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Entrepreneurial Orientation And Organizational Cost Reduction In Food And Confectionary Firms In Rivers State

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Abstract: *This study aims to explore the correlation between entrepreneurial orientation and the reduction of organizational costs within food and confectionery firms in Rivers State. Entrepreneurial orientation is assessed through three dimensions: entrepreneurial risk-taking, entrepreneurial pro-activeness, and entrepreneurial innovativeness, while organizational cost reduction serves as the primary measure. The study population encompasses 120 food and confectionery firms distributed across two Local Government Areas (Port Harcourt and Obio/Akpor) in Rivers State. The sample size comprises 72 owners and 86 managers, totaling 158 respondents, selected via convenience sampling. The Taro Yamane formula was utilized to determine the sample size, resulting in 113 respondents. Data collection employed a meticulously designed questionnaire. Hypotheses were analyzed using descriptive and inferential statistics, specifically the Pearson Correlation Coefficient. Results revealed a significant and positive correlation between the dimensions of entrepreneurial orientation and organizational cost reduction among food and confectionery firms in Rivers State. Consequently, the study concludes that entrepreneurial orientation serves as a vital strategy in facilitating organizational cost reduction efforts.*

Keywords: Entrepreneurial Risk-Taking, Entrepreneurial Pro-Activeness, Entrepreneurial Innovativeness, Organizational Cost Reduction.

Introduction

Today's business landscape is fiercely competitive, affecting organizations of all sizes. In response to these conditions, the immediate impulse is often to slash costs to the bare minimum. However, a more strategic approach is needed: every facet of an organization's cost structure must undergo meticulous scrutiny to weed out superfluous, optional, and useless expenditures, without sacrificing its ability to compete (as cited in Akeem, 2017). In virtually each company setting, the primary goal is to get the highest possible profit. The need to grow sales, which in turn necessitates higher production capacity and, ultimately, expenditures, emerges because management usually measures company success, especially in manufacturing, by profitability criteria. Therefore, in a highly competitive market where demand varies in reaction to price dynamics, it is crucial to effectively regulate and reduce costs in order to achieve maximum profitability. Asaolu and Nassar (2007) state that cutting costs is a proactive and intentional way to improve efficiency, encompassing strategies like productivity enhancement and waste elimination. In the context of Akeem's work (2017), cost reduction is described as a concept aimed at lowering costs from established norms or standards without compromising project effectiveness or service performance.

Entrepreneurial orientation is recognized as a potent solution to various business challenges worldwide, particularly enhancing companies of a Medium or Small Size (SMEs) and addressing the demands of competitive and self-motivated business landscapes (Neneh, 2016; Adibe et al., 2023). It stands as a cornerstone in strategy literature, significantly bolstering firm performance and competitive advantage (Adibe et al., 2023). Managers and scholars alike have extensively explored distinct strategic orientations, which not only enhance performance but also amplify competitive advantages for firms (Adibe et al., 2023). Comprising innovative, risk-taking, and proactive behaviors, entrepreneurial orientation is a pivotal concept, as highlighted by Syed et al. (2017). Additionally, Sok et al. (2017) expanded this framework to encompass factors like autonomy, creativity, aggression in competition, proactiveness, and risk-taking.

Despite the extensive literature on entrepreneurial orientation, a significant gap persists in understanding its implications for organizational cost reduction, particularly within the context of food and confectionary firms. Previous studies have discussed entrepreneurial orientation in conjunction with various concepts, but none have delved into its direct relationship with organizational cost reduction. Furthermore, none have attempted to quantify the level of influence entrepreneurial orientation exerts on organizational cost reduction, especially within the specified industry. To address this gap, our inquiry explores the intricate interplay between entrepreneurial orientation and organizational cost reduction, shedding light on its significance for food and confectionary firms.

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Statement of the Problem

In the ever-evolving landscape of the food and confectionary industry, businesses in Rivers State are under immense pressure to maintain competitiveness while effectively managing costs. entrepreneurial orientation, characterized by its elements is acknowledged for their innovativeness, boldness, and initiative, pivotal factor influencing firm performance and strategic decision-making (Filser & Eggers, 2014). Despite this acknowledgment, the specific interplay between entrepreneurial orientation and organizational cost reduction in this sector remains largely unexplored, especially within the unique context of Rivers State.

There has been a noticeable lack of research on the consequences of an entrepreneurial mindset on strategies to reduce costs in the food and confectionery industry in Rivers State, even though many studies have examined the effects of this mindset on company output and creativity (Wiklund & Shepherd, 2003; Rauch et al., 2009). To thrive in this cutthroat market, companies must comprehend the role that entrepreneurial orientation qualities like as inventiveness, risk-taking, and proactiveness play in the lowering of organisational costs.

Given that Rivers State harbors distinct socio-economic dynamics, cultural nuances, and market conditions, it becomes imperative to assess the relevance and efficacy of entrepreneurial orientation in driving cost reduction endeavors within this specific geographical context. This investigation into how businesses in the food and confectionery industries in Rivers State could benefit from an entrepreneurial orientation in order to lower their operating expenses holds significant importance for both scholarly inquiry and practical implications. It promises invaluable insights into how firms within this sector can harness entrepreneurial behaviors to bolster cost efficiency and overall performance.

Examining the link between entrepreneurial mindset and organisational cost reduction measures, this study focuses on businesses in the food and confectionary industries in Rivers State, Nigeria. This research aims to add to the current literature on entrepreneurial orientation and cost management in the Nigerian food and confectionary industry. Specifically, it will examine the impact of innovation, risk-taking, and proactiveness, three dimensions of entrepreneurial orientation, on the success and implementation of cost-reduction strategies.

Aims and Objectives

The main objective of the study is to examine the effect of entrepreneurial orientation on organizational cost reduction in food and confectionary firms in Rivers State. The specific objectives are:

i. To determine the relationship between entrepreneurial risk-taking and organizational cost reduction in food and confectionary firms in Rivers State.

ii. To ascertain the nature of relationship between entrepreneurial pro-activeness and organizational cost reduction in food and confectionary firms in Rivers State.

iii. To examine the influence of entrepreneurial innovativeness on organizational cost reduction in food and confectionary firms in Rivers State.

Research Questions

The following questions were formulated;

i. What is the relationship between entrepreneurial risk-taking and organizational cost reduction in food and confectionary firms in Rivers State?

ii. What is the nature of relationship between entrepreneurial pro-activeness and organizational cost reduction in food and confectionary firms in Rivers State?

iii. What is the influence of entrepreneurial innovativeness on organizational cost reduction in food and confectionary firms in Rivers State?

Research Hypotheses

The following hypotheses were formulated;

i. There is no relationship between entrepreneurial risk-taking and organizational cost reduction in food and confectionary firms in Rivers State.

ii. There is no relationship between entrepreneurial pro-activeness and organizational cost reduction in food and confectionary firms in Rivers State.

iii. There is no influence of entrepreneurial innovativeness on organizational cost reduction in food and confectionary firms in Rivers State.

Conceptual Framework

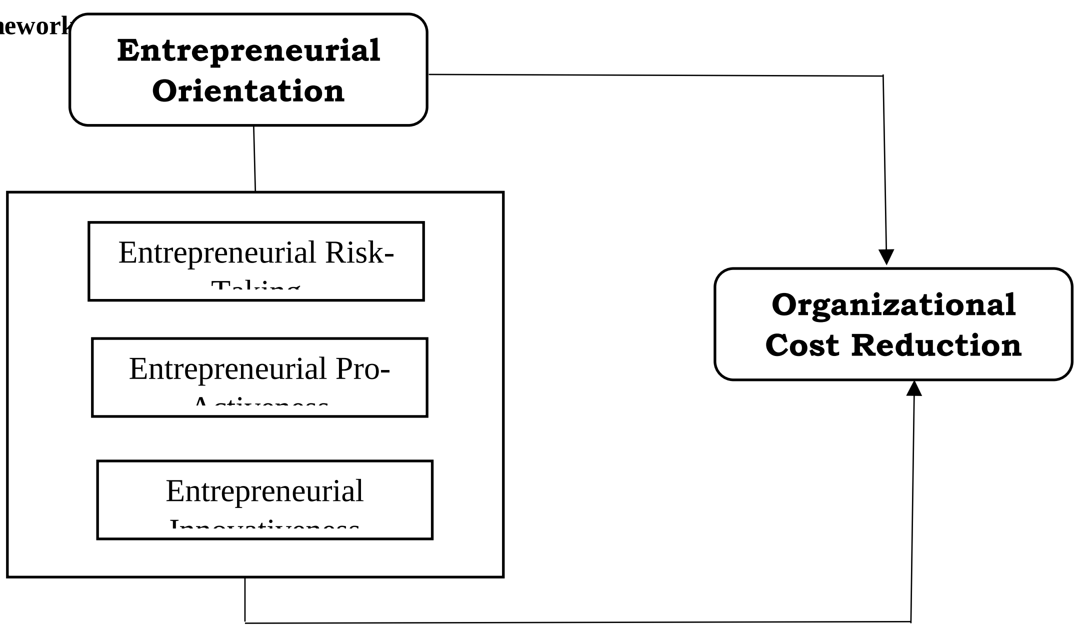

Fig. 1: Showing the conceptual framework of entrepreneurial orientation on organizational cost reduction

Source: The dimensions of entrepreneurial orientation was adopted from Wach (2017) and Głodowska (2019), while organizational cost reduction was adopted from Akeem (2017)

Review of Related Literature

Entrepreneurial Orientation

Entrepreneurial orientation encompasses the processes involved in initiating and launching new business ventures (Duru et al., 2018; Oyeku et al., 2014). Similar to a socialization process, it equips entrepreneurs with the necessary skills for establishing and managing formal ventures (Gupta & Gupta, 2015). This involves managerial decisions to engage in entrepreneurial activities beyond the organization's boundaries (Ahmed, 2017; Neneh & Van, 2017). According to Niranjan and Markin (2019) cited in Onwuegbule and Onuoha (2022), entrepreneurial orientation pertains to an organization's behavior concerning innovation, risk-taking, and market responsiveness. On an individual level, entrepreneurial orientation reflects behaviors related to initiating new ventures within or outside the organization (Wu, 2009). It encompasses methodologies, systems, and decision-making approaches aligned with entrepreneurial endeavors (Vij & Bedi, 2012), with determinants such as learning orientation and achievement orientation (Onwuegbule & Onuoha, 2022).

According to Bapoo et al. (2021), entrepreneurial orientation is comprised of three fundamental aspects include qualities like initiative, creativity, and boldness. The three factors must positively co-vary in order for the manifestation of entrepreneurial orientation to occur. Furthermore, they proposed two additional aspects, which are autonomic behaviour and aggressive behaviour. According to Mathafena and Msimango-Galawe (2022), innovation is the process of coming up with new ideas, refining existing ones, and identifying new business prospects. On the other hand, risk-taking is the act of stepping into the unknown and committing resources despite the fact that the consequences are unpredictable (Rahmi et al., 2018). These dimensions involve a wide range of risks, including those associated with business, leadership, and decision-making, and they contribute to the entrepreneurial orientation of an organisation.

Entrepreneurial Risk-Taking

Al-Hakimi et al. (2020) opined that exploring new territory and taking calculated risks are essential elements of an entrepreneurial orientation, reflecting a firm's inclination and willingness to embark on ventures fraught with uncertainty. However, Akbar et al. (2020) averred that it occurs in situations where market opportunities are seized amidst unpredictability, often involving substantial resource investment with limited understanding of the new landscape. According to Al-Mamary and Alshallaqi (2022), the strong correlation between risk tolerance and an entrepreneurial mindset. Additionally, Vu and Nwachukwu (2021) discovered that risk-taking moderates the connection that exists between awareness of business opportunities and financial success. This entails entrepreneurs and managers committing resources despite the potential for costly failures (Teles & Schachtebeck, 2019). Furthermore, the process of internationalisation is substantially impacted by the distribution of resources and competences, it has been mentioned by Głodowska et al. (2022).

According to Oguh and Uzor's (2024) research, risk-taking may be described as the propensity of a company to engage in ventures that involve a high degree of risk, guided by managerial preferences favoring bold actions to achieve corporate objectives. However, Lumpkin and Dess (1996) caution that risk holds diverse meanings contingent upon its contextual application. Failure to take risks in dynamic environments, as argued by Wioeniewska et al. (2015), cited in Oguh & Uzor (2024), may result in market share loss and an inability to maintain industry competitiveness against more assertive rivals. Lumpkin and Dess (1996) describe risk-taking as ventures into unfamiliar business territories or substantial resource commitments amidst uncertainty.

According to Deakins and Freel (2012), risk-taking gauges the extent to which a business willingness to seize chances even when the chance of success is slim. It usually involves taking daring steps without fully understanding the risks and rewards. According to Mahmoud and Hanafi (2013), it appears to entail management's intentional doling out substantial resources to ventures that have substantial profit potential but are also more prone to failure. Some psychological theories, such the demand for accomplishment and the locus of control, suggest that taking moderate risks might improve one's performance (Deakins & Freel, 2012; Callaghan, 2009). To "take risks" means that a business is likely to embark on dangerous ventures.

However, Adim and Bassey (2022) argue that the effect of attributes of an entrepreneurial mindset, such as a willingness to take risks, varies concerning their effect on performance based on specific contexts. They define risk-taking as bold actions like entering new markets or committing significant funds to endeavours whose results are questionable (Wikluad & Shepherd, 2003). Managing risks involves identifying, analyzing, mitigating, and preventing potential business risks while weighing the cost of protection against exposure (Adim & Bassey, 2022). Entrepreneurs typically proactively address risks, with risk-taking strongly linked to entrepreneurial firm performance. Moderate levels of risk-taking are suggested to outperform both very high and very low levels

(Adim & Bassey, 2022). However, the process of identifying risk problems, historical results of risk-taking, as well as competency in performing in high-risk environments impact the capacity for entrepreneurial risk-taking (Adim & Bassey, 2022).

Entrepreneurial Pro-Activeness

Proactiveness within entrepreneurial orientation serves as a defining factor, categorizing firms into proactive or reactive entities. A highly desirable trait in modern business, proactiveness empowers firms to seize unforeseen market openings (Al-Mamary & Alshallaqi, 2022). Consequently, entrepreneurial pursuits often stem from proactive engagement with innovations (Angelova & Pastarmadzhieva, 2020). In the face of hypercompetitive and rapidly changing environments, proactiveness equips firms to promptly respond to entrepreneurial prospects, facilitating adaptation to evolving market dynamics and novel offerings. Unlike reactive responses, which are post-event and compelled, proactiveness entails a proactive approach towards identifying and leveraging emerging market opportunities, anticipating future needs (Wach et al., 2022).

Notably, Ozigi et al. (2023) highlight proactiveness as a defining characteristic of entrepreneurial orientation, emphasizing its role in shaping the environment through forward-thinking actions by individuals or organizations. Embracing a visionary viewpoint, this component goes beyond ordinary action and highlights the need of foresight in business endeavours (Lee & Peterson, 2000). Proactivity in the context of entrepreneurship denotes a propensity towards innovation and leadership, rather than passive emulation of competitors. Through pioneering initiatives, entities not only seize market initiative but also establish innovation benchmarks, proactively identifying emerging market dynamics and latent opportunities ahead of broader market recognition (Kreiser et al., 2010).

Entrepreneurial Innovativeness

As a trait of entrepreneurs, innovativeness involves coming up with new ideas and being open to trying things out while bringing new items to market (Wach et al., 2022). According to Mishchuk et al. (2022), these endeavours, supported by HRM systems, are considered vital for maintaining competitiveness. This, say Al-Mamary and Alshallaqi (2022), demonstrates a company's eagerness to experiment with new ideas and methods in order to enhance its existing products and services. Many researchers have come to this conclusion (Akbar et al., 2020; Bigos & Wach, 2021). Innovation, inventive potential, and innovativeness are all factors that help firms thrive and expand internationally. Critical to the success of any company plan and culture is an entrepreneurial spirit and a willingness to think beyond the box (Boojihawon et al., 2007). Corporate culture and employer branding, especially for global organisations, are increasingly centred upon encouraging employees to think creatively, especially younger generations (Samoliuk et al., 2022). According to Piecuch and Szczygieł (2021), corporate intrapreneurship programmes provide further backing for this trend by encouraging inventive thinking among employees and creating a favourable setting for entrepreneurial pursuits.

Schumpeter (1934) elucidated the part that new ideas play in starting a business, asserting that change originates internally rather than externally. Innovation constitutes an essential element in the definition of entrepreneurship. Schumpeter (1934) contended that new products generate fresh wealth by disrupting market conditions through creative destruction, leading to economic growth as resources transition from existing firms to new ventures. Innovativeness manifests in a firm's capacity to surpass prevailing norms and embrace novel technologies or methodologies (Linton, 2019). Sanz-Valle et al. (2011) define innovation as actions that introduce modifications in products (technical), production processes, and management, undertaken by firms to adapt to environmental shifts. It is recognized as pivotal for a firm's success due to the perpetual evolution of the competitive landscape (Ogbari et al., 2018). According to Kong (2018) as cited in Ogbari (2023), innovation also entails the implementation of fresh ideas, service enhancements, or product creation to foster business expansion. Innovativeness yields new products, processes, markets, behaviors, and organizational structures, enhancing a firm's market position. Consequently, the innovativeness of a product, technique, marketing, behaviour, or organisation (Ateke & Harry, 2021).

Organization Cost Reduction

In the global economy, organizations vie for competitiveness primarily through low production costs, necessitating a perpetual focus on cost reduction among managerial circles (Egbide et al., 2019). Cost reduction, a deliberate strategy, involves a continuous evaluation of all cost components and operational facets to enhance business efficiency. It operates as a corrective measure, commencing where cost management concludes and presupposes that no expense is still at its ideal level. Even with strong cost management techniques and great organisational efficiency, Adeniji (2011) argues that reducing costs starts with the assumption that expenses are excessive, either now or in the future.

In contrast to cost reduction, which tries to adjust these objectives downward, cost control tries to bring actual costs in line with predefined targets (Akeem, 2017). Finding ways to save money in every area of expenditure (material, labour, overhead, etc.) is the basic goal of lowering expenses. The London Institute of Cost and Management Accountants defines cost reduction as the attainment of measurable and sustained reductions in unit production costs without sacrificing product quality. To achieve this goal, inefficient parts of product design and business processes must be removed.

When there is a desire to raise profit margins without a matching increase in sales turnover, the demand to reduce costs develops—that is, reducing costs for the same volume of sales. Lockey (2002) underscores the significance of cost control in business operations, emphasizing its multifaceted role in guiding management toward predetermined objectives, evaluating functional competency, facilitating corrective actions, and informing future planning endeavors. Moreover, by aligning performance with organizational objectives, control mechanisms encourage continual improvement among managers and workers alike, thereby enhancing overall organizational efficiency. Performance measurement emerges as a vital tool within this control framework, ensuring that each individual maximizes their contribution (Lockey, 2002).

Theoretical Framework

The Resource-Based View (RBV) idea put forward by Penrose (1959) serves as the theoretical underpinning that directs this investigation. Finding a company's strategic assets that are priceless because they are rare, special, unmatched, and impossible to replace is the goal of this management paradigm. With these resources, the company may gain a competitive edge that will last. In this model, many aspects of an entrepreneurial mindset are seen as crucial tools for managers to boost performance and achieve success. Firms may gain and keep a competitive edge, according to RBV theory (Ulo & Sunday-Nwosu, 2022), by creating and using valuable resources and competencies. Maintaining a company's viability throughout time is essential to RBV theory, competitive advantage is contingent upon its resources meeting four criteria: status as priceless, uncommon, unique, and irreplaceable, which are effectively combined with entrepreneurial orientation indices. Resources, as outlined by Wernerfelt (1984) in Ulo and Sunday-Nwosu (2022), can encompass both tangible and intangible assets. All methods of resource acquisition, as noted by Bontis (1999), share a common goal: to identify efficient ways of leveraging organizational resources. In the context of food and confectionery firms, the entrepreneurial approach and its components encompass distinct managerial abilities that contribute to achieving reductions in organizational costs and accomplishing performance, thus underscoring their relevance to this study.

Empirical Review

Using a sample of fast food joints in Nigeria, Onwuegbule and Onuoha (2022) investigated the connection between an entrepreneurial mindset and the innovativeness of businesses. The researchers in this study used a cross-sectional survey. A total of 110 fast food restaurants in Rivers State were selected at random from the records kept by the Department of Culture and Tourism. One hundred fast food workers from the Port Harcourt Metropolis made up the sample. We determined that the sample size would be 80 persons by looking at the chart that Krejcie and Morgan gave. Questionnaires were the primary means of data collection. The hypothesis testing was carried out using the Pearson Product Moment Correlation Coefficient (rs) in IBM Statistical Package for the Social Sciences (20.0). The innovativeness of businesses was positively correlated with entrepreneurial orientation. According to the research, fast food businesses may anticipate process and product innovation from employees with an entrepreneurial mentality, particularly in the areas of learning and accomplishment.

Ogbari et al. 2023 investigated if there is a connection between the innovative spirit and financial performance of student entrepreneurs and their companies. Finding out how much the financial performance of the firms is explained by entrepreneurial ingenuity was one of the main aims of their investigation. A total of 120 undergraduate and graduate students from Covenant University Ota in Nigeria were surveyed for the descriptive research project. The students were selected using a simple random selection procedure. If the founders of a student startup are also fierce competitors, their level of invention is one of the most crucial elements in determining the startup's profitability.

In order to find out if cost-cutting strategies were associated with the growth of Nigerian manufacturing organisations, Egbide et al. (2019) used data from the 2012–2016 annual reports of forty companies listed on the Nigeria Stock Exchange. In particular, the study utilised purposive selection to choose forty manufacturing enterprises. Efforts to reduce expenses were shown by changes in material cost, labour cost, and administrative overhead; changes in turnover were used to measure progress. Utilising regression analysis to investigate the strategies' impacts on growth and correlation analysis to assess their association with expansion, we sought to understand how these cost-cutting measures impacted the expansion of manufacturing firms. The findings demonstrated a positive and statistically significant relationship between cost-cutting initiatives and the expansion of Nigerian manufacturing businesses.

Akeem conducted research in 2017 to see how different cost management tactics impacted company production. Examining the budget's roles in connection to cost management and reduction and measuring the approaches' practical effectiveness was the study's main objective. A descriptive survey research study utilised fifty questionnaires to collect data. Statistical methods were used to examine the gathered data, and SPSS was used to conduct regression analysis in order to evaluate the hypotheses. Management style positively affects organisational performance, and cost control positively correlates with productivity, according to the research. Wach et al. (2023) aimed to understand the dynamics of entrepreneurial orientation by analysing the relationship between proactiveness, risk-taking, and innovation. The research focused on MNCs so that the components of entrepreneurial orientation may be better understood in relation to one another. Within this context, the study discovered that risk-taking (RISK) and innovativeness (INNO) positively affect proactiveness (PROACT). The researchers used structural equation modelling (CB-SEM) to evaluate survey data from 355 Polish multinational firms. The study found that innovativeness and risk-taking combined explain 36% of the variation in proactiveness, which has important implications for business studies.

Oguh and Uzor (2024) examined the capacity for risk-taking and profitability of a selection of small and medium-sized enterprises (SMEs) in Anambra State, Nigeria. Finding out how SMEs in Anambra State fared financially in relation to their risk-taking prowess was the main objective of the study. This research examined 154 members of the Nigerian government's small and medium firm development agency, all of whom were small and medium business owners or managers in Anambra State, Nigeria. In order to choose the subjects, a basic random sampling procedure was applied. Data collection was facilitated via a structured questionnaire. Among a subset of SMEs in Anambra State, Nigeria, the results showed that the ability to take entrepreneurial risks had an effect on profitability.

The impact of risk tolerance on the prosperity of small and medium-sized enterprises (SMEs) in southeastern Nigeria was the subject of an investigation by Adibe and colleagues (2023). The study's variables were dissected in line with five separate purposes, research questions, and hypotheses. An entrepreneurial orientation theory and the resources-based method informed a descriptive survey that set out to gather information from the owners and managers of the small and medium-sized businesses (SMEs) who participated in the research. To determine a sample size of 404 from a research population of 2093, the method given by Borg and Gall (1973) was utilised. Participants themselves were asked to fill out surveys so that data could be collected. To describe the data, we used distribution tables, means, and standard deviations. To draw conclusions, we used inferential statistics, such as regression analysis and the Pearson correlation coefficient. Small and medium-sized enterprises (SMEs) in Southeast Nigeria outperformed their counterparts throughout the country when they displayed entrepreneurial traits such as initiative, autonomy, creativity, competitive aggression, and risk-taking. The study's results show that innovative, customer-centric, and competitive businesses are those with an entrepreneurial spirit.

Methodology

A cross-sectional research design, within the context of quasi-experimental research, was utilised in this study. Because the study was descriptive in nature, a cross-sectional design was chosen. The target population comprised food and confectionery firms located in Rivers State (as listed on https://www.finelib.com/cities/port-harcourt/business/-food/-confectioneries). The accessible population consisted of 120 such firms spanning two governing regions (Obio/Akpor and Port Harcourt). From this, a sample of 158 respondents was selected, including 72 owners and 86 managers. Convenient sampling was employed for selecting sample elements. Taro Yamane's method was used to determine the sample size, which came out to 113. Data collection relied on a well-structured questionnaire, with 108 out of 113 distributed questionnaires retrieved and utilized for analysis. Face and content validity ensured the research instrument's validity, while Cronbach's alpha test analysis indicated satisfactory reliability with all items surpassing the threshold of 0.70. The Pearson Correlation Coefficient was employed to test the variables.

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Demographic Characteristics

Description	Frequency	Percentage
Age Group		
21-30 years	11	10.2
31-40 years	53	49.1
41–50 years	44	40.7
Marital status		
Single	48	42.0
Married	60	58.0
Firm's Years of Operation		
1- 5 years	62	57.4
6 - 10 yearss	41	38.0
11 and Above	5	4.6
Staffs Strength		
1- 10	42	38.9
11 – 20	51	47.2
21 & above	15	13.9

Source: *Field Study, 2024.*

The following table provides an overview of the demographic information pertaining to the respondents: age, marital status, years in business, and staff stength. Of the respondents, 49.1% are in the 31-40 age range, followed by age 41-50 years at 40.7%, and lastly, those aged 21-30 years at 10.2%. Regarding marital status, the majority of entrepreneurs were married, comprising 58.0%, while single entrepreneurs represented 42.0%. Analysis of the years of operation indicates that the majority of businesses have been in existence for 1-5 years, with a frequency of 57.4%, followed by 6-10 years with 38.1%, and only 4.6% reporting operations for 11 years or more. Concerning staff strength, the study reveals that most businesses employ between 11-20 staff, accounting for 47.2%, followed by those with 1-10 staff at 38.9%, while the remaining have a staff strength of 21 and above.

Test of Hypotheses

This section investigates the correlation between the facets of the independent variable (entrepreneurial risk-taking, entrepreneurial pro-activeness, and entrepreneurial innovativeness) and the dependent variable (organizational cost reduction), aligning with the study's main objective.

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Table 2: Relationship between entrepreneurial risk-taking and organizational cost reduction

Correlations

		Entrepreneurial Risk-Taking	Organizational Cost Reduction
Entrepreneurial Risk-Taking	Pearson Correlation	1	.746**
	Sig. (2-tailed)		.000
	N	113	113
Organizational Cost Reduction	Pearson Correlation	.746**	1
	Sig. (2-tailed)	.000	
	N	113	113

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

Source: Survey Data, 2024

Given that 0.000 is less than 0.05, which is the level of significance, the data analysis reveals a significant outcome. A strong positive correlation (r = 0.746) is evident between the two factors, indicating a clear connection. These findings support the alternative hypothesis, leading us to reject the null hypothesis.

Table 3: Relationship between entrepreneurial pro-activeness and organizational cost reduction

Correlations

		Entrepreneurial Pro-Activeness	Organizational Cost Reduction
Entrepreneurial Pro-Activeness	Pearson Correlation	1	.832**
	Sig. (2-tailed)		.000
	N	113	113
Organizational Cost Reduction	Pearson Correlation	.832**	1
	Sig. (2-tailed)	.000	
	N	113	113

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

Source: Survey Data, 2024

Statistical significance was achieved in the investigation with a p-value less than 0.05 (0.000 < 0.05). A high positive correlation between the two components (r = 0.832) suggests that there is a meaningful relationship between the variables, as shown by the results. As a result, we may accept the alternative hypothesis and reject the null hypothesis.

Table 4: Relationship between entrepreneurial innovativeness and organizational cost reduction

Correlations

		Entrepreneurial Innovativeness	Organizational Cost Reduction
Entrepreneurial Innovativeness	Pearson Correlation	1	.737**
	Sig. (2-tailed)		.000
	N	113	113
Organizational Cost Reduction	Pearson Correlation	.737**	1
	Sig. (2-tailed)	.000	
	N	113	113

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

Source: Survey Data, 2024

In Table 2 we can see that there is a noteworthy relationship between entrepreneurial innovativeness and organizational cost reduction (rho = .737 and p = 0.013). Consequently, our analysis indicates that entrepreneurial innovativeness is significantly correlated with organizational cost reduction.

Discussion of Findings

Hypothesis one indicated an important correlation between the boldness of entrepreneurs and organizational cost reduction among food and confectionery firms in Rivers State (p = 0.000), with a positive correlation coefficient of 0.746. This finding aligns with the research conducted by Deakins and Freel (2012).

Hypothesis two demonstrated a significant moderate relationship between entrepreneurial proactiveness and organizational cost reduction in food and confectionery firms in Rivers State (rho = 0.0013 and p = 0.832). Thus, we conclude that entrepreneurial proactiveness is linked to organizational cost reduction. This result agrees with what Adibe et al. (2023) and Ahmed (2017) found.

Finally, hypothesis three revealed there is a strong correlation between entrepreneurial innovativeness and organizational cost reduction among food and confectionery firms in Rivers State (p = 0.000), with a correlation coefficient of 0.737. This suggests that supervisor commitment is essential for fostering organizational growth. This conclusion is supported by the studies of Linton (2019), Ogbari (2023), and Sanz-Valle (2011).

Conclusion and Recommendations

Businesses in the food and confectionary industries in Rivers State were the focus of this investigation into the link between an entrepreneurial orientation and organizational cost reduction. Three hypotheses were developed and tested with the use of a Pearson Correlation Coefficient. Results from the analysis demonstrated a favourable and statistically significant correlation between the entrepreneurial orientation and organizational cost reduction in food and confectionery firms in Rivers State.

Based on the conclusion above, we therefore recommend that managers of food and confectionery firms should;

1. Foster a proactive approach to identifying and implementing cost-saving opportunities by regularly reviewing processes and procedures. This can be achieved by establishing a continuous improvement program that encourages employees to suggest and implement efficiency-enhancing measures, and by setting aside dedicated resources for experimentation and innovation.
2. Encourage a culture of calculated risk-taking within the organization by providing opportunities for employees to propose and implement innovative cost-saving initiatives.
3. Establish a structured process for capturing, evaluating, and implementing innovative ideas related to cost reduction, ensuring that promising concepts are systematically tested and scaled up.

Limitations of the Studies

Every study has his or her own limitations. Therefore, this research ran across the following problems:

For this analysis, we used the variables was limited to just risk-taking, pro-activeness, and innovativeness which was used as dimensions for entrepreneurial orientation and organizational cost reduction.

Not all food and confectionery firms were examined in this study.

This study was geographically limited to Food and Confectionery firms in Rivers State.

Suggestions for Further Studies

Based on the above studies, the researchers therefore suggest that other components of entrepreneurial orientation be examined against organizational cost reduction.

Also, this study should be examined in other geographical location. This will help compare results on the organizational cost reduction in Nigeria

Other measures of organizational cost reduction be examined in future studies

Lastly, other statistical analysis should be employed in future studies.

Contribution to Knowledge

So far as I am aware, no research has been conducted in Rivers state that specifically targets food and confectionary businesses to see whether there is a correlation between an entrepreneurial mindset and structural cost reduction. Consequently, new information has been included into this field as a result of this study.

This research adds to the growing body of evidence that attributes like initiative, creativity, and risk-taking are crucial to an entrepreneurial mindset. As a last step, this research used a Pearson Correlation Coefficient to prove that an entrepreneurial mindset leads to lower operating expenses for businesses.

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