Does Entrepreneurial Orientation Contribute to Keke Business Performance in Nigeria?

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Abstract- Entrepreneurial Orientation represents the behaviour of entrepreneurs in their lines of business. This study is focused on entrepreneurial orientation and performance of Keke business in Nigeria. The study concentrated on registered members of Tricycle Owners Association of Nigeria (TOAN) in Akwa Ibom State. The study was a survey that involved 387 members of TOAN selected through Taro Yamane’s formula from a population of 12,064. Simple random method of sampling was employed while the primary instrument used was the questionnaire which recorded a response rate of 64%. Data analysis was carried out with the aid of correlation and regression analyses. Findings of the study indicated that autonomy (Beta = 0.038, t= 1.462, P> 0.05) and innovativeness (Beta =0.201, t= 1.558, P> 0.05) have insignificant effect on Keke business performance in Nigeria. However, risk-taking (Beta = .329, t= 3.194, P< 0.05); competitive aggressiveness (Beta = .446, t= 2.492, P< 0.05) and proactiveness (Beta = .317, t= 2.217, P< 0.05) have significant influence on Keke business performance in Nigeria. It was inferred from the study’s findings that operators of Keke means of transportation in Nigeria should be proactive, aggressive in competition and be ready to take risk in order to boost their business performance.

Index Terms- Entrepreneurship, Entrepreneurial Orientation, Keke Business Performance, Nigeria

I. INTRODUCTION

Entrepreneurial Orientation (EO) is important given any form of business, be it product or service. All businesses are in competition for the same market. Avlonitis and Salavou (2007) see EO as innovativeness, risk-taking disposition and entrepreneur’s proactiveness. Entrepreneurial orientation has five dimensions (Lumpkin and Dess,1996). These dimensions are autonomy, risk-taking, innovativeness, competitiveness aggressiveness and pro-activeness. These authors however, say that they might have some differences as a result of the firm in question or the environment of operation. Continued the authors consider entrepreneurial orientation as the process of entrepreneurship reflective of the decision-making styles and practices of managers in acting entrepreneurially. According to Hossain and Deewan (2012), the dimensions of entrepreneurial orientation enhance organizations’ capacity to do better than other organizations which do not practice it.

It has been reasoned by writers such as Covin and Selvin (1989), that the level of entrepreneurial orientation of a given organization can be examined through a survey of their senior executives. Miller (1983) explains more on the dimensions of entrepreneurial dimension. According to this author, ‘Autonomy’ refers to having independence to decide or carry on activities targeted at ensuring achievement of the goals of an organization. ‘Innovativeness’, typifies the willingness of an entity in introducing novel ideas, and also experimenting the development of services, goods and process. ‘Risk-taking’ reflects the behavior of an enterprise in areas of making decisions and carrying out actions devoid of worries on the outcomes. ‘Proactiveness shows the capacity of an organization in seizing opportunities available in the market. ‘Competitive Aggressiveness’ is used to explain the fighting disposition of the enterprise in an effort to better its position in the market.

The Keke transportation business has come to stay in Nigeria. This model of transportation was introduced in Nigeria during the administration of former President Olusegun Obasanjo, under the National Poverty Eradication Programme (NAPEP). Acquiring a brand new tricycle would cost between N600,000 to N800,000. The operation of the business requires prior registration with relevant authorities and unions. The Keke business is found almost everywhere in Nigeria and with the influx of people commuting via road, operators have found in Keke transportation model a very lucrative business with operators’ daily income averaging between N3,000 and N5,000.

In Akwa Ibom State, the Keke model of transportation is commonplace. The state government had since banned commercial motor cyclists from operating in Uyo, the state capital, and recently extended the ban to cover Eket and Ikot Ekpene after 6pm ; a major reason adduced for the ban being the activities of trick stars parading as commercial motor cyclists. Thus with the ban coupled with the increasing popularity of this model of transportation, the Keke business has been effectively boosted. This business like any other venture requires appropriate entrepreneurial behaviour.

II. STATEMENT OF THE PROBLEM

The business environment is dynamic. Developments occur in the business environment daily. The entrepreneurial behaviour of entrepreneurs in respect of these developments captures their entrepreneurial orientation. The autonomy of the entrepreneur in decision-making, innovativeness, risk-taking ability, competitive
aggressiveness as well as proactiveness are basically the concerns of entrepreneurial orientation.

It is not the case that all operators of the Keke model of transportation business are successful. Some appear to be doing better than others but has that any link with their respective entrepreneurial orientations? Is it safe to assume that the management of keke transportation business has a bearing with the operators’ entrepreneurial behaviour?

**Research Hypothesis**

**H₀₁:** Autonomy has no significant influence on Keke transportation performance in Nigeria

**H₀₂:** Risk-taking has no significant impact on Keke transportation performance in Nigeria

**H₀₃:** Innovativeness has no significant influence on Keke transportation performance in Nigeria.

**H₀₄:** Competitive aggressiveness has no significant impact on Keke transportation performance in Nigeria

**H₀₅:** Proactiveness has no significant effect on Keke transportation performance in Nigeria

### III.  LITERATURE REVIEW

An entrepreneurial orientation is taken to represent the process of pursuing and seizing opportunity along defined dimensions. According to Lumpkin and Dess (2001), an entrepreneurial orientation depicts activities of an organization such as making decisions, its practices and its processes that lead to the essential act of entrepreneurship, involving intentions and actions. Entrepreneurial orientation has five dimensions—innovativeness, autonomy, capacity to take risks, being aggressive in competition and being proactive (Lumpkin and Dess, 1996).

Conceptions of entrepreneurship might be considered to be bounded by three dimensions that relate to three questions of why, how and what (Stevenson and Jarillo, 1990). These questions relate to psychology and sociology, management, and economics respectively. It is argued that an entrepreneurial orientation might be developed or learned. Deriving from Lumpkin and Dess (2001), entrepreneurial orientation dimensions are said to be behavioural processes capable of being developed or learned and are therefore associated with differing levels of learning.

Innovativeness reflects a tendency for an entrepreneur to support ideas that are new and also experiment creative processes capable of bringing about new processes in technology, products or services. Innovation is critical to entrepreneurial orientation and serves as the needed opportunity for exploitation by the entrepreneur (Lumpkin & Dess, 1996). Proactiveness is concerned with being conscious in taking initiative to put in place plans for the future knowing that opportunities abound in the environment (Lumpkin & Dess, 1996). It involves actions while making projections of issues in the future and possible changes that may occur. Lumpkin and Dess (1996) argue that proactiveness may be crucial to an entrepreneurial orientation as it goes along with entrepreneurial activity. The approach followed by the management of an organization which has relationship with taking risks brings to fore its entrepreneurial orientation (Lumpkin & Dess, 1996). In terms of the owner-manager being the unit of analysis in the aspect of manifestation of entrepreneurial orientation in the business, cognitive orientation in terms of entrepreneurial behaviour is considered with regard to risk taking propensity. A cognitive orientation that minimizes conceptions of regret and reflection may be displayed by entrepreneurs more so than non-entrepreneurial individuals (Baron and Ward, 2004).

Brockhaus (1980) sees risk taking propensity as being the picture the entrepreneur has already in terms of succeeding or failing in a given venture prior to deciding venturing while awaiting the outcome of the proposal. In terms of autonomy, Lumpkin and Hess (1996) are of the view that the element supports entrepreneurial success and that it stimulates ideas or vision guiding action from beginning to end inclusive of independence of either the actions to be taken or the decisions to be made. It offers the independence that is needed in materializing a new business idea. Competitive aggressiveness shows an entrepreneur’s capacity to battle with its competitors frontally rather than avoiding them using such measures as reducing prices, additionally spending on its programs which may include, marketing, production capacity and the like.

### IV.  THEORETICAL REVIEW

This study is based on Schumpeter’s Innovation Theory. Schumpeter (1942) describes a process of creative destruction where wealth creation occurs through disruption of existing market structures due to introduction of new goods and/or services that cause resources to move away from existing firms to new ones thereby enhancing new firms’ growth. For Schumpeter, innovation is the entrepreneur’s specific tool, the channel by which entrepreneurs easily grasp, seeing it as opportunity to venture into a business.

Lumpkin and Dess (1996) see the process of creative destruction as an essential variable that accounts for successful entrepreneurship, hence, the need for innovativeness. Furthermore, Osaze (2003) sees being pro-active as defining goals and future and arriving there as planned; a state of mind and the will, largely driven by consciousness, to sustain a vision and to achieve a specific objective.

### V.  EMPIRICAL REVIEW

Ingrid and Kenneth (2007) investigated entrepreneurial orientation and small and medium enterprise performance using Tanzania as case study. This research made use of a survey research design. Pro-activeness, competitive aggressiveness and risk taking were aspects of entrepreneurial orientation studied. Following analysis of data obtained from the field, it was established that the studied elements of entrepreneurial orientation were influential in the performance of SMEs, hence a strong relationship between studied variables. Findings of the study also indicated that risk-taking and competitive aggressiveness can moderate impact of pro-activeness. The study variables were able to predict 72% of the variance in SME performance.

In Nepal, Hattiban and Gautan (2001) studied entrepreneurial orientation and business performance. The investigation focused on the handicraft industry. The study focused on those involved in the business of handicraft. The
design of the study was survey with questionnaire as the main instrument employed. The method utilized in sampling respondents in the research was simple random technique. The study’s population was 397 and its sample size 178. It recorded 90.4% response rate. Business efficiency, its growth, and its profitability served as proxies for performance. Descriptive statistics, correlation and regression analysis were deployed in analyzing data. Outcome of the investigation indicated that risk-taking, autonomy, competitive aggressiveness and proactiveness had positive correlation with performance. Innovativeness was not correlated with performance in the study.

Callaghan and Venter (2011) investigated entrepreneurial orientation and entrepreneurial performance in Johannesburg, South Africa. The study focused on street traders. The study was a survey. The investigation involved 308 traders. The study first considered variables that influenced entrepreneurial orientation. Second, how entrepreneurial orientation contributed to entrepreneurial performance. Outcome of the study showed that entrepreneurial orientation was linked with some contextual and learning factors. This suggested that offering entrepreneurial training was likely to empower informal entrepreneurs. It was also revealed that higher levels of proactiveness and competitive aggressiveness were positively associated with continuance satisfaction.

Duijn (2009) was interested in the entrepreneurial orientation of students in the Netherlands. This study was a survey research and focused on students of tertiary institutions in the country. In the research, analysis of data was done with descriptive analysis. Findings of the study showed that individual entrepreneurial orientation can be seen in proactive personality and risk taking propensity among students. These findings had implications in predicting those likely to display the kind of entrepreneurial behaviour expected of business executives in a dynamic business environment.

VI. RESEARCH METHODOLOGY

This study employs a survey research design. The study’s population comprised all members of Tricycle Owners Association of Nigeria (TOAN) operating in Akwa Ibom State. The population of this group was put at 12,064 registered members as at April, 2019 when this study was conducted. We applied the Yaro Tamane sample size determination formula to arrive at 387. The study recorded a response rate of 64%. The research instrument for this study was the structured questionnaire. Inputs into the questionnaire were taken from an extensive review of relevant literature. The instrument was evaluated for face and content validity. The multiple regression and Pearson’s product-moment correlations were used in data analysis at 0.05 level of significance.

VII. CORRELATION ANALYSIS

The correlation between EO dimensions and Business Performance is presented below.

| Table 1: Correlation Details between Entrepreneurial Orientation and Keke Business Performance |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                 | Risk-taking     | Autonomy        | Innovativeness  | Proactiveness   | Competitive Aggressiveness |
|                                 | .753**          | .039            | .373            | .682**          | .601**           |

*.Correlation is significant at the 0.05 level (2-tailed).

Table 1 displays details of correlation analysis between entrepreneurial orientation and Keke business performance. The correlation between risk-taking and Keke business performance is significant at .753; for autonomy, the correlation is positive but not significant at .039. Similarity, the correlation between innovativeness and keke business performance is positive but not significant at .373. Also, the correlation between pro-activeness and keke business performance is significant at .682 while that of competitive aggressiveness and Keke business performance is significant at .601. All analyses were done at 0.05 level of significance.

Multiple Regression Analysis

<p>| Table 2: Multiple Regression Analysis between Entrepreneurial Orientation and Keke Business Performance |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|</p>
<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>ANOVA F-Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.793*</td>
<td>.629</td>
<td>.604</td>
<td>7.207</td>
<td>11.303</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Autonomy, risk-taking, innovativeness, proactiveness, competitive aggressiveness.
b. Dependent Variable: Keke Business Performance

Source: SPSS Computation
Table 2 shows results of regressing entrepreneurial orientation dimensions namely, autonomy, risk-taking, innovativeness, proactive aggressiveness and competitive aggressiveness against Keke business performance in Nigeria. The \( R^2 \) of 0.629 shows the relationship between dependent and independent variables. The adjusted \( R^2 = 0.604 \), indicates that the five dimensions of independent variable, entrepreneurial orientation together explained 60.4% variation that exist in the dependent variable, Keke business performance. The remaining 39.6% could be attributed to other variables that are not part of the research model.

Table 2: Coefficient of Multiple Regression Model in respect of Entrepreneurial Orientation Dimensions

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>83.103</td>
<td>6.305</td>
<td>6.462</td>
<td>.000</td>
</tr>
<tr>
<td>Autonomy</td>
<td>.081</td>
<td>.026</td>
<td>.038</td>
<td>1.462</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>.261</td>
<td>.103</td>
<td>.329</td>
<td>3.194</td>
</tr>
<tr>
<td>Innovativeness</td>
<td>.174</td>
<td>.129</td>
<td>.201</td>
<td>1.558</td>
</tr>
<tr>
<td>Competitive aggressiveness</td>
<td>.233</td>
<td>.179</td>
<td>.446</td>
<td>2.492</td>
</tr>
<tr>
<td>Proactiveness</td>
<td>.109</td>
<td>.143</td>
<td>.317</td>
<td>2.217</td>
</tr>
</tbody>
</table>

Dependent Variable: Keke Business Performance

Source: Computed from SPSS

From Table 2, it can be seen that autonomy (\( \beta = 0.038, t= 1.462, P> 0.05 \)) and innovativeness (\( \beta =0.201, t= 1.558, P> 0.05 \)) have insignificant effect on Keke business performance in Nigeria. Risk-taking (\( \beta = .329, t= 3.194, P< 0.05 \)); competitive aggressiveness (\( \beta = .446, t= 2.492, P< 0.05 \)) and proactiveness (\( \beta = .317, t= 2.217, P< 0.05 \)) have significant effect on Keke business performance in Nigeria. Accordingly, hypotheses one and three are accepted while hypotheses two, four and five are rejected. This analysis indicates entrepreneurial orientation dimensions and their individual strengths in predicting Keke business performance in Nigeria. A further implication of the analysis is that risk-taking, competitive aggressiveness and proactiveness are entrepreneurial orientation dimensions that determine Keke business performance in Nigeria.

VIII. DISCUSSION AND CONCLUSION

In this study, it has been established that as it concerns Keke business performance in the context of Nigeria, the three most important entrepreneurial orientation elements in order of importance are risk-taking, competitive aggressiveness and proactiveness. The outcome of this study strengthens the position of Osaze (2003) who considers being pro-active as the ability of the entrepreneur to define goals and the future and also the ability to arrive there as already planned; a state of mind and the will, largely driven by consciousness, to sustain a vision and to achieve a specific objective. The outcome of this study seems not to be in total agreement with Lumpkin and Dess (1996) who posited independence of the entrepreneur was vital to entrepreneurship and that an inclination towards independence and autonomy was an essential ingredient to entrepreneurial orientation.

The business environment has never been static but dynamic. Developments in the environment requires appropriate response by where way of entrepreneurial behaviour. knowledge of entrepreneurial orientation is useful to all categories of entrepreneurs. For instance, a knowledge of risks enhances ability to predict how successful a business would be if established given the risks in the environment. Being proactive, enables the entrepreneur to be futuristic by putting in place appropriate plans. Competitive aggressiveness energizes the entrepreneur into having and managing a greater market share. Innovativeness and autonomy while still considered important elements of entrepreneurship were not found to be significant in the case of Keke business performance in Nigeria. The findings of this study indicate that operators of Keke means of transportation in Nigeria should be proactive, aggressive in competition and be ready to take risks in order to boost their business performance. Previous studies in this area did not investigate contributions made by entrepreneurial orientation to Keke business performance, a feat achieved by current research effort.

REFERENCES


AUTHORS

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