



ENTREPRENEURIAL ORIENTATION AND FIRM SURVIVAL IN RIVERS STATE'S HOSPITALITY INDUSTRY: EVIDENCE FROM SMALL AND MEDIUM-SIZED HOTELS

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Abstract

Small and medium-sized hotels in Rivers State, Nigeria, face persistently high attrition rates, with a significant proportion unable to sustain operations beyond their formative years. While entrepreneurial orientation (EO) has been extensively linked to firm performance in developed economies, its specific role in determining the survival of small and medium-sized hotel enterprises in Rivers State remains empirically underexplored. Anchored in Effectuation Theory (Sarasvathy, 2001), this study examines the relationship between entrepreneurial orientation and firm survival among owner-managers of small and medium-sized hotels in Rivers State, Nigeria. A cross-sectional survey design was employed, with data collected from 117 owner-managers drawn from a registered population of 285 small and medium-sized hotels in Rivers State as documented by the Rivers State Ministry of Culture and Tourism (2023). Entrepreneurial orientation was operationalised through three dimensions: innovativeness, proactiveness, and risk-taking. Firm survival was assessed through operational continuity and adaptive capacity. Pearson Product Moment Correlation analysis was used to test the hypothesised relationships. Results reveal a strong positive relationship between innovativeness and firm survival ($r = 0.708$, $p < 0.05$), a moderate-to-strong positive relationship between proactiveness and firm survival ($r = 0.661$, $p < 0.05$), and a moderate positive relationship between risk-taking and firm survival ($r = 0.619$, $p < 0.05$). The findings suggest that hotel owner-managers who exhibit higher levels of entrepreneurial orientation demonstrate significantly stronger survival outcomes in the volatile, infrastructure-constrained operating environment of Rivers State. The study contributes empirical evidence to the EO–survival discourse and offers actionable insights for hoteliers, hospitality industry bodies, and state-level enterprise policy.

Keywords:

Effectuation theory; Hotel SMEs; Innovativeness; Proactiveness; Risk-taking.

Introduction

The hospitality industry in Rivers State, Nigeria, represents one of the most dynamic yet vulnerable segments of the state's non-oil economy. Driven by sustained commercial activity, an expanding urban professional class, regular influx of oil-and-gas sector workers, expatriate professionals, and growing domestic business travel, demand for hotel accommodation in Rivers State has remained robust across the past decade (Okafor & Amah, 2022). Port Harcourt, the state capital and commercial nerve centre of the Niger Delta, hosts a significant concentration of hotel enterprises ranging from internationally affiliated luxury properties to independently operated small and medium-sized establishments that constitute the backbone of the sector's employment and entrepreneurial activity (Ukpabi & Karjaluto, 2017).

Despite the apparent demand base, small and medium-sized hotels in Rivers State face formidable and persistent operational challenges that result in high enterprise mortality rates. Infrastructure deficits, most acutely irregular and costly electricity supply, poor road conditions, and water scarcity, impose disproportionate operational burdens on smaller hotel operators who lack the capital reserves and economies of scale available to larger, internationally affiliated chains (Nwankwo & Ajibo, 2022). Access to affordable credit remains constrained, particularly for enterprises operating below the collateral thresholds required by commercial banks. Security conditions, while improved in recent years, continue to exert uncertainty on operational planning and customer patronage in parts of the state (Rivers State Investment Promotion Agency [RSIPA], 2025). Against this backdrop, many small and medium-sized hotel enterprises in Rivers State are unable to sustain operations beyond their early years, reflecting a broader pattern of SME vulnerability documented across Nigeria's service sector (Eniola & Ektebang, 2014).

A substantial and growing body of entrepreneurship scholarship posits that firms exhibiting strong entrepreneurial orientation (EO) are better equipped to navigate environmental turbulence and sustain competitive operations over time (Wales, 2016). EO, conceptualised as a firm-level strategic disposition toward innovativeness, proactiveness, and risk-taking, has been repeatedly associated with superior performance and adaptive capacity in diverse industry and national contexts (Rauch et al., 2009; Covin & Slevin, 1991). Firms high in EO demonstrate greater agility in responding to market changes, more proactive identification of opportunity, and greater willingness to invest in novel solutions under uncertainty conditions, all of which are behaviourally relevant to the survivability challenges facing hotel SMEs in Rivers State (Karimi & Walter, 2016).

However, the empirical literature linking EO specifically to firm survival outcomes among small and medium-sized hotel enterprises in Rivers State remains limited. Existing Nigerian hospitality research has concentrated on customer satisfaction, e-tourism adoption, and service quality improvement (Ukpabi & Karjaluto, 2017), while broader EO studies within Nigeria have focused predominantly on manufacturing, agricultural, and technology-based SMEs (Eniola & Ektebang, 2014; Nwankwo & Ajibo, 2022). Studies examining EO as a predictor of hotel SME survival specifically within the Rivers State context appears to be absent, leaving a substantive empirical void in the intersection of entrepreneurship theory and hospitality management research for this geography.

This study addresses that void by applying the multidimensional EO framework to the Rivers State hotel SME context, examining whether innovativeness, proactiveness, and risk-taking are significantly associated with firm survival outcomes as reported by hotel owner-managers. The

study is theoretically anchored in Effectuation Theory (Sarasvathy, 2001), which provides a context-sensitive account of how entrepreneurs make decisions, deploy available means, and sustain ventures under conditions of high uncertainty and resource constraint, conditions that accurately characterise the operating environment of small and medium-sized hotel enterprises in Rivers State. The specific objectives of this study are:

- i. To examine the relationship between innovativeness and firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.
- ii. To assess the relationship between proactiveness and firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.
- iii. To investigate the relationship between risk-taking and firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

By generating quantitative evidence on the EO-survival relationship within this specific and underresearched context, the study contributes to both entrepreneurship theory and Nigerian hospitality management scholarship, and provides evidence-based insights for owner-managers, industry associations, and state enterprise development agencies seeking to strengthen the sustainability of hotel SMEs in Rivers State.

Literature Review

Entrepreneurial Orientation: Conceptual and Dimensional Overview

Entrepreneurial orientation (EO) is among the most widely examined constructs in strategic management and entrepreneurship research. Pioneered by Miller (1983) and operationally refined by Covin and Slevin (1991), EO captures the strategic posture of a firm as expressed in its collective orientation toward innovation, proactive market engagement, and risk acceptance in competitive decision-making. The three-dimensional model of EO comprising innovativeness, proactiveness, and risk-taking has achieved broad theoretical and empirical acceptance across decades of scholarship (Wales, 2016).

Innovativeness refers to a firm's tendency to engage in and champion novel ideas, experimentation, and creative processes that may yield new services, products, or operational systems (Lumpkin & Dess, 1996). In the hotel context, innovativeness may manifest as the adoption of digital check-in systems, introduction of differentiated room categories, or creative use of common areas to generate supplementary revenue. Proactiveness reflects a forward-looking posture in which the firm anticipates emerging demand shifts and acts ahead of competitors to capture nascent opportunities (Covin & Slevin, 1991). Risk-taking denotes the owner-manager's willingness to commit resources under conditions of uncertainty, including investment in capacity expansion, renovation, or entry into underserved market segments, without guaranteed returns (Miller, 1983).

Contemporary EO research has explored its dimensionality, contextual contingencies, and boundary conditions with increasing nuance (Wales, 2016). A meta-analytic synthesis of 51 prior EO studies by Rauch et al. (2009) confirmed a consistent positive relationship between EO and firm performance, with effect sizes influenced by environmental dynamism and the specific EO dimensions under examination. More recent scholarship has extended EO analysis from performance outcomes toward survival and resilience, arguing that entrepreneurially oriented firms are structurally better positioned to withstand environmental shocks (Karimi & Walter, 2016). It is this survival-focused extension of EO theory that the present study takes up within the Rivers State hotel SME context.

Firm Survival Among Hotel SMEs: Conceptual and Contextual Considerations

Firm survival in the SME literature denotes an enterprise's ability to maintain continuous, solvent operational activity over time without ceasing trading due to financial failure, voluntary closure, or exhaustion of operational resources (Ucbasaran et al., 2013). In the hotel sector specifically, survival is mediated by a distinctive set of structural conditions including high fixed costs, revenue perishability, capital intensity, and strong sensitivity to macroeconomic fluctuations and external demand shocks (Okumus et al., 2019).

For small and medium-sized hotel enterprises, survival pressures are amplified relative to larger, internationally affiliated competitors. While large hotel chains benefit from brand recognition, centralised procurement, revenue management systems, and access to capital markets, SME hotel operators typically function with thinner margins, limited managerial depth, and high owner-centricity in decision-making (Nwankwo & Ajibo, 2022). In the Rivers State context, these generic SME vulnerabilities interact with environment-specific factors including electricity costs that can represent 20 to 35 percent of operating expenses for non-grid-connected establishments, road infrastructure limitations that affect guest access in peri-urban areas, and exchange rate volatility that inflates the naira cost of imported supplies and fittings (Okafor & Amah, 2022).

Empirically, research on hotel SME survival in sub-Saharan Africa remains nascent. Studies from the broader Nigerian SME literature have documented that infrastructure-related operational costs and limited access to formal finance are the dominant structural determinants of small enterprise failure (Eniola & Ektebang, 2014). Within the hotel sector specifically, Ukpabi and Karjaluoto (2017) identified technology adoption and customer relationship management as key competitive differentiators. However, the role of entrepreneurial behaviour as a survival determinant has not been empirically examined for hotel SMEs in Rivers State, creating the specific empirical gap this study fills.

Empirical Review: Entrepreneurial Orientation and Firm Survival

Recent empirical work has substantially advanced understanding of the EO-performance and EO-survival nexus across diverse industry and national contexts. Osei et al. (2022) examined EO among hospitality SMEs in Ghana and found that innovativeness and proactiveness were the strongest predictors of operational resilience during periods of economic disruption, with risk-taking exhibiting a moderated effect contingent on financial slack. Their findings affirmed that hotels with high EO scores were significantly less likely to experience service discontinuity during Ghana's 2022 currency crisis.

Ibidunni et al. (2023) investigated EO and SME survival in Nigeria's service sector, drawing on a sample of 284 service enterprises including accommodation providers in Lagos State. Their study found that all three EO dimensions correlated positively with survival indicators, with the EO-survival relationship being partially mediated by organisational learning capability. Importantly, the authors noted that the survival benefits of EO were most pronounced in enterprises operating in highly turbulent environments, a finding directly applicable to the Rivers State hotel context. Similarly, Aminu and Mahmood (2022) examined the relationship between entrepreneurial behaviour and hotel performance among SMEs in Northern Nigeria, using the Kano State hospitality sector as their study site. Their results demonstrated a strong positive association between proactive market orientation and occupancy rate stability, a key survival proxy in hotel management. The study further found that risk-

taking behaviours, such as early investment in generator backup capacity, were significantly associated with reduced service interruptions and improved guest retention.

Ogunayo et al. (2024) conducted a cross-sectional study of 195 hotel SME owner-managers in South-West Nigeria, specifically examining how EO dimensions related to enterprise continuity following the 2023 fuel subsidy removal. Their findings confirmed that innovativeness, operationalised through cost innovation and energy substitution, was the strongest EO predictor of survival ($r = 0.69$, $p < 0.05$), followed by proactiveness ($r = 0.63$) and risk-taking ($r = 0.55$). The authors concluded that hotels that had proactively invested in alternative energy systems prior to subsidy removal demonstrated significantly stronger post-reform continuity outcomes.

Egwu and Nwosu (2025) examined EO and competitive sustainability in the Niger Delta hospitality sector, focusing on hotel enterprises in Delta and Bayelsa States. Using structural equation modelling, they found that innovativeness directly predicted firm survival, while proactiveness exerted its survival effect through the mediating pathway of competitive positioning. Risk-taking's effect on survival was moderated by perceived environmental uncertainty, with higher uncertainty amplifying the positive survival benefit of calculated risk acceptance. These findings, generated in a geographically and contextually proximate setting, provide strong empirical grounding for the current study's hypotheses.

Collectively, the reviewed evidence from 2022 to 2025 consistently supports the proposition that EO dimensions, particularly innovativeness and proactiveness, are positively associated with hotel SME survival in volatile, resource-constrained environments. The current study extends this body of evidence to the Rivers State context, where no prior study has examined these relationships empirically.

Effectuation Theory

Effectuation Theory, introduced by Sarasvathy (2001), constitutes the theoretical framework of this study. Departing from the predictive, goal-driven logic of causal reasoning, effectuation describes the decision-making approach of expert entrepreneurs who begin with a given set of means, namely who they are, what they know, and whom they know, and construct contingent goals around those means. Rather than planning around predetermined ends and seeking optimal resource configurations, effectual entrepreneurs continuously co-create opportunities through stakeholder engagement, affordable loss management, and leveraging of unexpected contingencies.

Sarasvathy's (2001) framework articulates five core principles: the bird-in-hand principle (leveraging existing means rather than seeking new resources); the affordable loss principle (bounding exposure to what one can absorb without business failure); the crazy quilt principle (building partnerships through mutual commitment rather than competitive analysis); the lemonade principle (transforming surprises and setbacks into new opportunities); and the pilot-in-the-plane principle (actively co-shaping the future rather than passively responding to it).

These principles map directly onto the EO dimensions central to this study. Innovativeness corresponds to the lemonade and pilot-in-the-plane principles, reflecting the entrepreneur's capacity to generate novel solutions from available and emerging means. Proactiveness resonates with the pilot-in-the-plane principle's emphasis on actively shaping one's environment rather than reacting to it. Risk-taking aligns with the affordable loss principle, which does not counsel avoidance of risk but rather disciplined risk acceptance calibrated to one's survivable loss threshold (Sarasvathy, 2001).

Effectuation Theory has been applied in hospitality and service sector research with growing frequency. Frese and Gielnik (2023) argued that effectual reasoning constitutes a primary determinant of venture survival in resource-scarce developing economy environments, precisely because it does not require abundant resources as a precondition for adaptive action. Egwu and Nwosu (2025) applied effectuation principles to explain how Niger Delta hoteliers leveraged community relationships and informal supplier networks to sustain operations during periods of infrastructure disruption, demonstrating the theory's empirical applicability in the study's regional context.

Grounded in Effectuation Theory and the preceding literature, this study proposes the following null hypotheses:

H₀₁: Innovativeness has no significant relationship with firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

H₀₂: Proactiveness has no significant relationship with firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

H₀₃: Risk-taking has no significant relationship with firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

Methodology

This study adopts a cross-sectional survey design to examine the relationship between entrepreneurial orientation and firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria. The cross-sectional design is appropriate for capturing associative relationships between variables at a defined point in time and is widely employed in entrepreneurship and management research involving SME populations (Creswell & Creswell, 2018). The design is particularly suited to the study's correlational objectives, which seek to determine the strength and direction of relationships rather than to establish causality.

The target population for this study comprises owner/managers of registered small and medium-sized hotels in Rivers State, Nigeria. According to the Rivers State Ministry of Culture and Tourism (2023), 323 hotels are registered under the state's licensing and classification framework. Of this number, about 88 percent are small and medium-sized establishments, while the remainder are large or internationally branded hotels. Accordingly, the study adopts 285 as its operational population, representing all registered small and medium-sized hotels in Rivers State at the time of the study.

For this study, small and medium-sized hotels are defined using the SMEDAN/NBS (2021) SME classification framework. Small enterprises employ 10–49 staff with annual turnover of ₦10 million to ₦100 million, while medium enterprises employ 50–199 staff with turnover of ₦100 million to ₦1 billion. In the hotel sector, small hotels are typically independently managed properties with 10–49 rooms, while medium-sized hotels generally operate 50–149 rooms with larger staff strength and revenue capacity. The focus on small and medium-sized hotels is justified because entrepreneurial orientation is more influential in SME hotels where ownership and management are often unified, allowing owner-managers to directly shape strategic and operational decisions (Rauch et al., 2009; Wales, 2016). In contrast, large branded hotels rely more on corporate systems and standardised procedures. Empirically, SME hotels form the largest and most vulnerable segment of Rivers State's hotel industry, contributing significantly to employment, local linkages, and enterprise turnover (Okafor & Amah, 2022;

ATQ News, 2023). Studying this segment therefore enhances the policy and practical relevance of the findings.

Rivers State was selected because it has one of the high concentration of hotel businesses in the state, with over 500 hospitality establishments, driven by its role as the commercial centre of the Niger Delta and hub of the oil-and-gas industry (ATQ News, 2023). The state's combination of strong accommodation demand and challenging business conditions provides a suitable context for examining entrepreneurial orientation and survival. In addition, limited prior studies have examined EO and hotel SME survival specifically in Rivers State, while the researcher's professional networks in the state improved access to respondents and data quality.

The sample size was determined using the Taro Yamane (1967) formula for finite populations yielding a target sample of 166 respondents. This sample size is considered statistically adequate for correlation-based analysis (Hair et al., 2019). A purposive sampling technique was employed to ensure that only owner-managers actively involved in the day-to-day management of a registered small or medium-sized hotel were included in the study. Sampling was facilitated through the Hotel Owners Forum Rivers State and the Rivers State chapter of the Hospitality and Tourism Management Association of Nigeria, whose registers provided the access framework for respondent identification and questionnaire distribution.

Primary data were collected using a structured questionnaire developed to measure the study's key constructs. Entrepreneurial orientation was assessed using three subscales, innovativeness, proactiveness, and risk-taking, with items adapted from the validated EO scale of Covin and Slevin (1991) and modified to reflect the operational realities of small and medium-sized hotel management in Rivers State. Firm survival was measured through two composite dimensions: operational continuity, capturing the respondent's self-reported ability to maintain uninterrupted hotel operations across the preceding 24 months, and adaptive capacity, reflecting the hotel's demonstrated ability to restructure service offerings, staffing levels, and cost structures in response to environmental disruptions.

All items were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Content validity was established through structured review by three academic experts in entrepreneurship and hospitality management and two senior practitioners from the Rivers State hospitality industry. Reliability was assessed using Cronbach's alpha prior to hypothesis testing, with all subscales returning values above the recommended 0.70 threshold (Hair et al., 2019): innovativeness ($\alpha = 0.81$), proactiveness ($\alpha = 0.78$), risk-taking ($\alpha = 0.75$), and firm survival ($\alpha = 0.79$).

The Pearson Product Moment Correlation Coefficient (PPMCC) was employed as the primary analytical technique to examine the strength and direction of the relationship between each EO dimension and firm survival. PPMCC is appropriate for assessing linear associations between continuous variables and is widely used in management and entrepreneurship research. Correlation coefficients were interpreted using established benchmarks: values between 0.50 and 0.69 as moderate-to-strong, and values of 0.70 and above as strong (Cohen, 1988). Statistical significance was evaluated at the 0.05 level. Normality of variable distributions was confirmed prior to analysis.

Results

Of the 166 questionnaires distributed, following data cleaning for completeness and internal consistency, a total of 117 valid responses were analysed. Among the respondents, 58.5 percent were male owner-managers and 41.5 percent were female, reflecting increasing female

participation in the Rivers State hotel SME sector. In terms of enterprise size, 64.1 percent of respondents operated small hotels (10 to 49 rooms) and 35.9 percent operated medium-sized hotels (50 to 149 rooms). The majority of respondents (67.3%) had been operating their hotels for between three and nine years, providing a sample with meaningful survivability experience relevant to the study's constructs. In terms of educational background, 71.4 percent held at least a first degree, indicating a relatively educated owner-manager population consistent with the professional demands of hotel enterprise management.

The Pearson Product Moment Correlation Coefficient was applied to examine the relationships between the three EO dimensions and firm survival. The results are presented in Table 1.

Table 1: Pearson Correlation Matrix for EO Dimensions and Firm Survival

Variable	Innovativeness	Proactiveness	Risk-Taking	Firm Survival
Innovativeness	1.000			
Proactiveness	0.651*	1.000		
Risk-Taking	0.583*	0.607*	1.000	
Firm Survival	0.708*	0.661*	0.619*	1.000

*Correlation is significant at the 0.05 level (2-tailed). N = 217

Hypothesis One

H₀₁: Innovativeness has no significant relationship with firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

The analysis reveals a strong positive correlation between innovativeness and firm survival ($r = 0.708, p < 0.05$). The coefficient exceeds the 0.70 threshold conventionally associated with a strong linear relationship (Cohen, 1988). Since the probability value falls well below the 0.05 significance threshold, the null hypothesis is rejected. The result indicates that hotel owner-managers who demonstrate higher innovativeness, through the introduction of novel service offerings, adoption of technology-assisted operations, energy management innovation, or creative revenue diversification, are significantly more likely to sustain hotel operations and maintain adaptive capacity over time.

Hypothesis Two

H₀₂: Proactiveness has no significant relationship with firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

The findings indicate a moderate-to-strong positive correlation between proactiveness and firm survival ($r = 0.661, p < 0.05$). The relationship is statistically significant at the 5 percent level. The null hypothesis is therefore rejected. This result implies that hotel owner-managers who anticipate market changes, position their establishments ahead of emerging demand patterns, build proactive supply chain relationships, and invest in infrastructure resilience before operational crises emerge, exhibit materially stronger survival outcomes than their more reactive counterparts.

Hypothesis Three

H₀₃: Risk-taking has no significant relationship with firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria.

The analysis reveals a moderate positive correlation between risk-taking and firm survival ($r = 0.619$, $p < 0.05$). While lower in magnitude than the relationships observed for innovativeness and proactiveness, the correlation is statistically significant and directionally positive. The null hypothesis is rejected. The result suggests that owner-managers willing to commit resources under uncertainty, whether by investing in capacity upgrades, entering underserved market niches, or adopting operational models without precedent in their immediate competitive environment, are associated with stronger survival outcomes. The comparatively lower coefficient may reflect the context-specific reality that unbounded risk exposure in a volatile operating environment can also harm survival, consistent with the affordable loss principle of Effectuation Theory, which advocates calibrated rather than indiscriminate risk acceptance (Sarasvathy, 2001).

Across all three hypotheses, the results confirm statistically significant positive associations between entrepreneurial orientation dimensions and hotel SME firm survival. Innovativeness exhibits the strongest association ($r = 0.708$), followed by proactiveness ($r = 0.661$) and risk-taking ($r = 0.619$), providing a clear ordered portrait of EO's survival contributions in the Rivers State hotel SME context.

Discussion and Implications

Theoretical Implications: The findings contribute to Effectuation Theory by showing that effectuation-consistent behaviours, reflected in innovativeness, proactiveness, and risk-taking dimensions of entrepreneurial orientation (EO), significantly enhance firm survival in a high-uncertainty hotel environment. Consistent with Sarasvathy (2001), entrepreneurs who leverage available means, accept affordable risk, and adapt to contingencies are more resilient. The strong innovativeness-survival link particularly supports the lemonade principle, where challenges such as energy disruption or demand volatility are transformed into service innovations. The study also extends EO theory to hotel SME survival in a Niger Delta economy. While EO is widely linked to firm performance (Rauch et al., 2009), these findings show it also drives survival in a resource-constrained hospitality context, repositioning EO as a survival-enabling construct. The ranking of EO dimensions (innovativeness > proactiveness > risk-taking) also aligns with evidence from the West African hospitality sector (Osei et al., 2022; Odunayo et al., 2024).

Managerial Implications: The findings have clear managerial implications for hotel owner-managers in Rivers State. Since innovativeness shows the strongest relationship with survival, managers should prioritise service innovation, operational creativity, and technology adoption such as mobile payments, digital reservations, alternative energy systems, and new revenue uses for underutilised spaces. Proactiveness, the second strongest predictor, suggests the need for market intelligence, supplier backup systems, early customer relationship building, and timely responses to market or regulatory changes. Although risk-taking is the weakest predictor, it remains significant, indicating that managers must still make carefully calculated investments under uncertainty while applying an affordable loss approach to limit excessive exposure.

Policy Implications: For the Rivers State Government and enterprise development institutions, the findings argue for hospitality-specific entrepreneurship development programmes that build EO capacity among hotel SME owner-managers. Thus the findings have important policy

implications for the Rivers State Government and enterprise support institutions. It suggests the need for hospitality-specific entrepreneurship programmes that strengthen entrepreneurial orientation (EO) among hotel SME owner-managers. SMEDAN enterprise centres should provide EO assessment tools and innovation training tailored to hotels, while the Rivers State Ministry of Culture and Tourism and the Rivers State Tourism Development Agency (RSTDA) should embed entrepreneurship capacity-building into hotel registration and renewal processes. This aligns with RSTDA's goal of positioning Rivers State as a tourism investment destination (RSTDA, 2024). Additional supportive policies include improved electricity infrastructure, hospitality-focused credit guarantee schemes, and specialised training in revenue management, digital marketing, and cost control to enhance innovativeness, proactiveness, and survival capacity.

Conclusion

This study investigated the relationship between entrepreneurial orientation and firm survival among small and medium-sized hotel enterprises in Rivers State, Nigeria. Drawing on Effectuation Theory and the multidimensional EO framework, the study examined the three core EO dimensions, innovativeness, proactiveness, and risk-taking, in relation to the survival outcomes. All three null hypotheses were rejected. The findings confirm statistically significant positive relationships between each EO dimension and firm survival: innovativeness ($r = 0.708$, $p < 0.05$), proactiveness ($r = 0.661$, $p < 0.05$), and risk-taking ($r = 0.619$, $p < 0.05$). These results establish that hotel owner-managers exhibiting higher levels of entrepreneurial orientation are meaningfully better positioned to sustain hotel operations in the volatile, infrastructure-constrained environment of Rivers State. The study contributes novel empirical evidence to both Effectuation Theory and EO scholarship by situating the EO-survival relationship within the Rivers State hotel SME context for the first time. It demonstrates that entrepreneurial behaviour constitutes a critical internal survival determinant for small and medium-sized hotel enterprises in this operating environment, with innovativeness emerging as the most potent survival-enabling dimension.

Recommendations

Based on the findings of this study, the following recommendations are advanced:

1. Hotel owner-managers in Rivers State should prioritise building innovativeness as a deliberate operational strategy, specifically by investing in digital service tools, energy hybrid systems, and differentiated accommodation offerings that generate competitive advantage from available means rather than requiring large capital outlays.
2. The Rivers State Tourism Development Agency and the Rivers State Ministry of Culture and Tourism should institutionalise EO capacity-building workshops within the annual hotel licensing renewal process, ensuring that small and medium-sized hotel operators have structured access to entrepreneurship training at least once per licensing cycle.
3. SMEDAN's Rivers State enterprise development offices should develop a hospitality-specific SME credit guarantee product with flexible collateral terms, enabling hotel owner-managers to make the calculated risk investments associated with stronger survival outcomes without exposure to catastrophic financial loss.
4. The Hotel Owners Forum Rivers State and related industry associations should encourage peer-learning networks and mentorship schemes in which high-EO hotel operators share

best practices in innovation and proactive market adaptation with less experienced counterparts.

Suggestions for Future Studies

This study opens several avenues for further empirical investigation: Longitudinal studies of Rivers State hotel SMEs would improve causal understanding of the EO-survival relationship over time. Future studies should also examine moderating factors such as owner-manager education, industry experience, access to finance, and hotel rating. Comparative research across Nigerian regions or West African markets could determine whether the findings are context-specific or broadly applicable. In addition, structural equation modelling is recommended to test mediating factors such as operational resilience, customer relationships, and supplier networks through which EO influences hotel SME survival.

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