



Influence of Entrepreneurial Orientation on Firms Performance: Evidence from Small and Medium Enterprises in Nigeria

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ABSTRACT

Entrepreneurship has emerged as promising new solutions to solve societal problems. This study seeks to analyse how entrepreneurial orientation (EO) i.e. proactiveness, competitive aggressiveness, autonomy, innovation, and risk-taking influence firms' performance in Abuja. To fulfil this purpose, survey research design and a theoretical framework were developed depicting the different EOs and firm performance in its context. Sampling technique of simple random was adopted in which only one hundred and ten (110) SMEs in Abuja responded to the survey questionnaire and a total of ninety-seven (97) valid responses were judged to be appropriate. The descriptive statistics and as well as inferential statistical tool was used to analyse the data. It was revealed that proactiveness, risk-taking and autonomy are positive and significantly related to business performance while, competitiveness was positive but insignificant. It is recommended that similar studies should be replicated to validate this result.

Keywords: Entrepreneurial Orientation, Firms Performance, Technology-based Small and Medium Enterprises

JEL Classifications: L25, L26

1. INTRODUCTION

According to the world employment and social outlook, the world in general and Africa in particular is currently confronted with a job crisis (Kühn, 2019; Oshita and Ikelegbe, 2019). The African Development Bank (AfDB) recently expressed similar concern about the shortage of decent employment opportunities for Nigeria's teeming youth (African Economic Outlook, 2020). In the same vein, the National Bureau of Statistics (NBS), revealed that Nigeria has the highest unemployment and underemployment rates in Africa, which are estimated at 23.1% and 20.1% respectively. This rising unemployment rate is projected to hit 33.5% by 2020 (National Bureau of Statistics report 2019). It is therefore a worrisome development with Nigeria's ranking as the global poverty capital which has resulted in the related increased prevalence rate of crimes and criminality, not limited to mass murders, insurgency, militancy, armed robbery,

kidnappings and drug abuse, among others (World Poverty Clock, 2018). The aggravation in these consequences is better imagined if the trend is not urgently reversed (Ojima, 2019; Ozoigbo, 2019; Okolie-Osemene, 2019). As a result, the African Economic Outlook had estimated that 20 million new jobs are required to be created in the continent annually up to 2030 in order to absorb new entrants into the workforce.

Entrepreneurship has existed in the history of mankind; it cuts across virtually every aspect of human endeavours such as management, sciences, economics and marketing (Al Mamun et al., 2017). It has been on rapid growth in the last two decades, with businesses, individuals and academicians becoming more interested in the role it plays in the development of youth empowerment towards attaining self-reliance (Abubakar, 2011; Kosa et al., 2018). Some scholars have equally linked entrepreneurship to economic development with entrepreneurial activities being recognized as a

major driver of economic growth, the development and wellbeing of the society. (Abu-Saifan, 2012; Karlsson et al., 2019).

Many countries have adopted the entrepreneurship development program as part of their educational curriculum aimed at inculcating the fundamental to their teeming populations, this is with a view to attaining self-reliance, economic growth and development. Also, the societal problem such as poverty, low educational rates, unemployment, etc. have also created a great potential of opportunities for entrepreneurs. For example, in Nigeria, the government and universities have invested in entrepreneurial education with the aim of supporting new and small ventures (Abdullahi et al., 2018; Uchenna et al., 2019).

Because entrepreneurship is impacted by the environmental variables, government and institutions on their part have either directly or indirectly influenced the development of factors that supports entrepreneurship (Uchenna et al., 2019). Entrepreneurship is aimed at solving societal problems and can play a significant role by invoking the interest of governments and policymakers (Abdullahi et al., 2018). As a result, government the world over have started promoting entrepreneurship and also incorporate it into polices, even the regional EU has identified promoting social innovation and entrepreneurship as part of its strategy for quick, sustainable and all-encompassing growth (Thierse, 2019). The various government micro credits intervention schemes for entrepreneurs are means for the large population of the underprivileged to break out of poverty which can serve to advance our economic growth and development and achieve a lasting peace (Okangi, 2019). Currently, it has been recognized that the impact of government in this regard is limited and that the government alone is clearly not the answer (Dees, 2008).

The creation of a conducive environment for entrepreneurial orientation (EO) development is more important in the developing countries like Nigeria, this is because they are characterized by the low level of entrepreneurial activity and difficulties for the entrepreneurs occasioned by the environment (Igwe et al., 2019). With the current complexity in running business enterprises, EO has been observed as an essential factor for the success of any business (Abubakar, 2011). Also, successful firms are those that engaged in constantly in quest of a new prospect. EO is reflected in the behaviour of the entrepreneurs such as being proactive, innovative, and risk-taking (Kosa et al., 2018). As a result of these, businesses have to be involved in constant improvements in their products, services and processes, should be taking an early initiative before competitors in all areas and should equally be risk-oriented.

This study seeks to adopt the five scopes of EO advanced in the study by Lumpkin and Dess, (1996). These EO dimensions have been researched by several researchers (Abubakar, 2011; Abu-Saifan, 2012; Kosa et al., 2018; Igwe et al., 2019). Abu-Saifan, (2012) pointed out that EO is fundamental to the success of any firm and it will accelerate the growth of the economy of any nation. Since it was first introduced over three decades ago, the construct and expressions of EO have garnered considerable attention from researchers. In like manner, a number of studies have confirmed

that EO is a necessity to any firm's success and translate to better business performance (Zainol and Ayadurai, 2011; Mahmood and Hanafi, 2013; Arshad et al., 2014; Ojewumi and Fagbenro, 2019). Walter et al. (2006) opined that EO is required especially in volatile and uncertain environments laden with fast-changing technological advancements. Many studies have accepted and supported the significance of EO to the firms' performance (Abubakar, 2011; Chen et al., 2011; Abu-Saifan, 2012; Kosa et al., 2018; Igwe et al., 2019).

Since there are limited studies on SMEs in Nigeria in general and Abuja in particular, resulting in lack of extant empirical literature, this study seeks to further advance the literature in this segment of the economy owing to its relative significance to the growth of the economy. The study is therefore structured with the next section focusing on the review of extant literature followed by the methodology section. Then the results and discussion section presents the statistical analysis of the data in which the conclusion are drawn.

2. LITERATURE REVIEW

2.1. Conceptual Background-entrepreneurship

As at the moment, there has never been a single commonly agreed and acceptable definition of the term entrepreneurship, this is because there exist a plethora of views within the research cycle and the real business world (Abubakar, 2011). The historical definitions of the term revolve around individual entrepreneurs. The word entrepreneurship has its origin in the French word "entrepredre" meaning "to take into one's own hands" (Bacq and Janssen, 2011). Richard Cantillon argued that entrepreneur is the "father of enterprise economies" (Saucier and Thornton, 2010; Thierse, 2019). This is because, entrepreneurs, establish and exchange at markets and thrive in uncertainty (Gedeon, 2010). Cantillon's entrepreneur has been described as the "undertaker of risk" (Saucier and Thornton, 2010). However, Schumpeter described the entrepreneur as "innovators who drive the creative-destructive process of capitalism" (Dees, 2008). According to Schumpeter, "the gale of creative destruction" is "the course of industrial transformation which incessantly revolutionizes the economic construct from within, incessantly destroying the old ways or things, incessantly creating new ones." However, the 1950s and the 1960s saw the shift in focus to behavioural sciences, with David McClelland concentrating on psychological and behavioural aspects of the entrepreneurs. That is his/her personal characteristics and traits. With the advent of the 1980s, which saw the increased interest in smaller and budding enterprises, entrepreneurship has emerged as a research field and increased in importance (Okangi, 2019). To Drucker, (2014), entrepreneurs constantly lookout for changes, responds accordingly and exploiting these as an opportunity. Therefore, the successful entrepreneur has always tried to create and add value to make a contribution. Currently, entrepreneurship as a discipline has been identified as part of the most relevant, dynamic and significant economic and management studies (Wiklund et al., 2011; Teece, 2012; Thierse, 2019). However, researches have struggled to come up with a commonly accepted definition of its field and boundaries (Uchenna et al., 2019).

Wiklund et al. (2011) have opined that entrepreneurship so far has been theory-driven and greatly concerned within the context of small, young or owner-managed enterprises. Therefore, there is a need for a shift to a phenomenon-based view from the context-based view. A phenomenon-based because it should concern with the emergence of new economic activity (Covin and Slevin, 1991). However, other studies have even suggested that it should be a move beyond phenomenon and consider entrepreneurship as a method akin to scientific methods (Lumpkin and Dess, 2001; Wiklund and Shepherd, 2005). To this school of thought, there exist unique ways of human problem solving that can be described as entrepreneurial. This is because, the methods abound in empirical evidence, which is teachable to anyone who cares to learn and maybe applied in practices to diverse issues that are central to human well-being and societal improvement (Lumpkin and Dess, 2001; Okolie-Osemene, 2019).

Entrepreneurship is construed as the pursuit of market opportunities intended to create future innovative products that have been discovered, evaluated and take advantage of with an intent of obtaining social and economic value from the context of the environment, leading ultimately to new independent business/venture creation (Lumpkin and Dess, 2001; George, 2018). Entrepreneurship is an economic activity engaged in by individuals or teams, i.e. entrepreneurs, acting in own business alone or within organisations, perceive new opportunities, evaluate and exploit them by using innovation and introduce their creative ideas into the market under uncertainty (Covin and Slevin, 1991; Okolie-Osemene, 2019). In effect, the entrepreneur is individuals who are acting in an independent manner or within an organised business, to perceive and create new opportunities, evaluate and exploit by applying innovation and introduce new ideas into the market under uncertainty (Wiklund et al., 2011).

What therefore differentiates entrepreneurs from those who are not, for example, managers? According to Carland and Carland, (1991) in their conceptual framework distinguished entrepreneurs from small business owners and therefore, successfully separated entrepreneur from small businesses. Although they may be an overlap, there still exist some differences. To them, entrepreneurial ventures are one that exhibits at least one of Schumpeter's four categories of activities (developing new goods, the come up with new methods of production, the opening of new markets, industrial reorganisation) i.e., the business is characterized by innovative strategic practices.

2.2. Entrepreneurial Orientation

EO is a business-level planned positioning that brings out the firm's strategy-making practices, the managerial philosophies, and firm behaviours that are entrepreneurial in nature. It is further illustrated as the process undertaken by the business to gain entrance into a new market (Lumpkin and Dess, 1996). EO is summed up comprising the organizational phenomenon that showcases a managerial ability with which firms are involved in proactive and aggressive ingenuity to transform the competitive arena to their favour (Carland and Carland, 1991). Lumpkin and Dess (1996) further expounded five scopes that differentiate the EO of a firm, these are innovation, proactive steps, risk-taking,

competitive aggressiveness and autonomy. EO is seen as a decision making with regards to the firm's strategy to embark these dimensions (Jebna and Baharudin, 2015). Innovation is the propensity to be involved in and support the generation of new ideas, distinct in originality, experimentation and creative processes occasioning the manufacturing of new or amendment of new products. Proactiveness shows the firm's activities in taking advantage of and quickly responding to any anticipated evolving opportunities. It is the process of developing and introducing what could be an enhancement in a product (Lumpkin and Dess, 1996). Risk-taking is the readiness to commit resources venture activities and projects under a condition of uncertainty of the outcomes (Lumpkin and Dess, 1996). Risk-taking is further seen as the extent to which an entrepreneur is ready and willing to make a high business commitment (Covin and Slevin, 1990). The competitive aggressiveness is viewed in the form of a passion of the firms to constantly increase their market positioning and share by outwitting and exceeding their competitors in the market (Lumpkin and Dess, 1996). This is encouraged by a strong aggressive attitude directed at outmanoeuvring competitors and may as consequence be matched with an equal reaction from competitors. It could be when a firm aggressively made an entry in a market identified by rival firms. It is a combative approach or outlook aimed at better positioning or overcoming competitors' threats. Competitive aggressiveness is a strong struggle to overcome competitors (Lumpkin and Dess, 1996). With autonomy, the firm seeks independence to take action. It may involve individual or teams being independent generating ideas and concepts through being executed from the gestation to completion (Covin and Slevin, 1996). Autonomy accords employees the opportunity to perform effectively by being independent, self-directed, motivated and creative.

2.3. Business Performance

Business performance can be measured in diverse ways (Arshad et al., 2014). Some of the measures are economic value added, return on assets, return on equity etc. The measurement of firms' performance, both the subjective and self-reported measures through self-appraised by the owners/managers was adopted in this study. This is found to be consistent with the previous studies (Smart and Conant, 1994). In line with the proposition by Igwe et al. (2019) a greater number of earlier researches adopted self-reported methods to measure business performance and these data have been verified to be reliable. Therefore, Wiklund (1999), have supported this fact that the financial performance and growth of a firm have been identified as a common determinant of performance. Hence, this study adopts this subjective and self-reported measure of performance in this study.

2.4. EO and Business Performance

The link between EO and firms' performance have been subject of focus and concern in prior researches. According to Rauch et al. (2009), firms that have tendencies of exhibiting EO appears to perform better than those that are conservative-oriented. Therefore, past studies demonstrated that EO has significantly improved firms' performance (Covin and Slevin 1989; Covin and Slevin, 1991; Lumpkin and Dess, 1996; Lumpkin and Dess, 2001; Wiklund and Shepherd, 2005). Also, a vast number of studies on

EO and business performance have been linked to having a positive association (Abubakar, 2011; Abu-Saifan, 2012; Igwe et al., 2019). On the other hand, there are also studies that revealed that EO does not have positive links to firms' performance (Zainol and Ayadurai, 2011; Mahmood and Hanafi, 2013; Arshad et al., 2014; Ojewumi and Fagbenro, 2019). In the same vein, some studies demonstrated that EO has an inconclusive impact on a firm's performance. These may be as a result of mediating environmental variables (Arshad et al., 2014; Kosa et al., 2018). Therefore, the study of EO such as Lumpkin and Dess (1996) dimensions is relevant as many studies have supported that there is a relationship between EO and business performance. Studies have also confirmed businesses that exhibit a high-level EO often have superior performance with improvement in market share and a number of new innovative products, with services and processes experiencing growth (Zainol and Ayadurai, 2011; Mahmood and Hanafi, 2013; Arshad et al., 2014; Ojewumi and Fagbenro, 2019). Businesses require to be entrepreneurial for survival and growth, especially within industries with high dynamism (Teece, 2007). (Karlsson et al., 2019), stated that the prevailing rapid technological advancement heightens competitive pressure and creates a pool of market opportunities that inspire the entrepreneurial behaviour of firms.

Therefore, to attain the objective of this study, the researcher hypothesizes that:

- H₁: Innovativeness and business performance are not positive related.
 H₂: Proactiveness and business performance are not positive related.
 H₃: Risk-taking and business performance are not positive related.

Table 1: Business background

Categorization	Frequency	Percentage
Sectors		
Manufacturing	50	52
Sectors services	47	48
Size of the company		
Size small	64	66
Medium	33	34
Industrial cluster (can have more than one)		
Printing	34	35
Fashion	13	13
Electronics and electrical	15	15
Information technology	32	33
Others	3	3
Business location (Area Council)		
AMAC	45	46
Bwari	33	34
Gwagwalada	9	9
Kuje	7	7

Source: Survey report 2019

Table 2: Results of descriptive statistics

Particulars	Proactiveness	Innovation	Risk-taking	Competitive aggressiveness	Autonomy	PERF
Mean	0.95	0.05	0.27	0.48	1.00	0.70
Median	0.45	0.93	0.65	0.93	0.65	0.65
Max.	0.75	0.86	0.85	0.45	0.89	0.67
Min.	0.23	0.22	0.15	0.23	0.34	0.63
Std. Dev.	0.26	0.37	0.25	0.36	0.76	0.67
Observation	97	97	97	97	97	97

Source: SPSS 25 output, 2019

- H₄: Competitive aggressiveness and business performance are not positive related.
 H₅: There is no positive relationship between autonomy and business performance.

3. METHODOLOGY

A quantitative approach was used in this research adopting a survey studies design which consists of the use of the questionnaire to elicit information. A listing of ICT inclined SMEs was obtained from SMEDAN a Nigerian business enterprise regulatory agency saddled with the responsibility of overseeing the development of SMEs by the government. It equally provides financial assistance to these SMEs. A look at the list was narrow down by means of identifying technological inclined SMEs which are in line with the definition of SMEs as provided by the SMEDAN to ensure a good representation in the study. A total of one hundred ten (110) questionnaires had been distributed to SMEs based on a simple random sampling method. However, only ninety-seven (97) firms responded to the survey questionnaires and these are considered to be appropriate representing 88% response rate. In line with Roscoe (1975) rule of thumb, a sample size of between 30 and 500 is sufficient (Al-Mawali et al., 2012). The selected respondents are the top management of the SMEs as they are perceived to have the requisite experience and knowledge in the operation and control of the firm. Also, they are believed to be the most informed individuals knowledgeable about their respective businesses' operational activities (Yang and Li, 2008). The measuring instrument for data collection is the channel of survey questionnaires which comprise close-ended questions segmented into 3 sections. With sections 1 information on the biodata of the respondents and section 2 comprising 27 key items measuring the 5 dimensions of EO and the enterprise performance. This questionnaire is designed on a 5-point Likert scale. The independent variables (EO) are the five dimensions of EO represented by innovativeness, proactiveness, risk-taking, competitive aggressiveness and autonomy. Here, the intent to elicit information on how these dimensions impacted their respective firms' performance. With respect to the business performance, the dimension adopted was primarily based on growth and profitability in line with previous researches by Gibson and Birkinshaw (2004); Wolff and Pett. (2006). These have been adapted to suit the settings which are the focus of this study. Four items had been used to measure growth and 5 measure profitability. The various section was designed to elicit the data of the firms. This study utilized the Statistical Package for Social Science version 25 to analyze the data collected from the sampled respondents. The statistical technique is the descriptive and

inferential statistical analysis consists of frequency distribution, reliability, correlation and regression analysis.

The model in the study is structured using the generalized regression analysis. The model has explanatory variables namely

$$\text{PERF}_{it} = \beta_0 + \beta_1 \text{PROAC} + \beta_2 \text{INNOV} + \beta_3 \text{RISKT} + \beta_4 \text{COMPAG} + \beta_5 \text{AUTON} + \text{eit} \dots \quad (1)$$

Where: PERF = Firm performance

β_0 = constant β_1-5 = Is coefficient of the explanatory variable

PROAC = Proactiveness

INNOV = Innovation

RISKT = Risk taking

COMPAG = Competitive aggressiveness

AUTON = Autonomy

eit= Error term.

4. RESULTS

The descriptive statistics such as mean, median and standard deviation were used to describe the data. Normality test, heteroscedasticity and collinearity tests were conducted to test the assumptions of regression analysis. The generalized regression analysis was used to explain the impact of EO on firm performance. The generalized regression analysis was considered because it gives the maximum and more reliable estimates. The result is expected to reveal the relationship between EO and firm performance.

4.1. Descriptive Analysis

The breakdown of the Abuja technology-based SMEs that participated in this study is depicted in Table 1 which the sectors, size of the company, industrial cluster and location of the business are reported. From the survey result, 52% represents firms in the manufacturing sector while 47% in the services sector. Some respondents are from the small enterprises representing 66% followed by medium enterprises with 33%. Majority of the SMEs are clustered in the AMAC with 45%, followed by Bwari 34%, Gwagwalada 9% and Kuje 7% area councils of the FCT.

Table 3: Results of the VIF test

Variables	Observations	Coefficient	VIF
Proactiveness	97	0.4564	2.19
Innovation	97	0.4533	2.35
Risk-taking	97	0.9836	1.10
Competitive aggressiveness	97	0.8635	1.09
Autonomy	97	0.7635	1.11
Mean VIF	97	0.7410	1.57

Source: SPSS 25 output, 2019, VIF: Variance inflation factor

Table 4: Correlation matrix

Variables	PERF	PROACT	INNOV	RISKTA	COMPAG	AUTON
PERF	1					
PROACT	0.253	1				
INNOV	0.308	0.169	1			
RISKTA	0.524	0.146	-0.254	1		
COMPAG	0.173	0.724	0.054	0.244	1	
AUTON	0.234	0.064	0.435	0.543	0.436	1

Source: SPSS 25 output, 2019

4.2. Reliability Test

The test-retest technique was chosen from the various types of reliability measures. Cronbach's alpha coefficient was adopted to test the questionnaires to confirm the internal consistency of the research instrument. From Table 2, Cronbach's alpha is 0.73. Where the Cronbach's alpha is equal or greater than 7, the instrument is said to be statistically reliable. Thus this implies that the variables are internally consistent and the scales fit for further analyses.

4.3. Regression Diagnostic Tests

4.3.1. Test for collinearity

In order to test the assumption of regression analysis, the test for multicollinearity is hereby carried out. The reason for testing for multicollinearity test is to avoid misleading regression result. The nonexistence of multicollinearity is indicated when the variance inflation factor (VIF) obtained is greater than 1 and below the benchmark of 10.

The result of the VIF as shown in Table 3 revealed that all the explanatory variables are significant to the study, with a value greater than the minimum possible value of VIF 1 and below the upper acceptable limit of 10, this is non-existence of multicollinearity. Therefore, it is assumed that all the variables are appropriate and fit well into the model.

Table 4 shows the correlation analysis report for the study variables. The result of the Pearson correlation measures the level of association between business performance and risk-taking is significant at 0.524, the level of association for innovation is 0.308, while, proactiveness is 0.253, that of autonomy is 0.234 and competitive aggressiveness is 0.173.

A good regression model should also be free of heteroscedasticity. In this study, data are said to be free when the probability of Chi-square is >0.05 . Table 5 shows that the probability of Chi-square of White test is 0.0639 which is >0.05 , thus accept that the regression data model is free of heteroscedasticity.

Also the normality test revealed that data are normally distributed.

4.4. Result of Regression Analysis

The multiple regression analysis was to estimate the significance or otherwise of the relationships between EO and firm performance. The results of the regression analysis for the five dimensions of EO in relation to firm performance are revealed in Table 6. The value for R square is 0.454 that is 45.4% of the business performance of SMEs has been significant due to all

Table 5: Model summary

Particulars	Statistics
Multiple R	0.648
R square	0.454
Adjusted R square	0.409
Standard error	0.144
Observations	97

Source: SPSS 25 output, 2019

Table 6: Heteroscedasticity tests result

Test type	Probability	Chi-square	Obs. *R2
Heteroscedasticity test: White	0.0639		7.32894

Table 7: Regression results

Particulars	Beta coefficients	Standard error	t-stat.	P-value
Intercept	0.201	0.039	5.11643	0.000
PROACT	0.126	0.047	2.68289	0.007
INNOV	0.102	0.091	1.11789	0.003
COMPAG	0.020	0.026	0.76835	0.443
RISKT	0.035	0.452	2.97161	0.002
AUTON	0.274	0.023	1.75046	0.000

Source: SPSS 25 output, 2019

five EO dimensions while the other remaining is explained by other factors.

Tables 5 and 7 regression result of the model. The coefficients values show that the five dimensions of EO influenced to a large extent the variation in business performance. The Beta value for the standardized coefficients for the highest value is positive at 0.274 for autonomy, this is significant at the 0.000 trailed by proactiveness with a positive beta of 0.126 also significant at 0.007. The beta for innovation with a positive beta value of 0.102 is significant at 0.003 and lastly risk-taking with a positive beta value of 0.035, significant is 0.002 all at 5% degree of freedom. The four EO dimensions are the only predictors which have a significant and positive impact on the performance of SMEs in Abuja. Hence, the decision rule is: Hypothesis 1, 2, 3 and 4 are rejected. The EO dimension of competitive aggressiveness with a positive beta of 0.020 and P = 0.443 disclosed insignificance to firms' performance. Therefore, H₅ is accepted.

5. DISCUSSIONS AND CONCLUSION

In line with the main objective of this study aimed at examining the impact of EO represented by five dimensions and firms' performance in Abuja, the data analysis was conducted. This findings was from the data collected using the survey questionnaires administered on SMEs in Abuja selected from both the manufacturing and services sectors. Hence the correlation analysis, reveals a positive correlation between variables which is supported by the findings of Arshad et al. (2014); Al Mamun et al. (2017); Kosa et al. (2018). From the results of the analysis, the four dimensions of EO (innovativeness, proactiveness, risk-taking and competitive aggressiveness) modelled by Lumpkin and Dess (1996) have a significant, positive influence on firms' performance; which is supported by the findings of Kosa et al.

(2018); Okangi, (2019); Karlsson et al. (2019). While on the other hand, there was an insignificant relationship between competitive aggressiveness and firm performance in the context of SMEs in Abuja which supports the studies by George, (2018) and Uchenna et al. (2019).

Consequently, entrepreneurs should realize that they can learn EO and use it as a sustainable tool to compete and survive in the environment notwithstanding the fact that these SMEs are endowed with different level of human capital and competencies. Firm in Abuja should concentrate more on competitive aggressiveness as this has a great effect on both their product and customer performance. This paves way for further research on the moderating effect of human capital variables such as gender, age, experience, and educational background on the impact or relationship between entrepreneurship training and EO. The findings of this study are limited because of the narrow focus of variables. This is there other mediating variables such as the context of entrepreneurial education and skill, contextual factors that may shape the performance of the firms.

Theoretically, this study supports the proposition that EO though a multi-dimensional construct, hence, taking EO as a uni-dimensional constructs may result in a wrong theorizing of stating that all the EO dimensions are favorable disposed to firms performance regardless of contextual environmental factors and the stage of the firms' development. In addition, SMEs in Abuja should be wary of taking unnecessarily high risk, even though the study shows that risk-taking adds value to their performance and every business activity involves some element of risk. However, unwarranted borrowing and committing of huge resources to ventures without adequate feasibility studies should be avoided. Likewise, granting autonomy to the employees could be counterproductive because the SMEs sector have not evolved to the level of having codes that guides employees' behaviour in the exercise of the autonomy. Hence, SMEs should focus on those EO dimensions that better helped in achieving their objectives rather than accepting all the EO dimensions in toto.

The relatively small sample size of the SMEs and the exploratory pattern of analysis adopted for the study may bias the results. It is suggested that future studies should use larger samples to validate these results in the context of other mediating variables. Also, the scope of being restricted to only Abuja may limit the generalization of the results. Therefore, it is equally recommended that similar studies should be conducted in other commercial centres in Nigeria and possibly in other developing countries as well.

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