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The Influence of Competitive Aggressiveness and Environmental Uncertainties on Business Performance in Nigeria

By

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Abstract
This study investigates the influence of competitive aggressiveness and environment uncertainties on the business performance of Nigerian Small and Medium Enterprises (SMEs). The respondents consisted of two hundred and twenty-two (222) business owners and professional managers that were randomly drawn from hose firms that are registered with organized bodies like Lagos Chamber of Commerce and Industries (LCCI) and National Association of Small Scale Industrialists (NASSI) within the Lagos metropolis. The Entrepreneurial Orientation Scale was developed and used to collect primary data for this study. The hypotheses formulated were tested and results of data analyses revealed that competitive aggressiveness has significant impact on business performance in Nigeria ($r=0.256$ and $t=3.924$; $p\leq0.05$), not to accept hypothesis 1 and 'r' and 't' coefficients ($r=0.219$ and $t=3.328$; $p\leq0.05$) showed that environmental forces influence entrepreneurial orientation constructs, not to accept hypothesis 2. The study concluded that sampled firm's competitive aggressiveness and environmental uncertainties are both significantly related to business performance. These implied that, the dynamism of the Nigerian business environment made most businesses to be competitively aggressive with a view of increasing business performance.

Keywords*: Competitive Aggressiveness, environmental uncertainties, business performance, SMEs*

1.0 Introduction
Government and development agencies all over the world, have been pointing at small businesses as a development tool since they are the most sustainable ways for local economic growth, employment creation and poverty reduction but their contributions to the Nigerian economy is still very small and negligible when compared with other countries such as the Asian tigers (Owualah, 1987; Olayemi, 2013). This is evident from high mortality rate of the SMEs, turbulent environmental factors and failure to generate employment as expected among other issues. Until recently, the effort of Nigerian Government is not enough to generate the expected changes in economic growth. Apart from financial support, little is being done by the government about other environmental supports such as infrastructure and technology. There is no doubt, that, in Nigeria and indeed as in many other developing countries, poverty level is still very high. Some scholars have maintained that, high rate of poverty can be linked to the investment environments which have not been friendly to the survival and development of SMEs.
This challenging business environment requires the need for firms to be more entrepreneurially oriented by been competitively aggressive if they are to grow and become relevant. The rapidly changing technologies and shortened product life cycles have made organizations to innovative by developing new ideas, products, and processes. This is with a view of having improved performance, which is of great importance to its business owners, managers, policy makers and society at large. Despite the potential benefits of entrepreneurship as an important contributing factor to a firm's success, and growth, very few studies have examined why some business owners are more competitively aggressive than others in Nigeria.
Although, there are few indications that firms that have exploited entrepreneurial opportunities are bracing up and have potentials for high performance and tendency to compete favourably, existing empirical studies suggest that most SMEs that adopted EO components often have superior performance both in the developed and undeveloped economies (Luo, Sivakumar and Liu, 2005). The conceptual arguments of

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previous research converge on the idea that firms benefit from highlighting newness, responsiveness, and a degree of boldness. Extensive discussion of the arguments can be found in Lumpkin and Dess (1996). Indeed, these suggestions form the basis for the interest in studying the relationship between Entrepreneurial Orentation (EO) and performance (Miller, 1983).

In an environment of rapid change and shortened product and business model lifecycles, the future profit streams from existing operations are uncertain and businesses need to constantly seek out new opportunities. Evidences suggest that SMEs' performance is importance to the owners, managers, policy makers and society, however, there is lack of knowledge on which entrepreneurial factors influence SMEs performance and how they influence the performance (Awang, Ahmad, Asghar, Subari, 2010).

There is no doubt that the business environment is complex, dynamic, and ever more competitive. In response to the significant changes in the market environment, many organizations have placed greater importance on innovation for new value creation for their customers. Hence, in the recent decade organizations make more attention to EO for innovation. Lumpkin and Dess (1996:148) characterize competitive aggressiveness as the propensity to directly challenge rivals by taking competitive actions. Stalk and Lechenauer (2004) suggest many firms are intensely competitive, focused on outperforming rivals, and willing to attack those rivals to improve their own performance.

Lumpkin and Dess (1996) develop competitive aggressiveness as one of the five dimensions of an Entrepreneurial Orientation (EO). EO is a firm-level construct that considers internal firm practices and decision-making processes that form the foundation for a firm's entrepreneurial behavior (Covin & Slevin, 1991; Lumpkin & Dess, 1996; Miller, 1983). The early conceptualizations of EO had only three dimensions: innovation, proactiveness, and risk taking (Covin & Slevin, 1989; Miller, 1983; Miller & Friesen, 1982). Lumpkin and Dess (1996) added autonomy and competitive aggressiveness as dimensions of EO.

However, competitive aggressiveness remains a somewhat underdeveloped construct. Though competitive aggressiveness may be underdeveloped, the competitive dynamics research stream (Ketchen, Snow, & Hoover, 2004) has significantly advanced our understanding of competitive behavior and its relationship with performance. Competitive dynamics researchers have determined, for example, that the visibility of the attack is positively related to the likelihood of a response (Chen & Hambrick, 1995; Chen & Miller, 1994) and that an increased volume of firm competitive actions is positively related to firm performance (Ferrier, 2001).

Integrating these insights into our study of competitive aggressiveness should enrich our understanding of competitive aggressiveness and its relationship to firm performance. EO's focus is internal to a firm, emphasizing firm routines (Lumpkin & Dess, 1996; Miller, 1983). Competitive aggressiveness is thus about firm practices and processes that are associated with a firm's propensity to take competitive actions. Competitive actions constitute a vital link between orientations and performance (Covin & Slevin, 1991).

Most previous studies have discussed entrepreneurial orientation and firm performance from various angles but, there are still gaps in the literature and of particular interest is the Nigerian situation, where most SMEs are not necessarily entrepreneurial but mere investors. This is because much of this research focuses on understanding the practice of entrepreneurship in most advanced economies, without paying attention to the increasing role and relevance of applying EO components to firms operating in developing economies. Therefore, this study attempt to appraise the relationship between competitive aggressiveness, environmental uncertainties and business performance by integrating insights from competitive dynamics research on competitive behavior and performance as an important step. Hence, the under listed objectives, research questions and hypotheses are stated to guide the direction of this study.

1.1 Research Objectives

i. identify the extent to which competitive aggressiveness influence business performance of Nigerian SMEs; and

ii. appraise the impact of environmental forces on entrepreneurial orientation components and business performance.

1.2 Research Questions

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i. To what extent does the competitive aggressiveness and business performance of Nigerian SMEs related?

ii. Are there any impact of environmental forces on entrepreneurial orientation components and the business performance of Nigerian SMEs?

1.3 Hypotheses

H_{01}: Competitive aggressiveness has no significant impact on business performance of Nigerian SMEs.

H_{02}: Environmental forces do not have significant impact on entrepreneurial orientation constructs and the business performance of Nigerian SMEs.

2.0 Literature Review

Entrepreneurial Orientation (EO)

The original theory of EO was developed further by incorporating competitive aggressiveness and autonomy (Lumpkin and Dess,1996) in order to build on the earlier work of Miller's (1983).

In terms of the original theory of entrepreneurial orientation, an entrepreneurial firm is one that engages in product-market innovation, undertakes somewhat risky ventures, and is first to come up with "proactive" innovations, beating competitors to the punch, while a non-entrepreneurial firm is one that innovates very little, is highly risk averse, and imitates the moves of competitors instead of leading the way. However, there has been some debate in the literature concerning the dimensionality of EO. Some scholars have argued that the entrepreneurial orientation construct is best viewed as a uni-dimensional concept (Covin and Slevin, 1989; Knight, 1997) and, consequently, the different dimensions of EO should relate to performance in similar ways.

According to Naldi, Nordqvist, Sjöberg, and Wiklund, (2007) EO is an established construct that has attracted substantial research. Generally, this research finds support for positive relationships between all dimensions of EO (including competitive aggressiveness) and performance. In some contexts, the relationship may actually be the opposite. That is, future EO research would benefit from paying closer attention to organisational context. If certain dimensions differed in their effect on performance, then the total entrepreneurial orientation construct, as a summed construct comprising these dimensions would only reflect a net effect when tested against performance.

More recent theory suggests that the dimensions of EO may occur in different combinations (Lumpkin and Dess, 2001; Covin, Greene, and Slevin, 2006), each representing a different and independent aspect of the multidimensional concept of EO (George, 2006). As a consequence, the dimensions of EO may relate differently to firm performance. Specifically referring to the dimensionality of EO, Covin *et al.* (2006: 80) note that "intellectual advancement pertaining to EO will likely occur as a function of how clearly and completely scholars can delineate the pros and cons of alternative conceptualizations of the EO construct and the conditions under which the alternative conceptualizations may be appropriate." While different conceptual arguments can be used for and against treating EO as a one-dimensional or multidimensional construct, meta-analysis can establish empirically whether the different dimensions of EO relate to performance to the same or varying extent.

2.1 Competitive Aggressiveness in Context

Competitive aggressiveness has been defined as a firm's tendency to intensely and directly challenge its competitors in order to outperform rivals in the market place (Certo, Moss and Short, 2009). Lumpkin and Dess (1996) posit that "competitive aggressiveness is a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position": to outperform industry rivals in the marketplace, this characterized by responsiveness in terms of confrontation or reactive action. Competitive aggressiveness or competitive aggression is used interchangeably in this work. Competitive aggression as a dimension of an entrepreneurial orientation refers to "the type of intensity and head-to-head posturing that new entrants often need to compete with existing rivals". In contrast to proactiveness, which relates to market opportunities, competitive aggressiveness refers to how enterprises "relate to competitors" and "respond to trends and demand that already exist in the marketplace" with regard to competitors. The creation of new

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demand is considered not to fall within the ambit of competitive aggressiveness, but to be associated with proactiveness.

Competitive aggression, as a component of an entrepreneurial orientation, also “reflects a willingness to be unconventional rather than rely on traditional methods of competing” which might extend to changing contexts, how things are done, or expending more resources than the competition. Lumpkin and Dess (1996) define competitive aggressiveness as: “a firm’s propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace” (1996:148). According to Lumpkin and Dess (2001) competitive aggressiveness represents a process of entrepreneurial behaviour. Unlike aggressiveness as considered from the perspective of trait theory, competitive aggressiveness is not taken to represent a trait in this work, but a manifestation of entrepreneurial behaviour: a behavioural orientation. Competitive aggressiveness as a behavioural orientation can be underpinned by a range of underlying psychological factors that may contribute to the underlying “why” (Stevenson and Jarillo, 1990). Covin and Covin (1990) view competitive aggressiveness of an enterprise to be reflected in attempts to dominate competitors by proactive and innovative measures; by initiating actions that competitors then respond to; by being the first to introduce new techniques or products; and by demonstrating an extremely competitive posture.

In terms of the discourse offered by Miller (1983), the concept of beating a competitor to the punch can be taken to represent something more comprehensive than simple proactivity, to be more in line with the concept of competitive aggression. Lumpkin and Dess (1996) argue that this dimension captures an element of the intensity involved in entrepreneurial competition. Increased competitive hostility may be associated with aggressive behaviour in high performing enterprises yet may be associated with passive behaviour in low performing enterprises (Covin and Covin (1990). Higher levels of competitive aggressiveness would therefore be expected to be associated with higher performance in environments of increased competitive hostility.

However, Covin and Covin (1990) argue that a passive competitive orientation might place lower levels of constraints upon resources than that of an aggressive competitive orientation. Accordingly, a passive competitive orientation might be more appropriate in certain contexts. The Covin and Covin’s (1990) conception of the possible effect of competitive aggressiveness on resource utilization revealed a positive association between competitive aggressiveness and performance and is not necessarily expected if competitive aggressiveness is associated with a sub-optimal utilisation of resources in an environment of increased competitive hostility. Lumpkin and Dess (1996) add that competitive aggressiveness entails a combative and forceful approach toward rivals through preemptive actions and aggressive responses to attacks (2001:431). Just as Kirzner (1973:20) describes competition as an “incessant race to get ahead,” the ultimate goal for taking competitive actions is to earn abnormal rents. Therefore, competitive aggressiveness can be defined as: the propensity to devise and implement competitive actions aimed at challenging rivals in the race for superior performance. Further, increasing levels of competitive aggressiveness are associated with increasing levels of firm competitive actions.

2.2 The Sub-dimensions of Competitive Aggressiveness

Chen (1996) identifies three factors as the drivers of competitive behavior: awareness, motivation, and capability: These drivers, though generically rendered by Chen (1996), can be used to develop internal firm decision-making practices and policies that reflect competitive aggressiveness. Hence, the general concept of awareness can be refined to suggest the level of information a firm has about its rivals, i.e., rival awareness. Motivation as a driver of competitive behavior can be more precisely considered as the drive to outperform rivals using competitive actions, i.e., outperforms motivation. Also, a firm’s perception of the internal processes and resources available for competitive actions, i.e., action capability, builds on Chen’s view of capability.

Rival Awareness: Competitor analysis is the foundation for rival awareness, but rival awareness extends competitive analysis by adding the dynamic nature of competitive interactions. Taking competitive actions typically requires a stimulus, which in business could be the attack of a competitor or the recognition of an emerging competitive opportunity (Dutton & Duncan, 1987; Kiesler & Sproull, 1982). Detecting these

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actions suggests active, real-time processes where firms closely monitor rivals. Hence, rival awareness can be defines as the level of information a firm has concerning its rivals' actions, intentions, and capabilities. This definition makes clear the rival-focused nature of the construct and incorporates the dynamic aspect of monitoring rivals to detect competitive actions and also anticipating future rival moves.

Outperform Motivation. The decision to take competitive actions is a situation of decision-making under risk. Therefore, a firm's performance aspiration level affects a firm's propensity for competitive actions. Firms may use internal reference points such as past performance or business plan projections to set their aspiration level (Fiegenbaum & Thomas, 2004; Shoham & Fiegenbaum, 2002) or may use external references such as industry averages or the performance of selected rivals (Porter, 1980). Competitive aggressiveness involves competitor-focused aspiration points, and we define outperform motivation to be: the level of drive a firm has to outperform its rivals through taking competitive actions. This definition suggests a propensity or enthusiasm for addressing performance deficits by taking competitive actions.

Action Capability; Smith et al., 2001:320 suggest that capability is simply "the ability to carry out action." Extant research has used measures such as a firm's level of slack and resource portfolio similarity among rivals to capture this notion (Chattopadhyay, Glick, Huber, 2001; Chen et al., 2007), yet these objective measures of capability have not indicated a consistent relationship to firm performance. Manager's ability to perceive their firm's resource availability and ability to translate these resources into effective competitive actions may better capture a firm's capability to take competitive action. Rather than simply measuring a firm's stock of resources, the concepts of effectuation (Sarasvathy, 2001) and bricolage (Baker & Nelson, 2005) suggest it is the effects managers perceive they can generate using the resources at hand that are central to a firm's competitive capability. While action capability is the level of resources available for initiating and responding to competitive actions, this level is based on firm judgments, which would be influenced by a firm's orientation toward effectuation and bricolage. Simply put, firms with identical stocks of resources could differ significantly in their perception of their action capability.

2.3 Competitive Aggressiveness and Performance

The increasing levels of competitive aggressiveness should lead to a firm taking a relatively greater number of competitive actions. Findings revealed that firms taking a relatively greater number of competitive actions than their rivals outperform those rivals, even in situations or industries where firms have collectively deescalated their competitive intensity (Ferrier, 2001). Moreover, as competitive aggressiveness rises, increased rival awareness is likely to both reduce the number of undetected competitive attacks and reduce the time required to detect an attack. This improved detection, combined with the increased likelihood that a firm will respond to the attack given an increased level of competitive aggressiveness, results in a faster focal firm response. Faster responses to attacks have been linked to improved firm performance (Ferrier, 2001).

2.4 The EO-Environment-Performance Link

The external environment can be broadly defined as "the totality of physical and social factors that are taken directly into consideration in the decision-making behaviour of individuals in organizations" (Duncan, 1972: 314). Specifically, the concepts of environmental dynamism and munificence have played a fundamental role in understanding the strategic decision-making process that occurs within entrepreneurial organizations (Lumpkin and Dess, 2001). Environmental dynamism refers to the rate of change and innovation in an industry as well as the uncertainty or predictability of the actions of competitors and customers (Miller and Friesen, 1983). Environmental munificence refers to the availability of resources and the amount of external opportunities that are present in a specific environmental setting (Zahra, 1993). Thus, it stands to reason that environmental characteristics will play an important role in influencing the performance level of entrepreneurial organizations (Covin and Slevin, 1991; Lumpkin and Dess, 1996).

The resources and opportunities afforded to firms in munificent environments make it easier for them to implement their strategic initiatives (Dess and Beard, 1984). In such environments, the relative ease in which firms can acquire the resources necessary for the pursuit of organizational objectives and the decreased threat of competition fosters higher rates of firm survival and growth. The constant rate of change

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in highly dynamic environments also creates numerous opportunities that entrepreneurial firms can exploit (Miles, Covin and Heeley, 2000). However, the high level of industry stability found in non-dynamic environments allows firms to minimize their costs by not having to consistently develop new and innovative products and technologies to meet changing industry conditions (Zahra and Bogner, 2000).

2.5 Business Performance

In the field of strategic management and organizational studies, organizational performance has been attracting scholars' attention as one of the most important constructs (Combs, Crook, and Shook, 2005). This is why, over the last few decades, practitioners as well as researchers focused attention to explore the determinants of the organizational performance and what are the mechanisms through which some variables can affect positively or negatively, the organizational performance (Jing and Avery, 2008). Nevertheless the extensive research work related to the organizational performance, there is no universal definition of the construct. Lebas and Euske (2002:68) define performance as "doing today what will lead to measured value outcomes tomorrow". A firm's performance is an important dependent variable in business research (Rauch, Unger and Rosenbusch, 2007:1).

The performance of a firm can be viewed from several different perspectives, and various aspects can jointly be considered to define firm performance. Assessing a firm's performance and its measurement is difficult, because performance refers to several organisational outcomes, which include both subjective and objective elements. Rauf (2007) asserts that most managers are likely to act on their subjective opinions with regard to a competitor's performance. With regard to objective measures, Guest, Michie, Conway and Sheehan (2003) believe that there are clear attractions in objective measures. Consequently, Rauf (2007) believes that it will be helpful to select a blend of some key organisational outcomes when measuring a firm's performance. While Antony and Bhattacharyya (2010) defined organizational performance as the measure of organizational success with regards to the value it creates and delivers to internal as well as external customers.

Traditionally, the organizational performance has been measured using the cost and account-based measures. Due to the differences in the definitions of organizational performance, there has been a continuous debate regarding which one is the best measure of the organizational performance. The empirical literature reports a high diversity of performance indicators (Combs, Crook, and Shook, 2005) a common distinction is between financial and non-financial measures. Non-financial measures include goals such as satisfaction and success ratings made by owners or business managers; financial measures include assessments of factors such as sales growth, profitability and ROI (Smith, 1976).

The proponents of each financial and non-financial performance measures tried to support their point of views. Although, the majority of the studies measuring organizational performance used the account-based measure, this study chooses the non-financial measures due to the following reasoning. First, the financial measures of organizational performance are not stable and might be so sensitive to changing of the industry-related factors. Second, the financial measures can be easily manipulated and hence do not reflect the real or actual performance. Third, the financial measures, as argued by Kaplan and Norton (1996), lack the strategic focus since they describes the past performance and they might be misleading when used to predict the future performance. This may justify why this study used the perceptual measures to measure the organizational performance.

Many researchers also advocate growth as the most appropriate performance measure in small firms (Brown, 1996). It is argued that growth is a more accurate and easily accessible performance indicator than accounting measures and hence superior to indicators of financial performance. An alternative view is that performance is multidimensional in nature and that it is advantageous to integrate different dimensions of performance in empirical studies (Lumpkin and Dess, 1996). It is possible to regard financial performance and growth as different aspects of performance revealing important and unique information. A firm could for instance choose to trade-off long-term growth for short-term profitability (Zahra, 1991). Taken together, these two aspects give a richer description of the actual performance of the firm than each aspect separately. While these concepts are empirically and theoretically related, there are also important differences between them (Combs *et al*., 2005).

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3.0 Methods

The survey questionnaire was used in the study because it enhances the translation of the research objectives into specific standardized questions in a way that enables participants to respond to identical stimuli. It was also designed in a way that fosters the respondents' co-operation and keeps them motivated to answer all the questions and it also serves as a permanent record for the research. The questionnaire used was divided into two sections: Section A and Section B. Section A consisted of the demographic profiles of respondents (i.e., bio-data) of the individual business owner, representing the firm level unit of analysis, while Section B comprised the critical questions examining the variables under study (Competitive Aggressiveness, Performance and the Environmental uncertainties) using the five point Likert-scale.

An on-line survey hosted by goggle document, was sent via email to 200 participants and 400 copies of paper-based questionnaire were equally self-administered to respondents identified as key informant. Altogether, there were 600 copies of the questionnaire administered. Three follow-up reminders were sent to increase the response rate. To ensure appropriate response rate is achieved, the questionnaire was pre-tested on 40 firms. This exercise is mainly to check on the ease of completion, identify difficulties in wording and any vague sentences. The questionnaire was then revised based on the feedback received from the pilot study. The results of the pilot study showed that the items were well understood by the respondents. 256 copies of structured questionnaire were returned as filled out of which 34 copies were rejected, due to incomplete information, resulting in 222 usable ones for analysis. This yields a response rate of 37.16%, which compares favourably to those reported in similar studies by Yalcinkaya, Calantone, and Griffith (2007) and Augusto and Coelho (2009). In this regard, according to Saunders, Lewis and Thornhill (2006), when the population is less than 10,000 a smaller sample can be used without affecting the accuracy of results.

Content validity was achieved by an in-depth literature review in this study; all of the operational components of entrepreneurial orientation dimension were factors extracted from previous researches, such as those of Miller and Friesen (1982), Covin and Slevin (1989), Lumpkin and Dess (1996), Dess and Lumpkin (2005) and Certo, Moss and Short (2009). Attempts were made to maintain face validity in terms of the research instrument appearing to be what was claimed. Construct validity was maintained through the anchoring of these constructs to the theory from which they were derived.

Measures of constructs were derived from the existing literature. The study adopted some scales from prior research instruments, while other scales were adapted to achieve the specific objectives of this study. Table 3.1 summarizes the scales used in this study and their reliability and validity. Cronbach's alpha values for all constructs were higher than 7.0.

Table 3.1: Measures of Variables

Scales used	Item Questions	Cronbach's α value
Competitive Aggressiveness	9	0.77
Environmental forces	15	0.73
Business performance	12	0.84

Source: The Researcher (2013)

4.0 Findings and Discussion

Two hypotheses were tested utilizing correlation and regression analysis to determine whether or not the independent variables predicted business performance. Entrepreneurial orientation sub-construct of competitive aggressiveness and environmental uncertainties are independent variables while, business performance is the dependent variable.

Hypothesis 1

H_{01}: Competitive aggressiveness has no significant impact on business performance of Nigerian SMEs.

Table 4.1a Model Summary of Hypothesis 1

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Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.256[a]	.065	.061	.56140	.065	15.400	1	220	.000	2.302

a. Predictors: (Constant), CompAggrressiveness

b. Dependent Variable: Performance

Table 4.1b: Anova Table for Hypothesis 1

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.854	1	4.854	15.400	.000[a]
	Residual	69.338	220	.315		
	Total	74.192	221			

a. Predictors: (Constant), CompAggrressiveness

b. Dependent Variable: Performance

Table 4.1c: Coefficient Table for Hypothesis 1

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.4E-016	.038		.000	1.000		
	CompAggressiv	.230	.059	.256	3.924	.000	1.000	1.000

a. Dependent Variable: Performance

The result in Table 4.1a, 4.1b, and 4.1c showed the [(R^2 of 0.065; Adjusted R^2 of 0.061; F (15.400); p<0.000)], indicates that competitive aggressiveness, as an independent variable had a significant relationship with business performance. Although the model explains about 7 percent of the variation with regard to tested model, the fitness of the regression is proven by Table 4.1b. While the results in Table 4.1c revealed that, competitive aggressiveness (β=.256; t=3.924; p=000), which is less than the threshold of 0.05, is a strong determinant of business performance. Therefore, hypothesis one was not accepted, and an alternative hypothesis which states that competitive aggressiveness have significant impact on business performance of Nigerian SMEs is supported.

Hypothesis 2

H_{02}: Environmental uncertainties do not have significant impact on the business performance of Nigerian SMEs.

Table 4.2a Model Summary of Hypothesis 2

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Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics: R Square Change	F Change	df1	df2	Sig. F Chang	Durbin-Watson
1	.219[a]	.048	.044	.48195	.048	11.073	1	220	.001	1.936

a. Predictors: (Constant), Extforces

b. Dependent Variable: Envorientation

Table 4.2b: Anova Table for Hypothesis 2

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.572	1	2.572	11.073	.001[a]
	Residual	51.100	220	.232		
	Total	53.672	221			

a. Predictors: (Constant), Extforces

b. Dependent Variable: Envorientation

Table 4.2c: Coefficients Table for Hypothesis 2

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-8.6E-017	.032		.000	1.000		
	Extforces	.252	.076	.219	3.328	.001	1.000	1.000

a. Dependent Variable: Envorientation

The result in Table 4.2a, 4.2b, and 4.2c showed the [(R^2 of 0.048; Adjusted R^2 of 0.044; F (11.073); p<0.001)], indicating that external forces, as independent variable had a significant relationship with entrepreneurial orientation constructs. Although the model explains about 4 percent of the variation with regard to tested model, the fitness of the regression is proven by Table 4.2b. While the results in Table 4.2c revealed that, external forces (β=.219; t=3.328; p=001), which is less than the threshold of 0.05, has positive impact on entrepreneurial orientation constructs. Therefore, hypothesis two was not accepted and the alternative hypothesis which states that environment uncertainties influence entrepreneurial orientation constructs and consequently influences business performance.

5.0 Conclusion and Recommendations

Each entrepreneurial orientation dimension affected firm performance differently (Kreiser, Marino, and Weaver, 2002; Lumpkin and Dess, 2001). The findings of this study indicated that competitive aggressiveness as a firm's propensity to directly and intensely challenge its competitors to achieve entry or improve position, that is, to outperform industry rivals in the marketplace had positive relationship with performance. This is consistent with studies of Kreiser *et al*., (2002) and Lumpkin and Dess, (2001), which revealed proactiveness and competitive aggressiveness as differentially related to performance in different circumstances. Further findings revealed that environmental uncertainties had a significant relationship with entrepreneurial orientation constructs as revealed in the studies of Hassim *et al*. (2011), which revealed that external forces do have moderating effect on market orientation and business performance. The study concluded that sampled firm's competitive aggressiveness and environmental uncertainties are both

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significantly related to business performance. Hence, the dynamism of the Nigerian business environment made most businesses to be competitively aggressive with a view of increasing business performance. There is also need for Nigerian SMEs to be more competitively aggressive while relating to market opportunities and using initiatives to act opportunistically in order to shape the environment, thereby influencing trends and perhaps, even creating more demand.

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