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The Influence of Entrepreneurial Risk-Taking Propensity on Sales Growth of SMEs in Bayelsa State, Nigeria

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Abstract: *This study examined the influence of entrepreneurial risk-taking on sales growth of SMEs in Bayelsa State, Nigeria. The study adopted a cross-sectional survey research design. Primary data was generated through a structured questionnaire. The population of this study was owners/managers of small and medium scale enterprises that are registered with SMEDAN and are operating in Bayelsa State, Nigeria. The total number of SMEs registered with SMEDAN in Bayelsa State, Nigeria as at 2021 were 300 SMEs. The entire population of 300 SMEs were adopted as a census. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. Data generated were analyzed and presented using both descriptive and inferential statistical techniques. The inferential statistics absorbed three parametric inferential tests-Pearson's Product Moment Coefficient (PPMC), One Way Analysis of Variance (ANAOVA) and Simple Regression Analysis. Pearson's Product Moment Coefficient (PPMC) was used test the relationship between the variables, ANOVA was employed to test the differences in means of responses on the variables, while by means of simple regressions, the study tested the effect of entrepreneurial risk-taking propensity on sales growth. The tests were carried out at a 0.05 significance level. Findings from the study revealed that entrepreneurial risk-taking significantly influence sales growth of SMEs in Bayelsa State, Nigeria. This study concludes that SMEs sales growth is positively enhanced when they develop their risk- taking propensity. Therefore, the study recommends that SMEs should be willing to take calculated risks with new business ideas, and in business decision making.*

Keywords: *Entrepreneurial Risk-Taking Propensity, Risk-Taking, Sales Growth, Small and Medium Enterprises*

INTRODUCTION

The Nigerian Small and Medium Enterprises, though essential to the nation's economy, are faced with numerous challenges such as inadequate and non-functional infrastructural facilities, bureaucratic bottlenecks and inefficiency in the administration of incentives and support facilities, lack of easy access to funds/credits, uneven competition arising from import tariffs, lack of access to appropriate technology, absence of R&D, high dependence on imported raw materials, lack of scientific and technological knowledge and know-how, lack of appropriate managerial and entrepreneurial skills and lack of suitable training and development, fluctuating value of the Naira, government policies; and political consideration all of which negatively affects the growth of SMEs (Smirnova, Rebiazina, & Frosen, 2018).

Despite their importance, SMEs are faced by global competition, market liberalization, rapid technological advances and the introduction of stricter quality and safety regulations (Da silva, Baker, Shepherd, Jenane & Miranda da Cruz, 2009). Today's dynamic environment requires SMEs to be entrepreneurial if they are to survive, grow of have superior performance (Fairoz, Hirobumi & Tanaka, 2010). Entrepreneurial risk-taking is key to enhancement of firm performance of small firms (Wiklund & Shepherd, 2003).

The concept of risk-taking has been long associated with entrepreneurship. Early definition of entrepreneurship centered on the willingness of entrepreneurs to engage in calculated business risks. Lumpkin and Dess (1996) identified venturing into the unknown as a generally accepted definition for risk taking, though may be difficult to quantify. This is because, in addition to monetary risk, it typically entails psychological and social risks (Oscar, et al, 2013). Recent research indicates that entrepreneurs secure higher on risk-taking than do non- entrepreneurs, and are generally believed to take more risks than non–entrepreneurs because the entrepreneur faces a less structured and a more uncertain set of possibilities (Oscar, 2013). Risk taking is also perceived as tendency towards risky projects (Mario, 2013). It was expected that firms that have better performance would also have a higher level of risk propensity (Leko-Simic & Horvat, 2006, 2013). These authors further emphasized that risk-taking propensity can be defined as a tendency to take or avoid risks and it is viewed as an individual characteristic. The positive relationship between risk-taking propensity and risk decision making by individuals is expected to translate to organizations through top management teams. Although there are many ways of conceptualizing risk, Forlani and Mullins (2000) cited in Kropp et al, 2005) described entrepreneurs' perception of risk as the uncertainty and potential losses associated with outcomes which may follow from a given set of actions or behavior. Risk taking depends on risk propensity and risk perception.

Statement of the Problem

SMEs in Nigeria have a reputation for creating new jobs and advancing technology. SMEs in Nigeria are essential for the growth of the nation's economy and for the generation of jobs, yet they usually struggle with poor performance (Osakwe, Chovancova & Ogbonna (2016). Small and medium-sized businesses in Nigeria in general and Bayelsa in particular deal with fundamental and pervasive issues like inadequate, ineffective, and occasionally non-functional infrastructure (Ebitu, Glory & Alfred, 2016). In these circumstances, SMEs are compelled to rely on the private sector to provide essential infrastructure like roads, energy, transportation, and communications because of bureaucratic red tape and ineffective government support systems and incentives (Ebitu, *et al.,* 2016). These discourage potential SMEs business owners while strangling existing ones (Onyenma, 2019). Discrimination from banks that are wary of taking the risk of lending to SMEs, especially start-ups; unequal competition brought on by import tariffs that occasionally favor imported finished products; a lack of access to appropriate technology and a dearth of research and development; a high reliance on imported raw materials with the attendant high foreign exchange cost and scarcity at times; and weak demand for products due to low and dwindling consumer demand (Akinwale, Adeyemi & Micheal, 2017). These issues have hampered the ability of SMEs to achieve their objectives especially with regards to increasing their sales growth and market share. Therefore, the study examined the influence of entrepreneurial risk-taking propensity on sales growth of SMEs in Bayelsa State, Nigeria.

LITERATURE REVIEW

Theoretical Foundation
Competency Theory

Competency theory by Boyatzis (1982) suggest that competency is a capacity that exists in a person that leads to behaviour that meets the job demands within the parameters of organizational environment, and that, in turn brings about desired results. Competency is composed of knowledge, skills, abilities and other characteristics which underlie effective or successful job performance. These competency attributes are observable and measurable and distinguish between superior and other performers.

The business operation is considered to be very complex in a competitive business environment which is constantly changing with fast technological advancements. An entrepreneur is expected to interact with these environmental forces which require the entrepreneur be highly competent in different dimensions like intellectual, attitudinal, behavioural, technical, and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavours.

Based on the competency theory entrepreneurial competencies are defined as underlying characteristics possessed by a person which result in new venture creation, survival, and, /or growth. These characteristics include generic and specific knowledge, motives, traits, self-images, social roles, and skills that may or may not be known to the person (Boyatzis, 1982). Some of these competencies are innate while others are acquired in the process of learning and training and development. The innate involves traits, attitudes, self-image and social roles (Bartlett & Ghoshal, 1990) and the acquired competency involve components acquired at work or through theoretical or practical learning (skills, knowledge, and experience).

In the context of a small business enterprise, these competencies are the characteristics of the entrepreneur, who owns and actively manages the business. For the purpose of the present study, entrepreneurial competencies can be looked in terms of entrepreneurial orientation. Entrepreneurial orientation is based on the entrepreneurial style of the business owner/manager. The entrepreneurial style in turn is a product of the entrepreneurial competences of the entrepreneur. When an entrepreneur has high entrepreneurial competences, they can create a new venture and ensure its survival and growth. Similarly, a high measure of entrepreneurial orientation corresponds to high performance thus insinuating high entrepreneurial competences.

Entrepreneurial Risk- Taking Propensity

Risk taking relates to a business readiness to pursue opportunities despite uncertainty around the eventual success (Deakins & Freel, 2012). It entails acting boldly without knowing the consequences. Risk taking, may also be viewed as a firm's management knowingly devoting huge number of resources to projects in anticipation of high returns but may also entail a possibility of higher failure (Mahmoud & Hanafi, 2013). The psychological theories of locus of control and need for achievement entail a moderate level of risk-taking propensity (Deakins & Freel, 2012). Callaghan (2009) has also been associated with higher performance by individuals. This might predict that a moderate level of risk-taking propensity would be associated with

higher levels of performance. However, in terms of different contexts, the effects of the dimensions of Entrepreneurial Orientation, including risk-taking, were expected to differ in terms of their effect on performance according to the specific context.

Risk-taking refers to the tendency to take bold actions such as venturing into unknown new markets and committing a large portion of resources to ventures with uncertain outcomes. (Wikluad & Shepherd, 2003). Risk handling is the process in which potential risks to a business are identified, analyzed, mitigated and prevented, along with the process of balancing the cost of protecting the company against a risk versus the cost of exposure to that risk. The ideal way to cope with risk is to perceive risk at its inception, and taking risk under control right from its inception. Entrepreneurs, in actuality, tend to proactively deal with the risks. Risk-taking has strong relationship with performance of entrepreneurial firms. Research suggests that entrepreneurial firms exhibiting moderate levels of risk-taking would outperform in market as compared to firms exhibiting either very high or very low levels of risk taking (Kreiser & Davis, 2010). However, process of forming a risk problem, results of past risk-taking and the ability to perform under risky conditions affect the risk-taking ability of entrepreneur (Dimltratos et al., 2004).

Risk-taking propensity can be defined as a person's orientation to take risks (Autoncic, Hisrich, Marks, & Bachkirov, 2018). Kort (2017) assert that successful leaders and entrepreneurs who are comfortable risk takers have developed a mindset around risk taking and a process by which to manage their risks in order to manage their emotions about the unknown, reap the benefits and maximize their returns when they take on risks to progress and grow. One of the entrepreneur's personality traits is risk-taking. A risk situation occurs when you are required to make a choice between two or more alternatives whose potential outcomes are not known and must be subjectively evaluated (Meredith, Nelson, Nook, 1982; in Don-Baridam, 2014). People are afraid to take risk because they want to be safe and avoid failure. But the entrepreneurs are constantly involved in taking calculated business risk because they want to be successful. Recent research indicates that entrepreneurs secure higher on risk-taking than do non-entrepreneurs (Aseng, Diaka, & Soom, 2018). It is generally believed that entrepreneurs take more risks than non-entrepreneurs because the entrepreneur faces a less structured and more uncertain set of possibilities (Oscar, 2013). Risk taking is also perceived as tendency towards risky projects (Abratt, & Lombard, 1993).

According to Mautra (2018) entrepreneurship and risk-taking mindset are not two different things. Every entrepreneur is a natural risk-taker, because playing secure is not the character of an entrepreneur. An entrepreneur takes these risks which an average person would simply refuse to take. This is because he operates between opportunities, and to exploit it. An average person remains average because he likes to remain in a comfort zone with least amount of risks but risk taker thinks differently. Forlani and Mullin (2000) reflects the degree of uncertainty and prospective losses associated with the outcomes, which may be gotten from a given behaviour or a set of behaviours. Similarly, Dhliwayo & Vuuren (2007) see risk taking as an important element of the strategic entrepreneurial mindset. This is because risk-taking is essential for the success and growth of a business, which is based on how entrepreneurs perceive and manage the risks in their environment (Asenge, Diaka, & Soom, 2018).

In the study of entrepreneurship, risk-taking attitudes of entrepreneur are well established drivers of business performance (Boermans & Willebrands, 2017). Risk attitude is defined as a broad description of the way the decision maker deals with risks (Blais & Weber, 2016). Palich & Bagby (1995) in their study, finds that entrepreneurs have a tendency to evaluate business situations more-positively than non-entrepreneurs because they focus more on the weaknesses and threats. Risk-taking helps an enterprise form an organization atmosphere of tolerance and risk. It is also a way to encourage the experiment, which speeds up the acquisition, learning and absorbing of the new external technology and ultimately improve the enterprise's technology innovation performance (Lina, Sun & He, 2009).

Sales Growth

Sales growth is of great value to most firms, it is a key dimension used to measure firm performance. Sales growth in business firms is of widespread interest in economics and business research, but the drivers of such growth remain a source of debate (Dobbs & Hamilton 2007; Bahadir *et al.,* 2009; Short et al., 2009; Stam & Wennberg, 2009). Sales growth targets play a major role in the perceptions of top managers (Brush, Bromiley & Hendrickx, 2000). Sales growth to Amoako-Gyampah & Acquaah (2008) is the increase in sales in money value. Sales growth is an important indicator of a firm's health and ability to sustain its business. Eliasson (1976) reports that planning systems generally begin with sales targets. An emphasis on sales growth also provides a useful and visible benchmark to motivate managers. Kaplan & Norton (1992, 1993, 1996) argue that firms must use a wide variety of goals, including sales growth, to effectively reach their financial objectives.

Sales growth as a key element of business growth is important; hence selling of products/services is one of the two ways to increase firm profits (Narver & Slater, 1990). Sales growth enables one to know the general health of the business; it aids in identifying if one is meeting one's target. With sales growth it will be evident to investors the business is successful. Factors that influence sales growth ranges from promotion to internal motivation and retaining of talented employees to implicit opportunities for investments in new technologies and equipment in the production process (Mohd, Mohd, & Yasuo, 2013; Brush *et al.,* 2000). They further said sales growth ought to be measured within the context of industry conditions and trends as well as local, regional and national economies.

From the study carried out by McGladrey of National Association of Manufacturers Members seven specific strategies to grow sales for firms were development; increase penetration in existing markets, new product line extensions, new client segment, new channels of distribution, new services and aggressive pricing and loss leaders. Hence, firm performance can be evaluated through the objective approach and subjective approach. In the former approach, the absolute values of performance measures such as sales growth and profitability are used (Greenley 1995), obtained either by asking the respondents to provide the facts or by examining secondary sources (Vorhies & Morgan, 2003). Performance data collected directly from the firms are known as primary performance data, while secondary performance data are gathered from external databases (Venkatraman & Ramanujam, 1986). Some researchers have employed both approaches and have demonstrated a strong correlation between subjective and objective measures (Dess & Robinson 1984; Greenley, 1995).

Entrepreneurial Risk-Taking Propensity and Sales Growth

A study by Naldi *et al.* (2009) in Sweden looked into the influence of risk taking and performance of family and nonfamily firm. The study found out that though family businesses (largely SMEs) take risks as part of their entrepreneurial activities, they do it to a lesser extent than do nonfamily firms. The result of the study also indicated that the reason why family firms are less likely to take lower risk than other firms was because of contextual reasons such as governance structure likelihood of losing ownership of the business. In fact, the finding of the study suggests that risk taking have a negative effect on family business.

A similar study by Olson *et al.* (2002) examined the impact of top management team risk taking propensity on firm performance in United Kingdom. The data was collected through a mailed survey questionnaire answered by the top executives of small to large firms. Performance was looked in terms of financial performance, innovation and stakeholders' performance. The study found out that firms with top management that are willing to take risk are able to achieve superior levels of both financial and non-financial performance.

Hughes and Morgan (2007) also evaluated risk taking based on perceptions towards the term risk taking and calculated risk, as well as based on a statement about exploration in business activities. Surprisingly, Hughes and Morgan (2007) found that risk taking had a negative impact on product performance and no impact on customer performance. The authors argue that the reason for this finding may be that because risk taking is normally costly due to competitor responses, it may lead to drift and wastage of resources as firms in their early stages do not have the coordination mechanisms in place to direct the risk-taking behaviour in the best possible way. They suggest that risk taking may be beneficial for more mature companies, but not beneficial at the embryonic stage.

Wiklund (2010) studied risk taking and family firms in Sweden by taking a sample of Swedish SMEs. The study found that risk taking is an important dimension of EO in family enterprises and is positively associated with proactiveness and innovation. According to the study, family firms do take risks while engaged in entrepreneurial activities to a lesser extent as compared to non-family firms and that risk taking is negatively related to performance.

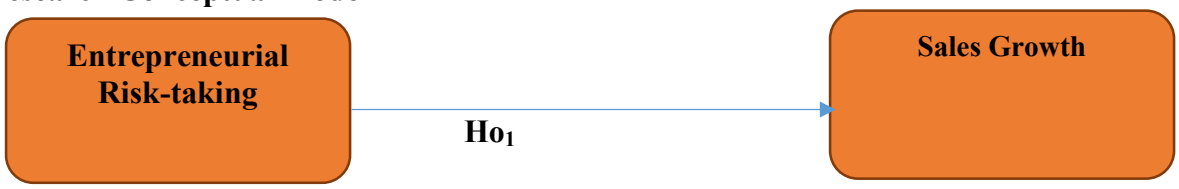
A study was done by Oloniran, Namusonge and Muturi (2016) on the role of risk taking on the performance of firms in Nigerian Stock Exchange. The target population was 176 firms listed in the Nigerian Stock Market where a sample of 60 firms was taken. Data analysis was done using among others random and fixed regression models. The results indicated a negative relationship between risk taking and return on assets and return on equity.

Kiprotich, Kimosop and Kemboi (2015) assessed the relationship between risk taking and Small and Medium Scale Enterprises (SMEs) performance in Nakuru County (Kenya). Explanatory research design was adopted and a sample of 214 SMEs was selected by stratified sampling method. Primary data was collected using questionnaires. Though the study showed a moderate positive relationship, it was found that risk-taking has no significant effect on SME performance contrary to previous studies by Ali & Abdel (2014); Verhees, Klopic and Kuipers (2008) which had revealed a positive and significant relationship.

From the foregoing discourse, the study hypothesized thus:

H_{O1}: Entrepreneurial risk-taking propensity does not significantly influence sales growth of SMEs in Bayelsa State Nigeria.

Research Conceptual Model



Source: Authors Research Model (2022)

METHODOLOGY

The study adopted a cross-sectional survey research design. Primary data was generated through a structured questionnaire. The population of this study was owners/managers of small and medium scale enterprises that are registered with SMEDAN and are operating in Bayelsa State, Nigeria. The total number of SMEs in Bayelsa State as at 2021 was 300. The entire population of 300 SMEs was adopted as a census. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The inferential statistics absorbed three parametric inferential tests-Pearson's Product Moment Coefficient (PPMC), One Way Analysis of Variance (ANAOVA) and Simple Regression Analysis. Pearson's Product Moment Coefficient (PPMC) was used test the relationship between the variables, ANOVA was employed to test the differences in means of responses on the variables, while by means of simple regressions, the study tested the effect of entrepreneurial risk-taking propensity on sales growth. The tests were carried out at a 0.05 significance level.

DATA ANALYSIS AND RESULTS

Of the 300 copies of questionnaire distributed, 263 copies of the questionnaire were retrieved and used for analysis which were statistically acceptable for purposes of making inference on the general population of SMEs in Bayelsa State, Nigeria. This represents a response rate of about 89% of the population employed in the study. The responses obtained from the data collected from selected SMEs in Bayelsa State, Nigeria were adequate enough to fulfill the research objective of the study.

Descriptive Analysis

The purpose of the study sought to examine if the respondents take risk and the influence it has on sales growth of SMEs. The results of the respondents were analyzed as per the Likert scale of 1 to 5 whereby 1 was strongly disagree,2 disagree,3 neutrals,4 agree and 5 strongly agree as

shown. In the questionnaire, four research statements were stated on risk-taking and the response mean scores and standard deviations presented in Table 1.

Table 1 Descriptive Statistics on Entrepreneurial Risk taking

	N	Minimum	Maximum	Mean	Std. Deviation
The firm has strong inclination for high risk projects with high rates of return	263	1	5	3.81	1.313
The firm does not shy away from funding new methods and processes even if they have not been	263	1	5	3.62	1.344
Our firms go to the extent of sacrificing profit to gain market share.	263	1	5	3.92	1.281
The firm's management does not hesitate to take loans for new projects	263	1	5	4.26	1.133
Valid N (listwise)	263				

Source: SPSS Output

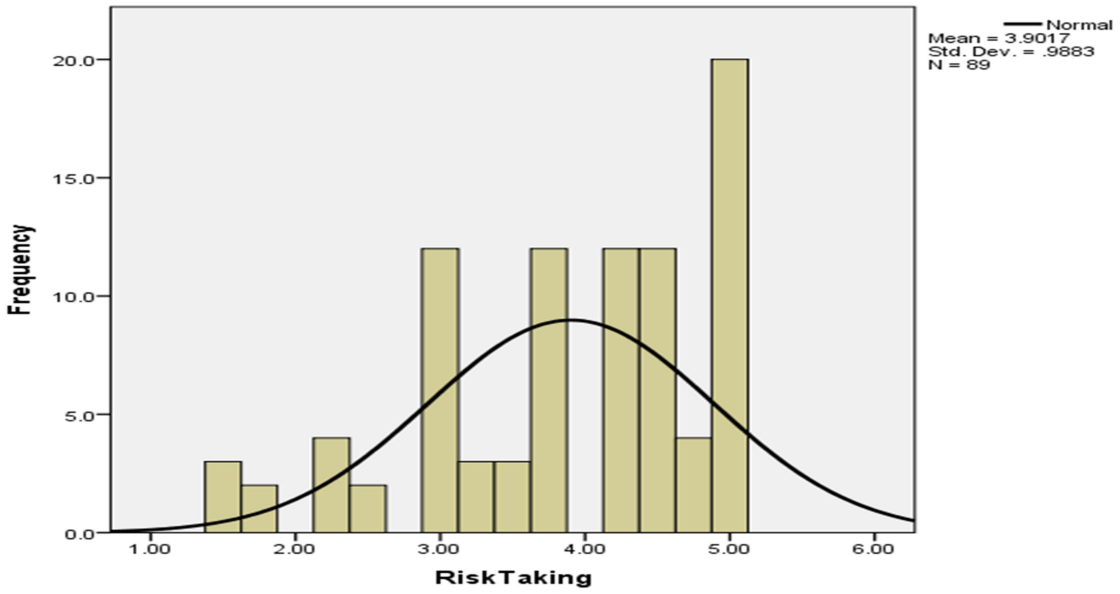


Figure 1 Histogram showing descriptive statistics for entrepreneurial risk-taking

Table 1 was to determine the manifestation of entrepreneurial risk-taking in which four research statements were stated in the questionnaire. It represents the accumulated sum from the respondents indicating the mean score and standard deviation. The first item was to ascertain whether the firm has strong inclination for high-risk projects with high rates of return this had a mean score (x) of 3.81 and Std. Dev. 1.313. The second item sought to know if the firm does not

shy away from funding new methods and processes even if they have not been, the result showed a mean score of (x) of 3.62 and Std. Dev. 1.344. Similarly, the third item was to know if their firms go to the extent of sacrificing profit to gain market share., the responses generated were in the affirmative with a mean score (x) of 3.92 and Std. Dev. 1.281. The fourth statement sought to ascertain if the firm's management does not hesitate to take loans for new projects; and the responses also in the affirmative showed a mean score (x) of 4.26 and Std. Dev. 1.133. Generally, Table 1 shows that the respondents agreed on all items of entrepreneurial risk-taking as dimension of entrepreneurial orientation with a mean score > 2.50, indicating a substantial and adequate level of affirmation. The results also indicate a low level disparity in the responses (SD ≤2.00).

Table 2 Descriptive Statistics on Sales Growth

	N	Minimum	Maximum	Mean	Std. Deviation
The rate at which our company meets its sales revenue target is excellent	263	1	5	4.21	1.143
The extent to which our company's sales turnover increases is excellent	263	1	5	3.85	1.124
Our growth in sales relative to the market leader in our industry is excellent	263	1	5	4.21	1.143
We regularly examine the factors influencing the buying decisions of our customers	263	2	5	4.24	.640
Valid N (listwise)	263				

Source: SPSS Output

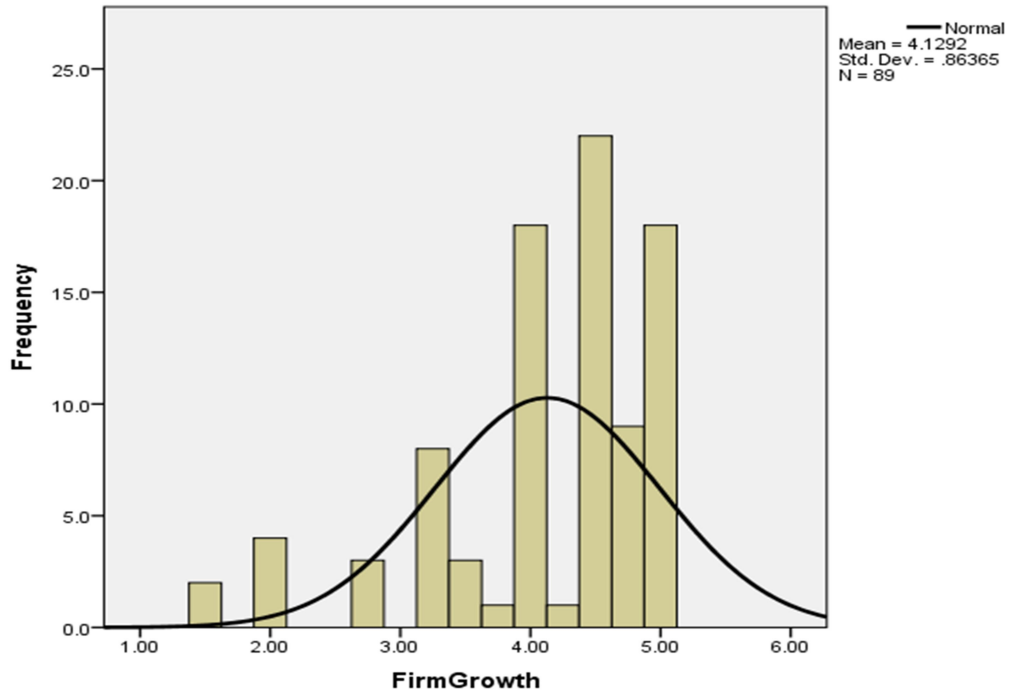


Figure 2 Histogram showing descriptive statistics for sales growth

Table 2 was to determine the manifestation of firm growth as a measure of organizational performance in which four research statements were stated in the questionnaire. It represents the accumulated sum from the respondents indicating the mean score and standard deviation. The first item was to ascertain the rate at which our company meets its sales revenue target is excellent; which had a mean score (x) of 4.21 and Std. Dev. 1.143. The second item sought to know if the extent to which our company's sales turnover increases is excellent; the result showed a mean score of (x) of 3.85 and Std. Dev. 1.124. Similarly, the third item was to know if their growth in sales relative to the market leader in our industry is excellent; the responses generated were in the affirmative with a mean score (x) of 4.21 and Std. Dev. 1.143. The fourth statement sought to ascertain if they regularly examine the factors influencing the buying decisions of our customers; and the responses also in the affirmative showed a mean score (x) of 4.24 and Std. Dev. 0.640. Generally, Table 2 shows that the respondents agreed on all items of firm growth as a measure of organizational performance with a mean score > 2.50, indicating a substantial and adequate level of affirmation. The results also indicate a low-level disparity in the responses (SD $\leq$2.00).

Subsequently, we show a proof of the existing relationships using a scatter graph.

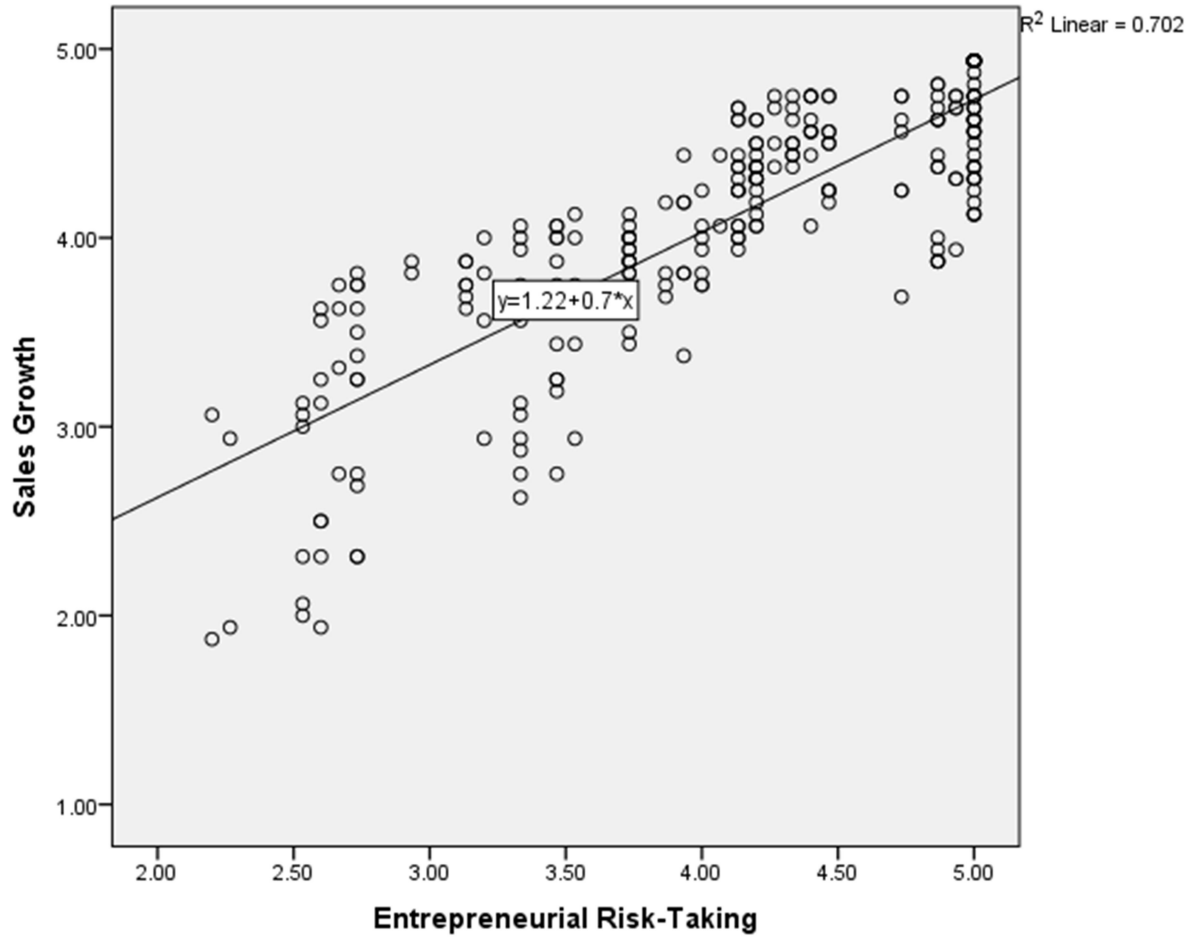


Figure 1: Scatter plot for entrepreneurial risk-taking and sales growth

Figure 1 shows a very strong relationship between entrepreneurial risk-taking (independent variable) and sales growth (dependent variable). The scatter plot graph shows that the linear value of (0.702) depicting a very strong viable and positive relationship between the two constructs. The implication is that an increase in entrepreneurial risk-taking simultaneously brings about an increase in the level of sales growth. The scatter diagram has provided vivid evaluation of the closeness of the relationship among the pairs of variables through the nature of their concentration.

Table 3: Correlation Showing Direction of Relationship for Entrepreneurial Risk-Taking and Sales Growth

		Entrepreneurial Risk-Taking	Sales Growth
Entrepreneurial Risk-Taking	Pearson Correlation	1	.838**
	Sig. (2-tailed)		.000
	N	263	263
Sales Growth	Pearson Correlation	.838**	1
	Sig. (2-tailed)	.000	
	N	263	263

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

Table 3, shows that entrepreneurial risk-taking propensity has a very strong and positive relationship with sales growth (r = 0.838). The sign of the correlation is positive. Implying that when entrepreneurial risk-taking propensity increases, SMEs in Bayelsa State also experience a corresponding increase in their sales growth. The significance (p - value) is (0.000) < (0.05) level of significance; hence the researcher concludes that there is a very strong positive relationship between entrepreneurial risk-taking propensity and sales growth of SMEs in Bayelsa State, Nigeria.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.838[a]	.702	.700	.36979

a. Predictors: (Constant), Entrepreneurial Risk-Taking

This sub-section examined the relative influence of entrepreneurial risk-taking on sales growth. The co-efficient of determination (R^2) showed relatively the highest number of significant variables in conformity with a priori expectation. Table 4 depicts a linear regression analysis of entrepreneurial risk-taking and sales growth. It was found that the R value is (0.838), R square (0.702), adjusted R (0.700) and the standard error of the estimate value is (0. 36979). The high R value revealed that entrepreneurial risk-taking accounted for (83.8%) change in sales growth of SMEs in Bayelsa State while the remaining 16.2 % is explained by other factors outside the model.

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.909	1	83.909	613.616	.000[b]
	Residual	35.690	261	.137		
	Total	119.599	262			

a. Dependent Variable: Sales Growth

b. Predictors: (Constant), Entrepreneurial Risk-Taking

Furthermore, in Table 4, the analysis of variance (Anova) showed a regression sum of square value of (83.909) which is higher than the residual sum of squares value of (35.690). This implies that the model involving the entrepreneurial risk-taking accounted for most of the variations in the sales growth. The F calculated value of (613.616) depicts the significance and reliability of the model developed through the regression analysis results. In addition, the significant P-value of (0.000) is smaller than (0.05). This implies that there is significant evidence to extrapolate that entrepreneurial risk-taking is related to sales growth. This proposes that the model is measured to be fit and entrepreneurial risk-taking influences sales growth.

Test of Hypothesis

The decision rule in the test of hypotheses is to accept the null hypothesis where the t-calculated is less than (<) the t-tabulated 0.05 significance level. Thus, where t-calculated is greater (>) t-tabulated, then the null hypothesis is rejected and the research hypothesis accepted.

Table 5; Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.221	.117		10.414	.000
	Entrepreneurial Risk-Taking	.702	.028	.838	24.771	.000

a. Dependent Variable: Sales Growth

Table 5 shows entrepreneurial risk-taking has a calculated t-value of 10.414 and a corresponding sig. value/probability value (PV) of 0.000. From the decision rule, since t-calculated = 10.414 > t-tabulated $_{(0.05)}$ =1.96; then the null hypothesis is rejected; and therefore, entrepreneurial risk-taking propensity significantly influence sales growth of SMEs in Bayelsa State Nigeria.

DISCUSSION OF FINDINGS

The result reveal revealed that there is a positive significant influence of entrepreneurial risk-taking on sales growth of SMEs in Bayelsa State. The current finding corroborates with the earlier study of Naldi *et al.* (2009) in Sweden who looked into the influence of risk taking and performance of family and nonfamily firm. The study found out that though family business (largely SMEs) does take risks as part of their entrepreneurial activities, they do it to a lesser extent than do nonfamily firms. The result of the study also indicated that the reason why family firms are less likely to take lower risk than other firms 26 was because of contextual reasons

such as governance structure likelihood of losing ownership of the business. In fact, the finding of the study suggests that risk taking have a negative effect on family business. A similar study by Olson *et al.* (2002) examined the impact of top management team risk taking propensity on firm performance in United Kingdom. The data was collected through a mailed survey questionnaire answered by the top executives of small to large firms. Performance was looked in terms of financial performance, innovation and stakeholders' performance. The study found out that firms with top management that are willing to take risk are able to achieve superior levels of both financial and non-financial performance.

The study also aligns with Muthee-Mwangi and Ngugi (2014) who in their study examined the influence of entrepreneurial orientation on growth of Micro and Small Enterprises in Kerugoya, Kenya and found that the dimensions of EO (innovativeness, risk taking, pro-activeness, and entrepreneurial managerial competence have a significant positive influence on growth of Micro and Small Enterprises. Both regression and correlation results indicated that innovativeness (pvalue=0.000) had an effect on growth of MSEs; results also revealed that risk taking (p value=0.000) had an effect on growth of MSEs; pro-activeness (pvalue=0.000) was also statistically significant and entrepreneurial managerial competence (pvalue=0.000) had an effect on growth of MSEs.

Furthermore, the current study is in agreement with the study of Adim and Poi (2019) who found that there is a significant relationship between entrepreneurial risk-taking and performance of women entrepreneurs in Rivers State. Also, Adim, Mezeh and Bassey (2021) found that there is a significant relationship between entrepreneurial risk-taking and performance of Agro-Entrepreneurs in Obio Akpor LGA, Rivers State. This study concluded that entrepreneurial risk taking significantly influences performance of agro-entrepreneurs in Obio-Akpor LGA of Rivers State.

CONCLUSION AND RECOMMENDATIONS

The research objective was to ascertain the relationship between entrepreneurial risk-taking propensity and sales growth of SMEs in Bayelsa State, Nigeria. This study concludes that SMEs sales growth is positively enhanced when entrepreneurs develop and build a the propensity towards risk- taking which is essential for business success.

Therefore, the study recommends that SMEs should be willing to take calculated risks with new business ideas, and in business decision making. Dynamic environments require a greater level of risk taking in strategic decision making and processes to more effectively and successfully respond to the invariable state of change, regardless of the level of availability of resources in the environment.

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