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UNLOCKING COMPETITIVE ADVANTAGE: EXPLORING THE ROLE OF ENTREPRENEURIAL ORIENTATION ON SMALL AND MEDIUM ENTERPRISES IN KOGI STATE

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A B S T R A C T

This study focused on the effect of entrepreneurial orientation on the competitive advantage of SMEs in Kogi State. SMEs are confronted with numerous obstacles that impede their growth and sustainability. One of the primary concerns is the intensifying competition from larger firms that have expanded their operations in the state. Implementing entrepreneurial orientation can be an effective approach to addressing the problems faced by SMEs in Kogi State. Thus, the study ascertained the effect of entrepreneurial risk-taking on SMEs' market responsiveness, examined the influence of innovativeness on the cost-based advantage of SMEs, and assessed the influence of proactiveness on the product-based advantage of SMEs, among others. A descriptive research design was applied. Samples were chosen in phases using a multi-stage sampling technique. The sample size of the study was 373. The study used primary data, which was sourced through a well-structured questionnaire. Content validity was used to ascertain the validity of the instrument. For reliability, a pilot study was carried out, and data were gathered and analysed using Cronbach's alpha (à). Data was gathered for the study and analyzed using both descriptive and inferential statistics, with multiple regression analysis employed as the chosen statistical tool. The findings showed that entrepreneurial risk-taking has a significant positive effect on competitive advantage and that innovativeness has a significant positive relationship with competitive advantage. Further findings revealed that proactiveness has a significant effect on the competitive advantage in Kogi State. The study concluded that entrepreneurial orientation has an important and beneficial effect on competitive advantage. The study recommended that the government and SME owners should encourage a culture of calculated risk-taking within the enterprise and that SME owners and managers should dedicate resources to research and development (R&D) or establish innovation teams tasked with exploring new concepts and solutions.

1. INTRODUCTION

There is a need for small and medium-scale enterprises (SMEs) to take advantage of entrepreneurial orientation for improved competitiveness. The global business environment consistently poses threats to local enterprises today, regardless of their size and scope. The war between Ukraine and Russia has been disrupting the

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operational efficiency of enterprises around the globe due to the warring countries' broken supply chains. According to Ganeshan and Boone (2022), despite making up roughly 4% of the world's GDP in 2021, Russia and Ukraine have had a significant impact on industrial supply chains due to how interconnected the world's supply chains are. Stackpole (2022) added that the war between Russia and Ukraine is drastically affecting the globe's supply chain, obstructing the movement of materials, driving sharp price increases and product shortages, and causing devastating food shortages all around the world. The weight of the war is heavily on the industries on the African continent. Studies (Hassen & El Bilali, 2022; Sen, 2022) added that Africa's potential recovery from the COVID-19 epidemic has been hampered by Russia's war in Ukraine, which has interrupted trade in products and services, constrained green transitions, and decreased the inflow of development financing to the continent. SMEs are at the centre of economic growth in Nigeria, and their sector is affected by the war. In Nigeria, SMEs account for 96 percent of enterprises, 48 percent of national GDP, and 84 percent of employment (Nigeria SME survey, n.d.).

Intensive entrepreneurial orientation is required at this time of the global challenge to reduce or avoid disruption in operations and, as well, increase resilience in Kogi State, Nigeria. Ngoma et al. (2017) posited that entrepreneurial orientation is a certain organisational-level behaviour that involves taking calculated risks, engaging in self-directed innovation, and acting proactively and aggressively to outshine rivals in the marketplace. Based on the struggle for survival among enterprises at this time of the COVID-19 epidemic and the Russia-Ukraine war, SME owners in Kogi State need to take calculated risks, be innovative, and act proactively and aggressively in response to the competitive forces in the marketplace. Ferreira et al. (2018) reported that competencies in creativity and innovation provide proof of impact on competitive advantage. Studies (Bogatyreva et al., 2017; Bii & Onyango, 2018; El-Masry et al., 2021) have clarified the bond between entrepreneurial orientation and the competitive advantage of SMEs.

Competitive advantage is an achievement to be sustained by SMEs through a unique approach. Any enterprise can gain a competitive advantage via distinctive supply chains, process re-engineering, and non-replicable products or services. Sulistyo and Ayuni (2019) expressed that SMEs need an effective approach to create and sustain their competitive advantage. Research into how entrepreneurial orientation can be a significant tool for creating and sustaining the competitive advantage of SMEs is highly essential. This is because SMEs are threatened by global and local challenges, and there is a need for survival within the competitive environment of Kogi State. The outcome of this study will prove the efficacy of entrepreneurial orientation towards the achievement and sustainability of the competitive advantage of SMEs in Kogi State.

1.1 Statement of the Problems

The business landscape of Kogi State has become more dynamic, threatening the existence and competitiveness of small and medium enterprises. The business landscape of Kogi State has undergone a significant transformation, marked by an increasingly dynamic and competitive environment. This shift has posed a series of challenges for SMEs, placing their existence and competitiveness in jeopardy. SMEs face numerous obstacles that impede their growth and sustainability as the market becomes more complex and demanding. One of the primary concerns is the intensifying competition from larger firms that have expanded their operations in the state. These entities often possess greater financial resources, advanced technologies, and established market presence, which enable them to dominate various sectors and overshadow the presence of smaller enterprises. Additionally, the rapid advancement of digital technologies has revolutionised the way businesses operate and become innovative. The problems highlighted in the description of the business landscape of Kogi State are indeed significant and can have far-reaching implications for the SMEs operating within the state. The problems identified, including heightened competition from larger firms, the rapid advancement of digital technologies, and the evolving market complexity, can collectively pose a serious threat to the sustainability and competitive advantage of SMEs.

Implementing entrepreneurial orientation can be an effective approach to addressing the problems faced by SMEs in Kogi State. Entrepreneurial orientation unveils the strategic mindset and organisational culture that emphasise innovation, risk-taking, proactiveness, and a strong focus on opportunities. Encouraging a culture of innovation within SMEs can enable them to develop unique products, services, and business models that differentiate them from larger competitors. This could involve establishing innovation labs, providing resources for research and development, and fostering a culture that values creative thinking and experimentation. SMEs can proactively seek out new market opportunities and be responsive to changing customer needs and preferences. This might involve actively monitoring market trends, engaging in market research, and adapting business strategies accordingly. Proactive measures can help SMEs stay ahead of the competition and identify niche markets where they can excel. Encouraging a calculated approach to risk-taking can help SMEs explore new business ventures and expand their operations. By fostering competitive aggressiveness and autonomy, SMEs in Kogi State can actively address the problems posed by the rapidly evolving business landscape.

1.2 Objectives of the Study

The study investigated the broad objective relative to the effect of entrepreneurial orientation on the competitive advantage of SMEs in Kogi State. The study had specific objectives.

1. Ascertain the effect of entrepreneurial risk-taking on SMEs' market responsiveness in Kogi State.
2. Examine the influence of innovativeness on the cost-based advantage of SMEs in Kogi State.
3. Assess the influence of proactiveness on the product-based advantage of SMEs in Kogi State.
4. Examine the effect of competitive aggressiveness on the delivery dependability of SMEs in Kogi State.
5. Determine the effect of autonomy on the competitive advantage in Kogi State.

1.3 Statement of Hypotheses

The study designed hypotheses that:

Ho_1: Entrepreneurial risk-taking has no significant effect on the competitive advantage in Kogi State.

Ho_2: Innovativeness has no significant influence on the competitive advantage in Kogi State.

Ho_3: Proactiveness has no significant influence on the competitive advantage in Kogi State.

Ho_4: Competitive aggressiveness has no significant effect on the competitive advantage in Kogi State.

Ho_5: Autonomy has no significant effect on the competitive advantage in Kogi State.

2. LITERATURE REVIEW

This study reviews the literature on entrepreneurial orientation and competitive advantage. Previous studies (Wales et al., 2019; Distanont & Khongmalai, 2020; Kiyabo & Isaga, 2020) provided literature on entrepreneurial orientation with respect to risk-taking, pro-activeness, competitive aggressiveness, and autonomy.

2.1 Entrepreneurial Orientation

One of the most significant areas of focus in the field of entrepreneurship studies is entrepreneurial orientation (EO). Based on a steady body of accumulated information created in the field of management, this concept has arisen as a rigorous and solid scientific construct (Covin et al., 2020; Santos et al., 2020). Individuals and organizations can view entrepreneurial orientation from different perspectives. Previous studies have attempted to more clearly differentiate between individual EO and organisational EO given this concept's extensive applicability (Anderson et al., 2015; Adomako et al., 2016; Pittino et al., 2017; Santos et al., 2018; Kraus et al., 2019; Santos et al., 2020). The concept of entrepreneurial orientation was initially developed for organisational-level investigations, but many scholars now employ the construct to examine entrepreneurship at the individual level due to its enormous success (Cho & Lee, 2018).

The concept has been given different views. Entrepreneurial orientation reflects a firm-level inclination that encapsulates an enterprise's entrepreneurial ideology in management philosophies, practices, and strategy-making processes. Zehir et al. (2015) defined entrepreneurial orientation as an organisation's readiness to see and seize new opportunities and assume responsibility for bringing about change. El-Masry et al. (2021) expressed that it is one of the dynamic tactics that enables businesses to consistently engage, integrate, and adopt the risk-taking, imaginative, and proactive behaviours that have an impact on their performance. The strategy and policies of the risk-taking, creative, and proactive behaviours that firms are engaged in could be described as having an entrepreneurial orientation and continuing to have an impact on the firm's success (Cui et al., 2018). Wales et al. (2020) added that "entrepreneurial orientation is reasoned to be strongest when an organisation's entrepreneurial top management style, organisational configuration, and new entry initiatives are thematically aligned" (p. 3). Montiel-Campos (2018) and Fadda (2018) are of the position that the root of entrepreneurial orientation is traceable to extant business strategy literature. Covin and Lumpkin (2011) added that entrepreneurial orientation reflects the enterprise's overall strategic attitude as well as the entrepreneurial practices that take place within the enterprise.

The above discussion shows that entrepreneurial orientation emanates from studies relative to strategic orientation. That is, effort towards establishing competitive advantage can only materialise with respect to strategic inclinations in entrepreneurial understanding. Santos et al. (2020) crystallised the existing knowledge of entrepreneurial mindsets towards strategy creation, proposing that entrepreneurial endeavours are innovation-inclined and that enterprises aggressively enter new markets and embrace strategic and financial risks in the quest for novel opportunities. Researchers cannot classify an enterprise as entrepreneurial if it simply makes changes to its technology or brand extensions by explicitly copying rivals, avoiding taking risks, lacking adequate proactivity, and failing to foster innovation.

Existing robust studies have built on Covin and Slevin's (1989) dimensions of entrepreneurial orientation. Researchers put forth alternative viewpoints on the fundamental areas of firm-level entrepreneurial orientation, as noted by Santos et al. (2020). Previous studies (Covin & Wales, 2018; Distanont & Khongmalai, 2020; Kiyabo & Isaga, 2020) have consciously aimed to unveil the dimensions of entrepreneurial orientation in its entirety. Lumpkin and Dess (1996), cited in Santos et al. (2020), identified that risk-taking, innovation, proactivity, autonomy, and competitive aggressiveness are all characteristics of entrepreneurial orientation and are associated with processes, practices, and decision-making that result in new input. These are characteristics that exist before new businesses enter the market.

There are now two major viewpoints with respect to the entrepreneurial orientation literature. The first is a uni-dimensional understanding of entrepreneurial orientation as consisting of such components as taking risks, being innovative, and being proactive (Covin & Slevin, 1989). The second is a multifaceted conceptualization in which constructs such as taking risks, innovativeness, proactivity, competitive aggression, and autonomy are considered independent (Lumpkin & Dess, 1996).

Innovation: Scholars have long asserted that innovation is a fundamental aspect of entrepreneurship. The dominant architecture contends that it is difficult to demonstrate that organisations have engaged in entrepreneurial behaviour as opposed to other types of competitive behaviour in the absence of making any novel attempts inside a market. Innovation, whether locally or abroad, involves a deliberate departure from the status quo and a willingness to experiment with novel ideas that may or may not yield value. Additionally, innovative behaviour may refer to the remixing of concepts into innovations that are unique to the firm rather than a bold, new-to-the-world innovation (Wales et al., 2019). In contrast to more conventional entrepreneurial orientation research, innovation in the context of entrepreneurial orientation is seen as an internationalisation-focused phenomenon. That is, new market entry is not taken into account by the dominant design and measurement of entrepreneurial orientation, which instead places a strong emphasis on new product-service innovation, in contrast to globalisation entrepreneurial orientation, which explicitly emphasises new entry within a foreign market (Covin & Wales, 2018).

Proactiveness: It is a contextual component of entrepreneurial orientation as a strategic choice, or the intellectual "vision" of entrepreneurial orientation (dominant design). Covin and Miller (2014) posited that proactiveness is a key component of the dominant design and outline how enterprises address possibilities in both national and international markets. It reflects on how SME owners take advantage of strategic thinking and prepare for upcoming or unforeseen changes in the business environment. This strategic thinking facilitates the ability of the enterprise to cope with change and create a product that can match market demand and utilise opportunities. The entrepreneurial products offered by enterprises must be compatible with a market opportunity. Proactive individuals are future-oriented and anticipate events before they happen. When SMEs are proactive, Al-Mamary et al. (2020) posited that they respond to opportunities in the market by taking the initiative. Proactivity is acting on possibilities, and it is a suitable mode for entrepreneurial dynamism or businesses that are in the early stages of development where conditions are constantly changing and there are many opportunities for growth. Being proactive is a chance-seeking, forward-looking mindset that entails launching new goods or services before the competition and taking action in anticipation of future demand to bring about change in the environment. Being proactive is the propensity to foresee and respond to future needs rather than responding to situations as they arise.

Risk-taking: Risk-taking is the propensity to behave bravely as opposed to cautiously (Edwards et al., 2014). Traditionally, taking risks has been a crucial attribute of entrepreneurship. It was primarily used to describe the risks people took when they chose to work for themselves rather than an employer, but it has since been frequently used to describe risks taken by businesses, such as when managers decide to expend significant resources on initiatives that may not succeed (Schillo, 2011; Al-Mamary et al., 2020). According to the dominant design, innovation, experimentation, and the search for new opportunities are always accompanied by some level of risk-taking and opportunity cost. The fact that taking risks has long been at the heart of definitions of entrepreneurship and entrepreneurial enterprises is not unexpected. Entrepreneurial businesses often exhibit risk-taking as a trait, yet their prevalent design conceptualizes and quantifies it differently from innovation and proactiveness (Anderson et al., 2015), raising questions about whether firms would always prioritize maximizing risk-taking. Even though entrepreneurial organisations may not always enjoy taking risks, global entrepreneurial actors must take certain risks since resources invested in testing out novel value creation strategies may or may not be successful. In other words, enterprises take risks when they explore new markets. Certain risks and return percentages are outside of the purview of both innovation and entrepreneurship. Enterprises actively explore possibilities and believe that the resources required to guarantee success will become available.

Autonomy: The concept of autonomy describes the flexibility SME owners have to create and carry out their own business ideas. People are given the independence necessary to realise a fresh idea in a high-autonomous enterprise, free from the constraints of corporate bureaucracy (Al-Mamary et al., 2020). When organizational traditions and conventions do not constrain individuals and teams, they are better equipped to research and support novel concepts (Edwards et al., 2014). From an entrepreneurial orientation standpoint, autonomy predominantly entails strategic autonomy. These increased concentrations or strategic dimensions of autonomy allow a team (or individual) to specify the issue and the objectives that will be achieved in order to address it (Al-Mamary et al., 2020). Autonomy is usually a crucial component of how enterprises all around the globe encourage and support innovative thinking and new business ventures. In this special issue, Yu et al. (2019) explore autonomy and find that cultural and environmental contexts affect performance. Although entrepreneurial orientation does not always require the presence of this structural or cultural condition of entrepreneurial strategic posture in firms, it does represent an important characteristic of enterprises in many contexts and is likely to be a pivotal

factor alongside managerial support, rewards and reinforcement, and time availability as other elements of a firm's preparedness for corporate entrepreneurship (Wales et al., 2019). Therefore, organizations may incorporate autonomy into a broader set of policies, practices, and processes that facilitate new market access and entrepreneurial orientation. Furthermore, autonomy has the potential to be a crucial factor in entrepreneurial orientation as a way for enterprises to encourage and promote new market entrants in specific sociocultural situations (Wales et al., 2019).

Competitive Aggressiveness: The term "competitive aggressiveness" describes an enterprise's predisposition to aggressively and directly compete with its rivals in order to gain market share, strengthen its position, or exceed them. In the view of Lumpkin and Dess (1996), cited in Al-Mamary et al. (2020), competitive aggressiveness describes how SMEs respond to market changes and customer needs that are already present. It is defined by a defensive posture and a vigorous response to competitors' moves, displaying the intensity of the SMEs' attempts to outshine rival firms. There is a need for SMEs to penetrate the broad market, strengthen their position, and surpass rivals in the same industry. Thus, SMEs' competitive aggressiveness is the pipeline to achieving these and vigorously challenging their rivals. Competitive aggressiveness may occasionally be a significant factor in how entrepreneurial orientation is characterised as a strategic posture. It can be seen in behaviours like concentrating on protecting market positions or trailing competitors into markets that are considered important to target in order to obtain market share. In reaction to threats, competitive aggressiveness therefore aims to protect and expand already-existing resources. For SMEs driven by a strong desire to compete in new areas and safeguard their market share, competitive aggression may be especially important.

2.2 Competitive Advantage

Connecting a competitive advantage to a quality or trait that the market appreciates is significant. Inconsequential traits or attributes of the producer's goods and services and those of its rivals must be precisely comparable for customers. These distinctions and variations must line up with some distributional characteristics or positive qualities that are significant market purchase factors. The characteristics of a good or service known as "product/conveyance features" affect how customers view it, how useful and advantageous they think it to be, and how simple it is to obtain. According to Nazmfar et al. (2019), the benefits of resources and talents that the company owns and disperses include a strategic and operational advantage over competitors. According to El-Masry et al. (2021), the positioning approach's cost allocation and operational outcomes provide a significant competitive advantage.

Gaining a competitive advantage is a task to be prioritised by SME owners. The favourable position of SMEs can be evaluated given their level of competitive advantage. It establishes a cleavage among enterprises via the collection of rare products of unmatchable quality. The central root of competitive advantage is customer-centrism (creating value that customers consider irreplaceable by competitors). SMEs can be assured of competitive advantage through the lenses of the market and their strategic posture.

2.3 Conceptual Framework

This study hypothesizes a link between entrepreneurial orientation and the competitive advantage of SMEs. Scholars have conducted extensive theoretical and empirical research on entrepreneurial orientation. Researchers have built a body of knowledge around the variable. Evidence demonstrates that entrepreneurial orientation is still an active research area that attracts scholarly interest on a regular basis and lively debate (Wales, 2016; Martens et al., 2016; Covin & Wales, 2018). Kogi State has not carved out appropriate frameworks for competitive advantage, which has slowed down knowledge acquisition with respect to entrepreneurial orientation. Entrepreneurial orientation reflects risk-taking, innovativeness, pro-activeness, competitive aggressiveness, and autonomy.

Kiyabo and Isaga (2020) posited that competitive advantage has been viewed as a significant and primary driver of entrepreneurial growth and development since it is firmly based on entrepreneurial orientation (innovation and risk-taking). Entrepreneurial orientation enhances the competitive advantages of large enterprises as well as SMEs countrywide. Cho and Lee (2018) expressed that SMEs with an entrepreneurial orientation consistently seek for and seize upon new opportunities, develop unique values, and establish themselves as market leaders. Numerous signs point to the importance of having an entrepreneurial orientation for the survival and growth of SMEs and the growth of the national economy (Covin & Miller, 2014).

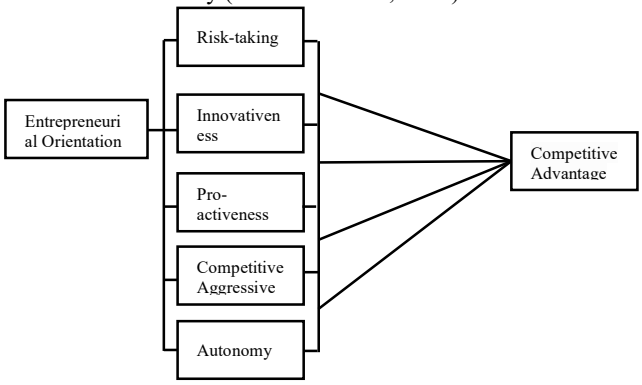

Figure 1. Conceptual Framework of Entrepreneurial Orientation and Competitive Advantage
Source: Researcher (2024)

Figure 1 shows hypothetically that the constructs of entrepreneurial orientation (risk-taking, innovativeness, pro-activeness, competitive aggressiveness, and autonomy) can significantly explain the variation in market responsiveness, cost-based advantage, product-

based advantage, and delivery dependability. Risk-taking, innovativeness, pro-activeness, competitive aggressiveness, and autonomy are the latent variables that are considered to have strong predictability over the observable variables (market responsiveness, cost-based advantage, product-based advantage, and delivery dependability). Since competitive advantage is multi-dimensional, the latent variables are modelled against each of the observed variables for empirical investigation.

3. METHODOLOGY

3.1 Research Design

This study employed a descriptive research design. This study sought data in order to methodically characterise the phenomena of entrepreneurial orientation and competitive advantage. The basic overview of descriptive research provides some helpful hints as to what variables are worth examining quantitatively; hence, it is frequently employed as a precursor to quantitative research designs. Using this design, respondents were given the opportunity to voice their views on the variables under examination.

3.2 Population of the Study

In order to assist research exploration and generalized findings, the population of this study included the object of interest (owners of SMEs) from which the sample was drawn. The population of the study was 12,517 SMEs (SMEDAN and NBS Survey, 2021). This was drawn from a variety of SMEs in the Kogi State metropolis.

Table 1. Population Frame of the study

Enterprises	Frequency	%
Small	12,078	96.49
Medium	439	3.51
Total	12,517	100

Source: Pre-field (2022)

The study focused on SME owners and managers who made top-level decisions. Table 1 the study's population frame.

3.3 Sampling Technique

In order to accurately represent the study's population, the sampling approach was employed, enabling the selection of samples from the population. We chose samples in phases using a multi-stage sampling technique. In the first stage, the researcher grouped the SMEs according to their activity (manufacturing, production of food and drinks, retail trading, education, and service provision). Based on common characteristics (age, gender, and experience) at the time of the survey, the researcher categorised the respondents in the second step. The final step entailed selecting samples based on clusters of SMEs.

3.4 Sample Size of the Study

Sallant and Dillman's (1997) sampling approach yielded the sample size. Previous studies (Nafiu, Hassan, & Nafiu, 2021) employed the sampling method. The method's statistical strength, level of precision, and stratification are its main advantages. The method ensured the use of the appropriate unit of analysis. The formula is shown below:

$$N_s = \frac{N_p\,(p)(1-p)}{(N_p-1)\left(\frac{B}{C}\right)^2 + (p)(1-p)}$$

Where:

Ns= completed sample size required

Np= Sample population

P= proportion expected to answer in a certain way (50% or 0.5 is most conservative)

B= acceptable level of sampling error (0.05 = ±5%; 0.03 = ± 3%)

C= Z statistic associated with the confidence interval (1.645=90% confidence level; 1.960=95% confidence level; 2.576=99% confidence level)

$$N_s = \frac{12,517\,(0.5)(1-0.5)}{(12,517-1)\left(\frac{0.05}{1.96}\right)^2 + (0.5)(1-0.5)}$$

Where:

Ns= 372.7496961277999 (Approx. 373)

Np= 12,517

P= 50% or 0.5

B= 0.05 or ±5%

C= 1.96

The sample size of the study is 373. Thus, 373 respondents will be surveyed.

3.5 Sources of Data

A well-structured questionnaire sourced primary data for the study. The researcher utilised a questionnaire to obtain the necessary data. We also obtained secondary data from published texts, solely to bolster the explanations in the literature.

3.6 Method for Data Collection

For this study, we used a single data collection instrument, a well-structured questionnaire, which we deemed most suitable for gathering relevant and specific data on the phenomena of interest. However, the researcher acknowledged the possibility of not reaching all intended respondents, which prompted the engagement of three research assistants. We used the Covin and Slevin (1989) scale to measure entrepreneurial orientation, which is known for its unidimensional nature and high factorial validity. This approach allowed us to combine three dimensions into a single scale, as recommended by Bernoster et al. (2018). Five constructs encompassing risk-taking, innovativeness, pro-activeness, competitive aggressiveness, and autonomy were considered latent variables. We adapted the measurement items for these constructs from Al-Mamary et al. (2020), including 5 items for risk-taking, 4 items for innovativeness, 3 items for pro-activeness, 3 items for competitive aggressiveness, and 4 items for autonomy. El-Masry et al. (2021) developed a scale to measure competitive advantage, which included 5 items for cost-based advantage and 3 items for product-based advantage.

3.7 Validity and Reliability of Instrument

Content validity was used to ascertain the validity of the instrument. This assisted in the discovery of problems relating to imprecise instructions or wording, insufficient time limits, and the measurability of stated variables. We gave copies of the questionnaire to experts in the fields of entrepreneurship for vetting.

We conducted a pilot study to ensure reliability. 50 copies of the questionnaire were distributed to respondents. Data were gathered and analysed using Cronbach's alpha (ὰ). The coefficient alpha is the most generally used estimate of a multiple-item scale's reliability, with Zikmund, Babin, Carr, and Gryphon (2010) considering a coefficient of 0.70 and above to be reliable. The Cronbach's alpha (ὰ) criterion will be calculated using the following formula:

$$\alpha = \frac{K}{K-1}\left(1-\frac{\sum_{i=1}^{K}\sigma^2_{Y_i}}{\sigma^2 x}\right)$$

Where: K= Items of number
$\sigma^2 x$ = Variance of observed total scores
$\sigma^2 y_i$ = Variance of item I for the current sample

The variables to be considered for reliability test are shown in Table 2.

Table 2. Reliability of the Study

Constructs	Items	Results
Entrepreneurial Orientation		
Risk-Taking	5	0.985
Innovativeness	4	0.745
Pro-Activeness	3	0.769
Competitive Aggressiveness	3	0.982
Autonomy	4	0.714
Competitive Advantage	4	0.762

Source: Pre-field (2022)

3.8 Method of Data Analysis

The study gathered and analyzed data using both descriptive and inferential statistics, employing multiple regression analysis as the chosen statistical tool. This choice was supported by the research goal, which aimed to examine the ability of independent variables to predict variations in dependent variables. We evaluated the theoretical connection between dependent and independent variables through regression analysis, starting with the definition of the variables of interest. In this study, entrepreneurial orientation was represented by risk-taking, innovativeness, pro-activeness, competitive aggressiveness, and autonomy as independent variables, while the dependent variable was competitive advantage.

3.9 Model Specification

The model in the study is given in the following general form:

$CA = a + \beta_1 EO + e$……. (1)

Where,
CA = Dependent Variable (Competitive Advantage)
a = Constant
EO = Entrepreneurial Orientation (Independent Variable)
β_1= Regression coefficients
e= Error term

From equation 1, equation 2 to 5 was drawn:

$CA = a + \beta_1 RST + \beta_2 INN + \beta_3 PRT + \beta_4 CEA + \beta_5 AUT + e$……. (2)

Where,
RST= Risk-Taking
INN= Innovativeness
PRT= Proactiveness
CEA= Competitive Aggressiveness
AUT= Autonomy
CA= Competitive Advantage
a = Constant
β_1= Regression coefficients
e= Error term

4. DATA ANALYSES AND RESULTS

4.1 Data Presentation

Table 3. Gender of respondents

		Freq	Percent
Valid	Male	147	50.5
	Female	144	49.5
	Total	291	100.0

Source: Field Survey (2024)

Table 3 presents the gender distribution of respondents. There were 147 male respondents, constituting 50.5% of the total sample, and 144 female respondents, making up 49.5% of the total sample. The study had a relatively balanced gender distribution, with slightly more male respondents than female respondents, but the difference is not substantial.

T**able 4.** Age of respondents

		Freq	Percent
Valid	Below 18 Years	58	19.9
	19-25 Years	131	45.0
	26- 32 Years	89	30.6
	33-39 Years	10	3.4
	40- 46 Years	3	1.0
	Total	291	100.0

Source: Field Survey (2024)

Table 4 shows information on the age distribution of the respondents. There were 58 respondents who were under 18 years old, constituting 19.9%. 131 respondents fell within the age bracket of 19–25 years, making up 45.0% of the total sample. 89 respondents were between 26 and 32 years old, accounting for 30.6% of the total sample. Only 10 respondents were aged between 33 and 39 years, comprising 3.4% of the total sample. A mere 3 respondents fell within the age bracket of 40–46 years, representing 1.0% of the total sample. The majority of respondents were between 19 and 32 years old, with fewer respondents in older age brackets.

Table 5. Marital status of respondents

		Frequency	Percent
Valid	Single	102	35.1
	Married	120	41.2
	Widow	25	8.6
	Separated	17	5.8
	Divorced	27	9.3
	Total	291	100.0

Source: Field Survey (2024)

Table 5 presents the marital status distribution of respondents. There were 102 respondents who identified as single, accounting for 35.1% of the total sample. 120 respondents reported being married, making up 41.2% of the total sample. 25 respondents, or 8.6% of the total sample, indicated that they were widows. 17 respondents stated that they were separated, representing 5.8% of the total sample. 9.3% of the total sample, or 27 respondents, reported a divorce. The majority of respondents were either single or married, with smaller proportions reporting widowhood, separation, or divorce.

Table 6. Educational qualification of respondent

		Freq	Percent
Valid	Primary School Leaving Cert.	21	7.2
	Secondary School Certificate	88	30.2
	OND & Equivalence	87	29.9
	B.Sc/HND	43	14.8
	Others	52	17.9
	Total	291	100.0

Source: Field Survey (2024)

Table 6 provides information on the educational qualifications of the respondents. There were 21 respondents who reported having a primary school leaving certificate, accounting for 7.2% of the total sample. 88 respondents indicated that they possessed a secondary school certificate, making up 30.2% of the total sample. 87 respondents reported having an Ordinary National Diploma (OND) or its equivalence, representing 29.9% of the total sample. 43 respondents stated that they had either a Bachelor of Science (B.Sc.) or Higher National Diploma (HND), comprising 14.8% of the total sample. 52 respondents reported having other educational qualifications not specified in the previous categories, accounting for 17.9% of the total sample. The educational qualifications of the respondents varied, with a significant portion holding secondary school certificates and OND or its equivalence. There were also respondents with bachelor's or higher national diplomas, as well as others with diverse qualifications not covered in the specified categories.

Table 7. Business experience of respondent4

		Frequency	Percent
Valid	2-6 Years	35	12.0
	6-10 Years	45	15.5
	10-14 Years	43	14.8
	14-18 Years	115	39.5
	18-22 Years	53	18.2
	Total	291	100.0

Source: Field Survey (2024)

Table 7 presents the business experience of the respondents in the study. There were 35 respondents who reported having 2 to 6 years of business experience, accounting for 12.0% of the total sample. 45 respondents indicated that they had 6 to 10 years of business experience, making up 15.5% of the total sample. 43 respondents reported having 10 to 14 years of business experience, representing 14.8% of the total sample. 115 respondents stated that they possessed 14 to 18 years of business experience, comprising 39.5% of the total sample. 53 respondents reported having 18 to 22 years of business experience, accounting for 18.2% of the total sample. The respondents in the study had varying levels of business experience, with a significant portion having 14 to 18 years of experience. There were also respondents with experience ranging from 2 to 22 year.

Table 8. Descriptive statistics of variables

	Mean	Std. Deviation	N
Competitive advantage	3.3093	1.19217	291
Proactiveness	3.1718	1.38640	291
Autonomy	3.6495	.99003	291
Innovativeness	3.3677	1.24243	291
Competitive aggressiveness	3.3849	1.27427	291
Risk-taking	3.1478	1.24934	291

Source: Field Survey (2024)

Table 8 provides descriptive statistics for the variables in the study. The mean score for competitive advantage is 3.3093, with a standard deviation of 1.19217. On average, respondents perceive their competitive advantage to be approximately 3.31 on the 5-point scale. The standard deviation of 1.19217 suggests that there is some variability in respondents' perceptions, with scores ranging around this mean.

The mean score for proactiveness is 3.1718, and the standard proactiveness of1.38640. Respondents are

generally proactive, scoring around 3.17. The standard deviation of 1.38640 shows that responses are very different when it comes to proactiveness. The mean score for autonomy is 3.6495, and the standard deviation is 0.99003. Respondents were generally autonomous, scoring 3.65. The relatively low standard deviation of 0.99003 shows that responses are not very different when it comes to autonomy.

The mean score for innovativeness is 3.3677, with a standard deviation of 1.24243. On average, respondents indicated a level of innovativeness of around 3.37. The standard deviation of 1.24243 suggests moderate variability in the responses regarding innovativeness. The mean score for competitive aggressiveness is 3.3849, with a standard deviation of 1.27427. The average level of competitive aggressiveness among respondents is approximately 3.38. The standard deviation of 1.27427 suggests that there is some variability in respondents' perceptions of competitive aggressiveness. The mean score for risk-taking is 3.1478, with a standard deviation of 1.24934. Respondents, on average, scored risk-taking at 3.15. The standard deviation of 1.24934 indicates variability in respondents' attitudes towards risk-taking.

Table 9. Description of homoscedasticity among variables

		CA	PRT	AUT	INN	CEA	RST
Pearson cor.	CA	1.000	.506	.104	.600	.180	.046
	PRT	.506	1.000	.021	.370	.339	.041
	AUT	.104	.021	1.000	.004	.048	.028
	INN	.600	.370	.004	1.000	.130	.064
	CEA	.180	.339	.048	.130	1.000	.033
	RST	.046	.041	.028	.064	.033	1.000
Sig.	CA	.	.092	.138	.059	.061	.219
	PRT	.075	.	.359	.862	.223	.245
	AUT	.038	.359	.	.471	.205	.317
	INN	.081	.087	.471	.	.093	.138
	CEA	.111	.235	.205	.093	.	.285
	RST	.219	.245	.317	.138	.285	.

Source: Field Survey (2024)

To interpret the results indicating no homoscedasticity among variables, we need to focus on the significance levels (Sig.) in the table. Homoscedasticity refers to the assumption that the variances of the errors in a regression model are constant across all levels of the independent variables. In this context, it means that there are no systematic patterns in the variability of the variables with respect to each other. For homoscedasticity to be present, we would typically expect to see non-significant p-values (greater than the chosen significance level, often 0.05) for the Pearson coefficients. This would indicate that there is no evidence of a systematic relationship in the variability among the variables. All the p-values are above 0.05. This indicates that for the variable pairs, there is no significant evidence, suggesting that there are no systematic patterns in the variability among these variables. Therefore, based on the significance levels provided, we can interpret that there is no evidence of heteroscedasticity among the variables.

Table 10. Multiple regression model on entrepreneurial orientation and competitive advantage

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.935[a]	.874	.872	.48096	1.869
A. Predictors: (constant), risk-taking, autonomy, proactiveness, competitive aggressiveness, innovativeness					
B. Dependent variable: competitive advantage					

Source: SPSS version 22.0

Table 10 presents the summary of the multiple regression model used to predict competitive advantage based on risk-taking, autonomy, proactiveness, competitive aggressiveness, and innovativeness. The R-square is the coefficient of determination, indicating the proportion of variance in the competitive advantage that can be explained by the predictor variables. The R-Square value of 0.874 indicates that risk-taking, autonomy, proactiveness, competitive aggressiveness, and innovativeness in the model account for approximately 87.4% of the variance in competitive advantage. The remaining unaccounted 12.6% shows that other variables can also explain the variation in competitive advantage. The adjusted R-square value adjusts the R-square for the number of predictors in the model, providing a more conservative estimate of the variance explained. The adjusted R-square is 0.464. The standard error of the estimate is 0.87266. The lower value (< 1) indicates a better fit of the model to the data. The Durbin-Watson statistic tests for the presence of autocorrelation in the residuals (errors) of the regression model. A value close to 2 indicates no autocorrelation,

while values significantly different from 2 suggest the presence of autocorrelation. The Durbin-Watson statistic is 1.869, which is close to 2, suggesting no significant autocorrelation in the residuals.

Table 11. ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	195.127	5	39.025	51.246	.000[b]
	Residual	217.038	285	.762		
	Total	412.165	290			
A. Dependent variable: competitive advantage						
B. Predictors: (constant), risk-taking, autonomy, proactiveness, competitive aggressiveness, innovativeness						

Source: SPSS version 22.0

Table 11 shows the ANOVA analysis results for the factors affecting competitive advantage. The model's independent variables account for a significant portion of the variance, as indicated by the Regression Sum of Squares (195.127). The residual sum of squares (217.038) represents the unexplained variance, or the error in the model. The F-statistic (51.246) tests the null hypothesis that all the regression coefficients are zero. The sig. (significance) is the p-value associated with the F-statistic. The p-value is less than 0.001, and this indicates that we can conclude that the model statistically explains a significant portion of the variance in competitive advantage. The ANOVA test shows that the model with risk-taking, autonomy, proactiveness, competitive aggressiveness, and innovativeness as predictors explains competitive advantage very well (p-value < 0.001). In other words, at least four of these independent variables have a statistically significant relationship with competitive advantage.

Table 12. Coefficients on entrepreneurial Orientation and Competitive advantage

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
		β	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	.095	.303		.314	.753			
	Proactiveness	.285	.042	.331	6.787	.000	.506	.373	.292
	Autonomy	.129	.052	.107	2.480	.014	.104	.145	.107
	Innovativeness	.463	.044	.482	10.408	.000	.600	.525	.447
	Comp. aggressiveness	.007	.043	.007	.159	.873	.180	.009	.007
	Risk-taking	.083	.041	.087	2.008	.046	.046	.118	.086
a. Dependent Variable: competitive advantage									

Source: SPSS version 22.0

The table below displays the outcomes of a regression analysis that looked at the link between competitive advantage and the five dimensions of entrepreneurial orientation (EO): proactiveness, autonomy, innovativeness, competitive aggressiveness, and risk-taking. The last column in the table represents correlations, including zero-order, partial, and part correlations. These correlations help understand the relationship between the independent variables (entrepreneurial orientation dimensions) and the dependent variable (competitive advantage) while controlling for other variables in the model. Zero-order correlation indicates the simple correlation between each independent variable and the dependent variable without considering the influence of other variables. The results show proactiveness (0.506), autonomy (0.104), innovativeness (0.600), competitive aggressiveness (0.180), and risk-taking (0.046). Partial correlation represents the correlation between each independent variable and the dependent variable while controlling for the effects of other independent variables in the model. It shows the unique contribution of each variable to the dependent variable. The results show proactiveness (0.373), autonomy (0.145), innovativeness (0.525), competitive aggressiveness (0.009), and risk-taking (0.118). Part correlation measures the correlation between each independent variable and the dependent variable after removing the effects of all other independent variables. It demonstrates the proportion of the variance in the dependent variable (competitive advantage) uniquely explained by each independent variable (proactiveness = 0.292; autonomy = 0.107; innovativeness = 0.447; competitive aggressiveness = 0.007; risk-taking = 0.086). These results provide information on the unique and combined contributions of each entrepreneurial orientation dimension to competitive advantage, which can aid in understanding the relative importance of these dimensions in driving competitive advantage. Thus, the following hypotheses (assumptions) are validated based on the results:

Hypothesis One: Entrepreneurial risk-taking has no significant effect on the competitive advantage in Kogi State.

The coefficient (β = 0.083) is positive and statistically significant (t = 2.008, p = 0.046), suggesting that risk-taking has a positive effect on competitive advantage, although the effect size (β = 0.087) is relatively small. The result shows that a 0.083-unit change in entrepreneurial risk-taking will lead to a proportional change in competitive advantage. This implies that entrepreneurial risk-taking has a significant positive effect on competitive advantage. We reject the null hypothesis that entrepreneurial risk-taking has no significant effect on the competitive advantage in Kogi State, as the p-value is less than 0.05.

Hypothesis Two: Innovativeness has no significant influence on the competitive advantage in Kogi State.

The coefficient (β = 0.463) is positive and highly statistically significant (t = 10.408, p-value < 0.001). This shows that a 0.463-unit change in innovativeness will lead to a proportional change in competitive advantage. This indicates that innovativeness has a significant positive relationship with competitive advantage. The standardised coefficient (β = 0.482) suggests that innovativeness has the strongest effect among all entrepreneurial orientation dimensions. We reject the null hypothesis that innovativeness has no significant influence on the competitive advantage in Kogi State, as the p-value is less than 0.05.

Hypothesis Three: Proactiveness has no significant effect on the competitive advantage in Kogi State.

The coefficient (β = 0.285) is positive and statistically significant (t = 6.787, p-value < 0.001), indicating that a change in proactiveness will lead to a mean change of 0.285 in competitive advantage. This implies that proactiveness has a significant positive effect on the competitive advantage of SMEs. The standardised coefficient (β = 0.331) suggests that proactiveness has a relatively strong effect compared to other factors. We reject the null hypothesis that proactiveness has no significant effect on the competitive advantage in Kogi State, as the p-value is less than 0.01.

Hypothesis Four: Competitive aggressiveness has no significant effect on the competitive advantage in Kogi State.

The coefficient (β = 0.007) is not statistically significant (t = 0.159, p-value = 0.873), indicating that competitive aggressiveness does not significantly contribute to competitive advantage. The result shows that a 0.007-unit change in innovativeness will lead to an insignificant change in competitive advantage. We accept the null hypothesis that competitive aggressiveness has no significant effect on the competitive advantage in Kogi State, as the p-value is less than 0.05.

Hypothesis Five: Autonomy has no significant influence on the competitive advantage in Kogi State.

The coefficient (β = 0.129) is positive and statistically significant (t = 2.480, p-value = 0.014), but the effect size (β = 0.107) is relatively smaller compared to proactiveness and innovativeness. However, the result shows that a unit change in autonomy will lead to a 0.129-unit change in competitive advantage. This implies that autonomy has a significant positive effect on the competitive advantage of SMEs. We reject the null hypothesis that autonomy has no significant influence on the competitive advantage in Kogi State, as the p-value is less than 0.05.

4.2 Discussion of Findings

The findings showed that entrepreneurial risk-taking has a significant positive effect on competitive advantage. This finding aligns with research by Hidayatullah et al. (2019), who highlight risk-taking as a driver of competitive advantage. It contributes to the understanding of entrepreneurial behaviour in emerging economies. This finding advances the research of Jin et al. (2017), who revealed that risk-taking only enhances international performance among SMEs. The study refutes the finding of Fadda (2018) that risk-taking does not significantly increase competitiveness. The p-value less than 0.05 indicates a statistically significant result, meaning it is unlikely due to chance. This strengthens the argument for a true association between entrepreneurial risk-taking and competitive advantage.

The findings revealed that innovativeness has a significant positive relationship with competitive advantage. This finding aligns with the well-established research outcome of Bhandari and Amponstira (2021) that innovation is a significant driver of competitive advantage. In a similar vein, Sulistyo and Ayuni (2019) found that innovation capability is crucial for performance improvement and the competitive advantage of SMEs. This implies that SMEs with innovation capability are more likely to embrace innovation in its entirety, thereby leading to a desirable outcome. This finding strengthens the positive association between innovation and competitive advantage. Innovation allows firms to differentiate themselves, capture higher margins, or create new markets, leading to a competitive edge. The positive relationship suggests that SMEs, in pursuit of a competitive advantage, should prioritise innovative practices. This could include developing new products or services, implementing efficient processes, or exploring novel marketing strategies.

Findings revealed that proactiveness has a significant effect on the competitive advantage in Kogi State. This sheds light on the importance of proactive strategies in enhancing organisational performance within the geographical context of Kogi State. Proactiveness, characterised by a forward-looking and anticipatory approach to identifying and exploiting opportunities, emerges as a key driver of competitive advantage, offering valuable implications for businesses operating in the region. This finding aligns with the research outcome of Bhandari and Amponstira (2021), emphasising the pivotal role of proactiveness in entrepreneurial orientation and its positive impact on organisational outcomes (competitive advantage and

performance). By actively seeking out new opportunities, anticipating market trends, and adapting to changing conditions, SMEs in Kogi State may position themselves strategically to gain a competitive edge over rivals. Proactive behaviours enable SMEs to innovate, differentiate themselves, and capitalise on emerging market niches, thereby enhancing their ability to attract customers, generate revenues, and sustain long-term competitiveness.

The findings showed that competitive aggressiveness does not significantly contribute to competitive advantage. This finding challenges the traditional assumption that a competitive firm must be highly aggressive. It suggests that aggressive tactics may not always translate into a significant competitive advantage. This finding diverges from research by Bhandari and Amponstira (2021), El-Masry et al. (2021), and Zehir et al. (2015), who highlight competitive aggressiveness as a driver of competitive advantage and performance. It necessitates a closer look at the context and potential reasons behind this result. The finding suggests that SMEs can possibly achieve a competitive edge through strategies other than aggressiveness. These might include superior product quality, exceptional customer service, or a focus on cost leadership.

The findings showed that autonomy has a significant positive effect on the competitive advantage of SMEs. The finding provides valuable information on the organisational dynamics and strategic management of SMEs. This finding resonates with the finding of Eze et al. (2019) on organisational behaviour and strategic management, which highlights the importance of autonomy in fostering innovation, flexibility, and employee empowerment. Through autonomy in decision-making processes, SMEs can tap into their diverse expertise, creativity, and intrinsic motivation, thereby fostering a culture of ownership, initiative, and accountability. This, in turn, enables SMEs to respond more effectively to market opportunities and challenges, adapt to changing customer needs, and differentiate themselves from competitors.

5. CONCLUSION

This study, especially in the context of SMEs, provides insightful information about the relationship between entrepreneurial orientation and competitive advantage. As a component of an entrepreneurial orientation, taking risks has an important and beneficial effect on competitive advantage. This emphasises how crucial it is to take calculated risks in order to obtain a competitive advantage. Entrepreneurship is inherently risk-taking, and SMEs that are prepared to take risks, try new things, and grab chances in the face of uncertainty are better positioned to stand out from the competition and profit from new market trends. Businesses may increase their competitive edge in dynamic and competitive situations by exploring new income streams, upending established industry conventions, and responding to shifting customer preferences through the deliberate taking of risks.

Innovation can positively impact competitive advantage. This reaffirms how important innovation is to the success of SMEs. In the quickly changing business climate of today, innovation is essential to long-term success and uniqueness. SMEs that place a high priority on continuous improvement, make research and development investments, and encourage innovation and experimentation are better positioned to launch innovative products, services, and processes that win over customers, outperform rivals, and take the lead in the market. In addition to helping enterprises remain ahead of the curve, innovation strengthens their ability to withstand changes in the market and maintains a competitive edge over time.

Proactivity can have an impact on competitive advantage. This emphasises how crucial initiative, strategic anticipation, and foresight are in determining how well an enterprise performs. SMEs that are proactive are adept at seeing new possibilities, spotting market trends, and solving problems before they become more serious. Enterprises may establish themselves as leaders in their field, increase their market share, and develop long-lasting competitive advantages by keeping ahead of the curve, actively interacting with stakeholders, and grabbing first-mover advantages. Being proactive helps enterprises become more responsive, agile, and adaptable, which helps them deal with uncertainty and take advantage of beneficial market circumstances.

Competitive aggression does not significantly impact competitive advantage. This implies that persistent success may not necessarily follow from a confrontational or overly aggressive strategy. Even though competition is a given in business, enterprises that place a higher priority on teamwork, creating value, and customer-focused strategies than on devious methods are more likely to create long-lasting bonds, encourage brand loyalty, and maintain their competitive advantages over time. Instead of concentrating only on outwitting competitors, enterprises should aim to provide more value, set themselves apart through innovation, and develop a reputation for dependability and credibility.

Autonomy can affect SMEs' ability to compete. This emphasises how crucial it is to provide workers with autonomy and decentralise decision-making. Enterprises may use the many abilities, perspectives, and innovations of their employees through autonomy, which cultivates a climate of responsibility, initiative, and ownership. SMEs may improve agility, innovate, and adjust to shifting market conditions more skillfully by giving workers more decision-making autonomy. This will fortify SMEs' competitive edge in a business environment that is changing quickly.

6. RECOMMENDATIONS

The study makes recommendations based on the findings.

1. The government and SME owners should encourage a culture of calculated risk-taking within the enterprise. This could involve creating safe spaces for experimentation, providing resources for exploring new ideas, and rewarding successful ventures. They should implement a risk-assessment framework to help evaluate potential opportunities and mitigate potential downsides.
2. SME owners and managers should dedicate resources to research and development (R&D) or establish innovation teams tasked with exploring new concepts and solutions. They should encourage a culture of creativity and "out-of-the-box" thinking through brainstorming sessions, innovation challenges, or hackathons. They should also stay updated on industry trends and emerging technologies to identify potential opportunities for innovation.
3. SME owners should conduct market research and analysis to anticipate emerging trends and consumer needs in Kogi State. They should develop a proactive strategy for responding to these trends, which might involve developing new products, services, or marketing campaigns.
4. SME owners should focus on building a strong value proposition that differentiates their enterprises from competitors. This could involve superior product quality, exceptional customer service, or a focus on environmental or social responsibility. While there might be situations where assertive tactics are necessary, prioritise collaboration and win-win partnerships over aggressive competition whenever possible.
5. SME owners should empower employees by delegating tasks and providing them with the autonomy to make decisions within their area of expertise. They should encourage a sense of ownership and accountability among employees by involving them in the planning and decision-making process.

By implementing these recommendations based on the research findings, SMEs can create a more competitive and sustainable strategy for achieving long-term success.

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