



Entrepreneurial Orientation and Business Growth of SME's in Port Harcourt

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Abstract: *The paper reviews different conceptualizations of entrepreneurial orientation and business growth. Accepting that business growth is dependent on giving due cognizance to Kotler and Keller (2011), for firms growth to be possible, management of organizations needs to merge business strategies at every managerial level to accomplish their organizational objectives and goals. In this light managing entrepreneurial orientation determinants are attainable remedies to accomplish organizational growth. It is therefore concluded that entrepreneurial orientation should be patterned to enhance competitive aggressiveness and innovativeness. Firms should build on employee skills on entrepreneur orientation and put in plans to maximize cost, waste and promote efficiency.*

Key words: *Business growth, Entrepreneurial Orientation, Small and Medium Enterprises*

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INTRODUCTION

Organizations strive for growth, regardless of their size (Dwight, 2006). Organizations that are small in size, want to get big, while big organizations try to get bigger. This can be achieved when their market share, sales quota, sales growth, profit margin, productivity and sales territory are increased (Kotler, 2008). Actually, organizations need to grow every year as to make room for increased expenses that develop overtime. Salary increment and the cost of business benefits rise (Conner, 2008).

Despite the fact that organizations budget increase, the brace amount compass will accrual overtime. The passing of those accumulation charge to clients in an executive amount is not always possible. As a consequence, growth must take place, if the organization wishes to survive (Lipton, 2012).

According to Robert (2011), growth of the organization can possibly give little associations endless advantages, with things like more prominent proficiency from economies of scale, expanded power, a more prominent capacity to withstand changes of the market, an expanded survival rate, deals portion more prominent benefits, deals an area and expanded notoriety for individuals from the association. A few little associations want development since it is seen by and large as an indication of achievement, or advance (Conner, 2008). An essential worry of honing chiefs is the way that association's development is utilized as a marker of viability for private companies.

The development of a strategic and sustainable idealized plan and using the best employee is the first step in achieving better organizational growth which aid the sales process, sales increment and proficiency in market share (Farris *et al*, 2010). Nevertheless, highly effective and successful employees are a constrained resource. In times of economic growth, there are not enough workers to meet the growing demand prior to organization's sales quota. In times of economic downturn, business executives, sales people and sales managers frequently feel to do more or less (Guidry, 2011). For firm's growth to be possible, Kotler and Keller (2011) posits that management needs to merge business strategies at every managerial level to accomplish their organizational objectives and goals. In this light, managing entrepreneurial orientation determinants are attainable remedies to accomplish organizational growth.

In like manner, uplifted globalization and expanded rivalry issue of business has gone into intergovernmental associations, states, private and open firms, and in addition people. A few scientists with different trains as human science, brain research, administration, fund, financial aspects and advertising additionally offers accentuation to the subject of business enterprise. The explanation behind this, is enterprise is critical for work creation, lessens joblessness, financing monetary development and animating business development and in addition making riches for people and the general public on the loose. The term enterprise is viewed as an essential path in which business associations make esteem.

Recently, managers where anxious in pursuing entrepreneurial activities in their organizations as a result of varieties of serious problems that are encountered. Such complication accommodate:

1. Fast development in the quantity of new and complex opponents in the market places;

2. The bit by bit expanding shortcomings in the conventional techniques for corporate administration.

Some of expressive problems SME's face according to (Adetola, 2016) are:

- (a) High cost of doing business
- (b) Multiple taxation system
- (c) High cost of legal documentation
- (d) Lack of continuity and inadequate capacity building

Other problems associated with SME's according to (Ifiokobong, 2015) are:

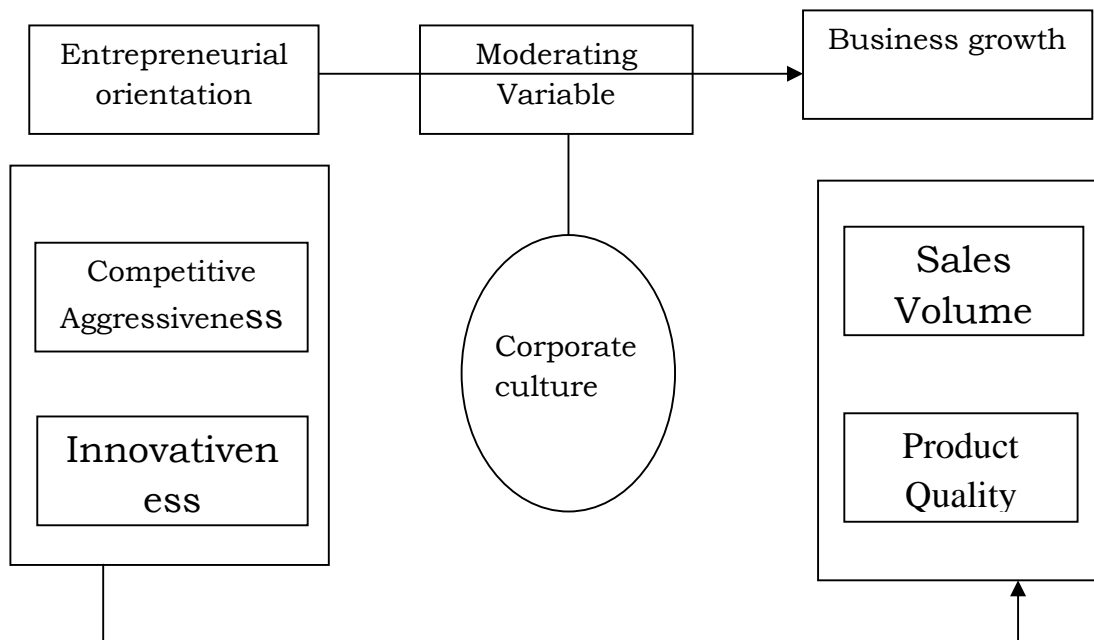
- (a) Lack of power supply
- (b) Poor transportation network
- (c) Access to funds and not good enough government support
- (d) Lack of enabling environment and infrastructure

Possible solutions to these problems, according to (Adetola, 2016) are:

- (a) Provision of adequate infrastructure
- (b) Elimination of multiple taxation
- (c) Provision of adequate capacity building
- (d) Provision of accessible credit facilities

The requirements of emotional changes, developments and upgrades to keep the falling and dormancy in the commercial centers; lastly expanded worldwide rivalry (Kuratho and Hodgetts, 2001). To conquer such issues, the two specialists and academicians have demonstrated much interests, due to the way that entrepreneurial exercises upgrade and revive associations. In tense global marketplace, entrepreneurship is seen as a way organizations keep up and increase sustainable competitive capabilities.

Conceptual Framework



Sources: Researchers Concepts, 2017, Adapted from Dess and Miller (2011, Entrepreneurial Orientation) and Reibstein (2010, Business Growth)

In this paper, our approach is first to address in turn, the meaning of business growth and entrepreneurial orientation. Problems faced by SME's and also the solutions to these problems. We then examine the role of entrepreneurship orientation in business growth and finally, the conclusions.

CONCEPT OF ENTREPRENEURIAL ORIENTATION

Entrepreneurial orientation (EO) is a concept used into accredit procedures and attempts of associations occupied with entrepreneurial practices and exercises (Lumpkin and Dess, 2001). The exploration on entrepreneurial introduction is expanding the writing of business organization with the way that it has been perceived by supervisors and understudies as a basic achievement factor for survival of the associations and achievement.

The existence of the concept of entrepreneurship could be followed to cantillion (Circa, 1700), who initially utilized the idea and discussed chance affinity and resilience for vagueness as a measurement of business enterprise (Thomas and Miller, 2000). Despite the fact that the idea of business enterprise has been viewed as a region of scholarly and scholastic examination since late nineteenth century (Katz, 2003).

Entrepreneurship introduction is clear inside an organizations administrative logic, basic leadership practices and its key conduct (Anderson, Covin and Slavin, 2009; Wales 2016). Hence, entrepreneurial orientation is a company's basic leadership propensity towards entrepreneurial exercises (Covin and Wales, 2011).

Organizations that are willing to be a part of effective corporate business must have an entrepreneurial introduction. Entrepreneurial introduction alludes to system making rehearses embraced by business to distinguish and start corporate endeavors. The idea of entrepreneurial introduction, draws upon prior research that takes a gander at procedure making terms of arrangements of activities or basic leadership styles that are summed up crosswise over firms. Writing on business enterprise, in a workshop work, Miller (2011) contended that an entrepreneurial association is engaged with item advertise advancement, embraces some hazardous ventures and concocts "proactive" developments, thrashing contenders hands, proposes the measurements of creativity chance taking and dedication. Additional dimension that are critical to entrepreneurial orientation concept have also been proposed, such as competitive aggressiveness and autonomy. All these factors mentioned, work together in enhancing an organization's entrepreneurial performance Dess and Lumpkin (2005).

DIMENSIONS OF ENTREPRENEURIAL ORIENTATION

Competitive Aggressiveness: This means an organizations effort to beat its rivals in the industry. Organizations with a forceful introduction prepared to "do fight" with their rivals. They may slice costs and furthermore relinquish beneficially in picking up piece of the pie, or even spend forcefully to secure assembling limit. As a road for firm improvement and development, focused forcefulness might be exceptionally forceful in utilizing consequences of some other entrepreneurial exercises like inventiveness or eagerness.

Administrators who are strategic adopts emulous contentiousness to brush-off business movement in order to threaten market position/ survival Dess and Lumpkin (2005).

Innovativeness: This means an organization effort to discover new open doors, furthermore, new arrangements. It incorporates innovativeness in new experimentation that prompts new items, new administrations or enhanced mechanical procedures. Inventiveness is a major factor of an entrepreneurial strategy. Innovativeness desire that organizations move away from existing advances and practices and wander past the present state. Creations and crisp thoughts should be tended to notwithstanding when their advantages are not clear.

Nevertheless, business environment experience quick change adequately creating, acclimatizing and abusing developments can be a vital road for focused advantage to be achieved. Imaginativeness can be a wellspring of achieving extraordinary advance and solid corporate development. Dess and Lumpkin (2005).

CONCEPT OF BUSINESS GROWTH

Authoritative development has clear upsides. It goads new pursuit creation. It makes an energizing situation inside an association (Lipton, 2012). Fortuity are created by organizational growth for business founders what's more, others in the association to end up plainly well off.

Enterprise development has drawbacks as well. At the point when development is excessively quick, disarray can dominate (Conner, 2008). In this sort of circumstance an association may see expanded deals, however benefit surely drops. A business may exceed the ability controlled by the pioneer, workers and counsels. All what is included are probably going to be worried, attempting endeavors to stay aware of the demand of development.

Entrepreneurs who look to control their organizations through development periods, either the development is emotional or incremental should plan to manage the two upsides and drawbacks of development (Boggs, 2004) when an association is little in estimate, the business person who set up the business and much of the time fill in as its essential vital and operational pioneers can without much of a stretch direct and screen different aspects of regular business. In a domain in that capacity, the entrepreneur and author comprehends identities inside the association (Dwight, 2006).

Association's development, expedites an unavoidable hands ability while variety of different authoritative errands in the meantime increments. There are methods for lessening the assortment by designating obligation and also introducing great information frameworks, however there isn't at any rate of maintaining a strategic distance from it (Lipton, 2012).

Business visionaries who are sufficiently fortunate to encounter development soon discovers that accomplishment as an entrepreneur, does not mean you have arrived and would now be able to go to rest. The extension of an association does not mean doing combating with same issues. It implies understanding, changing and overseeing altogether new arrangements of issues. It ordinarily implies constructing and dealing with another sort of business. Firm's growth produces a complex organization, that is in need of experienced management team, as well as a new infrastructure (Conner, 2008).

Firm's growth needs as much as arranging, exertion and work in beginning an organization. Owners of small businesses are faced with excessive collection of organizational elements that should be corrected within the growth period (Dwight, 2006).

MEASURES OF BUSINESS GROWTH

According to Reibstein (2010) organizational growth has been broken down into some measures, such as sales growth, profit margins, stock performance, product quality, market share and sales territories.

However this work will focus on sales volume and product quality as measures of business growth.

Sales volume: In business, sales volume describes the output, turnover and sales revenue of products or service sold (William and Klein, 1991) as in (Guidry, 2011). The reason, there is a well thoroughly considered deals process includes purchaser and vender hazard administration, institutionalized client collaboration in deals and versatile era of income. For moving toward deals from a "procedure perspective" is that fortuity given to utilize plans and apparatuses of different trains and process arranged businesses. Juran (1999) saw as in Farris *et al* (2010), there shouldn't be reasons why commonplace standards of value and process designing won't work in the business procedure.

Deals share; this is the base deals volume objective set up by the merchant. A business portion may be communicated as far as money esteem or units that is sold. Portions may likewise be viewed as set of offers action (i.e. number of calls every day), benefit and deals cost notwithstanding deals volume. A business amount requires a salaried or charged sales representative or an objective set for a brand, product offering or a firm analysis (Eric, 2005).

Product Quality: Product quality improvement plays an important role for the management of product quality. Product quality administration includes particular importance inside business areas. It focuses on four components: that is parameter arranging, savor control, virtue confirmation and genius change (Kenneth, 2013). Selden (2012) opined that customers acknowledged significant change indicating in products & services. Providers additionally recognized that quality can be a huge differentiator between their offerings and that of contenders (i.e. quality separation is otherwise called savor crevice).

According to Charles and West (2009) the subject matter have turned out to be more vital including quality culture, the criticalness of learning administration and the part of initiative in the advancement and accomplishment of high caliber. Courses like frameworks believing is conveying a more all encompassing point of view to quality with the end goal that individuals, items and process are thoroughly considered together as opposed to factors that are autonomous in quality administration (Westcott and Rusell, 2003).

The energy of value thinking has created to non-customary applications outside assembling, reaching out into benefit parts and furthermore zones like deals, promoting and client benefit (Nederpelt, 2012).

The Role of Small and Medium Scale Enterprises

The Small and Medium Scale Enterprises (SMEs) are known to be the back of economic growth in all states or countries (Rajesh *et al*, 2008). They play a vital role in the economic growth of Nigeria, as they make up 97.2% of Nigerian firms (GSO 2017). They also provide to national development by influencing the distribution of income in both functional and nominal terms positively (Uzor, 2014).

In dwelling on the importance of SMEs, (Rogers, 2012) assert that they enhance capacity building as they aid entrepreneurial training avenues; creating more employment opportunities per the unit of investment on account of labour intensive operations; they acquire a more relative high value added operations because they are propelled by fundamental economic activities which rely mostly on raw materials sourced locally; SME's provide feeder industry services as they serve as better suppliers of intermediate goods and components to large scale industries as well as major agents for distributing final products of such industries; opportunities for the development of local skills and technology acquisition through adaptation are also provided by small and medium scale enterprises.

According to the central bank of Nigeria report (2004), SMEs are very important economic catalyst in developing and industrialized countries, in developed countries 98% or more belong to the small and medium scale sector.

The Rivers State government recently introduced a Business Clinic (BC), which is an aspect of its business capacity building initiatives, asset that it is to empower small and medium – sized enterprises (SMEs) for economic activities. The state government in collaboration with SPROG consultants created this programme, which is said to be targeted towards improving and empowering SMEs in their business activities (Vanguard, 2015).

ENTREPRENEURIAL ORIENTATION AND BUSINESS GROWTH

The relationship that exists between entrepreneurial introduction and business development is a noteworthy subject that draws the consideration of analysts. It is obvious that abnormal state entrepreneurial introduction exercises prompt superior of associations (Wiklund and Shepherd, 2005).

To conclude this paper, it could be opined that entrepreneurial orientation influence business growth towards contributing a great deal to its sales volume and product quality. It enhances the organizations ability to achieve its strategic goals and corporate objectives. In view of this, it could be maintained that the application of the concept of entrepreneurial orientation via competitive aggressiveness and innovativeness are said to influence business growth.

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