

Original Research Article

Infrastructure Policy Ecosystem and Entrepreneurial Orientation of Micro, Small and Medium Enterprises (MSMEs)

Timinepere Ogele COURT, PhD¹ ¹Department of Business Administration, University of Africa, Toru-Orua, Nigeria**Article History**

Received: 07.03.2026

Accepted: 04.05.2026

Published: 28.05.2026

Journal homepage:<https://www.easpublisher.com>**Quick Response Code**

Abstract: Micro, small and medium enterprises (MSMEs) are resource constrained largely on account of their economic size, and they usually do not have required resource capacity to take advantage of entrepreneurial opportunities available on the policy ecosystem. There has been a large amount of research on financial interventions to boost MSMEs but scholars have overlooked the nexus between MSMEs-entrepreneurship infrastructural policy intervention and entrepreneurial orientation (EO) of MSMEs in Nigeria. Therefore, the paper aims to ascertain the relationship between infrastructure resource support of the National Enterprise Development and EO of MSMEs in Nigeria. The study adopted an analytic descriptive survey design. The population of the study is 3,455 MSMEs and a sample of 342 MSMEs was selected through a stratified random sampling method. The data collection instrument was a structured questionnaire, which was validated through a content validity approach. The internal consistency of the measurement instrument was ascertained using Cronbach alpha, with coefficients ranging from 0.72 and 0.79. The data were collected from managers of MSMEs and were analysed with Structural Equation Modelling (SEM) with a single step process approach. The study found that there was a positive significant relationship between entrepreneurship infrastructure policy and innovative orientation, proactive orientation, and risk-taking orientation of MSMEs ($\beta = 0.278$, $t = 8.101$, $p < 0.05$; $\beta = 0.131$, $t = 2.549$, $p < 0.05$; $\beta = -0.008$, $t = 0.004$, $p > 0.05$). The study concluded that infrastructure resource support programme of the Federal Government stimulated innovative, proactive and risk-taking entrepreneurial behavior of MSMEs in Nigeria. The study recommended that infrastructural interventions should continue with a view to providing a robust policy environment for MSMEs to take advantage of entrepreneurial opportunities in Nigeria.

Keywords: Infrastructural intervention, National Enterprise Development, Entrepreneurial Orientation, MSMEs.

Copyright © 2026 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

INTRODUCTION

Micro, small, and medium enterprises form part of the critical economic agencies in the global economy and contribute significantly to employment creation, poverty reduction, and income generation in diverse continents, regions and Nigeria in particular [Small and Medium Enterprise Development Agency] (SMEDAN, 2021). From a global perspective, Oyenje *et al.*, (2022), International Council for Small Business [ICSB], (2024) and Pusriadi, (2025) assert that MSMEs make up 90% of businesses, employing 70% of total workforce and contributing 50% of GDP to the world economy. Albeit the important role of MSMEs in economic sectors of the world and in Nigeria, they have been repeatedly

confronted with entrepreneurship and MSME-centric infrastructural resource constraints that hamper their growth and sustainability. As a follow up to infrastructural deficit, the national enterprise policy sets the agenda for entrepreneurship-centered infrastructural intervention with a particular focus on providing friendly ecosystem to facilitate the development of MSMEs and entrepreneurship in Nigeria. (Court 2025, Onyeje *et al.*, 2022). The concept of infrastructure has multiple meanings. However, entrepreneurial infrastructure means “the facilities and services present within a given geographical area which encourage new venture creation, growth and development of SMEs”. Furthermore, infrastructure provides the support systems

*Corresponding Author: Timinepere Ogele COURT

Department of Business Administration, University of Africa, Toru-Orua, Nigeria

and networks to new business owners and SMEs with task assistance, physical and monetary resources, information and knowledge (Tan, *et al.*, 2000)

Entrepreneurship has been a key driver to economic growth and thus, there have been key policy interventions and the establishment of government interventionist agencies to address MSMEs constraints. Entrepreneurial orientation (EO) is the strategic posture of firms to identify, recognise, evaluate and exploit entrepreneurial opportunities. These sequential and cyclic steps are undertaken to create novel products, services and organisations to disrupt existing markets and develop new resources and markets. EO is a strategy-making practices that firms apply to identify and float new ventures (Des & Lumkin, 2005). EO entails innovativeness, proactiveness and risk-taking orientation of MSMEs. The Federal Executive Council of the Federal government of Nigeria approved the national enterprise policy and engaged the African Institute of Applied Economics (AIAE) and United Nations Development Programme (UNDP) for initiating a policy framework for the building of MSMEs-Entrepreneurship environment for growth of MSMEs in Nigeria.

Small and Medium Enterprises Development Agency of Nigeria [SMEDAN] (2007), as an institution of the federal government, noted that one of the fundamental policy agenda was to address infrastructural deficit and boost the growth and development of MSMEs and entrepreneurship in Nigeria. From the available literature, Managers of MSMEs are constrained with paucity of MSMEs-related infrastructural resources, and accordingly, the entrepreneurial performance and growth of MSMEs have stunted over the decades. Prior scholars have argued that entrepreneurial development concerning the creation of new ventures and products vary from region to region due to differences in availability of infrastructure, which influence or inhibit entrepreneurial opportunities (Audretsch and Keilbach 2007; Parker 2008) and they further buttress that entrepreneurial infrastructure account for entrepreneurship development and start up activities (Audretsch *et al.*, 2015). For the country-specific context in Nigeria and to the best of my knowledge, there has been no study to examine the linkage between entrepreneurial infrastructural policy intervention and entrepreneurial orientation of MSMEs. The specific objectives of this study are to examine the relationship between infrastructural policy and innovative orientation, proactive orientation and risk-taking orientation of MSMEs in Bayelsa State. The remaining part of the paper is to review the literature, present the methodology, data analysis and discussion of results, conclusions, limitations and suggestions for future studies.

Conceptual Review of Infrastructure Policy and Entrepreneurial Orientation of MSMEs *Infrastructural Policy and Innovative Orientation of MSMEs*

Oyenje *et al.*, (2022) assert that policy is a guide, a programme and a plan or purposive course of action of government intended to resolve a problem or a matter of concern. Thus, entrepreneurial infrastructural policy thrust is a deliberate course of action or programme of government aimed at providing resources for stimulating socio-economic activities of a country. Tan *et al.*, (2000), Audretsch *et al.*, (2015) articulated that some regions experience the creation and growth of new businesses, products and entrepreneurial activities more than other geographic areas. According to them, the differentials is as a result of available entrepreneurial infrastructure. In this wise, the formulation of policies and intervention to provide entrepreneurial infrastructure encourage MSMEs to come up with new products and the creation, growth and develop new businesses.

From the viewpoint of Tan *et al.*, (2000), entrepreneurial infrastructure consist of resources fundamental to and necessary for starting a business and factors favourably disposed to the cost of doing business. Additionally, the concept of entrepreneurial infrastructure means all the facilities and services present in a given geographic region that promote the birth, growth and development of MSMEs (Tan *et al.*, 2000: 4), a collection of facilities that help in the performance of business task, physical or monetary resources, knowledge and information. It means support systems and resources that facilitate the creation, growth and development of MSMEs. Consistent with the view of Mahmoud *et al.*, (2025), entrepreneurial orientation of SMEs is activated by internal and external factors to the firm. An infrastructural policy is a part of the external factors that create an entrepreneurial friendly ecosystem for a new venture creation, development of new product, service and growth of MSMEs while these circumstances play out following availability of entrepreneurial opportunities. Innovative orientation is the intention to experiment and become creative for introduction of new product, services and new ventures, and novel processes in entities.

Infrastructural Policy and Proactive Orientation of MSMEs

As infrastructural policy is an external stimulant to MSMEs creation and growth (Demirdag & Eraydin, 2001), managers and entrepreneurs become forward-looking to spot and exploit entrepreneurial opportunities that crop up in the dynamics of the policy ecosystem. Munongo and Pooe (2025) state that proactivity of MSMEs underscores forward-looking and opportunity seeking in a bid to bring up novel products, services and organisations, especially sporting trends in the dynamism of entrepreneurial policy ecosystem.

Infrastructure Policy and Risk-taking Orientation of MSMEs

The economic environment of MSMEs is characterized with a lot of dynamism and unpredictability. Munongo and Pooe (2025) state that managers and entrepreneurs of MSMEs are faced with a lot of risk, yet commit funds into business proposals whose outcomes remain uncertain and unstable. However, with the entrepreneurial opportunities, risk-taking propensity of managers of MSMEs is driven, in spite of the uncertain market conditions. Funds and resources invested may culminate into success or failure but the entrepreneur takes bold step and a calculated risk. Proactive mindset and thinking is being aware of new opportunities by way of close examination of government policy and interventions (Bekata and Kero, 2025).

METHODOLOGY

The study examined the linkage between infrastructural policy intervention and EO of MSMEs in

Bayelsa state. The analytic descriptive survey design was applied in this study. The population of the study consisted of 3,455 MSMEs which registered with Bayelsa Microfinance and Enterprise Development Agency [BYMEDA] (2023). A sample of 342 managers from MSMEs was ascertained using Yamane sample size determination formula while the sample was selected through proportionate stratified sampling to ensure adequate representation of the sample from different stratum as local government headquarters. The data collection instrument was designed on a 5-point Likert scale of strongly agree to strongly disagree. The content validity approach was employed to validate the data collection instrument where the infrastructure policy regime was adequately covered and also the various aspects of EO were considered. Further, the Cronbach alpha statistics was applied to determine the internal consistency of the measurement instrument. The reliability coefficients were determined with structural equation modeling of the one-step process approach with smart PLS version 4.1.2.

Table 1: Reliability Statistics for Internal Consistency

<i>Variables of the Study</i>	<i>Cronbach alpha</i>
Infrastructural Resource Policy	
Innovativeness	0.793
Proactiveness	0.784
Risk Taking	0.726

Source: Data Analysis Output, 2024

In line with the introduction of the study, three hypotheses guided the study and are presented bellow as follows.

H₁: *There is a relationship between infrastructural resource policy and innovative orientation of MSMEs*

H₂: *There is a relationship between infrastructural resource policy and risk taking orientation of MSMEs*

H₃: *There is a relationship between infrastructural resource policy and proactive orientation of MSMEs*

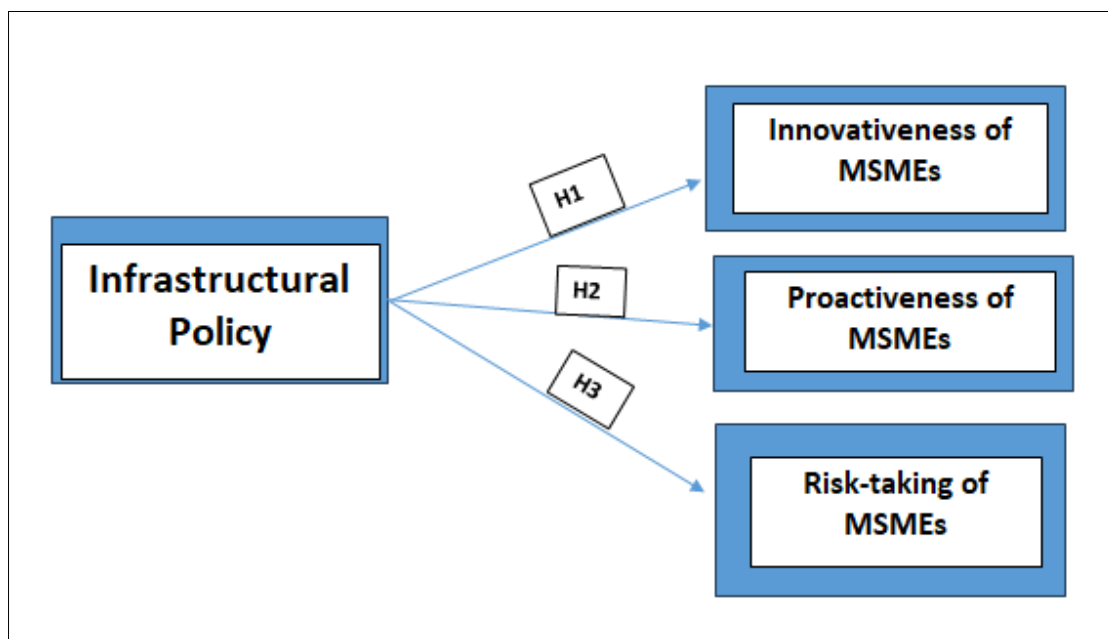


Figure 1: Conceptual Framework of Infrastructural Policy and Entrepreneurial Orientation of MSMEs

Table 1: One Step Approach of Strustructural Equation Modelling of Infrastructural Policy and EO of MSMEs

Variables	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Infrastructural Policy -> Innovativeness	0.278	0.034	8.101	0.000
Infrastructural Policy -> Proactiveness	0.130	0.051	2.549	0.011
Infrastructural Policy -> Risk Taking	-0.014	0.193	0.044	0.965

Source: Data Analysis Output, 2025

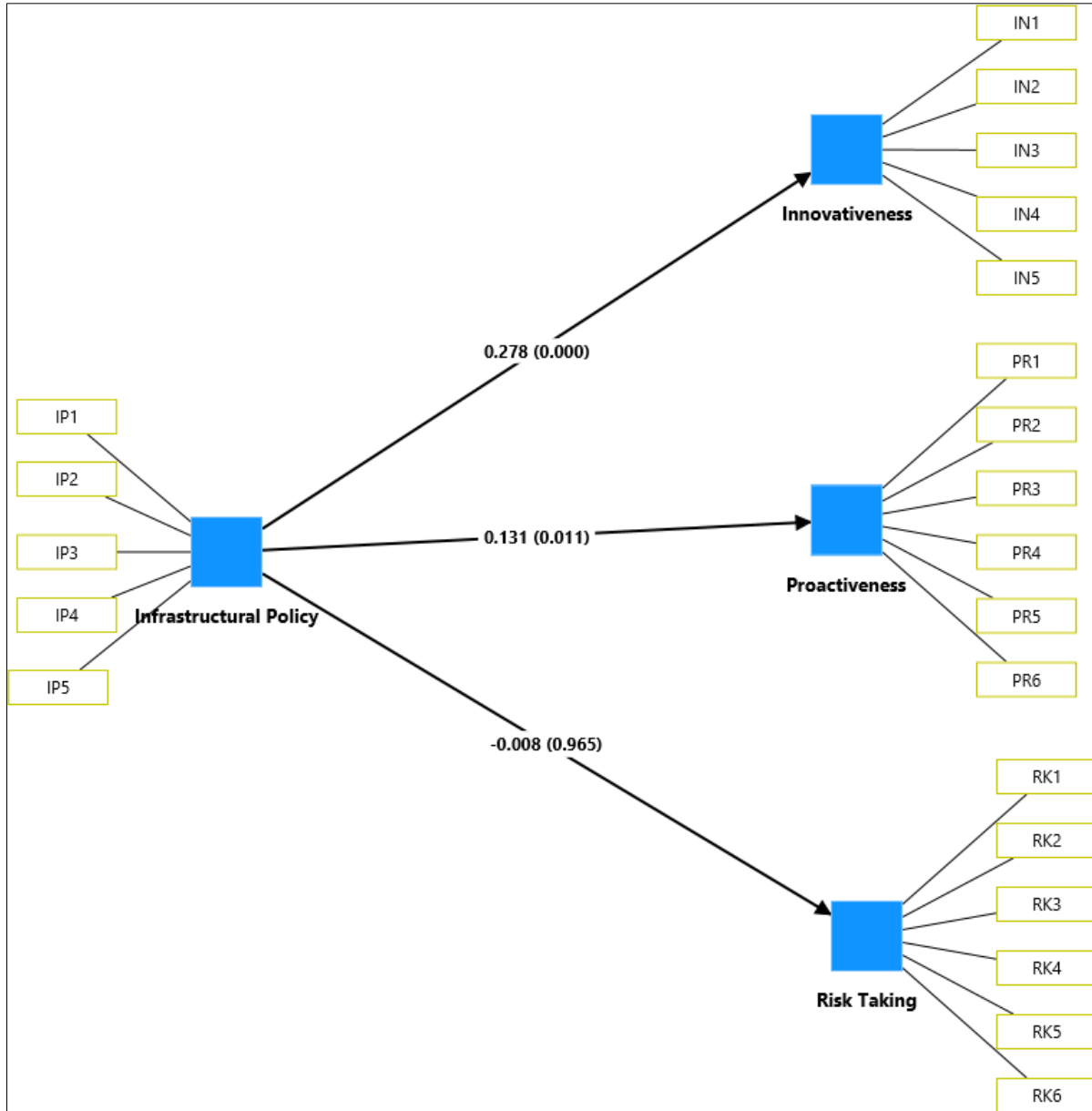


Figure 2: One Step Approach to Structural Equation Modelling between Infrastructural Policy and EO of MSMEs in Bayelsa State

RESULTS

The data analysed indicated the intersection of infrastructural and entrepreneurial orientation of MSMEs in Nigeria. In specific terms, this was a positive and significant relationship between infrastructure policy and innovativeness MSMEs in Nigeria. The first hypothesis was supported (B=0.278, t=8.101, p < 0.05). For the second hypothesis, the result demonstrated that

there was a positive and significant relationship between infrastructural and proactive orientation of MSMEs in Nigeria (B=0.131, t= 2.549, p < 0.05). In the test of the last hypothesis, the results furthermore, manifested a negative and non-significant relationship between infrastructural policy and risk-taking orientation of MSMEs in Nigeria. (B=0.008, t=0.004, p > 0.05).

DISCUSSION

The study explained the connectivity between infrastructural policy and entrepreneurial orientation of MSMEs in Nigeria. Specifically, the study finding indicated a positive and significant relationship between infrastructure policy and innovative orientation of MSMEs in Nigeria. Prior empirical evidence of Tsemti *et al.*, (2020) demonstrated that knowledge management infrastructure fosters innovativeness of small and medium enterprises in Nigeria. The prior study finding aligns with that the current empirical evidence even though the present study assessed the nexus between infrastructural policy and innovativeness of MSMEs in Bayelsa state.

The finding partly concurs with the prior empirical evidence as infrastructure played a mediation mechanism between entrepreneurial orientation and performance of SMEs while the study of Radas & Božić (2009) further affirm the critical role of infrastructural resources innovativeness of SMEs. Additionally, Hien and Tam (2025) study of digital infrastructure had effect on creative innovation and competitive capacity of SMEs. This empirical evidence further underpinned the finding of the current study.

In regard to the second findings, the result demonstrated that infrastructural policy had a positive and significant effect on proactive orientation of MSMEs in Nigeria. The study of Wickramaratne, *et al.*, (2017) focuses on the link between entrepreneurial infrastructure provided by external institutions and entrepreneurial orientation of manufacturing firms in Sri-Lanka. The finding of the prior research that there was a positive relationship between entrepreneurial infrastructure and entrepreneurial orientation of manufacturing firms. The finding of the prior study supported the results of the current study that there was a positive and significant relationship between infrastructure policy and entrepreneurial orientation of MSMEs in Nigeria.

CONCLUSIONS AND RECOMMENDATIONS

In respect of the findings of the study, it is concluded that infrastructure policy thrust improved on the innovative orientation, proactive orientation of MSMEs in Bayelsa State. Conversely, the risk taking behaviour and orientation of MSMEs is not determined by infrastructural policy interventions of government. From the findings, the following recommendations are advanced:

As infrastructural policy intervention affect innovative behaviour of MSMEs, appropriate agencies of the Federal government should launch and intensify infrastructural support programmes to promote innovativeness of MSMEs in Nigeria.

Additionally, Federal and State Governments need to come up with more interventions for managers of MSMEs to monitor and harness entrepreneurial opportunities arising from building of MSMEs-entrepreneurship core infrastructure in the business ecosystem.

In view of infrastructural policy and risk-taking orientation of MSMEs, there should be entrepreneurial infrastructural policy frameworks to foster the appropriate environment even though infrastructural availability does not account for risk taking propensity of MSMEs.

Limitations and Suggestions for Further Studies

The study had made a significant contribution to the existing body of knowledge in the domain of entrepreneurship, MSMEs and public policy studies but with its limitation as the study was restricted to Bayelsa State. Accordingly, future studies should examine the intersection of public policy and MSMEs in the entre Niger Delta region.

Declaration of Conflict of Interest: The author has no potential conflict of interest to the publication of this study.

Acknowledgements

I sincerely acknowledge the Bayelsa Microfinance and Enterprise Development Agency for providing data of MSMEs and my students who assisted in the data collection process.

REFERENCES

- Audretsch, D. B., & Keilbach, M. (2007). The localisation of entrepreneurship capital: Evidence from Germany. *Papers in Regional Science*, 86(3), 351-366.
- Audretsch, D.B., Heger, D. & Veith, T. (2015). Infrastructure and entrepreneurship. *Small Bus Economics* 44, 219–230, <https://doi.org/10.1007/s11187-014-9600-6>
- Bayelsa State Microfinance and Enterprise Development Agency [BYMEDA] (2023). *Bayelsa State Government*, Ministry of Finance and Economic Planning
- Bekata, T.A. & Kero, A. (2025). The effects of customer orientation and entrepreneurial orientation on SMEs performance: the mediating role of innovation capabilities. The moderating comparative study, *Journal of Innovation and Entrepreneurship*, 14(66), 1-32
- Court, O. T (2025). Human resource development policy and entrepreneurial orientation of micro, small medium enterprises, *African banking and fiancé review journal* 20(6): 113-125
- Demirdas, I. & Eradin, A. (2001) Explaining regional differences in firm formation rates: how far are government policies are important for

- entrepreneurship, *Journal of entrepreneurship in emerging economies* 13(2), 254-281.
- Hien, L. T., & Tam, P. T. (2025). Impact of Digital Infrastructure on the Creative Innovation and Competitive Capacity of Small and Medium Enterprises in Vietnam. *International Journal of Technology*, 16(5).1515-152
 - International Council for Small Business [2024]. *Global Micro, Small and Medium-Sized Enterprise Report*, World Bank
 - Mahmoud, M. A., Gli, D. D., Amoah, D., & Tweneboah-Koduah, E. Y. (2025). Entrepreneurial orientation and SMEs export performance: The role of social media capital and business network ties. *The International Journal of Entrepreneurship and Innovation*, 26(3), 184-196.
 - Munongo, S. & Poee, D. (2025). The influence of entrepreneurial orientation on supply chain resilience: Evidence from small and medium sized enterprises, *International Journal of economics and financial issues* 15(1), 208-217
 - Onyeje, S. A., Court, T. O., & Agbaeze, E. K. (2022). National enterprise policy dimensions and sustainability of micro, small and medium enterprises (MSMEs). *Journal of African Business*, 23(2), 435-453.
 - Parker, R. (2008). Governance and the entrepreneurial economy: A comparative analysis of three regions. *Entrepreneurship Theory and Practice*, 32(5), 833-854.
 - Pusriadi, T., Wardhana, E. T. D. R. W., Murwani, D., & Rahayu, W. P. (2025). The Influence of Market Orientation and Entrepreneurial Orientation on International MSMEs Performance Mediated by Networking and Learning Orientation. *Journal of Lifestyle and SDGs Review*, 5(3), e05198-e05198.
 - Radas, S., & Božić, L. (2009). The antecedents of SME innovativeness in an emerging transition economy. *Technovation*, 29(6-7), 438-450.
 - Small and Medium Enterprises Development Agency [SMEDAN] (2007). *National policy on micro, small and medium enterprises (MSMEs)*, Federal Ministry of Industry, Trade and Investment
 - Tan, T. M., Tan, W. L., & Young, J. E. (2000). Entrepreneurial infrastructure in Singapore: Developing a model and mapping participation. *The Journal of Entrepreneurship*, 9(1), 1-33.
 - Tsetim, J. T., Adegbe, O. B., & Agema, R. J. (2020). Knowledge management infrastructure capabilities and innovativeness of small and medium scale enterprises in Benue State, Nigeria. *Saudi Journal of Business and Management Studies*, 5(3), 216-225.
 - Wickramaratne, A., Kiminami, A., & Yagi, H. (2017). External relationships and entrepreneurial orientation of tea manufacturing firms in Sri Lanka. *International Food and Agribusiness Management Review*, 20(3), 293-306.

Cite This Article: Timinepere Ogele COURT (2026). Infrastructure Policy Ecosystem and Entrepreneurial Orientation of Micro, Small and Medium Enterprises (MSMEs). *East African Scholars J Econ Bus Manag*, 9(5), 111-116.
