2.19	.011
Within Groups	2562.84	374	10.29		
Total	2607.94	376			

As shown in Table 5, there was no significant difference among the three groups in terms of their mean ratings on the extent entrepreneurs' choice of location of business determines the productivity of SMEs in Delta State based on years of experience (0-5 years, 6-10 years, 11 years and above), as the F-ratio (2, 374) was 2.19 and *P-value* (.11) was greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis was not rejected.

Hypothesis 4: There is no significant difference in the respondents' mean ratings on the extent entrepreneurs' customers relationship management determine the productivity of small and medium scale enterprises in Delta State on the basis of years of experience

Table 6.
ANOVA summary on the extent entrepreneurs' customers relationship management determines the productivity of SMEs in Delta State based on years of experience

Source of Variance	SS	df	MS	F	P-value
Between Groups	1.42	2	.71	.38	.68
Within Groups	460.90	374	1.85		
Total	462.32	376			

As shown in Table 6, there was no significant difference among the three groups in terms of their mean ratings on the extent entrepreneurs' customers relationship management determines the productivity of SMEs in Delta State based on years of experience (0-5 years, 6-10 years, 11 years and above), as the F-ratio (2, 374) was .38 and *P-value* (.68) was greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis was not rejected.

Discussion of Findings

The findings of the study revealed that entrepreneurs' merger internship determines the productivity of Small and medium Scale Enterprises in Delta State to a high extent. The results revealed the major aspects of entrepreneurs' merger internship which the respondents indicated that contribute to productivity of SMEs to a high extent. The findings are in consonance with Ukandu (2011) whom carried out a study to examine the moderating effects of adoption of

merger and acquisition as a growth strategy in business organizations in Enugu State. This also collaborated with, Adewale, Adesola, and Oyewale (2013) who opined that organizations that are not doing well should adopt mergers and acquisitions as a strategy that will help the management to overcome developmental and environmental challenges in business especially in this era of economic crises.

The findings also revealed that managers of SMEs in Delta State do not differ significantly in their mean ratings on the extent entrepreneurs' merger internship determines the productivity of SMEs based on years of experience. This means that managers' responses on the extent entrepreneurs' merger internship determines the productivity of SMEs in Delta State are the same or similar irrespective of location and years of experience. This implies that managers of SMEs irrespective of the location of their businesses and number of years in the business should see the need to consider merger internship as a viable alternative towards enhancing their productivity.

The findings of the study revealed that entrepreneurs' marketing strategies determines the productivity of Small and medium Scale Enterprises in Delta State to a high extent. These include effective pricing consideration, recognizing clear customer needs, offering of after sales services, adoption of attractive packaging, charging of affordable prices for the products, managing the marketing mix to attract and satisfy customers in a broad market and so on. This finding is in consonance with Muthengi (2015) who carried out a study to determine the effects of marketing strategies on sales performance of commercial banks in Nairobi, Kenya. The finding of the study revealed that all the respondents indicated that all the marketing strategies: personal selling, relationship marketing, internet banking, social media platforms advertising, pricing strategy and even market segmentation were adopted by their respective banks as strategies for enhancing the performance of their banks.

The findings also revealed that managers of SMEs in Delta State do not differ significantly in their mean ratings on the extent entrepreneurs' marketing strategies determines the productivity of SMEs based on years of experience. This means that managers' responses on the extent entrepreneurs' marketing strategies determines the productivity of SMEs in Delta State are the same or similar irrespective of location and years of experience. This implies that managers of SMEs irrespective of the location of their businesses and number of years in the business should endeavor to adopt effective marketing strategies in their businesses so as to enhance their productivity.

Conclusion

The findings of this study, led to the conclusion that entrepreneurs of SMEs in Delta State are of the opinion that entrepreneurs' merger internship and marketing strategies determines the productivity of SMEs to a high extent. It was also concluded that entrepreneurs of SMEs in Delta State do not differ significantly in their mean ratings on the extent entrepreneurs' merger internship and marketing strategies in determining the productivity of SMEs based on years of experience.

Recommendations

Based on the findings of this study, the following recommendations were made:

1. The Entrepreneurs of small and medium scale enterprises in Delta State should imbibe various dimensions of entrepreneurial orientations so as to continuously improve on their productivity.
2. SMEs operators in Delta State need to design feedback mechanisms to review their customer's needs and satisfaction level. This will help to address the challenges of poor

product performance, increase consumer brand loyalty and prevent the development of products that will not stand the test of time due to unanticipated dysfunctional consequences arising from product performance.

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