

Impact of Corporate Entrepreneurship and Market Orientation on the Performance of Small Medium-Sized Enterprises in Ibadan Nigeria

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ABSTRACT

The performance of Small and Medium-Sized Enterprises (SMEs) is pivotal to economic development, particularly in emerging economies like Nigeria. This paper explores the intersection of Corporate Entrepreneurship (CE) and Market Orientation (MO) and their collective impact on the performance of SMEs in Ibadan, Nigeria. Two research questions were raised, and two hypotheses were tested. The study employed the survey research design with five hundred and forty-six (546) respondents as subjects. Representative SMEs were purposively selected from each of the 11 local government areas in Ibadan Metropolis. Primary data was employed using the questionnaire to elicit information from the respondents. Data collected were analysed using Canonical Correlation and Multiple Regression. Findings indicated a combined impact of CE and MO on the performance of SMEs with a Canonical Correlation of 0.510 at $p < 0.0$. The results also showed that corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness using Multiple Regression jointly predicted SMEs performance at $F = 19.501$; $R = .450$, $R^2 = .202$, $Adj. R^2 = .192$; $P < 0.00$. Based on these results, it is recommended that SMEs should emphasise the practices of CE and put more effort into market research specifically to make confident, progressive business decisions based on market development and market entry opportunities that can lead to sustainable competitive advantage and superior organisational performance.

Keywords: Entrepreneurship, Market Orientation, Performance, Small and Medium-Sized Enterprises (SMEs), Nigeria

1. INTRODUCTION

Business performance is the cornerstone of any enterprise, particularly for SMEs, which often operate with limited resources and face intense competition. High business performance is not just about generating profits; it is about sustaining growth, creating jobs, and contributing to the broader economy. For SMEs, strong performance can mean the difference between thriving in the marketplace or struggling to survive (Abbu & Gopalakrishna, 2021). It reflects the company's ability to meet its goals, satisfy customers, and maintain a competitive edge, which are all crucial for long-term success. Corporate Entrepreneurship (CE) and Market Orientation (MO) are vital drivers of this performance. CE, with its focus on innovation, proactiveness, and risk taking, empowers SMEs to explore new opportunities, develop unique products, and enter untapped markets. It encourages a culture where employees are motivated to think creatively and act boldly, which can lead to breakthroughs that significantly enhance business performance. MO, on the other hand, ensures that these entrepreneurial efforts are aligned with market needs.

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By deeply understanding customer preferences, monitoring competitor activities, and staying attuned to market trends, SMEs can make informed decisions that resonate with their target audience. Together, CE and MO create a powerful synergy that drives SME performance individuals (Abdullahi & Sulaiman, 2018). While CE pushes the boundaries of what the business can achieve, MO ensures that these efforts are grounded in market reality. This combination not only boosts profitability but also ensures that the business can sustain its success over the long term. For SMEs, embracing CE and MO is not just a strategy – it is a necessity for thriving in a competitive and ever-changing market.

Small and Medium-Sized Enterprises (SMEs) have been brought into the limelight in both developed and developing nations as a result of their role in economic development. According to Abbu and Gopalakrishna (2021), the enhancement of economic output and human welfare is attributed to the potential of SMEs in national development. Additionally, SMEs play a crucial role in the processes of industrialisation and long-term economic growth, as highlighted by Abdullahi and Sulaiman (2018). Furthermore, these enterprises contribute to employment opportunities, benefiting both entrepreneurs and their workforce, typically ranging from twenty to fifty individuals (Abdullahi & Sulaiman, 2018). They also provide employment for entrepreneurs and their employees of between twenty and fifty people, thereby supporting job creation and poverty reduction (Ademilua et al., 2022).

CE holds significant importance in assessing firm performance. The success of established and large companies relies on their entrepreneurial initiatives through CE, emphasising that CE drives output results rather than the other way around (Hanci-Donmez & Karacay, 2019). In the current business landscape, the performance of various companies is a critical concern due to the challenges they face, leading to a notable decline in the survival rates of emerging enterprises (Abbu & Gopalakrishna, 2021).

There are identified gaps in SMEs in Nigeria ranging from conception of ideas, performance and sustainability. Hence, there is a need to examine the impact of CE and MO on the performance of SMEs in Ibadan Metropolis, Oyo State, Nigeria. The analysis of dependent variable such as SME Performance involving indicators such as corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, and responsiveness have been tested to ascertain its level of effect on the performance outcome of SMEs.

The gaps in the literature provided the impetus for conducting this study, which aimed at implying the need for a concerted effort to contribute to the debate on the impact of CE and MO on the performance of SMEs in the Ibadan Metropolis. Hence, the empirical investigation on the impact of CE and MO on SMEs performance in Ibadan Metropolis, Oyo State, Nigeria is crucial to be carried out.

2. LITERATURE REVIEW

2.1 SMEs Performance

SMEs performance is a crucial indicator of the overall success of a business (Zacca & Alhoqail, 2021). It encompasses various dimensions, such as profitability, market share, operational efficiency, and customer satisfaction (Abdullahi & Sulaiman, 2018). SMEs performance is shaped by a wide range of factors, including how the business operates, its strategic choices, and the external environment in which it competes. For instance, a company's ability to innovate, adapt to market changes, and manage resources effectively can all have significant impacts on its performance. Additionally, external factors like economic conditions, competition, and customer behaviour also play a role (Ademilua et al., 2022).

The study of SMEs performance has garnered considerable attention in academic literature due to the vital role that SMEs play in economic development. Researchers (Leitch & Volery, 2017; Neneh, 2022; Lu & Chen, 2022) have explored a broad spectrum of factors that influence SMEs performance, ranging from internal organisational dynamics to external market conditions. Internally, management practices, innovation, and organisational culture are often cited as critical determinants of SMEs performance. For instance, effective leadership and strategic planning are essential for navigating challenges and capitalising on opportunities, as highlighted by various scholars. These internal capabilities enable SMEs to set clear goals, allocate resources efficiently, and maintain a competitive edge in their respective markets (Lu & Chen, 2022).

Innovation is another key factor that drives SMEs performance. It encompasses the development of new products, services, or processes that differentiate a business from its competitors. Studies have consistently shown that SMEs that engage in innovative activities tend to perform better, particularly in highly competitive industries. Innovation allows these firms to adapt to changing market demands, improve operational efficiency, and ultimately achieve higher profitability and growth (Neneh, 2022). External factors, such as market conditions, access to finance, and regulatory environments, also play a significant role in shaping SMEs performance. Access to finance, in particular, is a critical issue for many SMEs, especially in developing economies. Limited access to capital can restrict a firm's ability to invest in growth opportunities, innovate, or expand its operations. This financial constraint often leads to slower growth and lower overall performance.

CE is seen as a remedy for the stagnation and lack of innovation in large, mature companies. Previous research has identified four critical domains influencing CE: the external surroundings, strategic leadership, organisational performance, and the internal organisational atmosphere (Buli, 2017). The external environment includes factors like competition, technology, and social aspects, requiring companies to adapt continually. Strategic leaders play a crucial role in shaping entrepreneurial behaviours, while company performance, especially in terms of overall profitability and access to surplus resources, influences CE. The crucial role of the internal organisational environment, which includes structures, systems, processes, and culture, is underscored by factors such as management support, work autonomy, incentives, time flexibility, and organisational boundaries (Zacca & Alhoqail, 2021).

MO, which refers to a firm's ability to understand and respond to customer needs and market trends, is another external factor that has been shown to significantly impact SMEs performance. Firms with a strong MO are better equipped to align their strategies with customer preferences, anticipate changes in the market, and respond swiftly to competitive pressures. This alignment enhances their ability to maintain customer satisfaction and loyalty, thereby improving their overall performance (Leitch & Volery, 2017).

2.2 Corporate Entrepreneurship (CE)

Corporate Entrepreneurship (CE) can be defined as the pursuit of new ventures or entrepreneurial activities within a company, guided by an organisational plan and vision. It plays a crucial role in shaping emerging strategies, showcasing a positive impact on organisational development (Abbu & Gopalakrishna, 2021). The recruitment of individual managers and the formation of teams encouraged to generate ideas for products and services are common practices within CE. However, there is a lack of consensus on the dimensions of CE, with CE and entrepreneurial MO often used as proxies (Hanci-Donmez & Karacay, 2019).

In Nigerian SMEs, CE is institutionalised through various practices that embed innovation and entrepreneurial thinking into the organisation's culture and operations. Successful examples can be seen in how some companies establish dedicated innovation units or cross-functional teams tasked with developing new products and exploring business opportunities. These units operate

with a level of autonomy, allowing them to experiment and innovate without the constraints of day-to-day business operations. Another key practice is the encouragement of intrapreneurship, where employees are empowered to act as entrepreneurs within the organisation. This approach is particularly common in the technology and fintech sectors, where employees are given the platform to pitch new ideas, with successful proposals receiving the necessary support and resources for further development (Neneh, 2022).

Strategic alliances and partnerships are also central to institutionalising CE. Nigerian SMEs often collaborate with other businesses to share resources and co-develop new products, especially in industries like fintech, where partnerships between start-ups and established banks lead to innovative financial solutions. Additionally, the adoption of agile management practices allows these firms to remain flexible and responsive to market changes, ensuring that they can quickly adapt their strategies based on real-time customer feedback. Leadership commitment is crucial for sustaining these entrepreneurial processes. In successful Nigerian SMEs, leaders actively promote a culture of innovation, endorsing risk taking and continuous learning. This commitment from the top ensures that CE is not only initiated but also maintained over time. Continuous learning and development programs further support this by keeping employees up-to-date with the latest trends and skills, reinforcing a culture of adaptability and growth (Abdullahi & Sulaiman, 2018).

Westman et al. (2022) insists that corporate innovation, proactiveness, and risk taking are core components of CE that collectively drive the strategic dynamism of SMEs. Innovation enables firms to introduce new products, services, or processes that differentiate them in the market, thereby fostering growth and competitive advantage. Proactiveness complements innovation by allowing SMEs to anticipate market trends and act decisively, positioning themselves ahead of competitors. Risk taking, an integral aspect of CE, involves the deliberate allocation of resources towards uncertain ventures with the potential for high returns. In Ibadan's competitive environment, where market conditions can be volatile, the capacity to innovate, act proactively, and take calculated risks is essential for SMEs seeking to achieve and sustain high performance. Entrepreneurial culture ties these elements together, creating an organisational environment that nurtures innovation, encourages proactive behaviour, and supports risk taking. A strong entrepreneurial culture within SMEs reinforces the pursuit of CE activities, enabling firms to remain agile and responsive to market opportunities and challenges (Zacca & Alhoqail, 2021).

Research by Zainol and Daud (2011) in Malaysia highlighted the positive impact of CE on the performance of large corporations. This research found that an efficient entrepreneurial orientation significantly enhanced the profitability of large Malaysian corporations. The study demonstrated that when these companies adopted a strong entrepreneurial approach, characterised by innovation, proactiveness, and risk taking, they were better positioned to capitalise on market opportunities, leading to improved financial performance. Thus, efficient entrepreneurial orientation was found to enhance profitability. Similarly, a broader multi-country study in Europe demonstrated the positive effects of CE on financial performance, particularly in countries with weaker protection of intellectual property and employee rights (Buli, 2017). It emphasises the need for both a supportive external environment and internal factors for optimal organisational performance, acknowledging that the field of CE continues to evolve and requires further development (Westman et al., 2022).

2.3 Market Orientation (MO)

Market Orientation (MO) is another crucial aspect, involving the generation of market intelligence, dissemination within the organisation, and responsiveness to customer needs. Scholars differ in their conceptualisations of MO, but the core issues typically include customer focus, coordinated marketing efforts, and the pursuit of enhanced profitability (Bhatti et al., 2020). A market-oriented organisation is characterised by a strong long-term orientation,

competitive agility, and a focus on profitability. The goal of MO is to provide exceptional customer value by leveraging insights obtained from analyses of both customers and competitors (Neneh, 2022).

Market intelligence in Nigerian SMEs is generated through several systematic approaches that provide valuable insights into customer preferences, market trends, and competitor activities. One common method is the use of customer surveys, where firms gather direct feedback on products, services, and overall customer satisfaction. These surveys help businesses understand evolving customer needs and identify areas for improvement or innovation. Competitor analysis is another crucial aspect of intelligence generation (Olokundun et al., 2018). SMEs often monitor their competitors' strategies, pricing, product launches, and marketing tactics to stay informed about market dynamics. This analysis allows them to anticipate competitive moves and adjust their strategies accordingly. Additionally, firms may employ social listening tools to track customer sentiments and industry trends on social media platforms, providing real-time insights into market conditions.

In the words of Abdullahi and Sulaiman (2018), once generated, this market intelligence is disseminated across the organisation through various internal communication channels. Regular meetings, emails, and internal newsletters ensure that all departments are informed about key market findings. Training sessions and workshops are also used to disseminate intelligence, ensuring that employees at all levels understand the implications of the data and how it relates to their roles. This structured communication ensures that the entire organisation is aligned with the market-oriented goals and can respond effectively to changes in the market environment.

For MO, indices such as intelligence generation, intelligence dissemination, and responsiveness are pivotal. Intelligence generation involves the systematic collection of market data related to customer needs, competitor actions, and broader market trends (Neneh, 2022). This intelligence forms the foundation upon which strategic decisions are made. However, its value is fully realised only when effectively disseminated across the organisation. Intelligence dissemination ensures that all functional areas within the SMEs are informed and aligned with the firm's market-oriented goals, promoting coordinated efforts towards market responsiveness. Responsiveness, the ability to swiftly and effectively react to market changes, is the outcome of a well-integrated MO (Olokundun et al., 2018). By leveraging the intelligence gathered and shared, SMEs can adapt their strategies, products, and services to meet evolving customer demands and competitive pressures. In the dynamic market of Ibadan, such responsiveness is critical for maintaining relevance and achieving sustained success.

Together, these variables form a comprehensive framework through which CE and MO influence SMEs performance. Corporate innovation, proactiveness, and risk taking, driven by an entrepreneurial culture, enable SMEs to explore new opportunities and take bold steps towards growth. Simultaneously, intelligence generation, dissemination, and responsiveness ensure that these entrepreneurial efforts are grounded in a deep understanding of the market, allowing SMEs to align their innovative initiatives with customer needs and competitive realities. This integration of CE and MO elements is essential for SMEs in Ibadan to enhance their performance, navigate market uncertainties, and secure long-term sustainability (Adeniran, 2020).

2.4 Background of SMEs in Nigeria

In Nigeria, less than 5% of SMEs survive beyond five years of service, according to Olokundun et al. (2018), while about 85 percent to 90 percent of SMEs are constantly battling with funding, especially the capital needed for the expansion of their business. Thus, the survival rate of newly developed SMEs in Nigeria is low. According to a World Bank report from 2015, only around 5% of SMEs last for more than five years. That is, less than 5% of SMEs survive their first five years of operation, while the sector contribution to GDP is low, necessitating the need to look at

alternate ways of propelling or assisting the government in enhancing the growth of SMEs in order for SMEs to live up to the desirable expectations of creating employment prospects, reducing poverty, improving quality of life and general wellness (Neneh, 2022). SMEs often experience a significant rate of failure, with a considerable number facing challenges that lead to closure within the initial five years of their establishment, with just 10 percent surviving, prospering, and developing. It's no surprise that Nigeria is grappling with a host of social ills, including high unemployment, hunger, poverty, extortion, armed robbery, insecurity, crime, and a big rift between the haves and have-nots (Adeniran, 2020).

According to the Nigeria Bureau of Statistics (2018), between 2014 and 2018, youth unemployment in Nigeria averaged 23.6 percent, peaking at 38 percent in the second quarter of 2018. The high rate of unemployment, hunger, violence, and other problems facing Nigeria has been blamed on the failure or sluggish growth of SMEs. As a result, a more imaginative and inventive approach to addressing the challenges of SMEs' sluggish growth, as well as other social challenges, is desirable. The conflicting outcomes observed in prior research indicate that comprehending the relationship between MO and performance is more complex, and its effects cannot be oversimplified (Neneh, 2022).

The establishment and growth of viable SMEs in Nigeria have faced persistent challenges due to harsh economic conditions prevalent in the country's business environment. According to Olokundun et al. (2018), the Institute of Development Administrator of Nigeria (IDAN) has outlined some of these challenges. Firstly, SMEs in Nigeria heavily rely on informal sources of finance, such as personal savings and obtaining funds from friends, family, and credit associations, given that formal financial institutions such as commercial banks are reluctant to extend credit. Microfinance plans and organisations are still in their developmental stages and can provide limited support. Secondly, the success of SMEs is heavily dependent on entrepreneurial skills, including the ability to plan, organise, coordinate, lead, and communicate. However, the high failure rate among Nigerian SMEs is often attributed to inadequate managerial and entrepreneurial skills. Thirdly, inadequate infrastructural and institutional support, such as weak electricity, lack of portable water, and poorly developed feeder roads, remains a significant impediment to SMEs growth in Nigeria. Additionally, state institutions like the Police and the Judiciary struggle to provide internal security and fast justice, while intellectual property lacks sufficient protection. Moreover, registration fees for specific products at government agencies remain consistent for both small and large firms, irrespective of resource availability. Fourthly, political conflicts, ethno-religious tensions, poor governance, and accountability issues in public service contribute to an unstable and unreliable business environment in Nigeria.

Moreover, the challenges faced by entrepreneurs in Nigeria have an indirect influence on SMEs, given the inherent connection between SMEs and entrepreneurship. Many individuals in Nigeria engage in business merely to meet daily needs rather than driven by passion, leading to a lack of innovation and reduced global competitiveness. In Nigeria, the economic system tends to generate contractors reliant on government projects and intermediaries flourishing in the informal business sector. Additionally, the notion of entrepreneurship is frequently constrained to individuals pursuing profit through supernatural and superstitious methods rather than employing a corporate management approach. Closing this disparity is vital, as it poses a significant challenge for small business operators in Nigeria to improve business sustainability by acquiring managerial skills to recognise and seize opportunities (Adeniran, 2020). Furthermore, numerous studies have indicated a positive correlation between MO and firm performance (Lu & Chen, 2022). Furthermore, the majority of evidence in the literature has come from developed countries (Leitch & Volery, 2017; Jiang et al., 2022), South Africa, and Asia (Hanci-Donmez & Karacay, 2019; Hutahayan, 2021). Meanwhile, investigations into strategic entrepreneurship have predominantly taken on a theoretical nature (Zacca & Alhoqail, 2021), which calls for an empirically based investigation.

2.5 Theoretical Review

Spector and Kitsuse (1977) market intermediary theory of corporate entrepreneurship is one of the theories providing a framework for this investigation. According to Spector and Kitsuse (1977), CE services provide value to client-made products. Common examples of these services include product development, production, and marketing assistance, as well as funding. The market intermediary either buys the client-made things altogether or accepts them on consignment before reselling them profitably on high-margin marketplaces. Furthermore, financial structure is immaterial, according to the Modigliani-Miller theorem: people can design portfolios that balance any position taken by an intermediary. Hence intermediation cannot generate value.

Thomas Cochran's Theory of Entrepreneurial Supply is another theory. This theory, proposed by Thomas Cochran in 1955, is concerned with the sociological elements of entrepreneurial supply. He emphasises cultural values, roles, and how they influence the supply of entrepreneurs, beginning with the premise that the fundamental challenges of economic development are non-economic in character. Cochran's idea of entrepreneurs includes the following fundamental factors. According to Cochran (1955), childrearing and schooling, which are typical in cultural latencies, develop the inner nature of the executive. He analysed how all cultural and or social aspects were absorbed by the relatively basic job of an entrepreneurial role, defined by the actor's personality, the group's expectation with the authority to discipline departures from anticipated behaviour, and the operational necessities of the function to be fulfilled.

The general objective of the study is to examine the impact of CE and MO on the performance of SMEs in Ibadan Metropolis, while the specific objectives are to:

- Examine the main and interaction effect of CE and MO on SMEs performance.
- Ascertain whether corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness can jointly and independently predict SMEs performance.

Based on the objectives of the study, the following hypotheses were tested:

H₁: There is a main and interaction effect of CE and MO on SMEs performance.

H₂: Corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness jointly and independently predict SMEs performance.

3. METHODOLOGY

The survey research design was adopted for the study. Respondents were drawn using purposive sampling technique, from selected registered SME owners and managers in Ibadan Metropolis. Respondents were mostly engaged in various SMEs at different levels. Five hundred and forty-six (546) registered SMEs were purposively selected from the 11 Local Government Areas in Ibadan Metropolis. SMEs in the study area were made up of agricultural, manufacturing, construction, trading, transport, estate agency, health and education businesses, among others, and registered by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and have been operational for a minimum of five years. Primary data was used in this investigation. The survey was entirely organised in a structured format to elicit responses, enabling the researcher to assess the hypotheses and research questions of the study. All hypotheses were tested at 0.05% level of significance.

The CE, MO and SMEs Performance questionnaire was used for data collection. The instrument contained 73 items which was divided into four sections (A, B, C, and D). Section A was made up of 10 items (gender, age, marital status, religion, education qualification, working experience, market size, staff strength, nature of your business, income level in percentage) while Section B consisted of 32 items which made up the Corporate Entrepreneurship Scale (CES). Sections C consisted of 23 items which made up the Market Orientation Scale (MOS); while Section D had 8 items which constituted the Performance of SMEs Scale (PSS). Each component of the questionnaire in section B and C was measured in a four-point Likert Range format consisting of Strongly Agreed (Coded 4), Agreed (Coded 3), Disagreed (Coded 2), and Strongly Disagree (Coded 1) while Section D was measured on a six-point Likert scale ranging from Very high to Very low; i.e., Very high = 6, Somewhat high = 5, High = 4, Low = 3, Somewhat low = 2, Very low = 1. The questions were arranged according to the arrangement of the research questions. The instrument was deployed with the aid of research assistants who were given instructions on the procedures to adhere to during the fieldwork to ensure the smooth administration and collection of the questionnaires.

The study utilised a test-retest approach to assess the reliability of the research tool. Standard deviation was employed to identify variations from the mean between the test and re-test periods. Considering the nature of the responses used in constructing the scales, a reliability analysis using the Cronbach Alpha coefficient was conducted to evaluate the degree of consistency of the scale. Hence, Cronbach's Alpha was used to examine the reliability among the variables of CE (corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture) and MO (generation of intelligence, dissemination of intelligence, and responsiveness) and SMEs performance. It was discovered that all items have Cronbach's Alpha coefficient of 0.928. All factors have coefficient that is greater than 0.5. Since the coefficient is higher than 0.5, using the rule of thumb, the variables were acceptable and coefficients have high covariance and were statistically significant. Demographic data were examined through frequency counts and simple percentages, while the hypotheses were analysed using Canonical Correlation Analysis Model and Multiple Regression.

4. RESULTS AND DISCUSSIONS OF FINDINGS

Hypothesis 1: There is a main and interaction effect of CE and MO on SMEs performance.

Table 1 Canonical Correlations Analysis

	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F.	Denom D.F.	Sig.
1	0.510	0.352	0.441	8.400	56	2864.834	0.000
2	0.481	0.301	0.596	6.930	42	2498.753	0.000
3	0.368	0.157	0.776	4.662	30	2134	0.000
4	0.244	0.063	0.897	2.945	20	1772.028	0.000
5	0.189	0.037	0.954	2.113	12	1415.768	0.014
6	0.097	0.009	0.99	0.933	6	1072	0.470
7	0.032	0.001	0.999

Table 1 indicates that the correlation coefficients for the initial five sets of canonical variates were statistically significant ($p < 0.05$). The initial correlation coefficient is 0.510, with an eigenvalue of 0.352, a contribution rate of 44.1%, and a cumulative contribution rate of 44.1%, all of which are statistically significant based on the likelihood ratio test ($p < 0.001$). The first pair of canonical variates demonstrates the highest correlation at 51.0%, accompanied by an F-value of 8.4. Consequently, only the initial pair of canonical variables underwent further analysis.

Table 2 Summary of Canonical Correlation Analysis

X-variables	Canonical Factor	Y-variables	Canonical Factor
	X		Y
Corporate Innovation	0.144	Public image	0.010
Corporate Proactiveness	-0.048	Job satisfaction	0.063
Risk Taking	0.477	Product quality	0.554
Entrepreneurial Culture	0.067	Growth rate	-0.030
Intelligence Generation	0.311	Employee's productivity	0.151
Intelligence Dissemination	0.506	Financial strength	0.736
Responsiveness	0.683	Loyalty	0.529
		Goodwill	0.113
Variance Extracted %	15.4	Variance Extracted %	14.6
Variance X-Y canonical variable	38.26%		
Canonical correlation	0.510		
p-value	0.000		

Table 2 depicts the summary of the canonical correlation analysis. It indicates the canonical analysis coefficient of $\rho = .510$, $p < .01$, which is significant. This suggests the combination of CE and MO, and SMEs performance is of positive correlation; X-variable's canonical factor explains 38.26% of Y-variable. Also, from Table 2, the variance explained by the four (4) sub variables CE and three (3) sub variables of MO is 15.4% while the variance explained by eight (8) sub variables of SMEs performance is 14.6%.

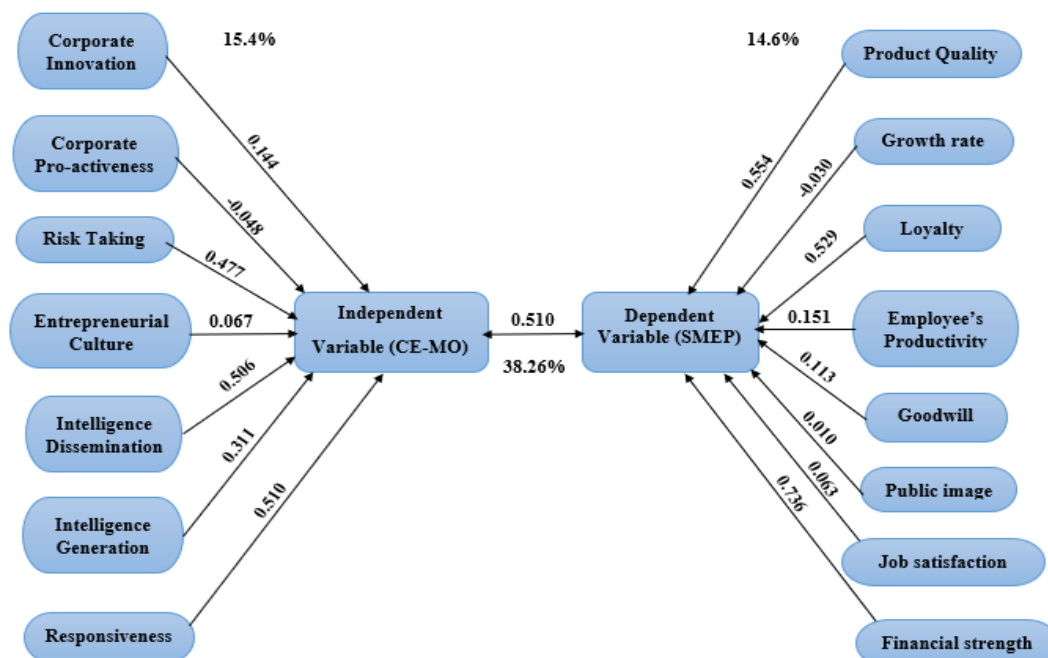


Figure 1. Path of Canonical Correlation Analysis

Furthermore, the outcome as stated for corporate innovation is the same for 4.8% decrease in corporate pro-activeness, 47.7% increase in risk taking, 6.7% increase in entrepreneurial culture, 50.6% increase in intelligence dissemination, 31.1% increase in intelligence generation and 51.0% increase in responsiveness. The analysis outcome indicated a significant main and interactive impact of CE and MO on the performance of SMEs. Finding aligns with the research of Zacca and Alhoqail (2021), emphasising the importance of integrating the adaptable traits of MO with the risk-taking characteristics of entrepreneurial orientation for a synergistic and mutually reinforcing influence on firm performance in transitional economies.

The findings of this study provide further substantiation regarding how innovation, proactivity, risk taking and entrepreneurial culture may influence the SMEs performance in terms of product quality, employee’s productivity, growth rate, financial strength, public image, goodwill, loyalty and job satisfaction. This study carries practical implications by offering insights and knowledge to managers of SMEs involved in the production of goods and services. It provides guidance on enhancing innovativeness, proactiveness, risk taking, and fostering an entrepreneurial culture to enhance SMEs performance in Nigeria, specifically in Ibadan, and more broadly in other developing countries. The study emphasises the implementation of the concept of CE to boost SMEs performance. Additionally, it underscores the role of SMEs managers as future leaders in driving the adoption of CE strategies to improve overall firm performance. Crick et al. (2022) in their discussion of the theory of market orientation and performance posit that a business's MO towards its target markets correlates with its competitive and financial performance. Essentially, a strong MO fosters a business culture that consistently identifies additional services and product adaptations, thereby creating superior customer value. As expected, MO has been demonstrated to have a positive association with business profitability (Crick et al., 2022). This study contributes to existing research on market orientation by delving into four key linkages between MO and performance. The findings hold particular relevance for managers and employees of SMEs tasked with developing and implementing marketing strategies.

Hypothesis 2: Corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness jointly and independently predict SMEs performance.

Table 3 Multiple Regression of CE and MO on SMEs Performance

Variable	Sub-variable	F-Ratio	Sig of P	R	R ²	Adj R ²	B	T	P	Remark
Constant		19.501	.000 ^b	.450 ^a	0.202	0.192	12.987	6.769	0.000	Sig
Corporate Entrepreneurship	Corporate Innovation						0.398	4.623	0.000	Sig
	Corporate Proactiveness						-0.072	-3.88	0.000	Sig
	Risk Taking						0.095	4.506	0.000	Sig
	Entrepreneurial Culture						-0.051	-3.44	0.001	Sig
Market Orientation	Intelligence Generation						0.258	3.183	0.002	Sig
	Intelligence Dissemination						0.068	2.884	0.004	Sig
	Responsiveness						0.343	4.309	0.000	Sig

Table 3 shows the linear regression among corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness and performance SMEs considered in this study. The result shows that corporate innovation, corporate pro-activeness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness jointly and independently predict SMEs performance at (F = 19.501; R = .450, R² = .202, Adj. R² = .192; P = 000). The independent variables (predictors) jointly accounted for a variation of about 20.2% in the performance of SMEs in Ibadan metropolis. When these variables were investigated individually, the results showed different degrees of prediction of SMEs performance by CE and MO variables. CE [corporate innovation ($\beta=0.398$, $t=4.623$, $P<.01$), corporate proactiveness ($\beta= -0.072$, $t=-3.88$, $P<.01$), risk taking ($\beta= 0.095$, $t=4.506$, $P<.01$), and entrepreneurial culture ($\beta= -0.051$, $t=-3.44$, $P<.01$) are significant at 1% level of significance].

Also, MO [intelligence generation ($\beta=0.258$, $t=3.183$, $P<.01$), intelligence dissemination ($\beta= 0.068$, $t=2.884$, $P<.01$), and responsiveness ($\beta= 0.343$, $t=4.309$, $P<.01$) are significant at 1% level of significance]. It can, therefore, be concluded that all independent variables (corporate innovation, corporate proactiveness, risk taking, entrepreneurial culture, intelligence generation, intelligence dissemination and responsiveness), are jointly and independently predict SMEs performance.

The result also shows that 1% increase in corporate innovation will increase the SMEs performance by 39.8%, 1% increase in corporate proactiveness will decrease the SMEs performance by 7.3%, 1% increase in risk taking will increase SMEs performance by 9.5%, 1% increase in entrepreneurial culture will decrease SMEs performance by 5.1%. Moreover, 1% increase in intelligence generation will increase SMEs performance by 25.8%, 1% increase in intelligence dissemination will increase SMEs performance by 6.8% and 1% increase in responsiveness will increase SMEs performance by 34.3%. On average, the result predicted that SMEs performance is supported by 14.026 (12.987+0.398-0.072+0.095-0.051+0.258+0.068+0.343) for each unit in the seven variables. The regression model is presented in the following equation:

$$SME_{Performance} = 12.987 + 0.398C_I - 0.072C_P + 0.095R_T - 0.051E_C + 0.258I_G + 0.068I_D + 0.343R_P$$

Where:

$SME_{Performance}$ = Performance of Small and Medium-sized enterprises

C_I = Corporate Innovation

C_P = Corporate Proactiveness

R_T = Risk Taking

E_C = Entrepreneurial Culture

I_G = Intelligence Generation

I_D = Intelligence Dissemination

R_P = Responsiveness

Furthermore, the findings from this study underscores the reality confronting managers within a firm, acknowledging a dynamic environment characterised by constant change, volatility, uncertainty, complexity, and ambiguity (Buli, 2017; Cherif, 2022). Hence, corporate innovation, proactiveness, risk taking and effective entrepreneurial culture should be encouraged. Also, components of MO; creation of intelligence, distribution, and adaptability must be to meet up with the changing dimensions of business operations. This is also in line with theories such as market intermediary theory of corporate entrepreneurship and theory of entrepreneurial supply. The impact of CE and MO in enhancing SMEs' performance promotes prosperity which reduces poverty according to theory of poverty reduction. The performance of an organisation yields a set of economic and humanitarian measures capable of permanently lifting people out of poverty

(Bhatti et al., 2020). Economic growth through the performance of SMEs emerges as the most potent tool for alleviating poverty and enhancing the quality of life in developing nations (Bagheri, 2017). As a result of the study's results, CE and MO have a substantial influence on the performance of SMEs in Ibadan, Nigeria.

5. CONCLUSIONS AND RECOMMENDATIONS

Findings from this study buttressed results of earlier studied on the relationship between CE, MO, and the performance of SMEs. This study has been able to highlight highly imperative variables of CE (corporate innovation, corporate proactiveness, risk taking and entrepreneurial culture) and MO (intelligence generation, intelligence dissemination and firm responsiveness) that can contribute to the performance of SMEs and the attainment of core competencies that engender sustainable competitive advantage.

It is obvious from the findings of this study that the components of CE and MO alone cannot account for organisational efficiency, effectiveness and performance of SMEs. This is because the performance SMEs is also determined by other factors and variables other than the factors considered in this study.

Therefore, it is concluded that CE, MO affect the performance of SMEs. Being a constituent of MO, responsiveness serves as a significant predictor of both innovation and firm performance. Therefore, summarising, the effective generation of intelligence significantly influences its dissemination, and the act of disseminating intelligence contributes to responsiveness in handling gathered information. In essence, the capacity to gather market insights from customers, competitors, and other stakeholders, and aptly responding to them through the delivery of innovative products and services, plays a crucial role in enhancing overall performance.

Consequently, if CE and MO are embraced successfully, this could help SMEs fulfil their role in fostering economic development, generating employment, and alleviating poverty. Therefore, it is concluded that effective CE and MO is critical for the success and profitability of SMEs. Meanwhile, future research could investigate further other contexts and areas not covered by this study. For example, examining how different leadership styles like transformational or transactional interact with CE and MO to impact SME performance; and investigating how cultural contexts, including regional and national cultural differences, shape the relationship between CE, MO, and SME performance.

Based on the major findings of the study, recommendations were made that:

- SMEs should emphasis more on the practices of CE. In the intensely competitive business landscape of today, corporate innovation which plays a pivotal role in determining a company's success should be encouraged by emboldening the practice of intrapreneurship, rewarding innovative habits, minimisation of bureaucracy and red tape, maintaining work-life balance, modelling and promoting innovative behaviours, as well as creating and nurturing a collaborative work environment. Corporate proactiveness will assist in creating a successful business path, environment, future and fate.
- Risk taking which enables innovation and important product/service differentiator should be encouraged. This is because embracing risk enables a firm to conquer the apprehension of failure and enable individuals to surpass self-imposed constraints. Entrepreneurial culture which drives employee engagement and satisfaction; SMEs in Nigeria should fully embrace this principle in their pursuit of organisational performance and their contribution to the country's Gross Domestic Product.
- SMEs put more effort ensure market intelligence examined with a specific focus on enabling confident and forward-thinking business decisions grounded in market

development and entry opportunities. The SMEs should establish mechanisms to shift towards a customer-centric approach, grasp market demands and consumer feedback, gather timely and pertinent data, enhance opportunities for upselling, mitigate risks, secure larger market shares, and attain a competitive edge.

- Policymakers should develop comprehensive training programs tailored for SMEs leaders and employees, focusing on innovation management, market analysis, and strategic decision-making. These programmes should be designed to equip SMEs with the skills needed to innovate and respond effectively to market changes.

The theoretical contribution of this study lies in its integration of CE and MO as dual strategic imperatives that drive SMEs performance. While previous research has extensively explored the individual impacts of CE and MO on business outcomes, this study contributes to the existing body of knowledge by examining the synergistic effects of these two constructs within the context of SMEs. By doing so, the study provides a nuanced understanding of how entrepreneurial activities and market-driven strategies collectively enhance SMEs performance, particularly in dynamic and competitive environments.

The study extends the theoretical framework of entrepreneurial orientation by positioning MO as a complementary factor that not only aligns entrepreneurial efforts with market demands but also amplifies the benefits of CE. This integration challenges the traditional view of CE and MO as separate strategic approaches, suggesting instead that their combined application can lead to superior business outcomes. The findings offer a new perspective on how SMEs can strategically leverage both innovation and market responsiveness to achieve sustainable growth.

Moreover, this study contributes to the growing body of literature on SMEs performance by contextualising CE and MO within the specific economic and cultural landscape of Nigeria. Given the unique challenges and opportunities faced by Nigerian SMEs, the research provides valuable insights into how these businesses can enhance their competitive advantage through a strategised CE and MO. This context-specific contribution is particularly relevant for scholars and practitioners interested in emerging markets, where the interplay of CE and MO may differ from more developed economies (Covin & Wales, 2019).

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