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ENTREPRENEURIAL ORIENTATION, MANAGERIAL COMPETENCE AND COOPERATIVE PERFORMANCE IN OGUN STATE NIGERIA

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Abstract

Cooperatives recognized as member-owned organization that focus on members' welfare and socio-economic development face several challenges meeting required expected goals and business objectives. This study examined the influence of entrepreneurial orientation and managerial competence on cooperative performance in Ogun State Nigeria with major focus on cooperatives that engage in business activities. The study is anchored on Resource Based View Theory and Entrepreneurial Orientation Theory, these theories provide sound theoretical basis explaining cooperative performance. Descriptive survey research design was adopted for the study, and data were collected using structured questionnaire. Multi-stage sampling technique was used to select the cooperative societies while simple random sampling was employed to select the respondents of total population of 240, all distributed questionnaires were retrieved and found valid for the research analysis. Descriptive analysis was done using Statistical Package for Social Sciences version 23 while inferential statistical analysis was carried out using Partial Least Squares Structural Equation Modelling (PLS-SEM). Results showed that entrepreneurial orientation significantly influences managerial competence ($t=19.703$, $p=0.000<0.05$) and cooperative performance ($t=7.677$, $p=0.000<0.05$). Results also revealed that managerial competence significantly mediates the relationship between entrepreneurial orientation and cooperative performance ($t=11.512$, $p=0.000<0.05$). The R^2 values indicated that managerial competence explained 48.1% of the variance, while cooperative performance accounted for 53.0% of the variance explained by the predictor variables. The hypothesis testing results confirmed significant positive relationships among the variables with p-values less than 0.05. The study concludes that entrepreneurial orientation and managerial competence are critical determinants of cooperative performance. It therefore recommends that cooperative societies should strengthen entrepreneurial practices and improve managerial skills to enhance overall organizational performance.

Keywords: Entrepreneurial Orientation (EO), Managerial Competence (MC), Cooperative Performance (CP), Cooperative Society (CS), Structural Equation Model (SEM)

1.0 Introduction

Cooperatives undoubtedly continues to remain significant business form across different economic sectors making sure there is balance between economic performance and members driven socio-economic goals. Despite the undeniable worldwide relevance of cooperatives, scholars note persistent concerns about cooperative effectiveness and competitiveness relative to traditional corporate enterprises (ICA, 2024). One strategic lens increasingly applied to understand cooperative survival and expansion is entrepreneurial orientation (EO), which captures a firm's proclivity for innovativeness, proactiveness, and risk-taking in decision making (Miller, 1983; Lumpkin & Dess, 1996). EO has been consistently linked to organizational performance in small and medium enterprises (SMEs) and cooperatives alike, as it fosters adaptability and competitive advantage in dynamic environments (Rauch et al., 2009; Löffel & Gmür, 2024). Despite their socio-economic relevance of cooperatives, many cooperatives continue to experience persistent performance challenges manifested in low profitability, weak growth, poor member satisfaction, inefficient resource utilization, and limited competitive positioning. Empirical evidence suggests that numerous cooperatives struggle to survive beyond their formative years due to governance weaknesses, managerial inefficiencies, and limited strategic orientation (ICA, 2024). These challenges raise critical concerns regarding the internal strategic and managerial capabilities required to sustain cooperative performance in increasingly dynamic and competitive environments.

Entrepreneurial Orientation is described as business propensity directed towards innovativeness, proactiveness, and risk-taking, this has been broadly identified as a sacrosanct predictor of business performance in SMEs (Miller, 1983; Lumpkin & Dess, 1996). From cooperative research study conducted by (Löffel and Gmür, 2024), it was clearly indicated that EO positively influences economic outcomes and enhances market competitiveness. Majority of EO research focused private businesses leaving cooperative enterprises relatively underexplored. Existing findings often treat EO as a standalone predictor of performance without adequately accounting for the managerial capacity required to effectively translate entrepreneurial posture into measurable results.

Managerial competence appears to be another major but insufficiently integrated construct in literature addressing cooperative performance. Managers that are competent are expected to have suitable strategic planning skills, leadership skills, financial literacy, governance expertise, and ability to coordinate members interests efficiently. Study by Raharja & Abdul Muhyi, (2024), confirm that managerial competence improves organizational effectiveness and operational outcomes, empirical investigations rarely examine its joint influence with entrepreneurial orientation within cooperative settings. In cooperatives characterized by democratic management control structure this can slow decision-making and constrain risk-taking, the presence or absence of managerial competence may determine whether entrepreneurial initiatives succeed or fail.

Limited empirical understanding of how EO and managerial competence collectively influence cooperative performance therefore remain the problem. While scanty proofs suggest that each construct respectively contributes to cooperative performance, there is insufficient clarity regarding their relative strengths, interactive effects, and combined explanatory power in cooperative enterprises. This gap is particularly pronounced in developing economies, where

cooperatives face heightened environmental uncertainty, resource constraints, and institutional weaknesses. Without a clear understanding of the interplay between entrepreneurial orientation and managerial competence, cooperative leaders and policymakers may continue to implement fragmented strategies that fail to address the structural roots of performance deficiencies. Consequently, there is a need for rigorous empirical investigation to determine whether entrepreneurial orientation alone is sufficient to drive cooperative performance, or whether managerial competence functions as a critical complementary capability that enhances or conditions its effectiveness.

Concerning cooperative performance in Ogun state, despite the contributions of cooperative to socio-economic development of members and economic development at large, many cooperatives in Ogun State continue to experience performance challenges manifested in low profitability, weak capital accumulation, poor loan recovery, declining member participation, limited innovation, and inefficient resource utilization. These challenges have reduced the capacity of many cooperatives to achieve their economic and social objectives effectively. Scholars have attributed poor organizational performance to weaknesses in strategic orientation and managerial capabilities, suggesting that organizations operating in dynamic environments require entrepreneurial behaviours and competent management to remain sustainable and competitive (Lumpkin & Dess, 1996; Man et al., 2002). However, evidence on how these factors influence the performance of cooperative societies in Ogun State remains limited.

Although previous studies have examined cooperative performance in Nigeria, most have focused on factors such as access to finance, governance practices, leadership, member participation, and financial management, while relatively little attention has been paid to entrepreneurial orientation and managerial competence as critical drivers of performance. Furthermore, existing studies that investigated entrepreneurial orientation and managerial competence have largely concentrated on small and medium-sized enterprises (SMEs) and other profit-oriented organizations rather than cooperative societies, thereby limiting the applicability of their findings to the cooperative context (Rauch et al., 2009; Tehseen & Ramayah, 2015). More importantly, few studies have examined the combined influence of entrepreneurial orientation and managerial competence on cooperative performance, particularly within Ogun State. This leaves an important empirical and contextual gap in the Nigerian literature, as it remains unclear whether entrepreneurial orientation and managerial competence can explain the persistent performance variations observed among cooperatives in the state.

Addressing this gap will contribute to strategic management theory within cooperative contexts and provide evidence-based guidance for strengthening cooperative sustainability and competitiveness. It is on this premise this study examines the influence of entrepreneurial orientation and managerial competence on cooperative performance, the study therefore seeks to provide answer to following research questions: i. How does entrepreneurial orientation influence the performance of cooperatives in Ogun State? ii. What is the effect of managerial competence on cooperative performance in Ogun State? iii. Does entrepreneurial orientation have positive significant influence on cooperative managerial competence in Ogun State? iv. Does managerial competence mediates the relationship between entrepreneurial orientation and cooperative performance? The following hypotheses were tested:

H_{o1}: Entrepreneurial orientation has no significant influence on the performance of cooperatives in Ogun State

H_{o2}: Managerial competence has no effect on cooperative performance in Ogun State.

H_{O3}: Entrepreneurial orientation has no positive significant influence on cooperative managerial competence in Ogun State.

H_{O4}: Managerial competence does not mediate the relationship between entrepreneurial orientation and cooperative performance.

2.0 Literature Review

Conceptual Review

Cooperative society is an association of people usually of limited means who have come together on the basis of equality to achieve same goal by contributing to the economic requirements and accepting fair share of the risks and benefits of the undertaken (ILO, 2006). Cooperative societies differ by purpose/objective as well as members needs, emphacy on consumer cooperatives, investment cooperatives and multipurpose cooperatives focusing on pooling production resources and market access, consumer cooperatives providing goods and services at favorable terms, financial cooperatives like savings and credit associations offering financial intermediation, and worker or producer cooperatives, owned and operated by employees (ILO, 2020). Irrespective of type, cooperatives share a set of basic functions: facilitating member access to goods or services, enhancing bargaining power, promoting skill development and self-help, and driving socio-economic development through collective action. These diverse functions require cooperatives to balance democratic participation with business-oriented strategies, particularly in dynamic and competitive environments (Fahmi & Farida, 2025).

Entrepreneurial Orientation (EO)

Entrepreneurial orientation (EO) is a strategic construct that captures the extent to which an organization's behaviors and decision-making reflect an entrepreneurial posture. The literature widely conceptualizes EO as comprising innovativeness, pro-activeness, and risk-taking (Lumpkin & Dess, 1996; Anderson et al., 2024). Early entrepreneurship scholars argued that these dimensions jointly define how organizations initiate and sustain competitive advantage. While additional dimensions such as autonomy and competitive aggressiveness have been offered in some settings, the core triad of innovativeness, pro-activeness, and risk-taking persists as the most validated and widely applied framework in organizational studies. In the context of cooperatives, EO represents the organization's capability to engage market opportunities and innovate despite institutional constraints rooted in democracy and collective decision-making. Empirical evidence from European cooperatives shows that EO is significantly positively associated with economic performance, even if its direct effect on social and member-related performance is mediated by market outcomes, reflecting the complex nature of cooperative objectives (Löffel & Gmür, 2024).

Dimensions of Entrepreneurial Orientation (EO)

Entrepreneurial Orientation (EO) is widely recognized as a multidimensional construct that reflects an organization's strategic posture toward innovation, proactivity, and risk-taking. Its dimensions explain the specific behaviors and attitudes that characterize entrepreneurial activity in firms, including cooperatives. The most commonly validated dimensions in the literature include innovativeness, pro-activeness, and risk-taking, though some studies expand EO to include autonomy and competitive aggressiveness in certain contexts (Lumpkin & Dess, 1996).

Innovativeness

Innovativeness refers to the tendency of an organization to engage in creative processes, experimentation, and the introduction of new products, services, or processes. It embodies a commitment to exploring novel solutions and adopting unconventional methods that can enhance competitiveness. In cooperatives, innovativeness may manifest as new financial products, digital service delivery, or diversified cooperative activities that increase member benefits and operational efficiency (Qasim et al., 2025).

Pro-activeness

Pro-activeness captures an organization's forward-looking orientation, reflecting its ability to anticipate future opportunities and challenges rather than merely responding to environmental changes. Proactive organizations initiate actions to shape market trends, pursue new ventures, or pre-empt competitor moves. In cooperative societies, pro-activeness can manifest in early adoption of technology for member services, entry into new markets, or strategic partnerships that create value for members (Sánchez-García et al., 2022).

Risk-Taking

Risk-taking involves commitment of resources to ventures with uncertain outcomes, reflecting managerial courage and willingness to embrace calculated uncertainties. In cooperatives, risk-taking is moderated by democratic governance and member approval processes, which may constrain overly aggressive behavior. Nonetheless, measured risk-taking such as investing in new technologies, extending credit services, or launching innovative programs can significantly enhance cooperative competitiveness and member satisfaction (Anderson et al., 2024).

Managerial Competence

Managerial competence refers to the skills, knowledge, and behavioral capabilities that enable managers to plan, organize, direct, and control organizational resources effectively. It encompasses strategic thinking, financial and operational management, leadership and governance, and people management all of which are essential for navigating both internal dynamics and external challenges (Hambrick & Mason, 1984). Competence models in management literature highlight components such as interpersonal skills, strategic insight, financial literacy, and adaptability (Davison, 2021). These dimensions not only underpin routine administrative tasks but also determine how well strategic intentions like EO are operationalized into performance outcomes.

Managerial competence is seen in the context of strategic competence, financial competence, operational competence, leadership and interpersonal competence (Hambrick & Mason, 1984). Strategic competence is the ability to formulate and implement long-term plans that align organizational activities with cooperative objectives. It involves visioning, environmental scanning, and resource allocation to position the cooperative competitively while maintaining adherence to cooperative principles (Fahmi & Farida, 2025). Financial competence encompasses the ability to manage financial resources effectively, including budgeting, accounting, financial

reporting, and investment decision-making. Cooperatives, particularly savings and credit or agricultural cooperatives, rely heavily on sound financial management to maintain liquidity, support member services, and ensure long-term sustainability (Abdelwahed & Alshaikhmubarak, 2023).

Operational competence refers to the ability to coordinate day-to-day activities, streamline processes, and optimize resource utilization to achieve efficiency. In cooperatives, operational competence ensures that member services, product delivery, and internal processes are executed effectively and align with strategic objectives (Aziz et al., 2024). In cooperative settings, where decision-making is participatory and member engagement is high, interpersonal competence is critical to translating strategic decisions into coordinated action. Studies suggest that managerial leadership quality directly correlates with cooperative performance indicators such as member satisfaction, retention, and organizational growth (Davison, 2021).

Cooperative Performance

Measuring cooperative performance requires a multidimensional approach that reflects the dual mission of cooperatives: economic viability and member/social welfare. Traditional financial metrics alone cannot capture the full performance spectrum because cooperatives also aim to meet member needs, ensure democratic participation, and contribute to community development (Jalan et al., 2026). Hence, KPIs in cooperatives are structured to assess financial, operational, member, and social performance dimensions. According to Aziz et al., (2024), financial performance is the foundational dimension of cooperative KPIs. It assesses the cooperative's ability to generate revenue, manage costs, and sustain financial viability, which ensures long-term stability and growth. Common indicators include profitability ratios, return on assets, revenue growth, capital adequacy, and liquidity levels. Financial performance reflects the effectiveness of managerial competence in resource allocation, risk management, and strategic decision-making. Strong financial performance is also critical for supporting entrepreneurial initiatives, as it provides the resources necessary for innovation and market expansion (Fahmi & Farida, 2025).

Operational performance evaluates the cooperative's efficiency and effectiveness in delivering services and executing daily activities. This dimension includes metrics such as service delivery timeliness, operational cost management, process efficiency, inventory management, and supply chain reliability (Löffel & Gmür, 2024). Member satisfaction and engagement are critical key performance indicator given the democratic nature of cooperatives. This dimension assesses the degree to which members' needs, expectations, and preferences are met. Indicators include member retention, participation in cooperative activities, perceived value from cooperative services, and grievance resolution effectiveness. It reveals both reflects both managerial competence in service delivery and the cooperative's ability to operationalize entrepreneurial initiatives that benefit members directly (Sánchez-García et al., 2022). Cooperatives are designed to deliver social value alongside economic benefits. Social performance evaluates the cooperative's contribution to community development, social cohesion, environmental sustainability, and social capital, this corroborates one of the key principles of cooperatives. (Jalan et al., 2026).

Theoretical Review

Resource Based View Theory

The Resource Based View theory, popularized by Barney (1991), argues that organizational performance and sustainable competitive advantage are largely determined by resources and capabilities that are valuable, rare, difficult to imitate, and non-substitutable, including financial assets, physical infrastructure, managerial expertise, human capital, organizational culture, and technological capabilities. The theory emphasizes that differences in internal organizational resources account for variations in performance outcomes, and organizations that effectively utilize their internal strengths are more likely to achieve long term sustainability than those depending solely on external environmental factors (Barney, 1991).

Inside this framework, managerial competence is regarded as an important intangible resource, because as competent managers possess strategic thinking ability, leadership skills, technical knowledge, and decision-making capacity that enable efficient coordination of organizational activities, improved operational efficiency, and strengthened governance systems (Mikalef, Krogstie, Pappas, & Pavlou, 2020). Entrepreneurial orientation can similarly be viewed as a strategic organizational capability that enhances innovation, adaptability, and opportunity recognition, with entrepreneurially oriented organizations more capable of developing unique competencies that strengthen competitiveness and long-term performance (Wales et al., 2021).

The theory is particularly relevant to cooperative organizations, which often operate under limited financial and material resources, making intangible assets such as managerial competence, organizational knowledge, and entrepreneurial capability essential for improving sustainability and performance. Consequently, the Resource Based View theory is considered the major theory underpinning this study because it provides a comprehensive explanation of how managerial competence and entrepreneurial orientation function as strategic resources that influence cooperative performance.

Entrepreneurial Orientation Theory

Entrepreneurial Orientation theory explains the strategic behaviours and processes through which organizations identify opportunities, innovate, take risks, and respond proactively to changing market conditions, originating from the work of Miller (1983) who characterized entrepreneurial organizations by innovativeness, proactiveness, and risk-taking behaviour, with the theory later expanded by Lumpkin and Dess to include autonomy and competitive aggressiveness as additional dimensions. The theory emphasizes that organizations with strong entrepreneurial behaviours are more likely to achieve superior performance because they are better positioned to identify opportunities, introduce innovative ideas, and adapt effectively to environmental changes, viewing entrepreneurial behaviour as an important strategic mechanism for achieving organizational growth and sustainability (Wales et al., 2021).

Innovativeness reflects the willingness to support creativity, experimentation, and the introduction of new products, services, or operational processes; proactiveness relates to the ability to anticipate

future opportunities and act ahead of competitors; and risk taking involves the willingness to commit organizational resources to uncertain but potentially rewarding ventures (Anderson, Kreiser, Kuratko, Hornsby, & Eshima, 2022). The theory is highly relevant to cooperative organizations, which operate in increasingly dynamic and competitive environments requiring innovation, adaptability, and strategic flexibility, as entrepreneurially oriented cooperatives are more likely to improve service delivery, strengthen member satisfaction, and enhance operational efficiency through proactive and innovative activities.

In line with this theory, authors have differently demonstrated the positive influence of entrepreneurial orientation on organizational performance, with Löffel and Gmür (2024) observing that entrepreneurial orientation positively influences both the economic and social performance of cooperatives, and Anderson et al. (2022) noting that it enhances organizational resilience, innovation capability, and strategic flexibility, thereby improving long term performance outcomes. Entrepreneurial Orientation theory is therefore relevant to this study because it explains how entrepreneurial behaviours such as innovativeness, proactiveness, and risk taking contribute to cooperative performance.

Empirical Review

Entrepreneurial Orientation and Managerial Competence

Empirical literature provides evidence on the relationship between entrepreneurial orientation, managerial competence, and organizational performance across different sectors and countries. Study by Anderson, et al., (2022) found that entrepreneurial orientation enhances organizational resilience, strategic flexibility, and long- term performance, while Löffel and Gmür (2024) observed that entrepreneurial orientation positively influences both the economic and social performance of cooperative organizations by improving innovation capability and organizational adaptability. Also, Rofiaty, Chong, and Suryadi (2023) reported that entrepreneurial orientation significantly improves cooperative performance through enhanced innovation and strategic responsiveness, and Nurmayanti, et al., (2024) found that entrepreneurial orientation and competitive advantage jointly contribute to improved cooperative performance.

Adebiyi, et al., (2019) investigated entrepreneurial orientation among small and medium scale enterprises in Lagos State, Nigeria, finding that innovativeness, proactiveness, and risk taking significantly influence organizational performance; Ike and Nwankwo (2025) examined entrepreneurial orientation in South East Nigeria and revealed that risk taking, competitive aggressiveness, and proactiveness significantly improve market share, business sustainability, and financial performance; and Ilemobayo, et al., (2025) reported that innovativeness, risk taking, and competitive aggressiveness positively affect SME performance in Southwestern Nigeria. Morshidi and Yusoff (2024) examined entrepreneurial competence in Nigeria and found significant improvements in productivity, innovation, and business sustainability; and Fadeyibi and Ademola (2019) reported that entrepreneurial orientation and leadership capability significantly influence enterprise performance and survival in Osun State, Nigeria.

Entrepreneurial Orientation and Cooperative Performance

Mustapha and Omotosho (2025) examined entrepreneurial orientation dimensions and income generation among multipurpose cooperative societies in North Central Nigeria, finding that innovative capacity and proactiveness significantly influence cooperative income generation and organizational sustainability. Ilemobayo, et al., (2025) reported that innovativeness, risk taking, and competitive aggressiveness positively influence SME performance in Southwestern Nigeria, while Adebiyi, et al., (2019) established that entrepreneurial orientation significantly contributes to organizational performance through improved strategic decision making and competitiveness.

Löffel and Gmür (2024) investigated the impact of entrepreneurial orientation on the economic and social performance of cooperatives and found that entrepreneurial orientation significantly enhances both financial outcomes and social value creation, with innovativeness and proactiveness identified as major contributors to organizational adaptability and sustainability. Rofiaty, Chong, and Suryadi (2023) found that entrepreneurial orientation positively affects cooperative performance through innovation capability and strategic responsiveness, leading to improved operational efficiency, member satisfaction, and organizational resilience. Nurmayanti, et al., (2024) reported that entrepreneurial orientation contributes significantly to cooperative competitive advantage and organizational growth, while Anderson, et al. (2022) observed that entrepreneurial orientation strengthens organizational resilience and strategic flexibility, enabling organizations to manage uncertainty and maintain competitive performance.

Managerial Competence and Cooperative Performance

Morshidi and Yusoff (2024) investigated managerial competence and financial sustainability in cooperative organizations and found that managerial competence significantly improves financial management practices, governance quality, and operational efficiency, contributing positively to accountability, prudent financial control, and long-term cooperative sustainability. Ningsih and Putri (2024) found that managerial competency development strengthens cooperative governance and improves organizational performance, with cooperatives with highly competent managers experiencing better strategic implementation, improved transparency, and enhanced member satisfaction. Abdullahi et al, (2021) found that managerial competence significantly influences organizational productivity, innovation capability, and operational effectiveness in developing economies, with organizations with competent leadership structures better positioned to sustain competitive advantage and organizational growth.

Adegbite and Machethe (2020) examined managerial competence and cooperative performance among agricultural cooperatives in Nigeria, showing that leadership ability, financial management skills, and strategic planning competence positively influence cooperative productivity and member satisfaction, while noting that managerial incompetence remains one of the major challenges limiting cooperative development in Nigeria. Sani et al (2024) investigated entrepreneurial competence and organizational performance among micro, small, and medium enterprises in Nigeria, finding that managerial competence significantly improves business sustainability, innovation, and operational efficiency. Fadeyibi and Ademola (2019) found that

leadership capability and managerial effectiveness significantly influence the performance and survival of small and medium enterprises in Osun State, Nigeria, with competent management contributing positively to organizational growth, strategic implementation, and employee productivity. Akinwale and Kazeem (2021) examined managerial competence and cooperative sustainability among cooperative societies in Southwestern Nigeria, finding that financial management competence, communication skills, and leadership capability significantly improve cooperative effectiveness and member participation.

Entrepreneurial Orientation, Managerial Competence, and Cooperative Performance

Internationally, Rofiaty, Chong, and Suryadi (2023) found that entrepreneurial orientation and managerial capability significantly improve cooperative performance through innovation and strategic responsiveness, with managerial competence strengthening the ability to effectively implement entrepreneurial initiatives. Nurmayanti, et al., (2024) reported that entrepreneurial orientation, business planning capability, and competitive advantage collectively contribute to improved cooperative performance, with managerial capability strengthening the relationship between entrepreneurial orientation and organizational sustainability. Morshidi and Yusoff (2024) found that managerial competence significantly enhances financial sustainability and operational effectiveness, with entrepreneurial initiatives achieving better outcomes when organizations possess competent leadership and effective governance structures.

Akinwale and Kazeem (2021) investigated managerial competence, entrepreneurial behaviour, and cooperative sustainability in Southwestern Nigeria, revealing that innovativeness and proactiveness significantly improve cooperative growth while managerial competence enhances operational efficiency and member participation, concluding that both variables jointly contribute to cooperative sustainability. Sani, Aminu, and Na'ala (2024) found that entrepreneurial competence and managerial capability significantly influence organizational productivity, innovation, and business sustainability among Nigerian enterprises, with organizations possessing entrepreneurial leadership and competent management structures more capable of adapting to changing business environments. Mustapha and Omotosho (2025) observed that entrepreneurial orientation significantly improves income generation and organizational growth among multipurpose cooperative societies in Nigeria, with managerial effectiveness strengthening the impact of entrepreneurial orientation on cooperative sustainability.

3.0 Methodology

This study adopted a descriptive survey design which was appropriate for investigating the effects of entrepreneurial orientation and managerial competence on cooperative performance in Ogun State, Nigeria. Such design allows systematic collection of numeric data, analysis and interpretation, comprehensive insight concerning the relationship between EO, MC and PC within cooperative societies (Sekaran & Bougie, 2021). The population of study included executives, members, and managers of registered cooperative societies because they possess first-hand knowledge of entrepreneurial activities, managerial practices and organisational performance metrics within the cooperatives. Ogun State has approximately 12,957 registered cooperatives, spanning consumer, marketing, agricultural, financial, housing, and services cooperative societies

(Ogun State Ministry of Community Development and Cooperatives, 2025). The study employed multi-stage sampling technique to arrive at a total of 240 sample size. In stage one, the state was divided into three senatorial districts, in stage two, one local government area was selected from each senatorial districts (Abeokuta South, Ijebu Ode, and Yewa North) cutting across the state. In the third stage; two percent (2%) of registered cooperative society in each selected Local Governments was selected: for Abeokuta south with 2,036 registered cooperatives, 41 cooperatives societies were selected, for Ijebu ode with 1,083 registered cooperatives 22 societies were selected and for Yewa north with 866 registered cooperatives, 17 societies were selected making a total of 80 registered cooperative societies selected. The fourth stage entailed selection of three (3) respondents from each of the selected cooperative societies and this gave a total of two hundred and forty (240) respondents.

Data were collected using structured questionnaire designed to capture all study constructs. The questionnaire comprises four main sections corresponding to the independent, mediator, and dependent variables, as well as demographic information. Entrepreneurial Orientation is measured through its three dimensions innovativeness, proactiveness, and risk-taking adapted from validated scales by Covin and Slevin (1989) and refined for cooperative contexts. Managerial Competence is assessed across strategic, operational, leadership, financial, and governance dimensions, drawing on the works of Aziz et al. (2024) and Adebayo and Ojo (2022). Cooperative Performance is operationalized using financial, operational, member satisfaction, innovation, and governance indicators, consistent with Olawale and Adeoye (2023). The questionnaire employs a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), which is standard for capturing respondents' perceptions and attitudes in social science research. Collected data were refined and analysed using both descriptive and inferential statistics, descriptive for demographic information of the respondents and inferential employed Partial Least Square Structural Equation Modelling (PLS-SEM) on SMART-PLS 4.

4.0 Results and Discussion of Findings

Evaluation of the Measurement Model

The measurement model was assessed using Smart Partial Least Squares (SmartPLS) version 4. Key reliability indicators such as factor loadings, Cronbach's Alpha, Composite Reliability (Rho_a), and Composite Reliability (Rho_c) were examined to determine whether each item adequately reflected the underlying construct. These metrics help establish whether the observed indicators in the model significantly share variance with their respective latent variables. As shown in Fig. 2 the minimum acceptable level of loading was 0.5 and the loadings from the analysis were more than 0.5. This is considered acceptable since the AVE values are acceptable. To assess convergent validity, Average Variance Extracted (AVE) values were computed for each construct. AVE quantifies the proportion of variance captured by a construct relative to the variance attributed to measurement error. For convergent validity to be deemed satisfactory, AVE values must be equal to or greater than 0.5.

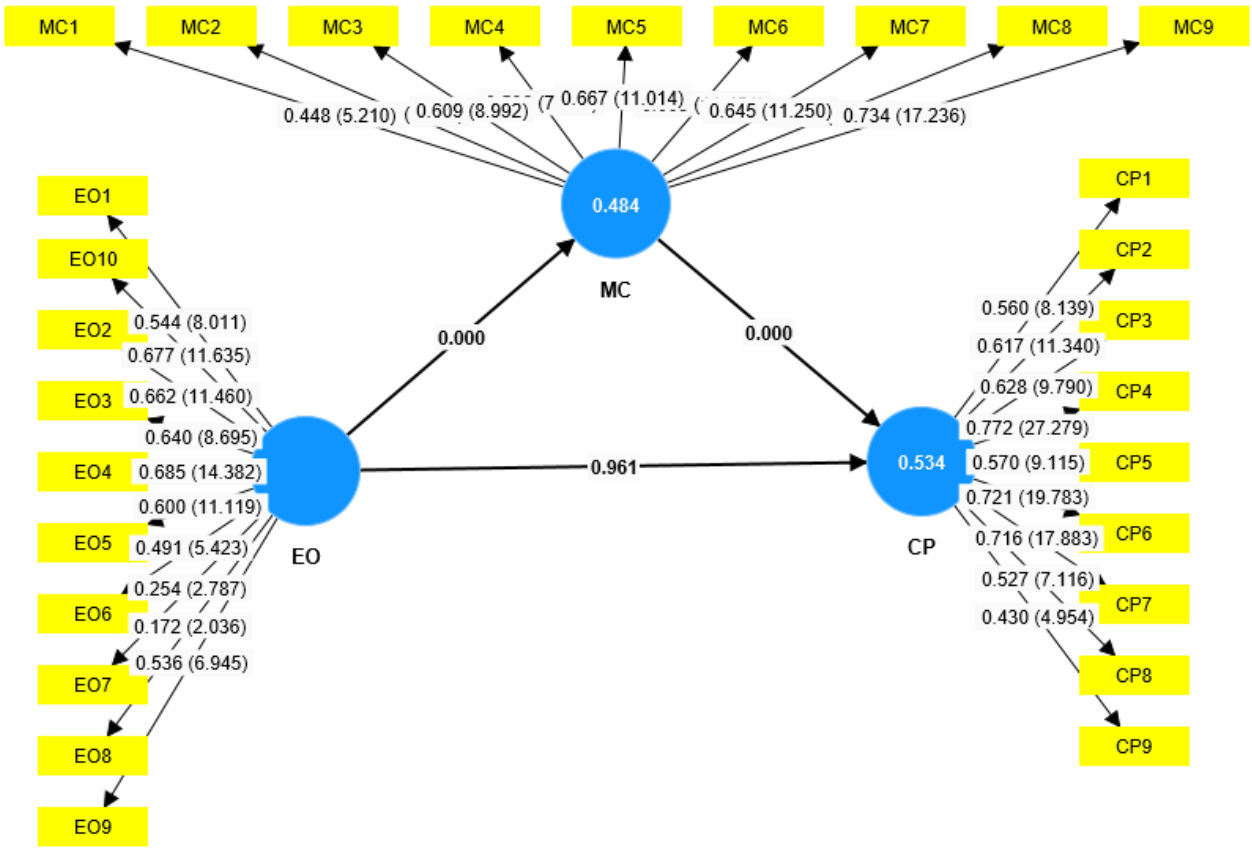

Figure 2. Author's research survey, 2025 via SMART PLS 4

Convergent Validity and Composite Reliability

Table 2 below represents the results of validity and reliability of the construct variables

Table 2. Construct reliability and validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Cooperative Performance	0.802	0.828	0.848	0.612
Entrepreneurial Orientation	0.734	0.774	0.799	0.591
Managerial Competence	0.807	0.818	0.852	0.636

Authors' Survey, 2026

Measurement Model Results

As presented in Table 2, all measurement items recorded factor loadings exceeded the commonly accepted minimum threshold of 0.7. This indicates that the observed indicators in the structural model share substantial variance with their associated latent constructs. Additionally, the AVE values for all constructs surpassed the 0.5 benchmark, thereby confirming that the constructs

demonstrate adequate convergent validity. These findings collectively suggest that the measurement items do not exhibit any concerns related to validity or reliability.

Discriminant Validity Assessment

To evaluate discriminant validity, three methods were employed: the Fornell–Larcker criterion, cross-loadings analysis, and the Heterotrait–Monotrait (HTMT) ratio. According to the Fornell–Larcker approach, the square root of each construct's AVE should exceed its correlations with other constructs, thereby confirming discriminant validity (Fornell & Larcker, 1981). Furthermore, the cross-loadings of each item should be greater on its respective construct than on others. Lastly, HTMT values should remain below the threshold of 1.0, as recommended by Kline (2011), to further affirm discriminant validity. The square roots of the Average Variance Extracted (AVE) for the constructs are represented in Table 3.

Table 3. Fornell-Larcker Criterion

Construct	1	2	3
Cooperative Performance	**0.731**		
Entrepreneurial Orientation	0.510	**0.695**	
Managerial Competence	0.624	0.553	**0.628**

Authors' Research Survey, 2026

The off-diagonal values in Table 3 represent the correlations between different constructs. Discriminant validity is established when the square root of each construct's AVE, shown along the diagonal, exceeds the corresponding inter-construct correlations. The results indicate that all diagonal values are greater than the associated correlations, confirming that the constructs satisfy the requirements for discriminant validity.

Table 4. Heterotrait-monotrait ratio (HTMT)

Construct	(HTMT)
Entrepreneurial Orientation <-> Cooperative Performance	0.635
Managerial Competence <-> Cooperative Performance	0.830
Managerial Competence <-> Entrepreneurial Orientation	0.858

Authors' Research Survey, 2026

Table 4 presents the HTMT ratios for the construct variables. The results indicate that all values are below the threshold of 1.0, thereby confirming that the constructs meet the criteria for discriminant validity.

Table 5. Outer Loadings Assessment

ITEMS	CP	EO	MC
CP1	0.560		
CP2	0.617		
CP3	0.628		
CP4	0.772		
CP5	0.570		
CP6	0.721		
CP7	0.716		
CP8	0.527		
CP9	0.430		
EO1		0.544	
EO10		0.677	
EO2		0.662	
EO3		0.640	
EO4		0.685	
EO5		0.600	
EO6		0.491	
EO7		0.254	
EO8		0.172	
EO9		0.536	
MC1			0.448
MC2			0.572
MC3			0.609
MC4			0.586
MC5			0.667
MC6			0.663
MC7			0.645
MC8			0.682
MC9			0.734

Authors' Survey, 2026

The outer loading results revealed that most indicators loaded satisfactorily on their respective constructs, with values ranging from 0.430 to 0.772 for Cooperative Performance, 0.172 to 0.685 for Entrepreneurial Orientation, and 0.448 to 0.734 for Managerial Competence. CP4 (0.772), CP6 (0.721), CP7 (0.716), and MC9 (0.734) were the strongest indicators. However, EO7 (0.254) and EO8 (0.172) exhibited very low loadings, suggesting weak indicator reliability. While most indicators met the minimum acceptable threshold of 0.40, EO8 in particular may warrant removal to improve the measurement model.

Table 6. Assessment of Multicollinearity

VIF	VALUES
EO -> CP	1.936
EO -> MC	1.000
MC -> CP	1.936

Authors' Survey, 2026

The collinearity assessment revealed VIF values ranging from 1.000 to 1.936, which are well below the recommended threshold of 3.3 (Kock, 2015) and 5.0 (Hair et al., 2022). Specifically, EO → CP (VIF = 1.936), EO → MC (VIF = 1.000), and MC → CP (VIF = 1.936) exhibited low collinearity levels. The results indicate that multicollinearity is not a concern in the structural model, thereby supporting the validity of the estimated path coefficients.

Table 7. Outer weight/Measurement Model Indicators

ITEMS	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
CP1 <- CP	0.164	0.161	0.028	5.865	0.000
CP2 <- CP	0.159	0.160	0.019	8.603	0.000
CP3 <- CP	0.172	0.172	0.022	7.965	0.000
CP4 <- CP	0.247	0.247	0.021	11.769	0.000
CP5 <- CP	0.155	0.155	0.021	7.531	0.000
CP6 <- CP	0.228	0.228	0.020	11.584	0.000
CP7 <- CP	0.221	0.220	0.018	12.160	0.000
CP8 <- CP	0.110	0.108	0.021	5.255	0.000
CP9 <- CP	0.099	0.097	0.025	4.000	0.000
EO1 <- EO	0.165	0.165	0.025	6.697	0.000
EO10 <-EO	0.234	0.230	0.023	10.073	0.000
EO2 <- EO	0.199	0.197	0.028	7.153	0.000
EO3 <- EO	0.250	0.247	0.031	8.039	0.000
EO4 <- EO	0.241	0.242	0.031	7.883	0.000
EO5 <- EO	0.201	0.201	0.031	6.523	0.000
EO6 <- EO	0.132	0.130	0.033	3.980	0.000
EO7 <- EO	0.079	0.079	0.030	2.603	0.009
EO8 <- EO	0.021	0.019	0.028	0.729	0.466
EO9 <- EO	0.161	0.157	0.032	5.083	0.000
MC1 <- MC	0.145	0.143	0.024	6.022	0.000
MC2 <- MC	0.147	0.144	0.021	6.863	0.000

MC3 <- MC	0.136	0.133	0.020	6.722	0.000
MC4 <- MC	0.141	0.139	0.024	5.955	0.000
MC5 <- MC	0.167	0.166	0.019	8.758	0.000
MC6 <- MC	0.207	0.207	0.021	10.090	0.000
MC7 <- MC	0.186	0.187	0.024	7.804	0.000
MC8 <- MC	0.219	0.218	0.022	9.967	0.000
MC9 <- MC	0.228	0.227	0.020	11.375	0.000

Authors' Survey, 2026

The significance of the measurement model indicators was assessed using the bootstrapping procedure. The results show that all indicators measuring Cooperative Performance (CP) were statistically significant, with t-values ranging from 4.000 to 12.160 and p-values less than 0.001. Among the CP indicators, CP7 ($\beta = 0.221$, $t = 12.160$, $p < 0.001$), CP4 ($\beta = 0.247$, $t = 11.769$, $p < 0.001$), and CP6 ($\beta = 0.228$, $t = 11.584$, $p < 0.001$) contributed most strongly to the construct, indicating their substantial role in explaining cooperative performance.

Most indicators of Entrepreneurial Orientation (EO) demonstrated significant contributions to the construct. The strongest indicators were EO3 ($\beta = 0.250$, $t = 8.039$, $p < 0.001$), EO4 ($\beta = 0.241$, $t = 7.883$, $p < 0.001$), and EO10 ($\beta = 0.234$, $t = 10.073$, $p < 0.001$). However, EO8 ($\beta = 0.021$, $t = 0.729$, $p = 0.466$) was not statistically significant, indicating that it did not adequately represent the entrepreneurial orientation construct. Although EO7 was significant ($\beta = 0.079$, $t = 2.603$, $p = 0.009$), its contribution was relatively weak compared to the other indicators. The insignificance of EO8 suggests that the item may require revision or removal from the measurement model to improve construct validity.

For Managerial Competence (MC), all indicators were statistically significant, with t-values ranging from 5.955 to 11.375 and p-values below 0.001. The most influential indicators were MC9 ($\beta = 0.228$, $t = 11.375$, $p < 0.001$), MC8 ($\beta = 0.219$, $t = 9.967$, $p < 0.001$), and MC6 ($\beta = 0.207$, $t = 10.090$, $p < 0.001$). The results indicate that the managerial competence construct was adequately represented by its indicators. Overall, the bootstrapping results confirm the significance of nearly all measurement items, providing empirical support for the reliability and validity of the measurement model, with the exception of EO8, which failed to meet the required significance threshold.

Table 8. Model Fit Table

	Saturated model	**Estimated model**
SRMR	0.097	0.097
d_ULS	3.788	3.788
d_G	1.012	1.012
Chi-square	1249.254	1249.254
NFI	0.539	0.539

Authors' Survey, 2026

The model fit assessment revealed identical values for both the saturated and estimated models. The SRMR value of 0.097 indicates an acceptable fit according to the less stringent PLS-SEM

threshold of 0.10. The d_ULS (3.788) and d_G (1.012) values were within acceptable limits subject to bootstrap comparison. The model yielded a Chi-square value of 1249.254 and an NFI of 0.539. Although the NFI falls below the recommended threshold of 0.90, the SRMR result suggests that the model possesses an acceptable level of fit for subsequent structural model analysis.

Path Analysis

In order to examine the relationship between entrepreneurial orientation, managerial competence, and cooperative performance, Partial Least Square Structural Equation Model (PLS-SEM) was employed to conduct a multivariate analysis. Test of hypotheses of the study necessitated this approach. The results from the structural model estimation: R-squared values, and items loadings, are presented in Figure 2.

The R-squared values represent the proportion of variance in the dependent (endogenous) variables that can be explained by the independent (exogenous) variables. This measure is useful for evaluating the overall model fit and assessing the predictive capability of variables within the formative model. As shown in Figure 2, the first-order construct variables explain a substantial amount of variance in their corresponding second-order construct, with Managerial Competence an R^2 value of 0.481. The second order construct effectively predict the endogenous variable, Cooperative Performance, which has an R^2 value of 0.530. These findings indicate that the model demonstrates a strong fit with the data.

Structural Estimate

This study carried out a bootstrapping technique on PLS-SEM in order to express the t-statistics of the structural estimates, determine the significance of the relationships among the constructs and to test the hypothesized relationships.

Table 9. Hypotheses Testing

	Original Sample (Beta)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decision
Entrepreneurial Orientation -> Cooperative Performance	0.510	0.525	0.066	7.677	0.000	Supported
Entrepreneurial Orientation -> Managerial Competence	0.695	0.704	0.035	19.703	0.000	Supported
Managerial Competence -> Cooperative Performance	0.727	0.735	0.063	11.512	0.000	Supported
Entrepreneurial Orientation -> Managerial Competence -> Cooperative Performance	0.506	0.518	0.056	9.091	0.000	Supported

Authors' Research Survey, 2026

Table 6 presents the outcomes of the hypothesis testing. The results revealed that entrepreneurial orientation has a significant impact on both managerial competence and cooperative performance, as evidenced by p-values below the 0.05 threshold ($p < 0.05$). Therefore, hypotheses H1, H2, and H3 are supported. These findings demonstrate a strong relationship between entrepreneurial orientation, managerial competence, and cooperative performance. Additionally, managerial competence influence cooperative performance.

5.0 Discussion of Findings

The findings of this study revealed that entrepreneurial orientation significantly influences cooperative performance. This result is consistent with the study of Löffel and Gmür (2024), who found that entrepreneurial orientation positively affects both the economic and social performance of cooperatives by improving innovation capability, adaptability, and sustainability. On the local scene, the findings align with the studies of Mustapha and Omotosho (2025) and Adebiyi et al. (2019), which revealed that innovativeness, proactiveness, and risk-taking significantly contribute to organizational growth, competitiveness, and sustainability. The study also found that entrepreneurial orientation significantly influences managerial competence. This finding supports the theoretical assumption that entrepreneurially oriented organizations are more likely to develop strategic management capabilities and adaptive leadership structures. The finding corroborates the study of Nurmayanti et al. (2024), which revealed that entrepreneurial orientation and managerial capability jointly contribute to organizational sustainability and competitive advantage. Furthermore, the finding is in line with Akinwale and Kazeem (2021), who found that innovativeness and proactiveness significantly improve cooperative growth while managerial competence enhances operational efficiency and member participation.

In addition, the findings revealed that managerial competence significantly affects cooperative performance. This result is consistent with the study of Morshidi and Yusoff (2024), who found that managerial competence improves financial sustainability, governance quality, accountability, and operational efficiency in cooperative organizations. Similarly, the study supports the work of Adegbite and Machethe (2020), which established that leadership ability, financial management skills, and strategic planning competence positively influence cooperative productivity and member satisfaction. The result further demonstrated that entrepreneurial orientation and managerial competence jointly explain a substantial proportion of cooperative performance. This finding supports the combined theoretical perspectives of the Resource Based View Theory and Entrepreneurial Orientation Theory, which emphasize that organizational resources, managerial capabilities, innovativeness, proactiveness, and strategic behaviour collectively determine organizational performance and sustainability. The finding is consistent with the studies of Rofiaty, Chong, and Suryadi (2023) and Löffel and Gmür (2024), which concluded that entrepreneurial orientation and managerial capability jointly contribute to improved cooperative performance, organizational sustainability, and long-term competitiveness.

6.0 Conclusion

The empirical evidence from the PLS-SEM analysis revealed that entrepreneurial orientation positively influences both managerial competence and cooperative performance; managerial competence was also found to significantly contribute to cooperative performance. The study hereby concludes that cooperative societies who embrace innovation, pro-activeness, risk-taking,

and effective managerial practices are more likely to achieve improved organizational performance. Therefore, strengthening entrepreneurial capabilities and managerial competencies is essential for sustainable growth and effectiveness of cooperative societies.

The study therefore recommends that for improved cooperative performance: Cooperative federations should organize annual entrepreneurial development programmes focusing on innovation management, strategic planning, and digital transformation. Management of cooperative societies should also invest in continuous managerial training and capacity-building programmes to improve managerial competence. Cooperative leaders should adopt modern management techniques and strategic decision-making practices to enhance organizational efficiency and performance. Cooperative societies should encourage entrepreneurial orientation by promoting innovation, creativity, and proactive business strategies among members and managers. Government agencies and cooperative regulatory bodies should organize workshops, seminars, and entrepreneurship development programmes for cooperative managers and members. Cooperative societies should establish policies that support entrepreneurial initiatives and effective resource management to improve competitiveness and sustainability. Future researchers should expand the study by examining additional variables that may influence cooperative performance and by using larger sample sizes across different sectors and regions.

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