
ENTREPRENEURIAL CULTURE AND ORGANISATIONAL PERFORMANCE OF SMALL AND MEDIUM-SCALE MANUFACTURING FIRMS IN RIVERS STATE, NIGERIA

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ABSTRACT

The researchers in this study set out to determine whether there was a connection between the entrepreneurial spirit and output at manufacturing SMEs in Rivers State, Nigeria. The study's primary focus was on how creativity and risk-taking relate to satisfied customers and financial outcomes. Based on the Enterprise Growth Theory, the study employed a survey research design. Its intended recipients were 450 workers from fifteen separate SMEs that produced paint and bottled water. A variety of statistical methods, including multiple linear regression, were applied to the data collected via structured questionnaires by SPSS. Though it cost consumers some pleasure in the near term, the results revealed that taking risks paid out in the end, and being creative paid pay in the ebb and flow of earnings. The study concludes that dimensions of entrepreneurial culture, particularly risk-taking and innovativeness, are critical drivers of organizational performance, and manufacturing SMEs must strategically balance these dimensions to optimize both customer satisfaction and profitability. It was recommended among other things that entrepreneurs and owners in SMEs should take positive risk that will discover modern and better was of satisfying their customers.

KEYWORDS: Entrepreneurial Culture, Risk-Taking, Innovativeness, Organizational Performance, Customer Satisfaction

INTRODUCTION

When it comes to diversifying Nigeria's economy away from oil and industrialising rural areas, It is essential to have SMEs, or small and medium-sized enterprises. The Rivers State Investment Promotion Agency (RSIPA) reports that SMEs in Rivers State are responsible for a significant portion of the state's employment, revenue, and agricultural product value additions.

in the manufacturing sub-sector (RSIPA, 2024). The crucial role that SMEs play in driving economic growth, creating jobs, reducing poverty, and fostering innovation has kept the management and entrepreneurship literature focused on the organisational performance of SMEs. How well small and medium-sized enterprises (SMEs) carry out their strategic and operational goals in the face of competitive pressures and limited resources is a measure of organisational performance.

Unlike large corporations with formalized systems and abundant resources, SMEs typically operate with flexible structures, centralized decision-making, and limited access to capital, all of which influence how performance is achieved and evaluated. Customer satisfaction is increasingly acknowledged as a vital non-financial measure of organisational performance because it represents the degree to which offerings fulfil or surpass client expectations, impacting devotion, recurring business, and sustainability. A company's capacity to create long-term profits from its activities and investments is demonstrated by their profitability, a key financial result.

the importance of entrepreneurial spirit in fostering innovation, entrepreneurship, and economic growth cannot be overstated. Even more so than in developed markets, entrepreneurial activity shapes the economic environment of developing markets, which are generally marked by fast development, limited resources, and institutional problems. The importance of an entrepreneurial culture to the success of businesses across all industries and sizes has been widely recognised, particularly in today's fast-paced and competitive business climate. In an entrepreneurial culture, workers are inspired to go beyond the box, use their imaginations, and take calculated risks (Dess and Lumpkin, 2005).

Within the small and medium scale enterprise (SME) context, especially in developing economies such as Nigeria, entrepreneurial culture plays a pivotal role in enabling firms to navigate resource constraints, market volatility, and competitive pressures. Consequently, the nature and strength of entrepreneurial culture within these firms may determine their capacity to achieve desirable performance outcomes such as customer satisfaction and profitability. Risk taking, as a dimension of entrepreneurial culture, refers to the willingness of firm

leaders and employees to engage in ventures with uncertain outcomes, commit resources to new opportunities, and tolerate potential losses in pursuit of strategic objectives (Lumpkin & Dess, 2005). Innovativeness, another core dimension, incorporates the use of fresh concepts, goods, procedures, and methods that boost the flexibility and marketability of the organisation (Covin & Slevin, 2019). Existing research has established a connection between a company's performance and its level of risk-taking and innovativeness. Researchers have shown that companies with an entrepreneurial culture perform better overall. Examples of research that found that an entrepreneurial mindset, which includes innovativeness and risk-taking, improves overall organisational performance include Rauch et al. (2009) and Wiklund and Shepherd (2005).

Nevertheless, these studies often measure performance in aggregate terms without disaggregating specific outcomes like customer satisfaction or profitability, particularly in the manufacturing SME sector of developing economies. Moreover, while research has examined entrepreneurial culture in large corporations and high-tech industries, there is a paucity of empirical evidence addressing how entrepreneurial culture dimensions operate within SMEs in Nigeria's manufacturing sector, where contextual factors such as infrastructural deficits, financial constraints, and institutional weaknesses may shape entrepreneurial behaviors differently. The present study departs from previous scholarship by explicitly linking examining the relationship between customer happiness and profitability in small and medium scale manufacturing enterprises in Rivers State, focussing on the characteristics of entrepreneurial culture that involve risk-taking and innovation.

Statement of the Problem

The manufacturing sector's small and medium-sized businesses (SMEs) in Rivers State, Nigeria, nonetheless face difficult circumstances that make it hard for them to satisfy customers and stay profitable.

Despite recognition of entrepreneurial culture as a vital driver of firm performance, many manufacturing SMEs struggle with inconsistent customer experiences, declining market loyalty, and unstable profit margins. In practice, firms often engage in entrepreneurial behaviors such as risk taking and innovativeness without a clear understanding of how these dimensions affect customer satisfaction and profitability outcomes. Risk taking, when poorly executed, may lead to product failures, service inconsistencies, and customer dissatisfaction due to unmet expectations, unpredictable quality, or unmet delivery timelines (Anderson, Fornell, & Lehmann, 2014). Similarly, innovativeness though widely associated with

competitive advantage can strain limited financial and human resources, leading to elevated costs that erode profit margins without necessarily improving customer perceptions or value (Rosenbusch, Brinckmann, & Bausch, 2011). These challenges are exacerbated by contextual constraints in Nigeria, including infrastructural deficits, limited access to technology, and regulatory bottlenecks, which further complicate the effective translation of entrepreneurial culture into performance outcomes.

While previous studies have shown broad connections between an entrepreneurial mindset and company success (Rauch, Wiklund, Lumpkin, & Frese, 2009; Wiklund & Shepherd, 2005), less is known about how entrepreneurship traits like innovation and risk-taking affect customer satisfaction and profitability in the context of SMEs in developing nations like Nigeria.

Few empirical studies have explored the complex ways in which an entrepreneurial culture affects customer-centric and financial outcomes; instead, most have concentrated on broad metrics like total growth or market share.

Furthermore, studies in the Nigerian context have predominantly examined service and technology sectors, with less emphasis on manufacturing SMEs where the interplay between entrepreneurial culture and performance may manifest differently due to sector-specific operational demands and customer expectations.

Among small and medium-sized manufacturing companies in Rivers State, this research intends to address these knowledge gaps by experimentally exploring the connections between two aspects of entrepreneurial culture—risk-taking and innovativeness—and critical success factors like customer happiness and profitability.

Aim and Objective of the Study

The purpose of this research is to examine the relationship between an entrepreneurial culture and the productivity of small and medium-sized manufacturing firms in the Nigerian state of Rivers.

Specifically, the study seeks to:

1. One goal is to look at a few industrial companies in Rivers State, Nigeria, and see how risk-taking relates to customer happiness.
2. Find out how some Rivers State manufacturing companies' risk-taking relates to their bottom line.
3. Determine which manufacturing organisations in Rivers State are most inventive and how satisfied their customers are with that connection.

4. Find out how certain industrial companies in Rivers State are doing in terms of innovation and profitability.

Research Questions

The following research enquiries served as the study's compass.

1. How do certain manufacturing organisations in Rivers State relate to customer satisfaction in terms of risk taking?
2. In some Rivers State manufacturing companies, how does taking risks relate to profitability?
3. How can innovativeness and customer satisfaction be understood in a sample of Rivers State industrial organisations?
4. For a subset of Rivers State's manufacturing companies, how does innovation relate to bottom line success?

Hypotheses

The study will be guided by the following hypotheses, which will be examined at a significance level of 0.05.

1. H₀₁: there is no significant relationship between risk taking and customer satisfaction in selected manufacturing organizations in Rivers State.
2. H₀₂: There was no statistically significant correlation between risk-taking and profitability for the manufacturing groups in Rivers State that were studied.
3. H₀₃: Among the manufacturing organisations in Rivers State that were studied, there was no discernible correlation between innovativeness and customer happiness.
4. H₀₄: For a subset of Rivers State's manufacturing companies, there is no correlation between innovation and bottom-line success.

Conceptual Review

Concept of Entrepreneurial Culture

A combination of the words "entrepreneurial" and "culture," the phrase "entrepreneurial culture" is born. The concept of entrepreneurial culture can be greatly advanced by gaining a grasp on the meaning of these two words. The word "entrepreneurial" was defined by Wickham (2006) as an adjective that describes the entrepreneur's approach to their work. He insisted that the use of this word implied that entrepreneurs operate in a certain manner. Being entrepreneurial is a behaviour that may be shown and displayed in any type of organisation, according to Atherton (2004). Brownson (2011) adds to what is already known

about culture by defining it as a set of shared characteristics, norms, and practices that people can pick up and pass on from one another—as long as they're part of a larger social group—and which serve to differentiate one group from another. As a result, an effort to cultivate a specific culture is made when specific characteristics, principles, beliefs, and actions are encouraged.

Entrepreneurial culture refers to a societal and organizational mindset that promotes entrepreneurship by fostering innovation, risk-taking, pro-activeness, and resilience. It encompasses the values, attitudes, and behaviors that encourage individuals to identify and seize business opportunities, overcome challenges, and create value through entrepreneurial activities (Lawrence, 2025). Lawrence and Obibhunun (2024) defined entrepreneurial culture as an ethos that promotes and supports the traits and practices of successful entrepreneurs. Creativity, invention, and taking risks have all been part of this. An entrepreneurial culture is one that promotes and exemplifies the traits and ways of thinking that are distinctive of entrepreneurs. Creativity, invention, and taking risks have all been part of this. Some have argued that organisations with an entrepreneurial culture are more effective than those with a more bureaucratic or administrative focus (Bradley, Wiklund, & Shepherd, 2011). Here, we define an entrepreneurial culture as a social norm where members of the community consistently demonstrate the traits, principles, beliefs, attitude, and conduct that set them apart from the general population. Government policy initiatives aimed at encouraging entrepreneurship should, therefore, centre on helping people develop the traits, beliefs, and habits that are characteristic of successful business owners. Even in a well-established company, or in other favourable situations, this type of person can be driven to act entrepreneurially. Since culture differentiates one group from another, this means that any governmental initiatives aimed at fostering entrepreneurialism will produce individuals that are distinct from the norm.

Risk Taking

An organization's willingness to seize chances despite doubts about their potential payoff is an example of risk taking (Deakins & Freel, 2012). It requires taking risks without fully understanding the repercussions. One definition of risk-taking in business is when upper management allocates substantial resources to initiatives with the expectation of large returns, despite the fact that these endeavours carry with them a higher degree of failure (Mahmoud & Hanafi, 2013). One definition of risk-taking propensity is an individual's tendency to engage in risk-taking behaviours (Autoncic, et al., 2018). When faced with multiple options whose

outcomes are uncertain and need subjective evaluation, a risk situation arises (Meredith, et al., 1982; in Don-Baridam, 2014). A propensity to engage in high-risk endeavours is another definition of risk taking (Abratt, & Lombard, 2023). In a similar vein, Dhliwayo and Vuuren (2007) argue that a strategic entrepreneur must be willing to take risks. This is due to the fact that entrepreneurs' perceptions and management of environmental risks are crucial to the success and growth of their businesses, and risk-taking is a key component of this process (Asenge, et al., 2018).

According to research on entrepreneurship, entrepreneurs' willingness to take risks is a key factor in how successful their businesses are (Boermans & Willebrands, 2017). According to Blais and Weber (2016), a decision maker's risk attitude can be described as an overarching description of how they handle risks. In contrast to non-entrepreneurs, who prefer to dwell on the negative aspects of a company scenario, entrepreneurs are more likely to see the bright side, according to research by Palich and Bagby (1995). A willingness to take risks is one of the most unusual characteristics of an entrepreneur (Mautra, 2018). True risk-takers are in a league of their own. The self-assurance of a risk-taker stems from their fundamental attributes, hence an entrepreneur must master all the fundamentals before taking any risks. In reality, the one and only quality that truly defines an individual as an entrepreneur is his or her willingness to take calculated risks (Mautra, 2018). It is commonly believed that entrepreneurs are more likely to take risks than the average person, based on both the concept of entrepreneurship and common observation (Macko & Tyszka, 2009). In order to be considered an entrepreneur, one must be willing to take risks, as Warneryd (1988) put it.

Innovativeness

Innovation

Being innovative means coming up with answers to both common and unusual situations. In order for a company to reap financial rewards in the future, its capacity to think creatively and come up with novel ideas is crucial (Hayat & Riaz, 2011). Taking risks with novel concepts, investing in research and development, and introducing innovative items to consumers technology are all examples of innovative practices that can help a company succeed (Wiklund & Shepherd 2003). Olubiyi et al. (2019) states that organisations are gaining a competitive advantage through innovation, which is a critical business process. These days, being competitive requires innovations (Bloch & Bhattacharya, 2016; Ariguzo, et al., 2018). A creative person is one who is open to and encourages the development of unique concepts, approaches, and products (Mohammad, et al., 2013). Innovations can be classified

into three types: technological, product, and administrative (Balla, et al., 2018; DeepaBabu and Manale, 2016). Product market innovation and technology innovation are the two main categories into which company innovation falls. The authors of the study are Krishna and colleagues (2015). Providing answers to both common and unusual issues this is the innovation that we are referring about. What matters most for a company's long-term financial performance is its ability to think creatively and generate new ideas (Kihara, et al., 2016).

The authors De and Den (2007) state that in an innovative society, every individual's actions contribute to innovation, particularly those that generate and execute new ideas. Studies focussing on SMEs (small and medium-sized businesses) has shown that owner-managers who possess an innovative mindset are more likely to use strategic management practices and intellectual capital management to their advantage, and that innovation is a key component to a successful business (Volna, et al., 2015). Likewise, according to Holderfield (2016), innovation is the application of creativity. Whatever it is, it will affect our actions and our lives, whether that's impacting just one person or a thousand. A human-centered, holistic view is the end product of combining analytical thinking with creativity, which is essential for innovation. The methods necessitate forming an attitude, sticking to a schedule, and building a collection of resources (Holderfield, 2016).

Organisational Performance of SMEs

According to Lebens and Euske (2006), who describe performance as a collection of financial and non-financial indicators that provide information on the attainment of organisational objectives, a proper definition of performance requires knowledge of the future of each area of responsibility. Performance evaluations are ever-changing and necessitate a dispassionate eye for detail. If you believe Peterson et al. (2013),

performance is defined as the capacity to achieve a target and satisfy different types of stakeholders using the resources already available to the organisation. Profitability leads to job opportunities and better wages for employees, who in turn lead to high productivity and the manufacture of high-quality goods and services, which ultimately benefit the client. This cycle continues indefinitely when performance is good. Customer satisfaction There are numerous ways to measure organisational success, including employee happiness, growth performance, market value, profitability, environmental performance, and corporate governance (Osmar and Zineb, 2019; Selvam et al., 2016).

Factors such as size, capacity, number of employees, and annual turnover determine how small and medium-sized enterprises (SMEs) are categorised in different countries and even different industries. The role that small and medium-sized firms play in a country's economy cannot be emphasised enough.

Economic growth. According to Muritala, Awolaja, and Bako (2012), SMEs are the foundation of any developed and large-scale enterprise. Financial capability, size, number of employees, sales volume, working capital, industry, and ownership are some of the criteria used by Akoja and Balcioglu (2010) to characterise small firms. The yearly turnover and staff count are the criteria used to classify businesses in the United States, the United Kingdom, and Canada as small or medium-sized. Businesses in the UK are considered small if they have fewer than 200 employees and yearly revenues of two million pounds or less (Epkeyong & Nyong, 2012). There is a lot of fuzziness about the definition of small and medium-sized firms. Businesses with 50 workers or fewer and capital up to N60,000 were deemed modest in 1973 by the Federal Ministry of Industries. In a 2012 study, Muritala et al. According to Monetary Policy Circular No. 22 of 1988 of the Central Bank of Nigeria, a small-scale firm is defined as one whose annual revenue does not exceed N500,000. Many factors, including competing definitions, made it difficult to classify SMEs precisely.

Measures of Organisational Performance

Customer Satisfaction

According to Christensen (2006), customer satisfaction can be defined as the degree to which expectations are satisfied, met, or not met. Customer satisfaction refers to how happy a company's clients are with the goods and services they receive (Foss & Stone in Hoang, 2015). The key to a company's success and longevity is happy customers. It has an effect on a business's revenue, market share, and bottom line. Customer happiness has a significant effect on a company's sales and profit margin, hence ensuring it is a top goal for any growing or successful business (Onditi, 2016). According to Chang and Fong (2010), businesses should aim to satisfy their consumers. Meeting and exceeding client expectations is crucial to a company's growth and survival since it leads to increased sales, market share, and profitability. The quantity, quality, and loyalty of a firm's client base are measured by customer satisfaction, according to Morgan and Rego (2006) and Fornell (2006). The adaptability of the parties involved in the supply chain is crucial to meeting customer expectations (Howgego, 2002). According to Kotler and Keller (2006), "Customer

satisfaction" is the feeling one gets when they compare the product's real performance to their expectations and are happy with the outcome.

The sole method for a firm to accomplish its short-term and long-term goals and stay in business, according to Gao and Mattila (2014), is to ensure customer happiness. Companies will struggle, if not fail, to reach their objectives if they do not meet the needs of their clients.

Profitability

Profitability is a critical term in financial writing. Profitability influences organizational effectiveness (Aqil et al., 2019). Profitability is a key performance indicator. It is impossible to sustain an unprofitable business. Profitability was described by Borio, et al. (2017) as a business capacity that interprets profit over a specific time period. Profitability can represent a company's success in terms of profits received from shareholder investments or the quantity of capital used in the firm or in connection to sales activities. Given that the primary goal of investing is profit, the earnings generated by a business are used to assess the investment's success. Profitability in business frequently shows that a company is providing goods or services that customers want at a reasonable price (Minh and Nguyen, 2020). In business, profitability is a matter of survival: If your company is not profitable, it will cease to exist. Successful entrepreneurs not only accomplish this, but they also increase the profitability of their businesses over time. A corporation, organisation, or enterprise is considered profitable if it is able to turn a profit from all of its operations (Onyam, et al., 2015). Additionally, they stress that profitability shows how a company's management structure can effectively generate profit by utilising all of the company's and market's resources. The capacity of an investment to generate a profit from its utilisation is what Harward and Upton (2012) mean when they say profitability.

Theoretical Review

Enterprise Growth Theory

Most people believe that Edith Penrose is the one who came up with the idea for the Enterprise Growth Theory. Penrose published her groundbreaking book, *The Theory of the Growth of the Firm*, in 1959 and revised it several times afterward. Internal resources, managerial skills, and entrepreneurial vision are now considered more important than external market pressures in determining a company's growth and performance, according to Penrose's research. Companies that prioritise growth-oriented principles like innovation, proactiveness, and risk-taking are more likely to be able to leverage their internal resources to

achieve superior organisational performance outcomes, according to the Enterprise Growth Theory. Businesses vary in terms of available resources, the expertise of their managers, and their ability to learn, according to the thesis. Another important premise is that the rate of business expansion is constrained by managerial capacity. This is especially true in small and medium-scale manufacturing enterprises, where the owner-entrepreneur often possesses the majority of managerial skill.

A robust entrepreneurial culture that promotes innovation, measured risk-taking, and ongoing learning improves the firm's capacity to make effective use of its internal resources, which is why Enterprise Growth Theory is relevant to entrepreneurial culture and organisational performance. Entrepreneurs at small and medium-scale manufacturing enterprises can enhance performance indicators like profitability, productivity, and market share by embracing this culture. It allows them to modify production methods, introduce new products, and improve operational efficiency.

Empirical Review

Khaoya (2019) examined the function In Least Developed Countries, the expansion The social, political, and economic development of the country is greatly impacted by the prevalence of micro and small firms. In Kenya, especially in the Jua Kali sector, they play a crucial role in creating jobs, improving income distribution, and reducing poverty. Despite their social importance, most MSEs fail within the first year. In fact, early data shows that 3 out of 5 start-ups don't make it past their first birthday. The study's overarching goal was to identify the factors that contribute to an entrepreneurial culture—namely, a focus on opportunities, inventiveness, networking, and risk taking—and how these factors relate to the expansion of MSEs. The study's methodology was best served by a descriptive research approach. Nairobi City County enterprises were the intended subjects of the study. We surveyed 300 company owners from the Kawangware market in Nairobi who had their companies officially registered with the county government. The commerce, manufacturing, transportation, and service industries were among those from which the Companies categorised as micro and small were chosen. Stratified and systematic sampling methods were used to choose sixty individuals for the investigation. Data was collected using both closed- and open-ended questionnaires. The collected data was analysed using descriptive statistics such as means, percentages, and frequencies. Multiple regression analysis inferential approaches were also utilised in the analysis. We used SPSS (Statistical Package for the

Social Sciences) to help us with the analysis. A data-driven analysis revealed that Opportunity focus averaged 3.8102 with a standard deviation of 1.36.

There was a standard deviation of 1.046 and a mean of 4.122 for risk taking. According to the majority of respondents, entrepreneurs tend to be risk-averse and only reluctantly accept challenges, while having a high-risk appetite. The results also demonstrate that many Micro and Small Businesses had to be launched due to innovation. Changes to the products and enhancements to the company's operations were the determinants of innovation. Micro and small enterprises owe a great deal to the marketing platforms made possible by networking, which was important in their growth and development. Micro and small businesses in Nairobi County owe a great deal to these characteristics of an entrepreneurial mindset. It was determined that half of the MSEs were 6.25 percent of the participants whose MSEs had been there for 0 to 5 years, 12% for 15 to 17 years, and 12% for 9 to 11 years old reported that their MSEs had been there for the same amount of time. Evident from this is the well-established micro and small business sector in Nairobi. Fifty percent of people who took the survey said that micro and small enterprises are active in retail trade, twelve percent in manufacturing, eighteen percent in transportation by motor vehicle, and eighteen percent in the hospitality industry. The data shows that compared to manufacturing, transportation, and hotel services, retail trade has the highest concentration of small and medium-sized enterprises (SMEs) in Nairobi City County. The study found that among entrepreneurs, 13% have worked for two to five years, 19% for six to ten, 44% for eleven to fifteen, and 24% for sixteen years or more than their present position.

Success in business depends on entrepreneurs and would-be entrepreneurs embracing a good entrepreneurial culture that prioritises seizing opportunities, thinking outside the box, building strong relationships, and taking calculated risks.

In their 2019 study, Aroyeun, Adefulu, and Asikhia looked at how a culture of entrepreneurship Had an impact on the prosperity of small and medium-sized enterprises (SMEs) in Ogun State, Nigeria. A survey was the research methodology employed for this investigation. Ogun State, Nigeria, was home to 1,794 SMEs. We arrived at a sample size of 412 using Cochran's sample size determination technique. Three hundred and eighty-six out of four hundred twelve questionnaires were returned. A remarkable 93.69 percent of the population could participate. A battery of self-administered surveys measuring SME entrepreneurial culture and performance provided the bulk of the data. Results from the pilot study's Cronbach Alpha reliability test, which fell within the range of 0.735 to 0.885, confirmed that the research instrument was legitimate and dependable. To analyse the

collected data, we employed descriptive and inferential statistics. The results of this study show that performance is improved when an entrepreneurial culture (EO) is present. Both proactive expansion and aggressive competitiveness have positively significant effects on SMEs' competitive advantage ($\beta=0.973$), whereas entrepreneurial innovativeness significantly and positively affects product or service quality. Also, being an entrepreneur gives you more freedom to make decisions that directly impact your bottom line, which in turn makes your customers happier.

To find out how government support policies moderated the relationship between entrepreneurial culture, technology culture, and performance, Ibrahim, Keat, and Abd Rani (2017) analysed small and medium firms (SMEs) in northeast Nigeria. Through the use of standardised questionnaires, 240 owner-managers of small and medium-sized enterprises (SMEs) in northeast Nigeria were surveyed quantitatively. The data was analysed using Partial Least Squares PLS-SEM. The study found a positive correlation between EO, TO, and the performance of SMEs. Furthermore, the study's findings corroborate the hypothesis that government aid programs in Nigeria impact the performance of EO, TO, and SMEs. The study's practical implications can help government officials, regulators, legislators, and owner-managers of SMEs (and other interested parties) comprehend the effects of government support on SMEs' success. By delving more into the elements that impact this relationship, this research enhances our comprehension of how GSPs impact the performance of SMEs. This is the first study that we are aware of in Nigeria to investigate the role of government assistance policies in moderating the relationship between SME performance, entrepreneurial culture, and technology culture.

Extensive theoretical and empirical study on the topic of entrepreneurial culture and organisational performance has examined the relationship between firm outcomes and entrepreneurial values such as innovation, risk-taking, and proactiveness. There is a significant knowledge gap when it comes to small and medium-sized firms in the industrial sector. To start, there are significant disparities between the institutional frameworks, financial availability, technological infrastructure, and management competency of the developed world and the developing world, from which the bulk of the existing literature is derived. Thus, whether or whether these findings are applicable to medium and small-scale manufacturing businesses in developing environments remains uncertain. Because of this, there is a knowledge vacuum on the effects of entrepreneurial culture on performance in contexts with constrained resources. Furthermore, while several research have examined entrepreneurial culture, the majority of these studies have adopted a holistic perspective,

disregarding the reality that distinct elements of this culture have diverse effects on different measures of performance. There is a dearth of data demonstrating how proactiveness, innovation, and risk-taking influence growth, profitability, productivity, and customer satisfaction in small and medium-sized manufacturing businesses. This results in a difference in dimensions. Finally, there is a dearth of studies examining the relationship between entrepreneurial culture and performance in manufacturing SMEs and theories centred on firm growth. To address this theoretical gap, studies are needed to examine how theories of internal growth, such as Enterprise Growth Theory, relate to the cultural practices and performance outcomes of SMEs in the manufacturing sector. We need theory-driven, methodologically sound studies that are specific to the manufacturing SME sector to disaggregate entrepreneurial culture and explore its complex effects on organisational performance. There is a general shortage of research in this area, therefore we need to fill that gap.

METHODOLOGY

To conduct the study, a survey research approach was used. Fifteen small and medium-sized enterprises (SMEs) in the paint and bottled water manufacturing industries in Rivers State, Nigeria, were used to draw a total of 450 employees, using a proportional ratio of 30 staff per firm. Primary data was collected using a structured, self-administered questionnaire that utilised a Likert scale; secondary data was augmented with material drawn from relevant textbooks, journals, and publications. The concept and content validity of the instrument were confirmed through expert evaluation and pre-testing, and reliability was validated by a Cronbach's alpha coefficient that was determined to be within acceptable bounds. The study employed descriptive and inferential statistics to analyse the data, allowing for the drawing of generalisable conclusions from the empirical results. The Ordinary Least Squares method in SPSS (version 25) was used to estimate both simple and multiple linear regression models. Relationships among variables might then be established by the study.

Data Presentation and Analysis

Table 1: Total Questionnaire Distribution Statistics.

Questionnaire	Frequency	Percentage (%)
Administered	450	100
Retrieved	437	97%

Source: Researchers field work (2025)

The distribution of the responses according to the sample size is shown in Table 1. Results showed that 437 (or 97% of the total) questionnaires were returned from a total of 450 (or 100% of the total). The results of this study were thus based on a sample size of 437.

RESULTS AND FINDINGS

Hypothesis 01: Among the manufacturing organisations in Rivers State that were studied, there was no discernible correlation between taking risks and customer satisfaction.

Table 2: Summary of multilinear regression Correlation Coefficient on risk taking and customer satisfaction in in selected manufacturing organizations in Rivers State.

Standardized

r=.189, r ² =.036 F=16.050, p=.000		Unstandardized Coefficients		Coefficients		
	(Constant)	B	Std. Error	Beta	t	Sig.
1	(Constant)	21.474	1.448		14.833	.000
	Risk Taking	-.337	.084	-.189	-4.006	.000

Dependent Variable: Customer satisfaction , $y=21.474-.337x$

Table 2 displays the summary of the linear regression results regarding the correlation between risk-taking and customer satisfaction in a subset of Rivers State manufacturing organisations. With a beta of -189 and rsquared=.036, the results reveal a correlation between risk-taking and customer satisfaction in a subset of Rivers State's industrial organisations. This demonstrates that risk-taking was a factor in the observed shifts in customer satisfaction at a subset of Rivers State's manufacturing firms, accounting for around 4.8% of the total. For some manufacturing organisations in Rivers State, the regression equation reveals that a rise in the value of risk-taking is accompanied by a corresponding rise in the value of customer satisfaction. Additionally, the results demonstrate that in certain manufacturing organisations in Rivers State, there is a considerable correlation between risk-taking and customer satisfaction. There was a significant difference (F=16.00, p<0.05). That is why, at the.05 level of significance, we rejected the null hypothesis.

Ho2: Among the companies in the manufacturing sector in the state of Rivers that were examined , there was no discernible correlation between risk-taking and profitability.

Table 3: Summary of Linear Regression on the relationship between risk taking and profitability in selected manufacturing organizations in Rivers State.

		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
r=.225,	r ² =.049					
F=23.231,	p=.000					
1	(Constant)	10.055	1.148	8.756		.000
	Risk Taking	.321	.067	.225	4.820	.000

Dependent Variable: Profitability $y=10.055+.321x$

Summary results from linear regression analysis of the correlation between risk-taking and profitability in a subset of Rivers State's manufacturing organisations are presented in Table 3. A Beta value of .225 and an r-squared value of .049 indicate a correlation between risk taking and profitability in a subset of Rivers State's manufacturing organisations. This indicates that risk taking accounted for around 5.3% of the observed changes in profitability in a subset of Rivers State manufacturing organisations. Using the regression equation, we can see that for some manufacturing organisations in Rivers State, a rise in the value of risk-taking is correlated with a rise in the value of profitability. The data also demonstrates that certain manufacturing organisations in Rivers State can benefit significantly from taking risks in order to boost their profits. There is a significant difference ($F=23.231, p<0.05$). That is why, at the .05 level of significance, we rejected the third null hypothesis.

H₀₃: Selected manufacturing organisations in Rivers State did not find a significant association between innovativeness and customer happiness.

Table 4: Summary of Relationship between innovativeness and linear regression and customer satisfaction in selected manufacturing organizations in Rivers State

		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
r=.738,	r ² =.545					
F=520.310,	p=.000					
1	(Constant)	9.830	.277	35.463		.000
	Innovativeness	.420	.018	.738	22.810	.000

Dependent Variable: customer satisfaction $y=9.830+.420x$

Table 4 displays the condensed version of the results of the linear regression analysis that showed the correlation between innovativeness and customer satisfaction in a subset of the industrial firms in Rivers State. Innovativeness and customer happiness are positively correlated in a subset of Rivers State's businesses, according to $\beta = .738$ and $r^2 = .545$. manufacturing organisations. This indicates that among the manufacturing organisations in Rivers State that were studied, innovativeness accounted for approximately 10.7 percent of the changes in customer satisfaction. Regression analysis reveals that for some manufacturing organisations in Rivers State, a rise in innovativeness leads to a corresponding rise in customer satisfaction. As a corollary, the data demonstrates that certain manufacturing organisations in Rivers State are more innovative and have happier customers as a result. There was a significant difference ($F = 520.310, p < 0.05$). Thus, at the .05 level of significance, the fourth null hypothesis was rejected.

H₀₆: Among the manufacturing organisations in Rivers State that were studied, there was no discernible correlation between innovativeness and profitability.

Table 5: Summary of Linear Regression on the relationship between innovativeness and profitability in selected manufacturing organizations in Rivers State.

Standardized

		Unstandardized Coefficients		Coefficients		
		B	Std. Error	Beta	T	Sig.
r=.216,	r ² =.047					
F=21.384,	p=.000					
1	(Constant)	16.938	.321		52.824	.000
	Innovativeness	-.098	.021	-.216	-4.624	.000

Dependent Variable: profitability $y = 16.938 - .098x$

There was a correlation between innovativeness and profitability in a selection of Rivers State industrial organisations, as shown in Table 5, which summarises the results of the linear regression. In a sample of manufacturing firms in Rivers State, there is a positive association between innovativeness and productivity, as indicated by a beta of -.216 and an r-squared value of .047. Evidence suggests that innovativeness contributed 4.6% to the observed shifts in profitability at a subset of Rivers State's manufacturing firms. The regression equation indicates that for certain industrial companies in Rivers State, a shift in the value of innovativeness would lead to a commensurate shift in the value of profitability. There is mounting evidence, and this study adds to it, that innovativeness correlates with financial

performance at some of the manufacturing enterprises in Rivers State. The results are significant ($T=21.384$, $p<0.05$). Thus, the sixth null hypothesis was rejected at the 0.05 level of significance.

Risk Taking and Organisational Performance

According to the standardised beta coefficient ($\beta = -0.189$), r^2 value of 0.036, and a significant F-statistic ($F = 16.050$, $p < 0.05$), the results showed that there is a statistically significant negative correlation between risk taking and customer satisfaction in certain manufacturing organisations in Rivers State. This confirms what other research has shown: that customers' trust and contentment can be eroded by risk-taking actions that aren't in line with their needs (Anderson, Fornell, & Lehmann, 1994). Research by Kreiser, Marino, and Weaver (2002) echoes this sentiment, indicating that stakeholder sensitivity and environmental factors determine the amount of impact that risk taking has on performance results. But this finding runs counter to what some entrepreneurship literature says, namely in really inventive or dynamic markets, where there is a positive correlation between risk-taking and customer-related outcomes (Lumpkin & Dess, 1996). By rejecting the null hypothesis, we find that industrial organisations in Rivers State are more likely to retain customer satisfaction through careful and planned risk-taking tactics rather than aggressive risk-taking techniques.

Additionally, an F-statistic ($F = 23.231$, $p < 0.05$), a r^2 value of 0.049, and a beta coefficient of 0.225 indicate that risk-taking and profitability are positively and statistically significantly correlated in some Rivers State manufacturing groups. This study shows that taking risks boosts profitability and accounts for roughly 5% of the variation in profitability. This result is consistent with the predictions of the entrepreneurial orientation theory, which states that businesses do better when their executives are prepared to take chances in order to grasp fresh opportunities before their competitors do (Covin & Slevin, 1989). Risk-taking behaviour has a positive impact on financial success, particularly in growth-oriented and competitive contexts, according to prior studies by Rauch et al. (2009) and Wiklund and Shepherd (2005), among others.

Hence, risk-taking is strategically important for manufacturing businesses' profitability, as the rejection of the null hypothesis shows. While taking risks may increase profitability, it is important to manage them properly so they don't hurt customer satisfaction. This is the trade-off that the results imply when taken with the customer satisfaction result.

Innovativeness and Organisational Performance

Several manufacturing firms in Rivers State saw a good, robust, and statistically significant relationship between innovativeness and customer happiness, according to the data. The F-statistic ($F = 520.310$, $p < 0.05$), a high standardised beta coefficient ($\beta = 0.738$), and a r^2 value of 0.545 provide evidence for this. A company's inventiveness is a key component in customer happiness since customers are more likely to be satisfied with a company that consistently provides new or improved products, processes, and ideas. Innovation raises customer happiness because it makes products better, more useful, and more adaptable to their demands. Our results are consistent with previous research (Hurley & Hult, 1998) that found that innovative businesses are more likely to offer consumers high-quality goods and services. A study conducted by Calantone, Cavusgil, and Zhao (2002) found that when firms are innovative, they are better able to adapt to market needs and improve customer-related results. Innovation has a significant effect on customer satisfaction in industrial firms, particularly in highly competitive markets where consumer tastes are ever-evolving. The fact that the null hypothesis was rejected proves this.

Innovativeness and Profitability in Selected Manufacturing Organisations

There is a negative correlation between innovativeness and profitability at certain Rivers State manufacturing organisations, according to the data. The F-statistic ($F = 21.384$, $p < 0.05$), standardised beta coefficient ($\beta = -0.216$), and r^2 value of 0.047 provide evidence for this. Increased creative activities may initially reduce profit levels because to the high costs of R&D, technology acquisition, and process reconfiguration. The innovativeness of a company does, however, have a significant role in the shifts in profitability. Especially in developing countries, investments in innovation can be expensive up front and take some time to pay off in production. These findings corroborate those of earlier studies that shown that innovations usually pay off financially in the long run, not in the short (Teece, 2018). In a similar vein, Rosenbusch, Brinckmann, and Bausch (2011) concluded that, particularly for less well-off small and medium-sized enterprises, innovation can short-term hurt financial performance. Manufacturing companies need to invest in innovation while keeping costs in check if they want to be profitable in the long run. Rejecting the null hypothesis proves that innovativeness has a substantial impact on profitability, albeit a negative one in the near term.

CONCLUSION

Entrepreneurial culture significantly impacts the organisational performance of small and medium-scale manufacturing firms in Rivers State, Nigeria, according to the study.

According to the results, taking risks has a mixed impact on performance; it lowers customer satisfaction but boosts profitability. This suggests that risk-taking tactics, if overdone or misaligned, can damage customer perceptions despite their beneficial effects on bottom line results. Not only that, but innovativeness was discovered to have a strong positive correlation with customer satisfaction, showing that innovative practices enhance product value and responsiveness to customer needs. On the other hand, its short-term correlation with profitability was significant but negative, reflecting the high costs of innovation investments. Manufacturing SMEs must strategically balance entrepreneurial culture dimensions like innovativeness and risk taking to achieve sustainable profitability without compromising customer satisfaction, according to the study. These dimensions are critical drivers of organisational performance.

RECOMMENDATIONS

The study's results and the following recommendations are in line with the aims:

the following

1. Entrepreneurs and owners in SMEs should take positive risk that will discover modern and better ways of satisfying their customers.
2. Firms should strategically engage in risk-taking activities that have the potential to enhance profitability.
3. In order to attain profitability, it is crucial for owners and managers of SMEs to embrace innovation in running their businesses.
4. In order to satisfy their customers, owners and managers of SMEs should implement creative approaches to operating their businesses.

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