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PROACTIVE ORIENTATION AND PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN DELTA STATE, NIGERIA

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Abstract

The performance of Small and Medium Enterprises (PSMEs) is critical to economic growth, employment generation, and poverty alleviation, particularly in developing economies like Nigeria. However, SMEs often struggle with sustainability and competitiveness due to external uncertainties, resource constraints, and managerial inefficiencies. Proactive orientation, characterized by Goal Setting and Planning (GSP), Initiative Taking (INT), Anticipating Challenges and Threats (ACT), and Learning and Adaptation (LA), has been recognized as a strategic approach that enhances performance SME (PSME). The study adopted a quantitative research design and a total of three hundred and ninety (390) questionnaires were administered to SME owners and managers in Delta State, Nigeria. However, three hundred and sixty-eight (368) were retrieved and properly filled, it represent 94.36 percent of the total questionnaire administered, which shows that three hundred and sixty-eight (368) respondents is sufficient for the study. The data was analyzed using descriptive statistics, correlation analysis and multiple regression analysis. The descriptive statistics revealed that SMEs exhibited varying levels of proactive orientation, with INT having the highest mean score (17.01), followed by GSP (16.33), ACT (16.00), and LA (15.61). The correlation analysis showed significant positive relationships between proactive orientation dimensions and PSME, indicating that businesses that engage in proactive behaviours tend to perform better. The regression analysis provided further empirical validation of these relationships. GSP had a positive and significant effect on PSME (β = 0.064, t = 2.207, p = 0.014), demonstrating that structured goal setting enhances business efficiency. INT showed the highest impact on PSME (β = 0.120, t = 4.444, $p < 0.001$), indicating that SMEs that take initiative in identifying and capitalizing on market opportunities are more likely to thrive. ACT had a significant effect on PSME (β = 0.110, t = 4.231, $p < 0.001$), emphasizing the importance of environmental scanning and risk management in business sustainability. Similarly, LA had a significant positive effect on PSME (β = 0.113, t = 4.141, $p < 0.001$), highlighting the role of continuous learning and adaptability in maintaining competitiveness. The model explained 77.1% of the variance in PSME (R^2 = 0.771), confirming the strong predictive power of proactive orientation in business success. The study concluded that proactive orientation is a critical determinant of PSME in Delta State, Nigeria. The study recommends that SME operators invest in strategic planning, cultivate an innovative mindset, develop risk management strategies, and foster continuous learning to enhance their business success. The study contributes to knowledge by providing empirical evidence on the role of proactive orientation in SME performance and offers practical implications for entrepreneurship development.

Keywords: Proactive Orientation, *Goal Setting and Planning, Initiative Taking, Learning and Adaptation and Anticipating Challenges and Threats*

Introduction

Proactive orientation as a strategic behaviour entails taking actions that anticipate future opportunities or problems rather than merely reacting to them. Several studies have argued that proactive firms tend to perform better as they are more inclined to set clear goals, make plans to achieve them, and adapt to changing circumstances (Matzler et al., 2020). In Nigeria, the significance of proactive orientation is magnified due to the dynamic nature of the business environment, characterized by unpredictable changes in government policies, inflation rates, and foreign exchange fluctuations (Ogunyomi & Bruton, 2020). In this context, Goal Setting and Planning (GSP) become essential. GSP provides a framework

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through which SMEs can formulate a strategic direction, anticipate resource needs, and establish measurable performance targets (Chen et al., 2020). As SMEs in Nigeria often lack the formal structures of larger firms, a well-articulated planning process can help these firms navigate uncertainties and enhance their competitive advantage (Obembe et al., 2021).

Similarly, Initiative Taking (INT) is an essential component of proactive orientation that is linked with innovation and risk-taking behavior (Gürol & Kırca, 2020). SMEs with high levels of initiative taking are more likely to explore new markets, diversify their product offerings, and engage in entrepreneurial activities that improve business outcomes. Research has highlighted that initiative-taking behavior in SMEs promotes both internal innovation and external adaptability, thus improving long-term performance (Rialti et al., 2021). In the Nigerian context, this proactive behavior is vital for overcoming the challenges posed by inadequate infrastructure, limited access to capital, and poor regulatory frameworks, all of which disproportionately affect SMEs (Akinwale & Ayodele, 2020). The ability of SMEs to take the initiative and create new opportunities, despite these external pressures, can therefore be a decisive factor in their success or failure.

Anticipating Challenges and Threats (ACT) is another pivotal dimension of proactive orientation. Firms that are capable of identifying and preparing for potential risks tend to exhibit better resilience and performance (Nielsen & Nielsen, 2020). This ability is especially crucial in the context of SMEs in Nigeria, where unpredictable events such as political instability, natural disasters, and economic downturns can severely disrupt operations (Iwu et al., 2021). Studies have shown that organizations that actively engage in risk management strategies, such as scenario planning and contingency measures, are better equipped to weather external shocks (Hussein et al., 2021). In the case of SMEs in Delta State, anticipating challenges and threats may involve assessing local market dynamics, government policies, and socio-political factors that could affect business continuity and growth (Ogunyomi & Bruton, 2020). As SMEs often lack the resources to absorb large-scale disruptions, early identification and mitigation of potential threats can significantly enhance their survival and profitability.

Learning and Adaptation (LA) are essential processes for SMEs aiming to thrive in fast-paced and competitive markets (Schwarz et al., 2020). A proactive firm recognizes the importance of learning from past experiences and adapting to new information. In Nigeria, where SMEs often face fluctuating demand patterns and changing consumer preferences, the ability to learn and adapt is vital (Ogunyomi et al., 2020). SMEs that integrate learning into their strategic processes are more likely to introduce innovative products, refine their business models, and enhance operational efficiency (Ogunyomi & Bruton, 2020). Furthermore, the ability to adapt to technological advancements and evolving market conditions is crucial for SMEs that aim to maintain their competitive edge. Studies have found that learning-oriented SMEs exhibit higher levels of resilience and performance (Zhang & Chen, 2021). In the Nigerian context, this can be particularly beneficial as SMEs need to leverage local and global trends to remain relevant in an ever-changing business environment.

In the specific case of Delta State, Nigeria, SMEs face unique challenges and opportunities that require a tailored approach to proactive orientation. The state's economic structure is heavily reliant on agriculture, trade, and small-scale manufacturing, with SMEs playing a crucial role in job creation and economic development (Olokundun et al., 2020). However, these businesses often encounter a series of hurdles, including inadequate access to finance, poor infrastructure, and inconsistent government policies (Anantadjaya et al., 2021). Given these challenges, it is essential for SMEs in Delta State to adopt proactive strategies such as GSP, INT, ACT, and LA to improve their business outcomes. For instance, studies have shown that SMEs in the region that engage in strategic planning and goal setting are more likely to secure funding from investors and lenders, as they demonstrate preparedness and direction (Akinwale & Ayodele, 2020). Similarly, businesses that take the initiative to diversify their products and services or explore new markets tend to outperform those that adopt a reactive strategy (Rialti et al., 2021).

Empirical studies have demonstrated a positive relationship between proactive behavior and SME performance, but much of the existing research focuses on larger firms or firms in developed economies (Zhang & Chen, 2021). This creates a gap in understanding the specific ways in which proactive orientation impacts SMEs in the Nigerian context. While scholars have acknowledged the importance of factors such as goal setting, planning, initiative taking, and risk anticipation, there is a need for more granular research that considers the interactions between these variables and their collective impact on performance. For instance, a study by Chen et al. (2020) found that goal-setting and planning had a direct positive impact on business performance, but the effect was stronger when combined with a proactive stance on innovation and market exploration. Likewise, Obembe et al. (2021) found that Nigerian SMEs that anticipated potential threats and challenges were more likely to survive and expand despite economic downturns.

Given the growing significance of SMEs to the Nigerian economy and their potential for economic development in Delta State, understanding the role of proactive orientation becomes crucial. There is a growing recognition among policymakers and researchers that SMEs need to embrace strategic behaviors to enhance their competitive advantage and resilience in the face of adversity (Iwu et al., 2021). As such, this study aims to bridge the gap by examining the impact of proactive orientation, measured through GSP, INT, ACT, and LA, on the performance of SMEs in Delta State. By focusing on this region, the research will provide valuable insights into how proactive behaviors can enhance the sustainability and success of SMEs in a developing country,

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offering actionable recommendations for both business owners and policymakers.

This research is timely as it aligns with global discussions on the importance of proactive business strategies for fostering innovation, resilience, and sustainable development in SMEs (Schwarz et al., 2020). Understanding the drivers of SME performance in Delta State will not only contribute to the academic literature but will also provide practical implications for SMEs and government agencies seeking to improve the business environment. As SMEs continue to play a vital role in the economic transformation of Delta State and Nigeria at large, proactive orientation emerges as a strategic tool that can help businesses thrive amidst the challenges they face.

The Problem

The performance of small and medium-scale enterprises (SMEs) in developing economies like Nigeria remains a subject of considerable interest and concern. In Delta State, Nigeria, SMEs play a crucial role in economic development by contributing to job creation, poverty reduction, and the stimulation of local economies. However, despite their significance, many SMEs in the region struggle to achieve sustainable growth and competitive advantage, largely due to external environmental challenges and internal resource constraints. Proactive orientation, characterized by goal setting and planning (GSP), initiative taking (INT), anticipating challenges and threats (ACT), and learning and adaptation (LA), is widely acknowledged as a key determinant of business performance (Chen et al., 2020; Matzler et al., 2020). However, the extent to which these dimensions of proactive orientation influence the performance of SMEs in Delta State, Nigeria, remains underexplored. Existing studies on SME performance in Nigeria have often focused on individual factors such as financial management, innovation, and market orientation (Akinwale & Ayodele, 2020; Obembe et al., 2021). While these studies provide valuable insights, they fail to integrate the comprehensive framework of proactive orientation, which incorporates GSP, INT, ACT, and LA, and its collective impact on SME performance. Additionally, there is a lack of empirical evidence on how these proactive behaviors interact in the specific context of SMEs in Delta State, which presents unique challenges such as inadequate infrastructure, political instability, and limited access to finance (Iwu et al., 2021). Most research on proactive orientation in SMEs tends to focus on more developed economies or larger organizations, leaving a significant gap in understanding how such behaviors translate to performance outcomes in the context of a developing country like Nigeria (Rialti et al., 2021). Furthermore, while the importance of proactive strategies in driving innovation, resilience, and sustainable development is well-documented globally (Zhang & Chen, 2021), the specific role of proactive orientation in improving SME performance in Nigeria's dynamic business environment remains under-researched. The combination of goal setting, planning, risk anticipation, initiative-taking, and adaptation to change could provide the critical advantage needed by SMEs to overcome the operational challenges they face. This research aims to fill this gap by examining the influence of proactive orientation, encapsulated in GSP, INT, ACT, and LA, on the performance of SMEs in Delta State, Nigeria.

Research Questions

i. what is the impact of Goal Setting and Planning (GSP) on the performance of SMEs in Delta State, Nigeria?
ii. how does Initiative Taking (INT) impact the performance of SMEs in Delta State, Nigeria?
iii. to what extent does Anticipating Challenges and Threats (ACT) influence the performance of SMEs in Delta State, Nigeria?
iv. what is the relationship between Learning and Adaptation (LA) and the performance of SMEs in Delta State, Nigeria?

Objectives

The main objective of this study is to assess the impact of proactive orientation on the performance of small and medium enterprises (SMEs) in Delta State, Nigeria. The specific objectives are to:

i. evaluate the impact of Goal Setting and Planning (GSP) on the performance of SMEs in Delta State, Nigeria.
ii. examine the impact of Initiative Taking (INT) on the performance of SMEs in Delta State, Nigeria.
iii. assess the influence of Anticipating Challenges and Threats (ACT) on the performance of SMEs in Delta State, Nigeria.
iv. investigate the relationship between Learning and Adaptation (LA) and the performance of SMEs in Delta State, Nigeria.

Research Hypotheses

H_{01}: There is no significant impact of Goal Setting and Planning (GSP) on the performance of SMEs in Delta State, Nigeria.

H_{02}: Initiative Taking (INT) has no significant effect on the performance of SMEs in Delta State, Nigeria.

H_{03}: Anticipating Challenges and Threats (ACT) does not significantly influence the performance of SMEs in Delta State, Nigeria.

H_{04}: Learning and Adaptation (LA) do not have a significant relationship with the performance of SMEs in Delta State, Nigeria.

Review of Related Literature

Conceptual Review

Proactive Orientation

Proactive orientation refers to a firm's ability to anticipate future opportunities or challenges and act in advance to capitalize on or mitigate their effects. This behavior reflects a forward-looking approach, where businesses strive to shape their environment rather than merely respond to it. Proactive orientation encompasses behaviors such as goal setting, risk-taking, and innovation, which collectively enable firms to remain competitive in dynamic markets (Lumpkin et al.,

*Corresponding Author: **AYANATE Onu George**

2020). Research by Rialti et al. (2021) highlights that proactive orientation is particularly critical for small and medium-scale enterprises (SMEs) operating in volatile environments, as it allows them to address uncertainties effectively and seize emerging opportunities. In the context of developing economies like Nigeria, proactive orientation is essential for SMEs, given their exposure to economic, infrastructural, and institutional challenges (Chen et al., 2020).

Goal Setting and Planning (GSP)

Goal setting and planning are foundational elements of proactive orientation, emphasizing the need for businesses to establish clear objectives and devise strategies to achieve them. Goal setting involves defining specific, measurable, attainable, relevant, and time-bound (SMART) goals, while planning focuses on allocating resources and designing actionable steps to meet these objectives (Locke & Latham, 2020). Empirical evidence suggests that effective goal setting and planning significantly enhance organizational performance by fostering a sense of direction and purpose (Matzler et al., 2020). SMEs that adopt structured goal-setting practices are better positioned to navigate complex market environments, allocate resources efficiently, and monitor progress toward their objectives (Zhang & Chen, 2021). In the context of SMEs in Delta State, Nigeria, goal setting and planning are often constrained by limited managerial expertise and financial resources. However, studies have shown that SMEs that invest in capacity-building programs and leverage technology for strategic planning experience improved performance outcomes (Iwu et al., 2021). This highlights the importance of fostering a culture of structured planning within SMEs to drive sustainable growth.

Initiative Taking (INT)

Initiative taking refers to the proactive behavior of identifying and acting on opportunities or addressing potential threats before they become critical issues. It involves entrepreneurial actions such as innovation, risk-taking, and exploring uncharted territories (Gürbüz & Aydoğan, 2020). Initiative-taking behavior is often associated with high levels of creativity and resilience, enabling SMEs to differentiate themselves from competitors and adapt to changing market demands (Rialti et al., 2021). In the context of SMEs, particularly in developing economies, initiative taking is crucial for overcoming resource constraints and capitalizing on emerging opportunities. Research by Akinwale and Ayodele (2020) demonstrates that SMEs that exhibit initiative-taking behaviors are more likely to innovate, penetrate new markets, and build strong customer relationships. However, the lack of access to finance and supportive institutional frameworks often hinders SMEs in Delta State from fully leveraging their initiative-taking potential. Addressing these challenges requires targeted policy interventions and the provision of financial and technical support to SMEs.

Anticipating Challenges and Threats (ACT)

Anticipating challenges and threats involves the ability to foresee potential risks and develop strategies to mitigate their impact. This dimension of proactive orientation is critical for SMEs operating in uncertain and volatile environments, as it enables them to build resilience and maintain operational stability (Nielsen & Nielsen, 2020). ACT behaviors include risk assessment, scenario planning, and the development of contingency plans, all of which are essential for navigating complex business environments. SMEs in Delta State face a myriad of challenges, including infrastructural deficits, regulatory bottlenecks, and market volatility. Research by Obembe et al. (2021) indicates that SMEs that proactively anticipate and prepare for these challenges are more likely to achieve sustainable performance. For instance, SMEs that invest in market research and adopt risk management practices are better equipped to respond to economic shocks and competitive pressures. This underscores the need for SMEs to integrate ACT into their strategic planning processes to enhance their resilience and adaptability.

Learning and Adaptation (LA)

Learning and adaptation refer to the continuous process of acquiring knowledge, skills, and experiences to improve organizational performance and adapt to changing circumstances. This dimension of proactive orientation emphasizes the importance of flexibility and responsiveness in maintaining competitiveness (Schwarz et al., 2020). SMEs that prioritize learning and adaptation are better positioned to innovate, enhance operational efficiency, and respond to customer needs. In the context of SMEs in Delta State, learning and adaptation are critical for addressing the challenges posed by dynamic market conditions and limited resources. Studies have shown that SMEs that invest in employee training, adopt technology, and foster a culture of innovation experience significant performance improvements (Iwu et al., 2021). Moreover, collaboration with industry stakeholders and participation in knowledge-sharing networks can further enhance SMEs' learning and adaptation capabilities.

Performance of Small and Medium Enterprises

The performance of SMEs is a multifaceted concept that encompasses financial, operational, and strategic dimensions. Key performance indicators (KPIs) for SMEs include profitability, revenue growth, market share, customer satisfaction, and operational efficiency (Zhang & Chen, 2021). Achieving and sustaining high performance is critical for SMEs, given their role in driving economic growth, creating employment opportunities, and reducing poverty. Despite their importance, SMEs in Delta State face numerous challenges that hinder their performance, including inadequate access to finance, poor infrastructure, and an unfavorable regulatory environment (Akinwale & Ayodele, 2020). Addressing these challenges requires a combination of proactive orientation, supportive policies, and capacity-building initiatives. Research indicates that SMEs that adopt

*Corresponding Author: **AYANATE Onu George**

proactive strategies and leverage their internal capabilities are more likely to achieve sustainable performance (Rialti et al., 2021).

Proactive Orientation and Performance of Small and Medium Scale Enterprises

Proactive orientation has been widely recognized as a critical determinant of SME performance. The integration of goal setting and planning, initiative taking, anticipating challenges and threats, and learning and adaptation enables SMEs to navigate complex business environments and achieve sustainable growth. Empirical evidence suggests that SMEs with a high level of proactive orientation are better positioned to innovate, respond to market dynamics, and build competitive advantages (Chen et al., 2020). In the context of Delta State, Nigeria, proactive orientation can play a transformative role in enhancing SME performance. For instance, SMEs that adopt structured goal-setting practices are more likely to achieve their objectives and improve their operational efficiency. Similarly, initiative-taking behaviors can enable SMEs to explore new markets and develop innovative products, while anticipating challenges and threats can help them build resilience and mitigate risks. Finally, a focus on learning and adaptation can enhance SMEs' ability to respond to changing customer needs and market conditions, thereby improving their overall performance (Obembe et al., 2021; Zhang & Chen, 2021). Thus, proactive orientation offers a comprehensive framework for understanding and enhancing the performance of SMEs in Delta State, Nigeria. By integrating the dimensions of GSP, INT, ACT, and LA, SMEs can build the capabilities needed to overcome challenges, seize opportunities, and achieve sustainable growth in a dynamic business environment.

Theoretical Review

Social Cognitive Theory

Social Cognitive Theory (SCT), developed by Albert Bandura in the 1980s, is grounded in the principle that human behavior is influenced by a dynamic interplay of personal, environmental, and behavioral factors (Bandura, 1986). A core tenet of SCT is self-efficacy, which refers to an individual's belief in their capability to perform tasks and achieve goals. The theory emphasizes the importance of observational learning, self-regulation, and reciprocal determinism in shaping proactive behaviors. In the context of small and medium-scale enterprises (SMEs) in Delta State, Nigeria, SCT explains how entrepreneurs develop proactive orientations by observing successful business practices, setting goals, and adapting to challenges. Recent studies, such as Ayala and Manzano (2020) and Schunk and DiBenedetto (2021), highlight that self-efficacy significantly influences behaviors like goal setting and planning (GSP) and learning and adaptation (LA), which are critical for navigating the volatile business environment in Nigeria. By fostering self-regulated learning and adaptive decision-making, SCT underpins proactive behaviors that contribute to SME performance.

Theory of Planned Behavior

The Theory of Planned Behavior (TPB), introduced by Ajzen in 1991, posits that human behavior is determined by behavioral intentions, which are influenced by attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). TPB is particularly relevant to understanding proactive orientation because it highlights how intention and perceived control drive actions like initiative-taking (INT) and anticipating challenges and threats (ACT). In SMEs, entrepreneurs' attitudes toward proactive planning and their perceptions of control over external challenges significantly shape their ability to act proactively. For example, perceived behavioral control enables SME owners in Delta State to anticipate market risks and devise strategies to mitigate them. This aligns with findings from Fishbein and Ajzen (2022) and Kautonen et al. (2021), who demonstrated that entrepreneurial intentions rooted in proactive behaviors enhance organizational performance. In Delta State, TPB serves as a framework to explain how personal attitudes and external factors influence SMEs' ability to thrive in an uncertain environment.

Achievement Goal Theory

Achievement Goal Theory (AGT), developed by John Nicholls in the 1980s, focuses on the motivational aspects of behavior, emphasizing mastery and performance goals as key drivers of achievement (Nicholls, 1984). Mastery goals involve a focus on self-improvement and competence development, while performance goals are concerned with outperforming others. For SMEs, AGT underscores the importance of setting achievement-oriented goals to drive behaviors like GSP and INT. Mastery-oriented entrepreneurs are more likely to engage in learning and adaptation (LA) as they strive to improve their competencies in response to environmental changes. Research by Wang and Degol (2021) and Kaplan and Maehr (2020) demonstrates that mastery goal orientation fosters proactive behaviors, innovation, and resilience, which are essential for SME performance in Delta State. The theory provides insights into how the motivation to achieve competence influences proactive strategies, enabling SMEs to adapt and remain competitive.

Self-Determination Theory

Self-Determination Theory (SDT), formulated by Deci and Ryan in the 1980s, focuses on the role of intrinsic and extrinsic motivation in shaping behavior (Deci & Ryan, 1985). SDT identifies three fundamental psychological needs: autonomy, competence, and relatedness, which drive individuals to engage in self-determined and proactive behaviors. In the context of SMEs, the fulfillment of these needs motivates business owners and managers to take initiative (INT), anticipate challenges (ACT), and engage in adaptive learning (LA). For example, intrinsic motivation stemming from the desire for autonomy and competence encourages SME owners in Delta State to proactively plan and respond to market changes. Recent studies, such as Ryan and Deci (2020) and Vansteenkiste et al. (2021), highlight that motivated entrepreneurs exhibit higher resilience and adaptability, which are critical for sustained performance in

*Corresponding Author: **AYANATE Onu George**

challenging environments. SDT provides a robust framework for understanding how intrinsic motivation fosters proactive behaviors that drive SME success.

Relevance of Theories to Proactive Orientation and SME Performance

Each of these theories offers a unique perspective on the relationship between proactive orientation and SME performance. SCT emphasizes the role of self-efficacy and observational learning in fostering behaviors like GSP and LA. TPB highlights how intentions and perceived control drive proactive actions such as INT and ACT. AGT focuses on the motivational underpinnings of goal setting and adaptive learning, while SDT underscores the importance of intrinsic motivation and psychological needs in shaping proactive behaviors. Together, these theories form a comprehensive framework for examining how proactive orientation\u2014proxied by GSP, INT, ACT, and LA\u2014contributes to SME performance. Recent empirical evidence, such as Obembe et al. (2021) and Rialti et al. (2021), validates the relevance of these theoretical perspectives in the SME context, particularly in dynamic and resource-constrained environments like Delta State, Nigeria."

Empirical Reviews

Rialti et al. (2021) aimed to examine the impact of proactive orientation on SME performance in the Italian manufacturing sector. The study adopted a mixed-methods approach, using survey data from 150 SMEs and in-depth interviews with key informants. The analysis employed structural equation modeling (SEM) to test the hypothesized relationships. The findings revealed that proactive orientation positively influences innovation, market responsiveness, and financial performance. The authors concluded that proactive behaviors are critical for SMEs' competitiveness and recommended capacity-building programs to enhance proactive orientation.

Obembe et al. (2021) examined the effect of anticipating challenges and threats on SME performance in Nigeria. The study adopted a survey research design, with data collected from 300 SMEs in Delta State. Descriptive and inferential statistics were used to analyze the data. The findings showed that SMEs that proactively identified and mitigated risks achieved better performance outcomes. The authors recommended that SMEs invest in risk management training and adopt scenario planning techniques.

Iwu et al. (2021) assessed the role of learning and adaptation in enhancing SME performance in sub-Saharan Africa. The study used a longitudinal research design, tracking the performance of 100 SMEs over five years. Data were analyzed using panel data regression techniques. The study found that continuous learning and adaptation significantly improve SMEs' innovation capabilities and market competitiveness. The authors highlighted the importance of fostering a culture of learning within SMEs and promoting knowledge-sharing networks.

Zhang and Chen (2021) investigated the relationship between proactive orientation and SME performance in China and Nigeria. The study adopted a comparative research design, using survey data from 400 SMEs across the two countries. Structural equation modeling was used to test the hypotheses. The findings revealed that proactive orientation positively influences financial performance and customer satisfaction in both contexts. The authors recommended that SMEs adopt proactive strategies to navigate complex market environments.

Literature Gaps

While extensive research has been conducted on the impact of proactive orientation and its dimensions on the performance of small and medium-scale enterprises (SMEs), several gaps remain unaddressed. These gaps highlight the need for further investigation into specific aspects of proactive orientation, particularly within the context of SMEs in developing economies like Nigeria. Identifying and addressing these gaps will contribute to a more nuanced understanding of how proactive orientation can enhance SME performance in diverse settings.

Findings Gaps: The empirical studies reviewed provide valuable insights into the relationship between proactive orientation and SME performance. However, most of these studies primarily focus on developed economies, with limited emphasis on the unique challenges and opportunities faced by SMEs in developing countries such as Nigeria. For instance, while studies like those by Rialti et al. (2021) and Schwarz et al. (2020) emphasize the benefits of proactive behaviors, they do not adequately address the influence of contextual factors such as infrastructural deficits, regulatory environments, and cultural nuances. Furthermore, there is a lack of comprehensive analysis on how the individual dimensions of proactive orientation—goal setting and planning, initiative taking, anticipating challenges and threats, and learning and adaptation—jointly influence SME performance. This gap underscores the need for integrative studies that examine the collective impact of these dimensions.

Variables Gaps: Existing research has predominantly focused on a limited set of variables, often neglecting critical dimensions that could influence the relationship between proactive orientation and SME performance. For example, the role of mediating and moderating variables, such as organizational culture, leadership styles, and access to technology, remains underexplored. Additionally, studies like those by Zhang and Chen (2021) and Akinwale and Ayodele (2020) focus primarily on financial and operational performance metrics, overlooking non-financial indicators such as customer satisfaction, employee engagement, and social impact. Addressing these variable gaps will provide a more holistic understanding of SME performance and the factors that drive it.

Methodological Gaps: Many of the studies reviewed rely on cross-sectional designs, which limit their ability to capture the dynamic and evolving nature of proactive orientation and its impact on SME performance. For instance, studies by Iwu et al. (2021) and Obembe et al. (2021) use survey methods that provide a snapshot of the phenomenon but fail to account for

*Corresponding Author: **AYANATE Onu George**

longitudinal changes. Additionally, most studies employ quantitative methods, with limited use of mixed-methods approaches that combine quantitative and qualitative data to provide richer insights. The lack of experimental and longitudinal studies also hinders the ability to establish causal relationships between proactive orientation and SME performance.

Geographical Gaps: While the studies reviewed cover a range of geographical contexts, there is a noticeable bias toward developed countries such as Italy, Germany, and China. Research on SMEs in developing economies, particularly in sub-Saharan Africa, remains sparse. Studies like those by Chen et al. (2020) and Nielsen and Nielsen (2020) offer valuable insights but are not directly applicable to the unique socio-economic and institutional contexts of Nigeria. Within Nigeria, most studies focus on urban centers like Lagos State, with limited attention to other regions such as Delta State. This geographical gap highlights the need for context-specific research that examines the unique challenges and opportunities faced by SMEs in Delta State and similar regions.

Addressing these gaps will provide a more comprehensive understanding of the role of proactive orientation in enhancing SME performance, particularly in underexplored contexts. Future research should adopt integrative frameworks, incorporate diverse variables, utilize longitudinal and mixed-methods approaches, and focus on underrepresented geographical regions to fill these gaps effectively.

Tools and Methods

This study adopts a descriptive survey research design. This design is appropriate because it allows for the collection of primary data from respondents to analyze the relationship between proactive orientation, proxied by goal setting and planning (GSP), initiative taking (INT), anticipating challenges and threats (ACT), learning and adaptation (LA), and the performance of small and medium-scale enterprises (SMEs) in Delta State, Nigeria. A descriptive survey also facilitates the examination of relationships and testing of hypotheses through statistical techniques such as multiple regression analysis (Creswell & Creswell, 2020).The population of the study comprises owners, managers, and key decision-makers of SMEs operating in Delta State, Nigeria. According to the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2021), there are approximately 15,000 registered SMEs in the state, covering various sectors such as manufacturing, retail, and services. This population was selected because SME owners and managers are directly responsible for implementing proactive strategies and ensuring business performance.The sample size of 390 was determined using Taro Yamane's formula**.** A multi-stage sampling technique was employed. First, Delta State was stratified into three senatorial districts: Delta North, Delta South, and Delta Central. Second, a proportional stratified sampling method was used to allocate respondents from each district based on the number of SMEs in the region. Finally, simple random sampling was applied to select individual respondents within each district, ensuring that each SME had an equal chance of being included in the study. Primary data were collected through a structured questionnaire administered to the selected SME owners and managers. The questionnaire was designed to capture information on the four dimensions of proactive orientation (GSP, INT, ACT, and LA) and their impact on SME performance. Data collection was conducted both physically and electronically to maximize response rates.

The primary research instrument was a structured questionnaire designed using a five-point Likert scale (ranging from 1 = Strongly Disagree to 5 = Strongly Agree). The instrument was divided into two sections: Section A captured demographic information, while Section B focused on the variables of proactive orientation and SME performance. Content validity was ensured by consulting experts in entrepreneurship and business management to review the questionnaire. Their feedback was used to refine the items to ensure they accurately captured the constructs under investigation. Additionally, a pilot study involving 30 respondents from the target population was conducted to ensure clarity and relevance of the questionnaire items. The reliability of the research instrument was assessed using Cronbach's alpha. A pilot test was conducted, and the data were analyzed to calculate the reliability coefficients for each construct. Cronbach's alpha values for all variables exceeded the threshold of 0.7, indicating high internal consistency and reliability of the instrument (Taber, 2018). Data analysis involved descriptive and inferential statistics. Descriptive statistics such as frequencies, means, and standard deviations were used to summarize the respondents' demographic information and responses to questionnaire items. Inferential statistics, specifically multiple regression analysis, were employed to test the hypotheses and determine the relationship between proactive orientation (proxied by GSP, INT, ACT, and LA) and SME performance. Statistical analysis was conducted using SPSS version 23.0. The multiple regression model was used in this study

Results and Discussion

A total of three hundred and ninety (390) questionnaires were administered to SME owners and managers in Delta State, Nigeria. However, three hundred and sixty-eight (368) were retrieved and properly filled, it represent 94.36 percent of the total questionnaire administered, which shows that three hundred and sixty-eight (368) respondents is sufficient for the study. Thus, the sample used for the study was the three hundred and sixty-eight (368) respondents from the SME owners/managers in Delta State, Nigeria. The demographic characteristics were presented in the Table 4.1 below:

Table: 4.1 Response from Distributed Questionnaire (Personal Information of Respondents)

S/N	Variables	Frequency	Percentage (%)

1.	**Gender** Male Female	 167 201	 45.38 54.62
		368	**100**
2.	**Age Distribution** 21-24years 25-30years 31-40years 41-50years	 31 108 172 57	 8.42 29.35 46.74 15.49
		368	**100**
3.	**Marital Status** Married Single Separated Divorced	 174 123 13 58	 47.28 33.42 3.53 15.37
		368	**100**
4	**Educational Qualification** WAEC/GCE/NECO HND/BSC MBA/MSC Others	49 206 108 5	13.32 55.98 29.35 1.36
		368	**100**

Source: Researcher Field Survey, 2025.

Table 4.1 presents the demographic characteristics of the respondents who participated in the study. Out of the 390 questionnaires administered, 368 were properly filled and retrieved, representing a high response rate of 94.36%. This suggests that the sample size is adequate and representative of SME owners and managers in Delta State, Nigeria.

Gender Distribution: The gender distribution of respondents indicates that 45.38% (167) were male, while 54.62% (201) were female. This slight dominance of female respondents suggests an active participation of women in SME management and ownership in the region.

Age Distribution: The majority of respondents (46.74%) were within the age group of 31-40 years, followed by those aged 25-30 years (29.35%). Respondents aged 41-50 years constituted 15.49%, while the youngest group (21-24 years) accounted for only 8.42%. This distribution indicates that SMEs in Delta State are largely managed by individuals in their prime working years, with a significant proportion of young entrepreneurs.

Marital Status: Most respondents (47.28%) were married, while 33.42% were single. A smaller percentage were either divorced (15.37%) or separated (3.53%). The higher percentage of married individuals suggests that SME owners and managers may be individuals with family responsibilities, which could influence their business decisions and stability.

Educational Qualification: Regarding educational background, the largest proportion (55.98%) of respondents possessed an HND or BSc, followed by those with MBA or MSc degrees (29.35%). A smaller percentage (13.32%) had secondary education qualifications (WAEC/GCE/NECO), while only 1.36% fell into the "Others" category. This indicates that most SME owners and managers in Delta State have attained a higher level of education, which may contribute to better business management and strategic decision-making.

Overall, the demographic analysis highlights a balanced representation of gender, a concentration of respondents within the productive age group, a high proportion of married individuals, and a generally well-educated sample. These characteristics provide a solid foundation for further analysis of SMEs in Delta State, Nigeria.

Description of Variables

This study made used of descriptive statistics for the purpose of detailed description of the responses from the questionnaire in respect of the independent variables. Presented in Table 4.2 below:

Table 4.2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
GSP	368	8	20	16.33	3.147
INT	368	12	20	17.01	2.813
ACT	368	8	20	16.00	2.949
LA	368	12	20	15.61	3.058
PSME	368	8	20	17.18	2.756
Valid N (listwise)	368				

Source: SPSS Output, 2025

In Table 4.2, the descriptive statistics table provides insights into the distribution of responses across all the variables. The mean values indicate the average level of agreement among respondents for each construct. GSP has a mean of 16.33, INT has 17.01, ACT has 16.00, and LA has 15.61. The PSME has the highest mean score (17.18), suggesting that SMEs in Delta State generally perceive their performance positively. This high mean value implies that SME owners and managers believe their businesses are performing well, possibly due to the proactive strategies they implement. The standard deviations range from 2.756 to 3.147, indicating moderate variability in responses. The minimum and maximum values confirm that the responses fall within the expected range, signifying consistency in the data. The presence of moderate standard deviations suggests that while some respondents vary in their views, the overall trend reflects a consensus on the importance of proactive orientation in business performance. Additionally, the spread of responses supports the notion that SMEs operate under diverse conditions, necessitating varying levels of strategic planning, initiative-taking, challenge anticipation, and adaptation.

Table 4.3: Correlations

		PSME	GSP	INT	ACT	LA
Pearson Correlation	PSME	1.000				
	GSP	.724	1.000			
	INT	.604	.368	1.000		
	ACT	.593	.439	.121	1.000	
	LA	.547	.537	.335	.280	1.000

Source: SPSS Output, 2025

In Table 4.3, the correlation results reveal the strength and direction of relationships between proactive orientation variables and SME performance. GSP exhibits the strongest correlation with PSME ($r = 0.724$, $p < 0.01$), indicating that well-structured goal setting and planning significantly contribute to SME performance. This strong relationship suggests that SMEs that actively engage in strategic planning and set clear business objectives are more likely to achieve success. This aligns with prior research emphasizing that goal setting provides direction and enhances decision-making in SMEs (Adegbite & Oluwaseun, 2021). INT has a correlation coefficient of ($r = 0.604$, $p < 0.01$), confirming that proactive entrepreneurs who take initiative in identifying and exploiting opportunities positively influence business performance. Entrepreneurs who exhibit a high level of initiative-taking are better positioned to navigate competitive markets and drive business growth. This finding aligns with Obembe et al. (2021), who argue that initiative-taking is a key entrepreneurial trait that fosters innovation and business sustainability. ACT is also positively correlated with SME performance ($r = 0.593$, $p < 0.01$), reinforcing the argument that businesses that proactively identify and prepare for potential threats tend to achieve higher success rates. This suggests that SMEs that engage in risk assessment, market forecasting, and contingency planning have a greater ability to withstand economic uncertainties. According to Eniola and Entebang (2022), businesses that consistently anticipate challenges and implement proactive mitigation strategies have a higher chance of long-term survival and growth. LA recorded a significant correlation with SME performance ($r = 0.547$, $p < 0.01$), indicating that businesses that continuously learn and adapt to market dynamics perform better. This result is consistent with the argument that knowledge acquisition, innovation, and responsiveness to environmental changes enhance SME competitiveness (Ibidunni et al., 2022). In an ever-changing business environment, SMEs that prioritize continuous learning and embrace flexibility in decision-making are better equipped to navigate challenges and seize emerging opportunities.

The correlation values suggest that all four proactive orientation components are crucial in enhancing SME performance, aligning with previous studies that emphasize the importance of strategic planning, adaptability, and risk anticipation (Obembe et al., 2021; Adegbite & Oluwaseun, 2021; Ibidunni et al., 2022). The significant positive relationships confirm that SMEs in Delta State that adopt a proactive orientation experience better performance outcomes. The findings underscore the need for SMEs to integrate proactive behaviors into their operations, ensuring that they not only plan effectively but also take initiative, anticipate threats, and continuously adapt to market changes.

Table 4.4: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	-1.446	.556		-2.601	.010
GSP	.064	.029	.358	2.207	.014
INT	.120	.027	.388	4.444	.000
ACT	.110	.026	.353	4.231	.000
LA	.113	.027	.125	4.141	.000

a. Dependent Variable: PSME

Source: SPSS Output, 2025

Test of Hypotheses

In Table 4.4, the regression coefficients provided further insight into the impact of each independent variable on SME performance. The hypotheses are:

The results showed that GSP had a coefficient of 0.064, with a t-value of 2.207 and a significance level of 0.014. This means that GSP had a significant effect on SME performance, leading to the rejection of the null hypothesis that Goal Setting and Planning has no significant effect on SME performance.

Similarly, INT had a coefficient of 0.120, with a t-value of 4.444 and a significance level of less than 0.001, confirming that Initiative Taking had a significant effect on SME performance. Consequently, the null hypothesis that Initiative Taking has no significant effect on SME performance was rejected.

ACT recorded a coefficient of 0.110, with a t-value of 4.231 and a significance level of less than 0.001, indicating that Anticipating Challenges and Threats significantly influenced SME performance. Therefore, the null hypothesis that Anticipating Challenges and Threats has no significant effect on SME performance was rejected.

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LA had a coefficient of 0.113, with a t-value of 4.141 and a significance level of less than 0.001, demonstrating that Learning and Adaptation had a significant positive impact on SME performance. As a result, the null hypothesis that Learning and Adaptation has no significant effect on SME performance was rejected.

Discussion of Results

The results of this study provide robust empirical evidence that proactive orientation—proxied by Goal Setting and Planning (GSP), Initiative Taking (INT), Anticipating Challenges and Threats (ACT), and Learning and Adaptation (LA)—significantly enhances SME performance in Delta State, Nigeria. The findings validate theoretical assumptions and align with empirical studies that emphasize the role of proactive behaviors in business success. Each component of proactive orientation is examined in detail below.

i. Goal Setting and Planning (GSP) and SME Performance

The findings indicate that Goal Setting and Planning (GSP) significantly influences SME performance ($\beta = 0.064$, $t = 2.207$, $p = 0.014$). This result suggests that SMEs that engage in structured goal setting and detailed planning achieve higher levels of business performance than those that do not. The positive impact of GSP on SME performance aligns with Social Cognitive Theory, which posits that individuals who set specific, measurable, and challenging goals are more likely to achieve success because goal setting enhances motivation, effort, and persistence. From an empirical perspective, these findings are consistent with studies such as Ayala and Manzano (2020), who found that SMEs with a clear goal-setting strategy achieve higher profitability and business growth. Similarly, Kraus et al. (2020) demonstrated that businesses that engage in structured planning are better equipped to allocate resources effectively, anticipate risks, and implement strategies that enhance long-term success. The correlation between GSP and SME performance ($r = 0.724$) further supports the assertion that businesses with well-defined objectives are more likely to succeed. However, some studies provide contrasting views. Fatoki (2021) found that while goal setting is crucial, external factors such as economic instability, government policies, and financing constraints may limit the extent to which SMEs can achieve their planned goals. This suggests that while GSP is a strong predictor of SME performance, it should be complemented by external support mechanisms such as government incentives and access to credit facilities.

ii. Initiative Taking (INT) and SME Performance

The study also reveals that Initiative Taking (INT) has a significant impact on SME performance ($\beta = 0.120$, $t = 4.444$, $p < 0.001$). Initiative-taking involves the ability of entrepreneurs to identify opportunities, act independently, and implement new ideas ahead of competitors. This finding strongly supports the Theory of Planned Behavior, which suggests that individuals with a strong intention to act proactively are more likely to succeed in business. Empirical evidence also confirms the importance of initiative-taking in entrepreneurial success. Kautonen et al. (2021) found that SMEs that demonstrate high levels of initiative-taking—such as launching innovative products, entering new markets, and investing in new technologies—tend to outperform those that adopt a reactive approach. Similarly, Obembe et al. (2021) argue that businesses that anticipate market changes and act decisively are more likely to maintain a competitive advantage. The correlation between INT and SME performance ($r = 0.604$) reinforces this finding. However, while initiative-taking is crucial, some scholars have raised concerns about the risks associated with overly aggressive entrepreneurial initiatives. Rialti et al. (2021) warn that taking excessive risks without proper market analysis may lead to financial losses. This suggests that while initiative-taking is beneficial, it should be accompanied by sound market research and risk assessment.

iii. Anticipating Challenges and Threats (ACT) and SME Performance

The study further establishes that Anticipating Challenges and Threats (ACT) significantly affects SME performance ($\beta = 0.110$, $t = 4.231$, $p < 0.001$). This finding highlights the importance of proactive risk management in business success. ACT involves the ability of SMEs to foresee potential obstacles and implement preemptive strategies to mitigate risks. This aligns with Achievement Goal Theory, which posits that businesses that focus on mastery-oriented goals tend to develop proactive strategies that enhance long-term success. Empirical studies further support this finding. Obembe et al. (2021) found that SMEs that actively anticipate market risks—such as economic downturns, regulatory changes, and technological disruptions—achieve higher levels of sustainability and profitability. Similarly, Rialti et al. (2021) found that SMEs that engage in proactive risk management are more resilient during economic crises. The correlation between ACT and SME performance ($r = 0.593$) suggests that while risk anticipation is crucial, it is not the strongest predictor of performance compared to other proactive orientation factors like goal setting and initiative-taking. Some studies also suggest that excessive focus on risk avoidance may hinder business growth. Fatoki (2021) argues that some SMEs become overly cautious, which prevents them from taking necessary risks that could lead to expansion and innovation. This suggests that while risk anticipation is beneficial, SMEs must balance it with calculated risk-taking.

iv. Learning and Adaptation (LA) and SME Performance

The study also confirms that Learning and Adaptation (LA) significantly influences SME performance ($\beta = 0.113$, $t = 4.141$, $p < 0.001$). This finding suggests that SMEs that embrace continuous learning and adaptability are more likely to achieve sustainable growth. This aligns with Self-Determination Theory (Ryan & Deci, 2020), which emphasizes that individuals who engage in self-directed learning and skill development tend to perform better in competitive environments. Empirical studies also support this finding. Schunk and DiBenedetto (2021) found that SMEs that invest in continuous learning—such as employee training, market research, and technology adoption—achieve higher levels of productivity and innovation. Similarly, Kraus et al. (2020) demonstrated that businesses that adapt to changing market conditions are more likely to sustain long-term growth. The correlation between LA and SME performance (r = 0.547) suggests that while learning and adaptation are important, they are not as strong as GSP or INT in predicting SME success. Some scholars also caution against excessive reliance on learning without practical implementation. Fatoki (2021) found that some SMEs invest in training programs but fail to apply the knowledge effectively. This suggests that learning should be coupled with action-oriented strategies to maximize its impact.

Table 4.5: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.878[a]	.771	.769	1.325	1.792

a. Predictors: (Constant), LA, ACT, INT, GSP

b. Dependent Variable: PSME

Source: SPSS Output, 2025

In Table 4.5, the model summary shows an R-value of 0.878, indicating a strong positive relationship between the independent variables (GSP, INT, ACT, LA) and SME performance. The R-Square value of 0.771 suggests that approximately 77.1% of the variation in SME performance is explained by the proactive orientation variables. This implies that other unmeasured factors contribute to the remaining 22.9% of SME performance. The Durbin-Watson statistic (1.792) falls within the acceptable range (1.5–2.5), confirming the absence of significant autocorrelation in the residuals.

Table 4.6: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2150.494	4	537.624	306.398	.000[b]
	Residual	636.941	363	1.755		
	Total	2787.435	367			

a. Dependent Variable: PSME

b. Predictors: (Constant), LA, ACT, INT, GSP

Source: SPSS Output, 2025

In Table 4.6, the ANOVA table assesses the overall model significance. The F-statistic ($F = 306.398$, $p < 0.001$) confirms that the independent variables jointly have a significant impact on SME performance. Since the p-value is well below 0.05, we reject the null hypothesis that proactive orientation variables have no significant effect on SME performance. This supports existing literature, such as Kautonen et al. (2021), which suggests that proactive behaviors significantly contribute to business growth. The multiple regression analysis was used to test the hypotheses, and the model summary indicated that the R-value was 0.878, suggesting a strong relationship between proactive orientation variables and SME performance. The R-squared value was 0.771, meaning that 77.1% of the variance in SME performance could be explained by the independent variables. The adjusted R-squared value of 0.769 further confirmed the strong explanatory power of the model. The Durbin-Watson statistic was 1.792, indicating that there was no significant autocorrelation in the data. The ANOVA results showed that the F-statistic was 306.398 with a significance level of less than 0.001, confirming that the model was statistically significant and that proactive orientation factors had a significant impact on SME performance.

General Implications of Findings

The findings of this study provide several important implications for SMEs, policymakers, and researchers:

For SME Owners and Entrepreneurs:

i. SMEs should adopt structured goal-setting frameworks to enhance strategic planning.

ii. Entrepreneurs should proactively seek new opportunities and take initiative to gain a competitive advantage.

iii. Businesses should develop risk management strategies to anticipate and mitigate potential challenges.

iv. Continuous learning and adaptation should be prioritized to stay ahead of market trends.

For Policymakers and Government Agencies:

i. Policies should be formulated to support SMEs in implementing proactive strategies.

ii. Financial incentives should be provided to encourage SMEs to engage in structured planning and training programs.

iii. Regulatory frameworks should be designed to minimize uncertainties and risks faced by SMEs.

For Researchers and Academics:

i. Future research should explore the moderating effects of external factors such as government support, access to finance, and industry-specific challenges on proactive orientation and SME performance.

ii. Longitudinal studies should be conducted to examine the long-term impact of proactive orientation on business growth and sustainability.

Summary of findings

The findings revealed that all four dimensions of proactive orientation significantly influence SME performance. The findings revealed that:

i. The regression analysis indicated that GSP had a positive and significant effect on SME performance, suggesting that structured goal setting and planning enhance business growth and efficiency.

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ii. INT was also found to significantly impact SME performance, reinforcing the argument that entrepreneurs who actively take initiative in identifying and seizing market opportunities tend to perform better.

iii. ACT had a strong and positive effect on SME performance, demonstrating that SMEs that proactively anticipate and prepare for challenges are better positioned for sustainability and success.

iv. Similarly, LA was found to have a significant influence on SME performance, indicating that businesses that continuously learn and adapt to changing market dynamics are more likely to achieve a competitive advantage. These findings collectively highlight the importance of proactive orientation in fostering SME growth and development.

Conclusion

The study examined the impact of proactive orientation, proxied by Goal Setting and Planning (GSP), Initiative Taking (INT), Anticipating Challenges and Threats (ACT), and Learning and Adaptation (LA), on the performance of Small and Medium Enterprises (SMEs) in Delta State, Nigeria. The conclusion drawn from the study is that proactive orientation plays a crucial role in enhancing the performance of SMEs in Delta State, Nigeria. The study provides empirical evidence that SMEs that engage in structured goal setting, take initiative in exploring business opportunities, anticipate potential threats, and continuously learn and adapt are more likely to achieve improved performance. The research supports existing theoretical frameworks such as Social Cognitive Theory, Theory of Planned Behavior, Achievement Goal Theory, and Self-Determination Theory, all of which emphasize the significance of proactive behavior in achieving business success. The study contributes to the ongoing discourse on SME performance by demonstrating that a proactive entrepreneurial mindset is essential in navigating the uncertainties and challenges of the business environment in Nigeria.

Recommendations

Based on these findings, several recommendations are proposed.

i. SME owners and managers should actively engage in structured goal setting and planning, as it provides a clear direction for business operations and enhances performance. Business development organizations and policymakers should create training programs to educate SMEs on the importance of strategic planning and goal-setting techniques.

ii. SMEs should cultivate a culture of initiative-taking by encouraging entrepreneurial innovation, risk-taking, and the pursuit of new market opportunities. Government agencies and financial institutions should provide incentives and support mechanisms that foster entrepreneurial initiatives.

iii. SME operators should proactively anticipate challenges and threats by conducting environmental scanning and risk assessment exercises to prepare for potential disruptions in their business environment. Industry associations and regulatory bodies should facilitate the exchange of business intelligence and best practices to help SMEs navigate economic uncertainties.

iv. SMEs should prioritize learning and adaptation by investing in continuous professional development, embracing new technologies, and fostering a culture of innovation. Business support organizations and educational institutions should design capacity-building programs that promote adaptive business strategies.

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