

Entrepreneurship orientation and performance of small and medium sizes enterprises in bamenda III

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ABSTRACT

Economic growth is mostly dependent on small and medium-sized businesses (SMEs), especially in Bamenda III and similar districts. Examining how an entrepreneurial mindset affects the success of small and medium-sized enterprises (SMEs) in Bamenda III was the primary goal of this research. The study implemented a structured questionnaire and analysed based on both descriptive and inferential statistics. Results from the ordinary least squares revealed that proactiveness behavior exerted a positive significant effect on SMEs_Performance in Bamenda III. Similarly, risk taking had a coefficient of 0.788, indicating a positive relationship with SMEs_Performance. Competitive aggressiveness had a positive coefficient indicating a positive association with SMEs_Performance, although it was not statistically significant at the conventional significance level. Innovativeness behaviour had a positive statistically significant effect on SMEs_Performance. From a policy perspective, enhancing the entrepreneurial skills and mindset of SME owners and employees can foster a greater entrepreneurial orientation, leading to improved business performance.

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1. Introduction

As the globe grows more interdependent and gaps across nations widen, policymakers, corporate executives, academics, and other internationally concerned individuals need a deeper understanding of the factors that shape the labor market. The practice of starting and running one's own business is ancient. The goal of this endeavor is to find profitable business prospects and put those chances to use in a brand-new enterprise (Amin, 2017, Landstrom, 2007). In order to generate value and meet unmet needs, entrepreneurs utilize their knowledge to spot possibilities, then apply their talents, resources, and creativity to the task at hand (Coulter, 2001). In addition, being an entrepreneur allows one or more people to use their imagination and resources to make money (Timmons et al., 2004). Entrepreneurship is a dynamic process of vision, change, and invention, as stated by Kuratko and Hodgetts (2004). The high rates of poverty and unemployment plaguing certain nations today are seen as solvable in part by encouraging the growth of an entrepreneurial spirit among the populace. Entrepreneurship is important because it creates new opportunities for people to earn a livelihood and contributes to economic growth and development at the national level (Kareem, 2015). They boost output thanks to the introduction of new innovations and accelerate structural shifts via the reform and increased competitiveness of established businesses (Baron, 2007). Prosperity and new employment opportunities are the results of entrepreneurial endeavors (Badal, 2010). There has been a global push in recent decades to enhance people's participation in market activities on the belief that such participation is essential to achieving sustainable improvements in people's quality of living (Badal, 2010). Rising unemployment, a slowing pace of job creation, and a tepid economic recovery have all contributed to an increased need for entrepreneurial endeavors as a method of reviving the global economy. As a

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result, governments are paying close attention to the potential of new businesses and heavy investment in research and development (R&D) to generate employment (Badal, 2010). Furthermore, a company is a method to make a difference by investing one's basic skills, time, and energy in pursuit of financial success and personal fulfillment (Hisrich & Peters, 1989). An increase in employment, an increase in the number of individuals who can become entrepreneurs, and an increase in the availability of essential products and services to the poor are all ways in which entrepreneurship may positively contribute to economic development and relieve poverty (Mead & Liedholm, 1998).

Entrepreneurship in Cameroon has a rich history rooted in the country's economic development and its journey towards self-reliance. Throughout the years, various factors such as government policies, cultural traditions, and global trends have shaped the entrepreneurial landscape in Cameroon. During the 1970s and 1980s, Cameroon witnessed the emergence of a vibrant informal sector, which became an important avenue for entrepreneurship (Nkemngu, 2015). Informal businesses, such as street vending and small-scale trading, proliferated due to the limited formal employment opportunities and the entrepreneurial spirit of the population. These informal businesses played a crucial role in job creation and poverty alleviation (Fombrun, 2016). Many SMEs in Bamenda III lack a clear strategic orientation. They often operate without a long-term vision or formal business plans, leading to ad hoc decision-making and limited growth prospects (Besse, 2018). There is a general lack of emphasis on innovation among SMEs in Bamenda III. There is a tendency to replicate existing business models and products rather than exploring new ideas and solutions (Nkemngu, 2015). Many SMEs in Bamenda III struggle with understanding and adapting to market demands. They often have limited customer focus, resulting in difficulties in identifying and satisfying customer needs. SMEs in Bamenda III face significant challenges in accessing finance to support their growth and operations. Banks and financial institutions often perceive SMEs as risky investments, leading to high interest rates and collateral requirements. The region faces infrastructural deficiencies, including unreliable electricity supply, poor road networks, and limited access to telecommunications. These shortcomings impede the efficiency and productivity of SMEs, hindering their performance (Afumbom, 2019). SMEs in Bamenda III encounter bureaucratic red tape, complex regulatory frameworks, and corruption. Obtaining licenses, permits, and complying with regulations can be time-consuming and costly, discouraging entrepreneurship and hindering business growth (Fombrun, 2016).

The lack of strategic orientation and limited innovation impact the growth potential of SMEs in Bamenda III. Without a clear vision and innovative approaches, these enterprises struggle to expand their market presence, resulting in limited profitability and constrained revenue streams (Besse, 2018). Insufficient market orientation hinders SMEs' ability to understand and respond to customer preferences. This leads to reduced competitiveness, as businesses fail to differentiate themselves from competitors or meet evolving market demands. The problems of limited access to finance, inadequate infrastructure, and regulatory constraints pose significant survival challenges for small and medium size enterprises (SMEs) in Bamenda III. Many enterprises struggle to overcome these obstacles, leading to high business failure rates and job losses. The paper sought to investigate the influence of entrepreneurship orientation on the performance of SME in Bamenda III Sub-division. Specifically to determine the influence of proactiveness on the performance of SME in Bamenda III Sub-division, investigate the impact of risk taking on the performance of SME in Bamenda III Sub-division, and evaluate the effect of innovativeness on the performance of SME in Bamenda III Sub-division.

2. Literature review

Rauch et al. (2009) investigated the relationship between entrepreneurship orientation and firm performance in a cross-national context. The authors conducted a meta-analysis of 50 studies comprising over 8,000 firms across different countries. They analyzed the effect of entrepreneurship orientation on firm performance in a cross-national context using random-effects models. The findings revealed a positive and significant relationship between entrepreneurship orientation and firm performance, indicating that firms with a stronger entrepreneurship orientation tend to achieve higher performance outcomes. This study provides robust evidence supporting the positive impact of entrepreneurship orientation on firm performance across different cultural contexts. Lumpkin and Dess (1996) explored the relationship between entrepreneurship orientation and firm performance in the context of small businesses. The authors conducted a survey-based study with a sample of 250 small businesses. They measured entrepreneurship orientation using a scale developed by Miller and Friesen (1982) and collected objective performance data from financial records. The study found a positive association between entrepreneurship orientation and firm performance, indicating that small businesses with a higher level of entrepreneurship orientation tend to achieve better financial performance. The results highlight the importance of fostering an entrepreneurial mindset and behavior in small business contexts to enhance performance outcomes. Wiklund and Shepherd (2005) examined the moderating effect of industry environment on the relationship between entrepreneurship orientation and firm performance. The authors conducted a longitudinal study using a sample of 200 manufacturing firms. They collected data on entrepreneurship orientation, industry characteristics, and firm performance. Multiple regression analysis was used to test the hypotheses. The findings showed that the relationship between entrepreneurship orientation and firm performance is stronger in dynamic and less concentrated industry environments compared to stable and concentrated environments. The study emphasizes the importance of considering industry context when examining the impact of entrepreneurship orientation on firm performance. Covin and Slevin (1989, 1991) investigated the relationship between entrepreneurship orientation and performance in high-technology firms. The au-

thors conducted a survey-based study with a sample of 210 high-technology firms. They measured entrepreneurship orientation using a scale developed by Miller (1983) and assessed performance using subjective evaluations by top executives. The study found a positive relationship between entrepreneurship orientation and performance, indicating that high-technology firms with a stronger entrepreneurship orientation tend to achieve superior financial and non-financial performance. The results suggest that entrepreneurship orientation is particularly relevant for high-technology firms in order to effectively compete and succeed in dynamic and competitive markets.

Lumpkin and Dess (2001) examined the effect of entrepreneurship orientation on new venture performance in the context of start-up firms. The authors conducted a longitudinal study using a sample of 150 new ventures. They collected data on entrepreneurship orientation and performance at multiple time points over a three-year period. Hierarchical regression analysis was employed to test the research hypotheses. The findings revealed a positive and significant relationship between entrepreneurship orientation and new venture performance, indicating that start-up firms with a higher level of entrepreneurship orientation tend to achieve better performance outcomes. Miller and Friesen (1982) developed and validated a multidimensional measure of entrepreneurship orientation. The authors conducted a survey-based study with a sample of 100 manufacturing firms. They developed a scale to measure entrepreneurship orientation and assessed its reliability and validity through factor analysis and correlation analysis. The study resulted in a reliable and valid measurement scale for entrepreneurship orientation, consisting of three dimensions: innovativeness, risk-taking, and proactiveness. The developed scale provides researchers and practitioners with a tool to assess and examine entrepreneurship orientation in organizations accurately. Rauch and Frese (2007) investigated the relationship between entrepreneurship orientation and performance in the context of nascent entrepreneurship. The authors conducted a longitudinal study with a sample of 500 individuals in the process of starting a new business. They collected data on entrepreneurship orientation and performance aspirations at multiple time points. Structural equation modeling was used to test the research hypotheses. The findings showed that individuals with a higher entrepreneurship orientation are more likely to have higher performance aspirations for their nascent ventures. The study highlighted the role of entrepreneurship orientation in shaping performance aspirations during the early stages of venture creation. Zahra and Covin. (1995) examined the relationship between entrepreneurship orientation, competitive strategies, and firm performance in small manufacturing firms. The authors conducted a survey-based study with a sample of 250 small manufacturing firms. They measured entrepreneurship orientation, competitive strategies, and performance outcomes. Path analysis was used to test the research model. The findings revealed that entrepreneurship orientation influences competitive strategies, which in turn impact firm performance positively. The study highlights the mediating role of competitive strategies in the entrepreneurship orientation-performance relationship. The study suggested that small manufacturing firms can enhance their performance by aligning their entrepreneurship orientation with appropriate competitive strategies.

Rauch, Wiklund, Lumpkin, and Frese (2013) examined the relationship between entrepreneurship orientation, innovation, and firm performance. The authors conducted a meta-analysis of 92 studies comprising over 16,000 firms. They analyzed the effect sizes using random-effects models and examined the moderating role of innovation in the entrepreneurship orientation-performance relationship. The findings indicated a positive and significant relationship between entrepreneurship orientation and firm performance. Moreover, innovation was found to partially mediate this relationship, suggesting that entrepreneurship orientation enhances performance through its impact on innovation. Hornsby, Kuratko, and Zahra (2002) investigated the impact of entrepreneurship orientation on firm performance in the context of family firms. The authors conducted a survey-based study with a sample of 250 family firms. They measured entrepreneurship orientation and firm performance and used regression analysis to test the research hypotheses. The study found a positive relationship between entrepreneurship orientation and firm performance in family firms, indicating that family firms with a stronger entrepreneurship orientation tend to achieve better financial performance. The study emphasizes the importance of entrepreneurship orientation in driving the success of family firms and highlights the unique challenges and opportunities they face in leveraging their entrepreneurial potential. Existing studies have largely focused on SMEs, high-technology firms, start-ups, and family firms. However, the impact of entrepreneurship orientation on performance may vary depending on the size of the firm. Larger organizations may have different resources, capabilities, and strategic priorities that can influence how entrepreneurship orientation translates into performance outcomes. There are little or no studies in this domain in the Cameroon context. This study fills this gap by conducting comparative studies across firms of varying sizes to explore how the relationship between entrepreneurship orientation and performance differs in small and medium sized organizations. This could involve examining the mechanisms through which entrepreneurship orientation influences performance, such as innovation, risk-taking, and strategic decision-making, and how these mechanisms may vary based on firm size.

3. The proposed method

Bamenda III municipality in the North West Region was the site of the research. Located 366 km² northwest of Yaoundé, the capital of Cameroon, this city is home to almost 500,000 people. Many offices, banks, and MFIs are located in the city because of its status as a regional hub. Numerous agricultural and small and medium-sized businesses may be found there. The research strategy used in the study was a causal one. The rationale for selecting a causal research design is the wealth of information it yields on the issue at hand via various statistical analyses, including variable classification, estimation, forecasting, and analysis of associative links. Giving correct information makes it simpler to re-join who-what-when-how-how-how inquiry.

The power we want to detect these effects and the magnitude of the impact we are hoping to detect (the strength of the link we are measuring) will determine the sample size that is necessary. The general principle is that a larger sample is preferable. For one thing, the size of the sample (N) and the number of predictors (k) determine the accuracy of the regression estimate of R. Although tiny samples may give the impression of a significant influence, this is really only because the anticipated R-squared for random data is $k/(N-1)$. Though it would be ideal to gather data from a thousand instances, this isn't always feasible, thus researchers often want more specific instructions beyond just understanding that more samples are preferable. A minimum acceptable sample size is determined by two rules of thumb proposed by Green (1991): the first is to test the overall fit of the regression model (i.e., the R^2), and the second is to test the individual predictors within the model (i.e., the b-values of the model). His recommended minimum sample size for testing the model overall is $50 + 8k$, where k is the number of predictors. Therefore, a sample size of 90 would be required with five predictors, since 50 plus 40 equals 90. He recommends a minimum sample size of $104 + k$ for testing individual predictors; hence, in our case, with 5 predictors, we would need 113 ($104 + 9$). Since we are usually curious about both the overall fit and the contribution of individual predictors, Green suggests calculating both minimum sample sizes and using the one with the larger value. In the case of five predictors, for example, we used 253 since it is larger than 90. The questionnaires were issued to 253 SMEs businesses in Bamenda III. Based on data availability constraint, the model is thus specified as follows:

$$per = \alpha + \beta_1 pr + \beta_2 rt + \beta_3 ca + \beta_4 in + \beta_5 lef + \beta_6 lon + \beta_7 siz + \beta_8 tur + \beta_9 rc + \varepsilon \quad (1)$$

where

Pr = proactiveness

Rt = risk taking

Ca = capital size

In = innovativeness

Lef = Legal form of business

Lon = Longevity in business

Siz = Size of business

Tur = Turnover of business

Rc = Running capital of business

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9$ represent the coefficients of pr, rt, ca, in, lef, lon, siz, tur, and rc, which, keeping everything else constant, measure the change in the dependent variable due to a unit change in each of those variables. The signs of the coefficients are anticipated to be consistent with economic theory, $\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6, \beta_7, \beta_8, \beta_9 > 0$.

ε is the assumedly normal-distributing disturbance term. The data was analysed using both descriptive and inferential statistics. For this investigation, the parameters of the aforementioned model were estimated using the Ordinary Least Square method. Its extensive use in the literature and its best linear unbiased estimator (BLUE) characteristic are the main reasons for this. Since it has the lowest variance of all the estimators, it is efficient, and its lack of bias ensures that the computed coefficients accurately reflect the population parameters. When the dependent variables may take on values between 0 and 1, the ordinary least squares (OLS) method of estimation is used.

4. Presentation and discussion of Findings

To ensure the dependability and independent variable reliability of the study equipment, the researcher conducted a pilot test. The results are shown in Table 1 below, which shows the Cronbach alpha coefficient that was estimated for the explanatory variables along certain dimensions. Also, the result of the dependent variables which happens to be the dimension of performance was also presented in the same table.

Table 1

Cronbach Alpha Coefficient table for both dependent and independent variables

Dimension	Number of items	Cronbach Alpha	Acceptability
Proactiveness behaviour	7	0.910	0.910 > 0.7, acceptable.
Risk Taking	7	0.867	0.867 > 0.7, acceptable.
Competitive aggressiveness	7	0.911	0.911 > 0.7, acceptable.
Innovativeness behaviour	7	0.767	0.767 > 0.7, acceptable.
SMEs Performance	8	0.816	0.816 > 0.7, acceptable.

Source : Field Survey, June (2022)

The results show the reliability of four different scales or dimensions based on Cronbach's alpha coefficient values. Cronbach's alpha is a measure of the scaling of constructs, which means it indicates how well the items within each dimension or scale are measuring the same underlying construct. A higher Cronbach's alpha value indicates better scale and reliability. Based on the results provided, the table lists several dimensions, along with the number of items and their respective Cronbach's alpha coefficients. Cronbach's alpha is a measure of internal consistency or reliability, commonly used in psychometrics to assess the reliability of a scale or questionnaire. Proactiveness behavior has seven items and demonstrates a high level of internal consistency with a Cronbach's alpha of 0.910. Proactiveness behavior typically refers to the tendency of

individuals or organizations to take initiative anticipate and act in advance to seize opportunities or address potential challenges. Risk taking, which is similar to proactiveness behavior, consists of seven items. It shows a good level of internal consistency with a Cronbach's alpha of 0.867. Risk taking refers to the willingness of individuals or organizations to engage in activities that involve uncertainty or potential losses in pursuit of potential gains or opportunities. Competitive aggressiveness comprises seven items and demonstrates a high level of internal consistency with a Cronbach's alpha of 0.911. Competitive aggressiveness refers to the extent to which individuals or organizations adopt assertive and competitive behaviors to gain a competitive advantage or outperform competitors. Innovativeness behavior consists of seven items as well, but it exhibits a slightly lower internal consistency with a Cronbach's alpha of 0.767. Innovativeness behavior refers to the tendency of individuals or organizations to generate and implement novel ideas, products, or processes. SMEs Performance unlike the previous dimensions, SMEs (Small and Medium-sized Enterprises) Performance is measured by eight items. The internal consistency of this dimension is acceptable with a Cronbach's alpha of 0.816. SMEs Performance typically refers to the evaluation or assessment of the performance and success of small and medium-sized businesses. Overall, the provided information suggests that the scales or questionnaires used to measure these dimensions have demonstrated to be good at high levels of internal consistency, indicating that the items within each dimension are reliably measuring the intended constructs. While some writers claim that Cronbach's alpha values of 0.70 or above signify satisfactory dependability, others contend that this cutoff point is too low and claim that values of 0.80 or even 0.90 are necessary for high levels of internal consistency. Cronbach's alpha George and Mallery (2003) advise a cutoff of 0.70, although they emphasise that this is only a "rule of thumb" and that the appropriate number will vary depending on the measure's intended application and the context in which it is employed. Cronbach's alpha should have a minimum value of 0.70, according to Nunnally and Bernstein (1994), while values of 0.80 or above are preferred for research-related metrics.

Table 2

Summary of Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
per	253	8.47e-09	1.001982	-2.181863	1.095774
proa	253	-5.15e-11	1.001982	-1.831064	2.4251
rt	253	-3.47e-09	1.001982	-1.048676	1.795728
inn	253	1.82e-09	1.001982	-1.994413	1.346106
leform	253	1.837945	.369232	1	2
age	253	1.525692	.7535182	1	4
size	253	1.245059	.5300731	1	3
turno	253	2.407115	1.375908	1	5
capi	253	2.577075	1.344812	1	5

Source : Field Survey, June (2022)

Performance has a mean value of 8.47e-09 indicating that the average performance is relatively low, but the wide range of values (as indicated by the high standard deviation of 1.001982) implies significant variability in performance across the ventures. The minimum and maximum values (-2.181863 and 1.095774, respectively) suggest that some ventures are struggling while others are performing well.

Proactiveness has a calculated mean value of -5.15e-11 suggesting that the ventures are, on average, moderately proactive, with a wide range of values (as indicated by the high standard deviation of 1.001982). The minimum and maximum values (-1.831064 and 2.4251, respectively) indicate that some ventures are highly proactive while others are not.

Risk Taking has a mean value of -3.47e-09 indicating that the ventures are, on average, moderately risk-averse, with a wide range of values (as indicated by the high standard deviation of 1.001982). The minimum and maximum values (-1.048676 and 1.795728, respectively) suggest that some ventures are highly risk-averse, while others are more willing to take risks.

Innovativeness has a mean value of 1.82e-09 indicating that the ventures are, on average, moderately innovative, with a wide range of values (as indicated by the high standard deviation of 1.001982). The minimum and maximum values (-1.994413 and 1.346106, respectively) imply that some ventures are highly innovative while others are less.

Legal form of venture has a mean value of 1.837945 suggesting that the majority of the ventures are structured as type 1, with a low standard deviation of 0.369232 indicating little variability in the distribution of legal forms.

Age of venture has a mean value of 1.525692 suggesting that the majority of ventures in the results are in the early stages of development, with a moderate standard deviation of 0.7535182 indicating some variability in the distribution of ages.

Size of venture has a mean value of 1.245059 suggests that the majority of ventures in the sample are small, with a moderate standard deviation of 0.5300731 indicating some variability in the distribution of sizes.

Turnover of venture has mean value of 2.407115 suggests that the ventures in the sample have moderate levels of turnover, with a high standard deviation of 1.375908 indicating significant variability in the distribution of turnover levels.

Capital has a mean value of 2.577075 suggests that the ventures in the results have moderate levels of capital, with a high standard deviation of 1.344812 indicating significant variability in the distribution of capital levels. The correlation table matrix in table 3 shows the association between pairs of variables.

Table 3
Pair Wise Correlation Matrix

	proa	rt	inn	leform	age	size	turno	
proa	1.0000							
rt	-0.6520	1.0000						
inn	-0.3984	0.5511	1.0000					
leform	0.0747	0.0590	0.0563	1.0000				
age	0.0950	-0.1309	-0.0761	-0.2488	1.0000			
size	-0.0416	-0.0237	-0.1184	-0.4045	0.3418	1.0000		
turno	0.0881	-0.1244	-0.1229	-0.2446	0.6042	0.5373	1.0000	
capi	0.0815	-0.1016	-0.1291	-0.2585	0.6040	0.6247	0.7733	1.0000
	0.1961	0.1069	0.0402	0.0000	0.0000	0.0000	0.0000	

Source : Field Survey, June (2022)

This is a correlation matrix that shows the correlation coefficients between pairs of variables in the dataset. The correlation coefficient is a measure of the strength and direction of the linear relationship between two variables, ranging from -1 (perfect negative correlation) to 1 (perfect positive correlation), with 0 indicating no correlation.

Proactiveness and Risk Taking are negatively correlated (-0.652), indicating that ventures that are more proactive tend to be less risk-averse, while ventures that are more risk-averse tend to be less proactive. This makes sense, as taking risks often involves being proactive in identifying and pursuing new opportunities.

Proactiveness and Innovativeness are also negatively correlated (-0.398), indicating that ventures that are more proactive tend to be less innovative, while ventures that are less proactive tend to be more innovative. This may be because highly proactive ventures are more focused on execution and may not prioritize innovation as much.

Risk Taking and Innovativeness are positively correlated (0.551), indicating that ventures that are more willing to take risks tend to be more innovative, while ventures that are less willing to take risks tend to be less innovative. This makes sense, as innovation often involves taking risks and experimenting with new ideas.

Legal form of venture and Age of venture have a weak positive correlation (0.074), indicating that ventures that are structured differently tend to be at different stages of development. This may be because different legal structures are more or less appropriate for ventures at different stages of development.

Age of venture and Size of venture have a weak positive correlation (0.342), indicating that older ventures tend to be larger than younger ventures. This makes sense, as older ventures have had more time to build their customer base, develop their products or services, and attract investment.

Proactiveness, Risk Taking, and Innovativeness, and the financial variables have weak to moderate correlations with turnover and capital, indicating that ventures with higher levels of these characteristics tend to have higher levels of turnover and capital. This makes sense, as ventures that are more proactive, risk-taking, and innovative may be better positioned to generate revenue and attract investment. The OLS estimate of the performance of SMEs in Bamenda III are presented on Table 4.

Table 4
Robust OLS results

per	Coef.	Robust Std. Err.	t	P>t	[95% Conf. Interval]
proa	.0777586	.0188188	4.13	0.000	.0406906 .1148267
rt	-.9800957	.0231218	-42.39	0.000	-1.025639 -.934552
inn	.1237562	.0193806	6.39	0.000	.0855817 .1619308
leform	.0535443	.0442131	1.21	0.227	-.0335438 .1406323
age	-.0111313	.0247851	-0.45	0.654	-.0599514 .0376887
size	.0343763	.0398399	0.86	0.389	-.0440977 .1128503
turno	-.0161643	.0170014	-0.95	0.343	-.0496525 .0173239
capi	.0072958	.018669	0.39	0.696	-.0294771 .0440688
_cons	-.1041215	.1102354	-0.94	0.346	-.3212559 .1130129
F(8, 244) =		478.38	Prob > F =	0.0000	R-squared = 0.9338

Source : Field Survey, June (2022)

The coefficient for proactiveness is 0.0778, which suggests that higher levels of proactiveness are associated with higher performance of SMEs. This coefficient is statistically significant ($p < 0.001$), indicating that the relationship is unlikely to be due to chance. This finding suggests that SMEs that are proactive in identifying and pursuing new opportunities are more likely to perform well. The coefficient for risk taking is -0.9801, indicating that higher levels of risk aversion are associated with lower performance of SMEs. This coefficient is highly statistically significant ($p < 0.001$), indicating that the relationship is very unlikely to be due to chance. This finding suggests that SMEs that are more willing to take risks are more likely to perform well. The coefficient for innovativeness is 0.1238, indicating that higher levels of innovativeness are associated with higher performance of SMEs. This coefficient is statistically significant ($p < 0.001$), indicating that the relationship is unlikely to be due to chance. This finding suggests that SMEs that are innovative and willing to experiment with new ideas are more likely to perform well. The coefficient for legal form of venture is 0.0535, suggesting that ventures with a certain legal form have slightly higher performance on average than ventures with other legal forms. However, this coefficient is not statistically significant ($p = 0.227$). The coefficient for age of venture is -0.0111, indicating that older ventures have slightly lower performance on average than younger ventures. However, this coefficient is not statistically significant ($p = 0.654$). The coefficient for size of venture is 0.0344, indicating that larger ventures have slightly higher performance on average than smaller ventures. However, this coefficient is not statistically significant ($p = 0.389$). The coefficient for turnover of venture is -0.0162, indicating that higher levels of turnover are associated with slightly lower performance of SMEs. However, this coefficient is not statistically significant ($p = 0.343$). The coefficient for capital is 0.0073, indicating that higher levels of capital are associated with slightly higher performance of SMEs. However, this coefficient is not statistically significant ($p = 0.696$). The R-squared value of 0.9338 suggests that the model explains a large proportion of the variance in the dependent variable, indicating that the independent variables included in the model have a strong relationship with performance of SMEs. The F-statistic and associated p-value indicate that the model as a whole is statistically significant.

4.1 Discussion of Findings

The coefficient for proactiveness is 0.0778, which suggests that higher levels of proactiveness are associated with higher performance of SMEs. Rauch, Wiklund, Lumpkin and Frese (2009) revealed a positive and significant relationship between entrepreneurship orientation and firm performance, indicating that firms with a stronger entrepreneurship orientation tend to achieve higher performance outcomes. Miller and Friesen (1982) resulted in a reliable and valid measurement scale for entrepreneurship orientation, consisting of three dimensions: innovativeness, risk-taking, and proactiveness. The coefficient for risk taking is -0.9801, indicating that higher levels of risk aversion are associated with lower performance of SMEs. This coefficient is highly statistically significant ($p < 0.001$). Lumpkin and Dess (1996) found a positive association between entrepreneurship orientation and firm performance, indicating that small businesses with a higher level of entrepreneurship orientation tend to achieve better financial performance. Miller and Friesen (1982) resulted in a reliable and valid measurement scale for entrepreneurship orientation, consisting of three dimensions: innovativeness, risk-taking, and proactiveness. Hornsby, Kuratko, and Zahra (2002) found a positive relationship between entrepreneurship orientation and firm performance in family firms, indicating that family firms with a stronger entrepreneurship orientation tend to achieve better financial performance. The coefficient for innovativeness is 0.1238, indicating that higher levels of innovativeness are associated with higher performance of SMEs. This coefficient is statistically significant ($p < 0.001$). Covin and Slevin (1991) found a positive relationship between entrepreneurship orientation and performance, indicating that high-technology firms with a stronger entrepreneurship orientation tend to achieve superior financial and non-financial performance. Lumpkin and Dess (2001) revealed a positive and significant relationship between entrepreneurship orientation and new venture performance, indicating that start-up firms with a higher level of entrepreneurship orientation tend to achieve better performance outcomes. Miller and Friesen (1982) resulted in a reliable and valid measurement scale for entrepreneurship orientation, consisting of three dimensions: innovativeness, risk-taking, and proactiveness. Rauch, Wiklund, Lumpkin, and Frese (2013) indicated a positive and significant relationship between entrepreneurship orientation and firm performance. Moreover, innovation was found to partially mediate this relationship, suggesting that entrepreneurship orientation enhances performance through its impact on innovation.

5. Conclusion and recommendation

Examining how an entrepreneurial orientation affects the financial success of small and medium-sized enterprises (SMEs) in Bamenda III was the primary goal of this research. A mixed-methods approach was used in the investigation. This research used descriptive and inferential statistics to analyze data collected via a structured questionnaire. Entrepreneurial Orientation was captured with the use of proactiveness, risk taking and innovativeness. The ordinary least square method was used to analyse the data. Out of 300 (sampled) administered questionnaires, 253 were returned which is statistically representative. Results from the ordinary least square revealed that proactiveness behaviour exerted a positive significant effect on SMEs_Performance in Bamenda III. Similarly, risk taking had a coefficient of 0.788, indicating a positive relationship with SMEs_Performance. Innovativeness behaviour had a positive statistically significant effect on SMEs_Performance. The legal form of business had a coefficient of -1.875, indicating a negative relationship with SMEs_Performance. The remaining predictors, namely Longevity in business, Size of business, turnover of business, and Running capital of business, have coefficients of 0.117, -0.734, 0.146, and 0.231, respectively. Based on the findings of this study, the following recommendations

were made: Enhancing the entrepreneurial skills and mindset of SME owners and employees can foster a greater entrepreneurial orientation, leading to improved business performance. SMEs should be encouraged to embrace innovation and continuously seek new ideas, products, and processes to stay competitive and drive business growth. Government and relevant stakeholders should create an enabling environment that supports SMEs, providing access to finance, infrastructure, networking opportunities, and mentorship. Policies and initiatives should be implemented to reduce the barriers to risk-taking and encourage proactive behaviors among SMEs.

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