

Influence of Performance Control Attributes on Entrepreneurial Orientation of SMEs in Osun State, Nigeria

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Abstract

Organisations which adopt and develop their strategic management processes tend to achieve high entrepreneurial orientation. However, in spite of support to Small and Medium Enterprises (SMEs) by various institutions inadequate or ineffective application of strategic management practices results in their low entrepreneurial orientation. This study, therefore, investigated the influence of performance control attributes on the entrepreneurial orientation of SMEs in Osun State of Nigeria. The study used survey research design. The population of the study consisted of 2,273 SMEs registered with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Osun State. Cochran's formula was used to arrive at a sample size of 670. Multi-stage sampling technique was used for the study. In the first place, all the SMEs in Osun State were stratified into six strata in accordance with division of the State. Thereafter, proportional sampling technique was used to determine the number of SMEs that would be involved in each stratum. Then simple random sampling was used to select the SMEs/Owner managers in each of the six Administrative Zones in the State. A structured questionnaire duly validated was adapted and used for data collection. The Cronbach's alpha coefficients for the constructs are 0.903 and 0.962. Descriptive and inferential (simple and multiple regressions) statistics were used to analyze data. The findings of the study revealed that performance control attributes had significant positive effect on the entrepreneurial orientation of SMEs in Osun State of Nigeria ($\beta = .657, t_{(647)} = 7.389, R^2 = .077, p < .05$). The study concluded that the application of performance control attributes resulted in high entrepreneurial orientation of SMEs in Osun State. The study recommended that the SMEs owner managers should improve on the application of performance control attributes in order to achieve higher level of entrepreneurial orientation.

Keywords: Entrepreneurial orientation, Nigeria, Performance control attributes, SMEs, Strategic management practices.

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Background to the Study

As competition is becoming tighter coupled with the increasingly dynamic business environment, strategic and policy management experts observe the need for SMEs in Nigeria and other countries to improve their performance by developing a management style that adopts and develops their strategic management processes and entrepreneurial orientation (Omsa, Ridwan & Jayadi, 2017; Wiklund, 1999). Within the framework of organisational entrepreneurship, research shows that the entrepreneurial orientation of a firm has a significant relationship with its performance (Wiklund, 1999). Entrepreneurial orientation of a firm refers to its propensity for innovativeness, pro-activeness and risk taking (Etim, Agabu & Ogar, 2017). Perhaps, the underperformance of SMEs in Nigeria and particularly Osun State is due to low degree of their entrepreneurial orientation. The performance of MSMEs in Nigeria in terms of contribution to the Gross Domestic Product and Exports is not encouraging and this has been attributed to a number of factors. Some of the factors, according to Ogundele, Akingbade, Saka, Elegunde and Aliu (2013); Obiowuru, Oluwalaiye and Okwu (2011); Aigboduwa and Oisamoje (2013) are inability to compete with foreign goods, marketing problem, double taxation, poor infrastructure and lack of management know-how on the part of owner managers. Furthermore, to worsen it all, majority of the businesses operate without business plans and this, to a large extent suggests that they lack a sense of direction thus resulting in poor performance and a high mortality rate of SMEs in Nigeria (Khan, 2006; MSMEs Report, 2013). Other scholars have also confirmed that most of the owner managers of SMEs in Nigeria and other countries are strategically myopic (Alese & Alimi, 2014; Mazzarol, 2004; Mandah 2004). This in essence implies that such firms lack necessary internal business processes or resources such as strategic management practices which promote wealth creation and sustainable competitive advantage. It also implies that most SMEs may not have sense of direction.

With regard to performance control attributes (that is, financial and strategic controls), there seems to be paucity of empirical studies which examined the influence of performance control attributes on entrepreneurial orientation as well as on firms' performance. In Osun State, it appears there has not been any study which examines the influence of performance control attributes on the entrepreneurial orientation of SMEs in the State. However, it has been argued that SMEs have weak control system because many of them do not have strategic plans (Abiodun & Kida, 2016) which provide basis upon which firms' performance outcomes can be measured against organisational goals and strategic objectives (Mohutsiwa, 2012). Many SMEs in Nigeria cannot keep track records of their operational activities due to poor record keeping habits. Many of them lack the knowledge of simple financial management and the financial capacity to engage professional book keepers (Alabi, Awe & Musa, 2015). Kuye and Ogohojafor (2011) also find that firms in Nigeria are not paying particular attention to the application of strategic controls. What then would be the influence of performance control attributes on the entrepreneurial orientation of SMEs in Osun State of Nigeria?

Hypothesis Development

Two types of performance control attributes, namely financial and strategic controls exist, in almost every organisation but have different influences on organisational innovation practices. They are designed to measure the performance of organisations against predetermined goals and objectives. Empirical studies undertaken by scholars indicate that performance control attributes have positive effect on the entrepreneurial orientation of firms (Murimbika, 2012; Thagana, 2013; Wiklund & Shepherd, 2005). On the other hand, performance control attributes particularly, financial control attribute is heavily biased against short term profits at the expense of long term growth and the all-important competitive advantage, entrepreneurial orientation and wealth creation (Sumiati & Indirati, 2017; Hitt, Ireland, Camp & Sexton, 2004; 2002). Based on this theoretical background, it was hypothesised that:

H₀: Performance control attributes have no significant influence on the entrepreneurial orientation of SMEs in Osun State of Nigeria.

Literature Review

Concept of Performance Control Attributes

The success or otherwise of an organisation's strategy can be measured in terms of the extent to which it achieves or deviates from its predetermined goals and objectives. The essence of any control attribute is to ensure that business plans achieve the set goals and objectives. This implies that an entrepreneurial organisation's control system should have the capacity to effectively stimulate entrepreneurial orientation and eventual firm performance. This study is predicated on the premise or assumption that a firm strategic management practices should meet the desired objectives (Paheco-de Almeida & Zemsky, 2000). This suggests that as long as organisations have goals and objectives which are brought into fore through strategic planning, it becomes essential to put necessary controls in place in order to ensure that things work according to plan. As a management function, control is the process by which necessary preventive or corrective measures are put in place to ensure that the firm's mission and objectives are implemented effectively and efficiently well (Kreitner 1995). Controlling is an element of managerial tasks which involve measuring and correcting the performance of subordinates in order to ensure that the goals and objectives of an organization are well accomplished (Appleby, 1994). In other words, a control system can be defined as a set of measures or administrative arrangements put in place by a firm's top management to synchronise outcomes as closely as possible with the predetermined goals and objectives. Obamiro (2008) submits that a formal control process is a system designed to monitor work progress and ensure that actual performance is in congruence with the predetermined standards. This, according to the author, involves the setting of performance standards in accordance with the organisational goal, strategies, policies, tactics and schedules which serve as the benchmark against which performance is measured.

In this study, two forms of performance control attributes namely financial and strategic controls are considered relevant. The two forms of performance control attributes exist in almost every organisation but have different influences on organisational innovation

practices (Boru, 2014). Firms rely on both financial and strategic controls as part of their structure to support the use of other strategies. However, measuring firm's performance poses a great challenge for researchers (Covin, Green & Slevin, 2006). Financial control attributes are largely objective criteria used to measure firm's performance against previously established quantitative standards such as Return On Investment (ROI), Return On Assets (ROA), Net Income, Return On Equity (ROE), sales growth and gross profit (Hitt et al, 1999) and market based measures such as the economic value added. The use of financial controls enables firms to evaluate their current performance standard against previous outcomes as well as their performance compared to competitors and industry averages. Financial control attributes are usually the most commonly used by different organisations to measure performance (Murimbika & Urban, 2013). High degree of emphasis on financial control is in congruence with competencies in conservative firms that hold financial measures tightly. This type of control system is very clear and unambiguous but accompanied with rigid and disciplined resources. Since the performance financial control attributes are devoid of any ambiguity, it makes it easier for people involved to come to term and set performance standards ahead of evaluating performance. These control criteria may be appropriate for organisations that are naturally conservative because they are not concerned about creativity and innovation unlike entrepreneurial firms. However, the major criticism against the use of financial control criteria is the fact that it is heavily prejudiced towards short term profits without considering long-term growth, wealth creation and the achievement of sustainable competitive advantage (Hitt, et al., 2004).

In the global economy, technological advances are being used to fashion out sophisticated financial controls thereby making it easier and faster for firms to analyse their performance result with a high level of precision. For instance, oracle corporations have developed software tools that automate processes which can be used by firms to meet their financial reporting requirements. Strategic controls are used to measure performance based on standards arrived at through strategy in contradistinction to finance criteria (Ndegwa, 2013). Strategic control attributes are subjective performance measuring standards. Market share, customer retention, firm's reputation, corporate social responsibility, customer satisfaction, patent registration, among others are indicators of strategic control performance measurement (Antonic & Hisrich, 2003). Entrepreneurial firms that accord premium to creative tendencies stimulate proactiveness and do not penalise failure should put in place necessary safeguards that are in conformity with such practices (Morris et al., 2008). Strategic control attributes are capable of rewarding creativity and the pursuit of opportunity through innovation. These control attributes are in conformity with the entrepreneurships which are reliant on viable innovation where time lags between novelty payoffs is not a restrictive factor to employees particularly those concerned with product or process innovation take a much longer time to influence their market (Ndegwa, 2013). Given the criticism leveled against financial control, it follows ipso facto that for entrepreneurial firms, if strategic management practices such as strategic planning and flexible planning system are organic and react to highly competitive setting, the performance measures should also be changeable to support the firm's planning process. Strategic control attributes should be the appropriate control measure in that circumstance.

Concept of Entrepreneurial Orientation

Entrepreneurial orientation has become important to every business enterprise as a result of the growing complexity and volatility of the business environment. For any firm to succeed and survive under the current trend of the business environment, such firms must be entrepreneurial (Arshad & Rash, 2018). The concept of entrepreneurial orientation (EO) formulated more than thirty years ago is now one of the most popular areas of research in strategic management (Shirokova, 2012; Wales, Shirokova, Sokolova & Stein 2015). Entrepreneurial orientation (EO) has its root in strategy making process literature. Strategy making is an organization-wide phenomenon incorporating planning, analysis, decision making and many aspects of an organisation's culture, value system and mission (Abiodun & Mahmood, 2015). Against this background, Entrepreneurial Orientation (EO) may be viewed as strategy making processes that key decision makers use to enact their organizational purpose, sustain its vision and create competitive advantage.

According to Stam and Elfring (2008), Entrepreneurial Orientation (EO) represents the active strategic position of a company, which is linked to on-going developments in innovation, proactiveness and willingness to invest in high risk projects where results are hasty and the likelihood of success is uncertain. Entrepreneurial orientation has become an important topic in academic literature. According to Hernandez-Perlinis and Hung- Hoch (2017), Entrepreneurial orientation is defined as a second order composite made up of innovativeness, pro-activeness and risk taking. These researchers also define innovativeness as the firm's ability to support new ideas and experiment, introduction of new products and use creative processes. They also define pro-activeness as introducing new products and services into the market ahead of other competitors. Risk making implies taking bold actions by obligating large resources. Entrepreneurial orientation was originally conceptualized by Miller (1983) while it was consolidated as a strategic posture by Covin and Slevin (1989). Generally, Entrepreneurial Orientation (EO) is conceptualised as the disposition towards innovative, proactive and risky ventures. According to Miller (1983), Entrepreneurial Orientation (EO) is conceptualised as the extent to which firms are innovative, proactive and risk taking. Explaining the concept further, Miller (1983) defines an entrepreneurial firm as one that engages in product marketing innovation, undertakes somewhat risky ventures and is the first to come up with proactive innovations, beating competitors to the punch". Entrepreneurial orientation encapsulates a firm's level process, practice and strategic orientation (Abiodun & Mahmood 2015).

In the same vein, Etim, Adabu and Ogar (2017) define EO as a firm's willingness to innovate and rejuvenate its business position; to take risk by venturing into new areas and be more proactive than other competitors in searching for new opportunities in the market place. In general terms, entrepreneurial orientation can be viewed as a firm's level strategy that is concerned with innovativeness, proactiveness and risk taking (Semrau, Ambos & Kraus 2016). According to the scholars, the current business environment requires that firms must constantly seek new opportunities. Entrepreneurial orientation which implies the extent to which a firm is entrepreneurial with respect to strategy making and resource allocation is one of the few qualities that firms can reasonably depend on. In general terms, EO can be

viewed as a firm's strategy that is concerned with innovativeness, pro-activeness and risk risk-taking. Some scholars have indicated the importance of EO as a good contributor to the growth of a company and the growth of a country as well. It has also been noted as contributing significantly to a healthier business performance (Mohammed Anis et al, 2016; Khan, *et al.*, 2015; Mahmood & Hanafi, 2013). Rodrigues and Raposo (2011) also affirm that firms parading higher levels of EO have the tendency to record superior performance. The importance of EO to firm performance was also noted by Aziz, Mahmood, Tajudin & Abdullah (2014). Makinde and Asikhia (2017) also join other scholars who hold the view that EO is a good determinant of organisational success and survival. They suggest that since EO involves innovativeness, proactiveness and risk-taking, SMEs in Nigeria and other nations should acquire the orientation to facilitate the realisation of their corporate objectives.

It is axiomatic that organisations both large and SMEs operating in today's business environment are under serious pressure occasioned by rapid change, heightened global competition, frequent change in taste and performances, shortened product and industry life cycles and rapid technological changes. Given the fact that entrepreneurial activities seem to account for majority of the new job creation in the developed and the developing countries including Nigeria, it appears that entrepreneurial orientation can be the instruments for firm's survival and success (Semrau et al, 2016). Realising the turbulent nature of the environment of business nowadays which prompts the idea of paying particular attention to entrepreneurial activities, functions and processes, it is postulated that entrepreneurial firms will score high with regard to the three dimensions - innovativeness, pro-activeness and risk taking. Consequently, this study is anchored on the one-dimensional nature of entrepreneurial orientation which in essence implies that entrepreneurial orientation is evaluated as a single construct.

Theoretical Framework

This study was premised on Resource Based View (RBV). This theory is directly related to this study in the sense that the strategic management practices in which performance control attributes is one of the sub-independent variables and entrepreneurial orientations with its dimensions of innovativeness, pro-activeness and risk-taking represent internal resources which a business organisation can leverage upon to achieve sustainable competitive advantage. According to Barney (1991), not all organisational resources can be considered as strengths. However, the strategic management practices of environmental scanning intensity, planning flexibility, locus of planning; planning horizon and performance control attributes are all intangible resources. These resources themselves cannot generate competitive advantage but if they are properly developed into capabilities that are valuable, rare, inimitable and non-substitutable; they can be a source of sustained competitive advantage. Alternatively, if they are effectively and efficiently deployed such that the firm is able to conceive of and implement value creating strategy not simultaneously being implemented by the firm's current and potential competitors and will also generate sustainable competitive advantage provided they are valuable, rare, inimitable and non-substitutable (Barney, 1991). Similarly, the Resource Based View (RBV) recognises entrepreneurial orientation with its dimensions of innovativeness, pro-activeness and risk-

taking as organisational capabilities which are valuable, rare, inimitable and non-substitutable as a source of sustained competitive advantage. Therefore, for SMEs to succeed and achieve competitive advantage depends on its capability to ensure a match between the dynamic environment and its tactical and strategic orientation (entrepreneurial orientation). From the literature reviewed in this study, the combination of strategic management practices and entrepreneurial orientation is the key to achieving sustained competitive advantage which in return will lead to profitable SMEs performance (Covin & Wiklund, 1999; Zhara & Covin, 1995).

Empirical Review

A study was conducted by Boru (2014) on strategic management and entrepreneurship Food Processing Companies in Nairobi County, Kenya. The study examined the relationship between entrepreneurship intensity and four specific strategic management practices of analysis, planning, flexibility and control attributes in a sample of 52 Kenyan Manufacturing firms. Primary source of data collection was used by means of structured questionnaire while secondary data was gathered from reports, websites and journals. With regard to strategic controls, the result of the study showed that there is positive and significant relationship between strategic controls and entrepreneurship intensity (entrepreneurial orientation). It was clear from the result that strategic controls are important correlate of entrepreneurship intensity. In another study titled: 'Linking entrepreneurship and strategic management: evidence from Spanish SMEs', Entrialgo et al, (2000) examined the relationship between entrepreneurship and strategic management from the perspective of the process and from the point of view of content. In specific terms, the researcher analysed the influence of the competitive strategy and the practice of performance control attributes on entrepreneurship.

The findings showed a positive relationship between entrepreneurship and performance control attributes. This, in effect, confirmed that performance control attributes are good predictors of entrepreneurship. Barringer and Bluedorn, (1999) carried out a study on the relationship between corporate entrepreneurship and five specific strategic management practices in a sample of 169 U.S manufacturing firms. The five strategic management practices include: scanning intensity, planning flexibility, planning horizon, locus of planning and performance control attributes. The outcome of the study revealed that there was a positive relationship between strategic controls attribute and corporate entrepreneurship while the hypothesis which postulated a negative relationship between emphasis on financial controls and corporate entrepreneurship intensity was not supported by the outcome of the study. This implies that both strategic and financial control attributes have positive relationship with entrepreneurship intensity. Murimbika and Urban (2013), in a study titled: 'Strategic management practices and corporate entrepreneurship: A cluster analysis of financial and business services firms in South African' hypothesized that higher levels of entrepreneurial orientation are associated with the strategic management practices of strategic and financial controls. The hypothesis tested positive. Thus, the findings of the study are consistent with previous studies by Entrialgo et al. (2000); Murimbika (2012); Murimbika and Urban (2014) that performance control attributes have positive significant impact on entrepreneurial orientation/corporate entrepreneurship.

Kuye (2008) examined the relationship between entrepreneurship, strategic management practices and firms' performance in manufacturing firms in Nigeria. With particular reference to strategic controls and financial controls, the results of the study indicate that all the variables are significantly associated with performance. The results, however, show that the influence of financial controls on performance is insignificant. That notwithstanding the result of this investigation is also in tandem with previous findings of Barringer and Bluedorn (1999); Entrialgo et al (2000); Kuye, (2008); Murimbika (2012); Murimbika and Urban (2013) and (2014). Li et al., (2009) also conducted an empirical study on corporate entrepreneurship in hospitality companies and particularly examined the relationship between the performance controls attributes comprising financial and strategic controls on corporate entrepreneurship. From the financial controls' perspective, the study found that financial controls significantly and positively influence corporate entrepreneurship in hospitality firms. The findings suggest that when a company shows a high intensity of corporate entrepreneurship financial controls are more emphasised. However, the study's finding revealed a negative relationship between corporate entrepreneurship and strategic controls.

The result of the study conducted by Li et al., (2009) on the relationship between strategic controls and entrepreneurship which revealed a negative relationship between corporate entrepreneurship and strategic controls is inconsistent with the previous findings which indicate positive significant relationship between strategic controls and corporate entrepreneurship/ entrepreneurial orientation as established by other scholars (Barringer & Bluedorn, 1999; Boru, 2014; Entrialgo et al, 2000; Kuye, 2008; Li *et al*, 2009; Murimbika, 2012; Murimbika, & Urban, 2013 & 2014). According to Barringer and Bluedorn (1999), financial control bases performance on objective financial criteria that may be of use to conservative rather than entrepreneurial firms, while strategic control is capable of rewarding creativity in entrepreneurial firms. The outcome of the study of Li; Tse & Zhaol (2009) is at variance with this position. It suggests that it is financial control not strategic controls that promote corporate entrepreneurship intensity. This difference can be explained by the nature of hotel and restaurant industry. Entrepreneurial firms in hospitality industry prefer to use clear and unambiguous financial controls that introduce a high degree of discipline in the control process.

Methodology

This study adopted survey research design. The use of survey research design is justified by its ability to gather enormous data coupled with its ability to use interview schedules or questionnaire that focus on a huge population. These attributes gave the researcher the opportunity to generate information in order to adequately answer the questions of 'how, what, who, where and when' concerning performance control attributes and entrepreneurial orientation. In addition, the data structures generated through the survey method helped the researcher to draw inferences concerning the target population in general. Survey research design has been applied in many previous studies (Abogun & Fagbemi, 2011; Banerjee, 2013; Obasan & Soyobo, 2012). In this study, the researcher collected data on performance control attributes which constitute the independent variable and three

of the Entrepreneurial Orientation elements of dependent variable in order to investigate the effect of performance control attributes on Entrepreneurial Orientation of SMEs in Osun State. The population comprised 2,273 SMEs registered with Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in Osun State. Cochran's formula was used to arrive at a sample size of 670. Multi-stage sampling technique was used for the study. At the first stage, all the SMEs in Osun State were stratified into six strata along the six Administrative zones in the State. Then proportional sampling technique was used to determine the number of participating SMEs in each stratum. Thereafter, simple random sampling was used to select the participating SMEs/Owner managers in each of the strata/Administrative zones. A structured questionnaire was adapted, validated and used for data collection.

Analysis & Results /Discussion

Restatement of Objective and Research Question

Objective: The study ascertained the influence of performance control attributes on the entrepreneurial orientation of SMEs in Osun State of Nigeria.

Question: In what way will performance control attributes influence the entrepreneurial orientation of SMEs in Osun State of Nigeria?

In this section, the study sought to find out the extent of the respondents' agreements or disagreements on effects of performance control attributes on entrepreneurial orientation of SMEs. To achieve this, the respondents were asked to indicate the extent to which they agreed with statements in relation to short term planning horizon and entrepreneurial orientation of SMEs and they responded to various aspects under the variable on a six-point Likert Scale (6=very high extent, 5=high extent, 4=fairly high extent, 3=moderate extent, 2=low extent, and 1=very low extent). The research findings are as in Table 1 showing the resultant means and standard deviations of the variables.

Table 1: Respondents' Perception on Performance Control Attributes

Statements	SD	Mean	Very high extent	High Extent	Fairly high extent	Modera ce Extent	Low Extent	Very Low Extent
Pre-determined objectives through face-to-face meeting between top managers.	30 4.6%	0 0.0%	33 5.1%	152 23.3%	320 49.1%	117 17.9%	4.6610	1.11276
Pre-determined objectives through informal face-to-face meeting between top managers and business unit or functional area personnel.	3 0.5%	3 0.5%	15 2.3%	258 39.6%	262 40.2%	111 17.0%	4.6963	.82573
Pre-determined objectives through measuring performance against subjective strategic criteria such as improvements in customer satisfaction or progress on product innovations.	0 0.0%	0 0.0%	16 2.5%	294 45.1%	259 39.7%	83 12.7%	4.6273	.73369
Return on Assets in evaluating the performance of business unit/functional area personnel in my organization.		0 0.0%	19 2.9%	206 31.6%	342 52.5%	85 13.0%	4.7561	.71006
Return on Investment in evaluating the performance of business unit/functional area personnel in my organization.	0 0.0%	3 0.5%	22 3.4%	42 6.4%	362 55.5%	223 34.2%	5.1963	.73832
Cash Flows in evaluating the performance of business unit/functional area personnel in my organization.	3 0.5%	3 0.5%	12 1.8%	45 6.9%	357 54.8%	232 35.6%	5.2178	.75295
Operating Profits in evaluating the performance of business unit/functional area personnel in my organization.	3 0.5%	3 0.5%	13 2.0%	66 10.1%	304 46.6%	263 40.3%	5.2301	.80464
Sales Growth Rate in evaluating the performance of business unit/functional area personnel in my organization.	9 1.4%	0 0.0%	6 0.9%	262 40.2%	259 39.7%	116 17.8%	4.7025	.86605
Market Share in evaluating the performance of business unit/functional area personnel in my organization.	6 0.9%	12 1.8%	40 6.1%	350 53.7%	192 29.4%	52 8.0%	4.3282	.85128
Market Development in evaluating the performance of business unit/functional area personnel in my organization.	6 0.9%	9 1.4%	30 4.6%	303 46.5%	233 35.7%	71 10.9%	4.4739	.86807
New Product Development in evaluating the performance of business unit/functional area personnel in my organization.	6 0.9%	0 0.0%	19 2.9%	284 43.6%	276 42.3%	67 10.3%	4.5721	.78739
Average							4.7692	.8228

Source: Field Survey Results, 2017

Table 1 shows opinions of respondents on performance control attributes. The analysis in the Table reveals that majority (49.1%) of the respondents indicated that pre-determined objectives through face-to-face meeting between top managers are carried out at a high extent while 17% are very high extent. The result shows that 40.2% of the respondents showed that Pre-determined objectives through informal face-to-face meeting between top managers and business unit or functional area personnel are carried out to a high extent while 17% believe to a very high extent. Further, the results show that 45.1% of the respondents affirm that pre-determined objectives through measuring performance against subjective strategic criteria such as improvements in customer satisfaction or progress on product innovations are carried out at a fairly high extent while 39.7% indicated are a high extent. Furthermore, the results show that 52.5% of the respondent's assert that Return on Assets in evaluating the performance of business unit/functional area personnel in their organisations are carried out at a high extent while 31.6% are at a fairly high extent. In addition, the results show that 54.8% of the respondents reported that Return on Investment (ROI) in evaluating the performance of business unit/functional area personnel in their organizations is carried out at a high extent while 34.2% are at a very high extent. Moreover, the results show that 54.8% of the respondents uphold that cash flows in evaluating the performance of business unit/functional area personnel in their organisations is carried out to a high extent while 35.6% admit that they do it to a very high extent. In the analysis, 46.6% of the respondents reported that Operating Profits in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a high extent while 40.3% claim it is done at a very high extent. The results also show that 40.2% of the respondents indicate that Sales Growth Rate in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a fairly high extent while 39.7% believe that it is at a high extent.

In addition, majority (53.7%) of the respondents reported that market share in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a fairly high extent while 29.4% said that it is at a high extent. The results show that majority of 46.5% of the respondents indicated that market development in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a fairly high extent while 35.7% claim that it is at a high extent. Finally, the results also indicated that majority (43.6%) of the respondents indicated that new product development in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a fairly high extent; another 42.3% believed that it is at a high extent while 10.3% stated that it is at a very high extent. The results reveal that on the average, the average mean score for performance control attributes was 4.7692, implying that controls items in the performance control attribute scales are carried out at a high extent. The standard deviation was .8228 indicating some heterogeneity of respondents' perception. On statements in the performance control attribute scales, respondents agreed but showed different views. Generally, it can be concluded that the respondents agreed that the extent to which performance control attributes are carried out in the enterprises is at high extent, with majority opinions clustered around operating profits.

Hypothesis

H₀: Performance control attributes have no significant influence on the entrepreneurial orientation of SMEs in Osun State of Nigeria.

To test the hypothesis, regression analysis was used. Data for performance control attributes and the entrepreneurial orientation of SMEs were generated by adding scores of responses of all items for each of the variables. The results of the analysis are presented in Table 4.12.

Table 2: The influence of Performance Control Attributes on Entrepreneurial Orientation of SMEs

Coefficients						
Model		Unstandardised Coefficients		Standardised Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	39.393	4.683		8.413	.000
	Performance Control Attributes	.657	.089	.278	7.389	.000
R = .278; R ² = .077; F (1/650) = 54.593						
a. Dependent Variable: entrepreneurial orientation of SMEs						

Source: Field Survey Results, 2017

Table 2 presents regression results on the effects of Performance control attributes on the entrepreneurial orientation of SMEs. The results show that performance control attributes have a positive significant influence on entrepreneurial orientation of SMEs ($\beta = .657$, $t = 7.389$, $p < 0.05$). Correlation coefficient (R) between Performance controls attributes and Entrepreneurial orientation of SMEs was .278, indicating that relationship between

performance control attributes and entrepreneurial orientation of SMEs is weak but positive. The results indicate that there are different variations in performance controls attributes and entrepreneurial orientation of SMEs. The coefficient of determination, $R^2 = 0.077$ explains that 7.7% of the variations of entrepreneurial orientation of SMEs are explained by the variable of performance control attributes. The remaining 92.3% of the variations are explained by other factors. This means that the regression model for the performance controls attributes and entrepreneurial orientation of SMEs do not have a good fit. The result of Analysis of Variance (over all significance) for regression coefficient revealed ($F = 54.593$, $p \text{ value} < 0.05$). It indicates that performance controls attributes have significant influence on the entrepreneurial orientation of SMEs. Overall, model of Entrepreneurial Orientation is significant ($p < 0.05$). The fitted model is thus summarised as follows:

$$EO = 39.393 + .657 \text{ PCA} \dots\dots\dots \text{eq. i}$$

Where: EO = Entrepreneurial orientation; PCA = Performance controls attributes.

In the above regression equation, taking performance controls attributes constant at zero, the value of Entrepreneurial orientation was 39.393. The coefficient of performance controls attributes was 0.657, implying that a (1) unit change in performance controls attributes would lead to .657 units change in Entrepreneurial orientation of SMEs. In the results, the positive coefficients for the constant and performance controls attributes show that the constant and performance controls attribute both move in the same direction. Therefore, the null hypothesis (H_0) which states that performance control attributes have no significant effect on the entrepreneurial orientation of SMEs in Osun State of Nigeria is hereby rejected.

Discussion

Building on the idea that control attributes in entrepreneurial firms should reward creativity in pursuit of opportunities through innovation and stimulate pro-activeness and risk-taking, the finding of hypothesis shows that performance control attributes (financial and strategic controls) have a positive significant influence on the entrepreneurial orientation of SMEs in Osun State of Nigeria. The finding is in agreement with several studies conducted outside and within the country. Boru's (2014) work on strategic management and entrepreneurship in Food Processing Companies in Nairobi County, Kenya established that there was a positive significant relationship between strategic controls and entrepreneurship intensity (entrepreneurial orientation). The study conducted by Entrialgo et al (2000) indicates a positive relationship between entrepreneurship and performance control attributes. This, in effect, confirms that performance control attributes are good predictors of entrepreneurship. Barringer and Bluedorn (1999) found that there was a positive relationship between strategic controls attribute and corporate entrepreneurship while the outcome of the study rejected the hypothesis which postulated a negative relationship between an emphasis on financial controls attribute and corporate entrepreneurship intensity.

Murimbika and Urban's (2013) study on 'strategic management practices and corporate entrepreneurship: A cluster analysis of financial and business services firms in South Africa' indicates that higher levels of entrepreneurial orientation are associated with the strategic management practices of environmental scanning intensity, planning flexibility, planning horizon, locus of planning and strategic and financial controls. Murimbika and Urban (2013) found that the two forms of controls (financial and strategic controls) have positive and significant impact on entrepreneurial orientation. The studies carried out by Murimbika (2012) and Murimbika and Urban (2014) also support the current finding and the previous findings that performance control attributes have positive and significant influence on entrepreneurial orientation. The result of the current study which revealed that performance control attributes have a positive significant influence on entrepreneurial orientation of SMEs in Osun State of Nigeria is partially consistent with the empirical findings of Li, Tse and Zhaol (2009) in respect of hotel companies in China. While this study found both strategic and financial control attributes as having positive and significant influence on entrepreneurial orientation of firms, *Li et al*, (2009) found financial controls as correlate of corporate entrepreneurship in hospitality industry.

The findings of Kuye (2008) reveal that the influence of financial controls on firms' performance and on entrepreneurship is insignificant while the influence of strategic controls is low. The findings of another study on strategic control and corporate entrepreneurship conducted by Kuye (2013) find that there is statistical significant relationship between strategic controls and corporate entrepreneurship and a significant difference between the entrepreneurship of firms whose strategic control are low and the entrepreneurship of firms whose strategic are high. The outcomes of the various findings have further reaffirmed the notion that strategic control systems which are capable of rewarding creativity and opportunity recognition and exploitation are vital part of the entrepreneurial behaviour. The finding of the current study also supports the previous researches (Barringer and Bluedorn, 1999; Murimbika, 2012; Murimbika and Urban, 2013 & 2014) which establish that the two forms of controls (strategic and financial controls) are not operating at cross purposes and that the two of them can be present at the same time in an entrepreneurial organisation and yet influence EO positively and significantly. It is evident from the result of this study that the correlation between performance controls attributes (both financial and strategic) and entrepreneurial orientation is weak but positive. This shows that the SMEs in Osun State are not paying particular attention to this aspect of strategic management practices, hence, its low influence on entrepreneurial orientation. The implication of this result is that SMEs owner managers/ CEOs need to be encouraged to be more committed to the application of performance controls attributes in order to achieve higher levels of entrepreneurial orientation and a sustainable competitive advantage.

The finding shows that 49.1% of the respondents indicated that pre-determined objectives through face-to-face meeting between top managers are carried out at a high extent while 17% at very high extent. 40.2% of the respondents showed that Pre-determined objectives through informal face-to-face meeting between top managers and business unit or

functional area personnel are carried out to a high extent while 17% believe to a very high extent. Further, 45.1% of the respondents affirm that pre-determined objectives through measuring performance against subjective strategic criteria such as improvements in customer satisfaction or progress on product innovations are carried out at a fairly high extent while 39.7% indicated at a high extent. Furthermore, 52.5% of the respondents assert that Return on Assets in evaluating the performance of business unit/functional area personnel in their organisations are carried out at a high extent while 31.6% believe that it is done at a fairly high extent. In addition, 54.8% of the respondents reported that Return on Investment (ROI) in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a high extent, while 34.2% at a very high extent. Moreover, 54.8% of the respondents uphold that Cash Flows in evaluating the performance of business unit/functional area personnel in their organisation is carried out to a high extent while 35.6% admit to a very high extent. In the analysis, 46.6% of the respondents reported that Operating Profits in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a high extent while 40.3% believe it is very high extent. The results also show that 40.2% of the respondents indicate that Sales Growth Rate in evaluating the performance of business unit/functional area personnel in their organisations is carried out at a fairly high extent while 39.7% believe that it is at high extent. In addition, majority (53.7%) of the respondents reported that market share in evaluating the performance of business unit/functional area personnel in their organizations is carried out at a fairly high extent while 29.4% said that it is at high extent.

Based on the above findings and their supporting literature, the study, therefore, rejects the null hypothesis (H_0) which states that performance control attributes have no significant influence on the entrepreneurial orientation of SMEs in Osun State of Nigeria. Performance control attributes represent intangible organisational resources or competencies. If it can be developed to produce a value creating strategy that cannot be duplicated by any competitors, now or in future, such resource is valuable, rare, inimitable and non-substitutable. The result of this study, which reflects that performance control attributes have a significant and positive influence on entrepreneurial orientation, of SMEs in Osun State shows the relevance of RBV to this study,

Conclusion and Recommendations

Performance control attributes have no significant influence on the entrepreneurial orientation of SMEs in Osun State, Nigeria. This hypothesis was rejected as the findings in Table 1 show that performance control attributes have a significant and positive influence on entrepreneurial orientation of SMEs in Osun State. The relationship is statistically significant at ($\beta = .657, p < 0.05$). This shows that performance control attributes move in the same direction with entrepreneurial orientation that is, as performance control attributes increase, entrepreneurial orientation also increases. The coefficient of determination, $R^2 = 0.077$ explains that 7.7% of the variations of entrepreneurial orientation of SMEs are explained by the variable of performance controls attributes.

The purpose of a control system in an organisation is to ensure that the firm's' strategies meet the predetermined goals and objectives. This means that efficient and effective performance control attributes of entrepreneurial oriented firms should be able to lead to higher level of entrepreneurial orientation. Performance control attributes particularly the strategic control element must be able to reward creativity and the pursuance of opportunities by way of innovation. The outcome of this study depicts a weak but positive relationship between performance control attributes and entrepreneurial orientation of small firms in the State. In this regard, SMEs in Osun State need to improve on their performance control attributes in order to achieve a higher level of entrepreneurial orientation. They also need to ensure good accounting records' keeping and reward creativity adequately in order to stimulate a higher level of entrepreneurial behaviour. To enhance creativity and innovativeness, the CEO/Owner managers of SMEs need to display sufficient level of tolerance for mistakes on the part of their employees.

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