

EFFECT OF ENTREPRENEURIAL ORIENTATION ON POVERTY IN KADUNA STATE

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Abstract

Poverty level in Africa is very high and alarming. More so, a poverty rate is very high in Nigeria, especially Northern Nigeria, as a significant percentage of citizens in Northern Nigeria live below one dollar per day. Specifically, in Kaduna state, there is a significant percentage of poor people living in the state, especially in rural areas. As per available statistics, one percent of the total poor people globally live in Kaduna state. This is a very worrying statistics, and thus need serious and urgent attention. To solve this problem, this study examined entrepreneurial orientation, measured by innovativeness, risk taking and proactiveness in relation to poverty. The role entrepreneurial orientation play in reducing poverty is extremely scarce in the literature, therefore, giving rise to this study to be carried out. To this effect, three hypotheses were formulated and tested for in the study. Copies of the questionnaire were distributed using purposive sampling. A total of 408 copies of the questionnaire distributed were used for

analysis. PLS-SEM path modelling was employed to analyze the data. Statistical evidence shows that there is significant relationship between innovativeness, risk taking, proactiveness and poverty. The study therefore recommends that business enterprises in rural areas should ensure they become innovative in their business processes, become proactive and take calculated business risks.

Keywords: Poverty, Innovativeness, Risk Taking, Proactiveness.

1.0 Introduction

Africa is regarded as one of the poorest continents in the world. This is said as according to World Bank (2020), Africa is a third world continent comprising many third world countries. There have been numerous programmes and effort put in by government of different countries in Africa to reduce the level of poverty in Africa. But on the contrary, recent data available show that poverty is on the increase in Africa. Foreign bodies like the United Nations and the World Bank have also tried to reduce the level of poverty in Africa without yielding needed results. A study by Sembene (2015) show that despite the intervention of governments and foreign bodies to reduce poverty in Africa, there have been resilience to the reduction of poverty in Africa. An important cause for this resilience is the growing concentration of extreme poverty in Sub-Saharan Africa, which has slowed down poverty compared to other world areas (World Bank, 2020). Some three out of five of the world's underprivileged live in Africa today (Christiaensen & Hill, 2019). About 40% of Sub-Saharan Africa is still living in abject poverty (World Bank, 2020).

In Nigeria, poverty has been on the increase. A report by the World Poverty Clock show

Nigeria have overtaken India as the country with the most extreme poor people in the world (Kazeem, 2018). It is reported that about 90million people in Nigeria are currently living in extreme poverty, most of them living in rural areas. Extreme poverty means a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter and education. The World Bank reported that about 55 percent Nigerians live below 1.90 dollars per day currently. The extreme poverty level in Nigeria is on the increase, therefore needing urgent attention by necessary government agencies. A study carried by the World Poverty Clock in 2018 show that extreme poverty in the country increases by nearly six people every minute. This therefore calls for serious concern, because if this trend continues, it will be detrimental to the growth of the economy. The World Poverty Clock (2022) warned that, if the current extreme poverty trend continues, by the year 2030, over 120 million Nigerians will be living in extreme poverty.

However, Nigeria's National Bureau of Statistics [NBS] in 2018 asserted that extreme poverty in Nigeria is most apparent in the Northern part of the country, with Northern states having extreme poverty of nearly 86 percent (Bramlett, 2018). It is reported that Northern Nigeria is the main victim of poverty in Nigeria, as most people in Northern Nigeria live in abject poverty (Idris, 2019). Poverty in the North is most of the time associated to factors such as illiteracy, people's attitude to economic prosperity, corruption, bad governance, child destitution, income inequality, ethnic clashes and poor economic roadmap (Sani, 2019). Sani (2019) further argued that all of the aforementioned factors are the resultant repercussions of poor entrepreneurial initiative at community, societal and state level in Northern Nigeria.

The level of poverty in Kaduna, a state in northern Nigeria is very high and calls for immediate attention. The state government in

Kaduna State asserted that 3.5 million people out of the state's 8.1 million estimated population lives below the poverty line (Varrella, 2020), this is because about 44% of the total population in Kaduna live in extreme poverty (Varrella, 2020). To corroborate the assertions of Arobani (2019) opined that the poverty levels in Kaduna is on the increase and must be given immediate and necessary attention. As earlier mentioned, Sani (2019) in his writings suggested that entrepreneurial initiatives at both community and societal level may be very important in reducing the increasing poverty levels in Kaduna state.

Alleviating poverty in rural areas in Kaduna state may be tied to increasing levels of entrepreneurial activities in the rural areas. It may be important that entrepreneurial activities of women in the rural areas may be important in alleviating poverty in their various communities. As reported by Kirks and Bolvics (2006), there are always greater number of female entrepreneurs in rural areas compared to male entrepreneurs, as women in most cases always set up little businesses to generate additional income, thus balancing business and family commitments. Additionally, development involves social, political, and economic components and is incomplete without the development of women, who make up around 50% of the population (UN World Population Prospects, 2019). Therefore, women's contribution to economic activities is crucial for the development of a strong nation. Women who own their own businesses typically have strong levels of motivation and self-direction, as well as a high internal centre of control and achievement. According to researchers, women who own their own businesses have some unique traits that foster their creativity and help them come up with novel concepts and methods. It is therefore important to assess entrepreneurial activities that may be engaged in by women in rural areas in Kaduna state to help reduce the level of poverty in the state.

A number of activities sometimes called entrepreneurial orientation are always carried out by entrepreneurs to ensure they succeed. However, the most prominent ones in the literature are innovativeness, risk taking and proactiveness (Hussain, Bhuiyan & Bakar, 2014). For this study, innovativeness, risk taking and proactiveness were used to assess whether they help in alleviating poverty in rural areas in Kaduna state. Therefore, women entrepreneurial activities in this study were considered to be innovativeness, risk taking and proactiveness.

Lagat, Frankwick and Sulo (2015) describes innovation as the generation, acceptance, and implementation of new ideas, processes, products, or services. Risk taking on the other hand involves engaging in calculated and manageable risks in order to obtain benefits, rather than taking daring risks which are detrimental for firm performance (Al-Nimer, Abbad, Al-Omush & Ahmad, 2021). Finally, proactiveness is a firm's strategic orientation that captures specific entrepreneurial aspects of decision-making styles, methods and practices (Kiss, Cortes & Herrmann, 2021). These activities carried out by entrepreneurs in rural areas may be useful in alleviating poverty in rural areas in Kaduna.

The relationship between entrepreneurial activities (i.e., innovation, risk taking and proactiveness) and poverty have not been extensively studied in the literature. That is to say, little is known about the relationship between innovation, risk taking, proactiveness and poverty. What has been mostly studied in the literature is the relationship between innovation and performance. Examples of such studies include Chen (2017); Ndemezo and Kayitana (2017); Awan and Javed (2015); Atalay, Anafarta and Sarvan (2013). On the contrary, very few studies (e.g., Pansera & Martinez, 2016; Sherri & Eric, 2003) have examined the relationship between innovation and poverty, despite the somewhat importance of innovation in alleviating poverty (Millard,

Weerakkody, Missi & Kapoor, 2016). Therefore, this study will further enrich the body of knowledge by examining the relationship between innovation and poverty.

In addition, most previous studies opted to examine the relationship between risk taking and firm or employee performance, neglecting to examine the relationship between risk taking and poverty. Examples of studies that have examined the relationship between risk taking and firm performance include Bakar and Zainol (2015); Wambugu, Gichira, Wanjau and Mung'atu (2015). Only the study of Muttalib, Mahrani, Hajar and Samsul (2016) sought to examine the relationship of risk taking and poverty reduction, amounting to scarcity in the literature.

Despite the possible linkage between proactiveness and poverty (Wang, Hermens, Huang & Chelliah, 2015), most previous studies have opted to examine the relationship between proactiveness and firm performance. Examples of such studies include the work of Babure, Sallehuddin, Rosli and Saad (2018); Junquera and Barba-Sanchez (2018). Jahan and Nurlukman (2017) outlined that entrepreneurs being proactive may help entrepreneurs achieve positive results which will lead to higher income and the multiplier effect may be reduction in societal extreme poverty. That is to say if a number of entrepreneurs are proactive in a particular society, they may generate higher income and thus help reduce extreme poverty. However, despite the assertion of Jahan and Nurlukman (2017), there is still extreme scarcity of knowledge whether entrepreneurial proactiveness may help reduce extreme poverty in the long run, amounting to a dearth of knowledge in the literature. Thus, this study will bridge this gap in the literature by examining if entrepreneurial proactiveness influences poverty in rural areas.

Conclusively, it has been established that there is little understanding in the literature on how innovation, risk taking and proactiveness

affects extreme poverty. Thus, by studying these three variables in a single study amount to a great addition to the body of knowledge, as there is scarcity of knowledge on between risk taking, innovation, proactiveness and poverty reduction.

2.0 Literature Review

2.1 Concept of Poverty

Poverty is the inability to satisfy one's basic needs because one lacks the income to buy services or lack of access to services. The United Nations (2007) sees it as a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society, not having enough to feed and clothe, not having access to credit among others (Anowor, Ukwueni, and Ezekwem, 2013). Jahan and Nurlukman (2017) explains that poverty is not only the inability of individuals to afford the basic needs of life, but reduces the strength and prestige of such individuals to participate in any given activity of the society. The author asserted that poverty in Nigeria has deprived a good number of her citizens the prestige of citizenship. The concept of poverty is not a simple task. World Bank's statement on understanding poverty says: 'Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time. Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom' (World Bank, 2020).

2.2 Poverty Profile in Kaduna State and Nigeria

Despite its rich culture and history, Kaduna State remains economically poor. While the fortunes of individual industries have ebbed and flowed, the state has always suffered from widespread poverty, particularly in rural areas

(Lame & Yusoff, 2015). While labour is abundant, the other key inputs to development human capital, material capital and technology are all in extremely short supply, preventing the private sector from expanding and the economy from developing new capabilities (Maduagwu, 2015). The result is that up to 84.9% of residents earn less than the international poverty line of \$1.90 per day (using PPP conversion to 2011 exchange rates and inflation adjustment) when measuring their reported sources of income (National Bureau Statistics, 2013). This figure is likely to be an upper bound estimate because current surveys do not probe in detail for non-cash income and subsistence production sources, and expenditure-based poverty measures have yet to be conducted. The national poverty line for Nigeria (as used by NBS in their Poverty Profile 2013) is almost identical to the international poverty line and gives a comparable figure. Compared to Nigeria as a whole, poverty is likely to be above the national average. In 2010-11, the proportion of the population living on less than \$1 per day (2009-10 price level) was 56.6% (NBS 2011). An alternative measure in the report with a 22% higher poverty line partially captures the difference between \$1 and \$1.25 per day and indicates that 69% of the country was in poverty. Poverty in Kaduna is experienced most frequently by women, the young, the unemployed and those living in rural areas (Ngara & Ayabam, 2013).

2.3 Concept of Entrepreneurial Orientation (EO)

Entrepreneurship as a characteristic attitude or process of organizations is now recognized by many firms and scholars as a critical factor in company success (Lu & Zhang, 2016). Despite general agreement on the effects of entrepreneurship in various organizations, there is some debate regarding the definition and operationalization of entrepreneurship. Samuelsson (2016) defined entrepreneurship is

defined as a role that individuals undertake to create new organizations.

The entrepreneur has been defined in various ways and context. He is the originator of a profit seeking or economic organization which is established for the purpose of providing goods and services that satisfy needs. He is an individual that takes risks and starts something new (Al-Swidi & Al-Hosam, 2012). Entrepreneurs are usually more intuitive than non-entrepreneurs (Pascal & Shin, 2015; Onodugo et al, 2019). Entrepreneur mean an individual who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods and results in profit making. Entrepreneur can be viewed generally as a person who welds some personality or traits to start up a business venture with the purpose of making profit.

2.4 Entrepreneurial Innovation

Entrepreneurial innovation deals with new ideas, experiences, novelty and inventive processes which are different from current practices (Çömez & Kitapçı, 2016). Similarly, Zwingina and Opusunju (2017) explained entrepreneurial innovation as a tendency to search for novel, unusual, or creative solutions to challenges. Innovation may occur in relation to product, process and organization (Çömez & Kitapçı, 2016). Innovation means novelty, new things being done, or old things being done in new ways to increase performance in terms of sales, profitability and market shares in an organization (Zwingina & Opusunju, 2017). The authors further argued that entrepreneurial innovation is an application of technological, institutional, human resources and discoveries to productive processes, resulting in new practices, products, markets, institutions and organisations that need organizational improvement or performance in terms of sales, profitability and market shares.

2.5 Proactiveness

The level of entrepreneurial proactiveness in a firm often decides the extent to which it will survive in a changing market, especially for organisation which have limited resources when compared with large organisations (Wang, Hermens, Huang & Chelliah, 2015). Wang, Hermens, Huang and Chelliah (2015) explained proactiveness as the process of anticipating and acting on future needs by seeking new opportunities which may or may not be related to the present line of operations. Proactiveness is often defined as opportunity seeking and exploitation of resources that can be a source of performance (Wang et al., 2015). Proactiveness concerns the importance of initiative in the entrepreneurial process (Ambad & Wahab, 2013). Lumpkin and Dess (1996) argued that a firm can create performance adequately by being proactive.

Okpara (2009) explained proactiveness as an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services before the competitors, and ahead of future demand. The essence of proactiveness is to have opportunity over other competitors and, by so doing, gain first mover advantage and generate customer loyalty (Ambad & Wahab, 2013; Agbarakwe & Anowor, 2018). Proactiveness reflects firm's actions in exploiting and anticipating emerging opportunities to develop and introduce as well as making improvement towards a product (Lumpkin and Dess, 1996).

2.6 Risk Taking

Entrepreneurial risk taking is another key dimension of entrepreneurship activities which is embedded on operational activities substantially (Wang et al. 2015). Risk taking by Lumpkin and Dess (1996) is defined as the willingness to commit resources to undergo activities and projects which the result is uncertain. Brettel, Chomik and Flatten (2015) explained that risk taking is the firm knowingly devoting resources to projects with chance of high returns but may also entail a possibility of

high failure. An entrepreneur that is a risk taker will in most cases ignores all obstacles and exerts concerted efforts to achieve high performance (Jalali, 2012). Anlesinya, Eshun and Bonuedi (2015) defined risk taking as the extent to which a firm is willing to make large and risky commitments. Pascal and Shin (2015) argued that there are three types of risk-taking that entrepreneurs may confront. They are business risk-taking, financial risk-taking and personal risk-taking. Miller and Freisen (1982) opined that firms that are entrepreneurial (i.e., firms that are innovative, proactive and always take risk) unlike conservative firms boldly take considerable risk in order to beat their competitors.

2.7 Review of Empirical Studies

Few studies have tried link the independent variables and the dependent variable of the study. However, some authors have sought to examine the relationship between entrepreneurial orientation and poverty. Alvarez and Barney (2013) examined in their study in the relationship between entrepreneurial proactiveness and poverty. The authors concluded that the proactiveness is a great potential to alleviate poverty. Alvarez and Barney argued that entrepreneurial proactiveness will ensure entrepreneurs perform highly, and this therefore will have multiplier effect in alleviating poverty in a society. Zainol, Daud, Abdullah and Yaacob (2014) carried out a conceptual study to develop a conceptual framework to reduce poverty. The authors in their study did an extensive literature review, and concluded that entrepreneurial orientation, which is entrepreneurial proactiveness, risk taking and innovation may be very important in curbing poverty. The authors suggested at the end of their study that empirical studies need to be done to assess empirically these relationships. Based on the suggestions of Zainol et al., (2014), this study sets out to examine empirically, the relationship between

proactiveness, risk taking, innovation and poverty.

Onyia, Adebowlae and Egwakhe (2017) examined the relationship between entrepreneurial innovativeness and firm survival. The authors concluded that entrepreneurial innovativeness and firm survival are significantly linked. The authors concluded that a large proportion of firms surviving in a given society will ultimately reduce the poverty levels in such society. In the work of Kareem (2015) in Abeokuta Nigeria examine impact of entrepreneurship on poverty. The objective of the study is to describe the socio-economic characteristics of the respondents in the study area. The study adopted non parametric method of analysis which involves Chi-Square method, descriptive statistics and correlation analysis to achieve the stated objectives. The study revealed that the socio-economic characteristics such as job opportunity, qualification, gender, age, years of experience among others influences poverty.

Also in the study of Atoyebi (2015) in their study, Entrepreneurship and Poverty Reduction in Nigeria: Empirical Analysis of Lagos State found out that there exist a positive and significant relationship between entrepreneurship and poverty. However, the study did not include entrepreneurship activities as independent variable as in the case of this study. Therefore, showing the difference between this study and previous studies. Olayinka, Olusegun and Babatunde (2015) assess entrepreneurship and poverty reduction in Nigeria an empirical analysis. The objective of the study is to examine the impact of entrepreneurship training and education on poverty reduction in Nigeria. The researcher adopted a stratified random sampling technique. Linear unbiased estimator was used to test the relationship between entrepreneurship training and poverty reduction. The result emanated from findings suggests that there exist a positive and significant relationship between

entrepreneurship and poverty reduction. In the study of Ifeoma, Purity and Yusuf (2018) examine effect of entrepreneurship development on poverty in Nigeria. The study was to examine the effect of entrepreneurship training and education on poverty in Nigeria and to determine the challenges that militate against sustainable entrepreneurship development in Nigeria. It was concluded that Entrepreneurship development is a key tool for poverty reduction.

2.8 Theoretical Framework

2.8.1 Schumpeter's Theory of Entrepreneurship

Schumpeter in 1934 developed the theory of entrepreneurship. Schumpeter argued that entrepreneurial orientation is very important in achieving economic growth (Sledzik, 2013). Curbing poverty is very useful in achieving economic growth. Thus, explaining the link between entrepreneurial orientation and poverty. Schumpeter believed that entrepreneurial orientation is considered to be an important driver of competitiveness and economic dynamics. In the writings of Schumpeter, an entrepreneur who is a pioneer, risk taker, and proactive will be able to act with confidence, achieve organisational objectives and thus have positive effect in their societies. That is to say, entrepreneurial orientation will help entrepreneurs achieve organisational results and stated objectives. Where a large number of entrepreneurs in a society achieve their objectives, then economic objectives of poverty will be achieved.

The innovative theory is one of the most famous theories of entrepreneurship used all around the world (Nwonye et al, 2020). Schumpeter believes that creativity or innovation is the key factor in any entrepreneur's field of specialization. The author argued that knowledge can only go a long way in helping an entrepreneur to become successful. He believed development as

consisting of a process which involved reformation on various equipment's of productions, outputs, marketing and industrial organizations.

Based on the review of literature and theoretical framework, the study hypothesized that:

H₀₁: Risk taking has significant effect on poverty in rural areas in Kaduna state.

H₀₂: Innovation has significant effect on poverty in rural areas in Kaduna state.

H₀₃: Proactiveness has significant effect on poverty in rural areas in Kaduna state.

3.0 Methodology

A cross-sectional research design was used for this study. This study used cross sectional research design as it is considered as being appropriate for this study as against longitudinal studies that needs longer time to be carried out. Longitudinal studies need longer time to be carried out, whereas cross sectional studies need shorter time (Kothari & Garg, 2014). The population of this study is considered as infinite. The population is considered as infinite because there is no official number of the total number of rural entrepreneurs in Kaduna State, and it is believed that the numbers of women entrepreneurs in Kaduna State runs into tens of thousands. Kaduna State is selected for the study as about 44% of the total population in Kaduna live in extreme poverty (Varrella, 2020). Since the population of the study is infinite in nature, the study used the formula for determining the sample size developed by Rose, Spinks, and Canhoto (2015). Using the formula, the study arrived at a minimum sample size of 400. However, to cater for non-response bias, or not to fall short of the minimum sample size of the study, the minimum sample size will be increased by 30% from 400 to 520 as suggested by Israel (2013).

Therefore, the researcher distributed 520 copies of questionnaire to the respondents of the study. The respondents of this study constitute rural entrepreneurs in three randomly selected local governments in Kaduna State.

This study used purposive sampling to select respondents for the study. The study used purposive sampling as the study is only concerned with women entrepreneurs in the selected rural areas for the study. The 520 copies of questionnaire distributed to respondents was shared equally among the three selected local governments. That is 173 questionnaires was distributed to each of the three local government areas. The three local governments randomly selected for the study are Giwa local government, Jema'a local government and Sabon Gari local government.

This study used primary data that were obtained through the use of questionnaires. The questionnaire was self-administered to respondents, but was assisted by two research assistants to ease the process of the distribution and the collection of questionnaires from respondents. The survey used a structured questionnaire to gather needed information from respondents. The questionnaire utilised for this study was adapted from various sources. Items to be used to measure entrepreneurial innovation, risk taking and proactiveness was adapted from Hughes and Morgan (2007). Three items each were used to measure of the three explanatory variable. The questionnaire was on a five-point Likert scale, ranging from strongly disagree (SD) to strongly agree (SA). Poverty was measured using the four-item scale developed by Naminse and Zhuang (2018). A Five-point Likert-type scale was used to increase response rate and response quality along with reducing respondents' frustration level as noted by Babakus and Mangold (1992). The data collected was analysed using Structural Equation Modelling (PLS-SEM).

4.0 Data Analysis

Measurement Model

Table 1

Construct Reliability and Validity

Construct	Items	Loadings	AVE	CR
Innovation	INV1	0.77	0.68	0.81
	INV2	0.88		
	INV3			
Proactiveness	PRO1	0.82	0.65	0.85
	PRO2	0.80		
	PRO3	0.50		
Risk Taking	RK1	0.51	0.59	0.72
	RK3	0.96		
Poverty	POL1	0.89	0.62	0.82
	POL2	0.86		
	POL3	0.57		

NOTE: INV2 and RK2 were deleted because of insufficient loadings. AVE stands for Average Variance Extracted while CR represents Composite Reliability.

According to Hair *et al.*, (2014), loadings should not be below 0.4. On Table 1, it is seen that all items loaded above 0.5. This means all the items loaded consistently in their respective construct. However, INV2 and RK2 were deleted due to insufficient loadings. Similarly, On Table 1, all construct has a composite reliability coefficient greater than 0.7 and all construct met the minimum benchmark for AVE which is 0.5 (Tabachnick & Fidell, 2013). This therefore means the data exhibits convergent validity. On Table 2, the data were next tested for discriminant validity.

Table 2

Discriminant Validity using Fornell-larcker criterion

	1	2	3	4

1. Innovation	0.83				
2. Poverty	0.59	0.78			
3. Proactiveness	0.48	0.56	0.81		
4. Risk Taking	-0.2	0.22	-	0.77	
			0.17		

Note: The bolded diagonal numbers represents the square root of the AVE of each latent construct

Table 2 presents the result of discriminant validity. The number that are bolded represent the square root of AVE of each latent variable. The square root of the AVE of poverty is 0.78. All other correlations are below 0.78. The square root of the AVE of proactiveness is 0.81. Similarly, all other correlations to proactiveness is 0.81. Finally, the square root of the AVE of risk taking is 0.77 and this is greater than other correlations to risk taking. Therefore, it can be concluded that the data show discriminant validity using the Fornell-larcker discriminant validity criterion.

Test of Hypotheses

Table 3

Direct Path Coefficient

Hypotheses	Beta Value	Standard Error	t-Statistic	p-Value	Decision
H ₁ : RK-POL	0.084	0.036	2.32**	0.02	Rejected
H ₂ : INV-POL	0.401	0.036	10.97***	0.00	Rejected
H ₃ : PRO-POL	0.35	0.04	8.64***	0.00	Rejected
R Square	45%				

*** p< 0.01; **p< 0.05; *p <0.1

Risk taking has significant relationship with poverty. It is seen on Table 3 that risk taking is significantly reduce poverty rates at less than 5 percent ($\beta=0.08$, $p<0.05$). Therefore, H₁ that states that risk taking significantly alleviates poverty in rural areas in Kaduna state is statistically supported. Similarly, innovation has positive significant relationship with poverty ($\beta=0.40$, $p<0.01$). Consequently, H₀₂ that states that innovation significantly alleviates poverty in rural areas in Kaduna state

is also statistically supported. Finally, proactiveness significantly and positively alleviates poverty at less than 1 percent ($\beta=0.35$, $p<0.01$). As a result, H₀₃ that states that proactiveness significantly alleviates poverty in rural areas in Kaduna state is empirically supported.

Adjusted R square is 45%, meaning 45% variance in poverty is accounted for by innovation, proactiveness and risk taking. Table 3 was used to determine the effect size of the independent variables on the dependent variable of the study. Effect size of the variables was assessed through f^2 .

5.0 Discussions of Findings

This study was carried out to examine the effect of entrepreneurial orientation on alleviating poverty in rural areas in Kaduna state. Entrepreneurial orientation is measured in this study using three variables. They are innovation, risk taking and proactiveness. The priori expectation before empirical analysis is for innovation to significantly alleviate poverty in rural areas. This was confirmed in this study. The more rural entrepreneurs engage in innovative behaviours, they more they are likely to perform better and make more profit and hence reduce poverty rate in the respective villages. This finding is supported by the study of Mutalib (2020). 0.04 Rejected

Risk taking similarly significantly and positively alleviate poverty in rural areas. Risk taking is referred to the extent to which a firm is willing to make large and risky commitments. Based on the empirical analysis of this study, rural entrepreneurs that large but calculated risk commitments enjoys high business success. Therefore, if a high number of entrepreneurs in a particular village setting enjoys high business success, it will definitely rub off positively in that particular village setting. There will wealth creation and hence a reduction in poverty levels. This is supported by the findings of Muttalib et al. (2016).

Finally, proactiveness is the process of anticipating and acting on future needs by seeking new opportunities which may or may not be related to the present line of operations. Like in the case of other variables in this study, proactiveness is a significant predictor of poverty in rural areas. This means the more rural entrepreneurs become proactive in their business dealings by seeking new opportunities, the more they create wealth. By creating wealth in a rural setting, poverty rates will be reduced. This supports the findings of Wang et al. (2021).

6.0 Conclusions and Recommendations

Based on the result of data analysis, this study concludes that innovativeness of rural entrepreneurs reduces significantly poverty rates in rural settings. Further, proactiveness of rural entrepreneurs is helpful in reducing poverty rates. Finally, risk taking just like other independent variables is significant in reducing poverty rates in rural areas. This means that entrepreneurial orientation significantly reduces poverty in rural environments.

To reduce poverty levels in rural areas, the following recommendations are made. Managers of enterprises in rural areas should ensure they actively introduce improvements and innovations in our business, by always tweaking business processes. Enterprises in rural areas are expected to be creative in the manner they carries out their business operations. Finally, managers and owners of businesses must seek out new ways to carry out their business processes. In addition, managers and business owners should make sure they always try to take the initiative in every situation. This can be done by identifying opportunities that are yet to be identified by competitors. This will ensure they always be the first to initiate actions to which competitors respond to. Finally, managers and business

owners in rural areas should become risk takers in their businesses. They should not always play safe. They should ensure they take calculated risks with new ideas. Finally, businesses in rural areas can emphasize both exploration and experimentation for opportunities. This means they can always explore and experiments on new ideas.

The study recommends further that future studies could study more states or cover a larger geographical area, to determine whether the result of a larger area will be consistent with the result of this study, as the area of this study is still a grey area. Another limitation of this study is that this study is a cross-sectional study. A longitudinal study that collects data over two or more periods of time may be conducted so as to compare the findings of this study to draw a major final conclusion. Future studies may also include mediating and moderating variables too see their likely effects on the relationships in this study.

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