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INNOVATIVENESS AND FINANCIAL PERFORMANCE OF QUOTED INDUSTRIAL GOODS MANUFACTURING COMPANIES IN NIGERIA

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ABSTRACT

The study examined the relationship between Innovativeness and Financial performance (BP) of quoted Industrial Goods Manufacturing Companies in Nigeria. The cross sectional survey research design was adopted for the study. The population of the study is made up of all the industrial goods manufacturing companies listed on the Nigerian stock exchange as at December 2021. The instrument for data collection was the questionnaire. That there is a positive relationship between innovativeness and financial performance of the listed industrial goods manufacturing companies in Nigeria. Deriving from the findings, the study concluded that intrapreneural orientation helps organizations generate new business growth and organizations that have embraced intrapreneurship, will achieve higher financial returns, increased productivity, more innovation and higher levels of employee engagement. The study recommends that managers in listed manufacturing companies in Nigeria should periodically introduce new products and new services to improve the financial performance of the company. This can be achieved by introducing new machines, new methods or processes for an efficient and improved productivity to enhance better performance.

Keywords: Innovativeness, Financial Performance, Intrapreneurial Orientation

INTRODUCTION

One of the most significant elements in both organizational and economic growth, intrapreneurship has the capacity to revitalize already-established businesses (Antoncic & Hisrich, 2016). Entrepreneurship is becoming an increasing trend in the business world, and it's a good thing. There are many writers who believe that corporate entrepreneurship may help a company modify its business model, satisfy changing client wants, and strengthen its competitive position. When economic instability necessitates more inventive, adaptable, and entrepreneurial management approaches, intrapreneurial behavior is proven to be an important component in organizational performance (Davis, 2019).

Intrapreneurship is critical to an organization's economic success since it aids in the creation of new businesses. Intrapreneurship creates an atmosphere that fosters and sustains long-term innovation. One of the finest methods to recruit and retain entrepreneurial leaders is via intrapreneurship. Intrapreneurship is a powerful tool for accelerating and managing organizational transformation. Intrapreneurship encourages workers to take risks and learn new skills while still maintaining morale. Better goods and services, as well as new and improved procedures and systems that arise from intrapreneurship, have a positive impact on an organization's success. Because of this, companies with a high level of Intrapreneurship intensity get greater results in terms of sales growth and profit. Enthusiasm for the company's mission and vision may be fostered via intrapreneurship. Intrapreneurs put in a lot of time and effort in their jobs. They motivate people to become engaged and to attempt new things because of their enthusiasm and drive. In turn, this has a positive impact on the whole organization.

For many firms, intrapreneurship has become a need and a means of survival. Higher financial returns, improved productivity, more creativity, and higher levels of employee engagement have been obtained by organizations that have adopted Intrapreneurship..

The size of the organization's membership, on the other hand, has been stated by Koontz (2019) as a contextual problem that affects every aspect of an organization's operations. It seems that most of these contextual elements, or context-related factors, include company culture, size and technology as well as environmental factors (Koontz 2019). Hamilton (2014) calls them the organization's contextual aspects. These are the elements that have an impact on the company's structure and operations.

In today's economic climate, the notion of performance in commercial organizations throughout the globe is a major concern. Economic recession caused by financial crisis necessitates a reexamination of the concept of performance in Nigerian business organizations now more than ever due to its impact on funding, economic actors' interrelationships, the economic and social environment, technological advancement, and knowledge development.

Business performance has several definitions, and one of them is that it is "the operational capacity to meet the needs of the company's primary stakeholders" (Smith & Reece, 2019) and as a subset of the wider idea of "organizational effectiveness." (Smith & Reece, 2019). (Venkatraman & Ramanujam, 2016). There are several methods to measure the success or failure of a company, such as subjective or objective, and financial or non-financial.

Recent studies have focused on the link between intrapreneurial orientation and business success. Rauch, Wiklund, Lumpkin and Frese (2019) claim that intrapreneurship-oriented businesses are more likely to succeed than those that do not. Given the above, this research aims to examine the link between intrapreneurship orientation and business success in Nigerian listed manufacturing firms.

The difference between this research and others is that it uses manufacturing firms in a less developed nation like Nigeria as its empirical examples. According to pre-existing research, most studies looking at the link between IO and business success have been undertaken in industrialized nations. It also looked at how culture affects intrapreneurship orientation and company success as an environmental element. Intrapreneurship/corporate entrepreneurship as well as corporate venturing will be utilized interchangeably for the purposes of this research.

Research Hypothesis:.

H_{01}: there is no significant relationship between Innovativeness and Financial performance of the quoted industrial goods manufacturing companies

Innovation/innovativeness

With Covin and Miles (2019) noting that innovation is 'at the core of the nomological network that incorporates the concept of corporate entrepreneurship, continuous innovations inside organizations should not always be used synonymously with the term intrapreneurship'

As the corporate landscape becomes more competitive and the need for new products, services, and processes becomes even more critical, it is important to remember that intrapreneurship is not the same as innovation in and of itself. An intrapreneur's focus is mostly on the execution of converting a new idea into a viable business opportunity (Herve 2015). In addition, not all intrapreneurial inventions emerge from an organization, since this is reliant on the source of the idea.. Intrapreneurial companies are more likely to get their ideas for new ventures than traditional corporations since the ideas and product choices in an intrapreneurial organization are more likely to come from the bottom up, which means from any person inside the organization (Haller 2015).

The importance of innovation in spurring economic growth is well established. In the corporate world, innovation is typically seen as a key source of strategic change, resulting in good results such as long-term competitive advantages. For these and other reasons, innovation has been thoroughly studied and analyzed for many decades.

The term "innovation" itself is a wide-ranging notion that may be interpreted in many ways. As a consequence of previous efforts at defining the word "innovation," there are a broad range of interpretations. As a result, the terms innovation and innovativeness are either used interchangeably or separated from each other (Damanpour, 2001). Nonetheless, innovation seems to include the

acceptance or/and implementation of "new" defined relatively subjectively, but innovativeness appears to encompass some form of assessment dependant on an organization's inclination for innovation...

Organizational innovativeness is seen by the great majority of scholars as a single-dimensional phenomena (Wilson et al., 2009). Literature provides multiple definitions in this regard, referring to various components of the organizational context, such as technological, behavioral, and product-related. When it comes to innovativeness, Lumpkin and Dess (2006) take an eclectic approach that takes into account a company's proclivity for trying out new ideas as well as its willingness to invest in the research and development necessary to produce new goods, services, and technical advancements. According to their view, proof of a company's innovativeness may take a variety of forms. To be really innovative, one must be ready and able to experiment with new ideas and products, as well as fully dedicate themselves to learning and mastering the most cutting-edge technology.

However, contrary previous claims that organizational innovation is a one-dimensional process, this phenomenon seems to be multidimensional. According to Gauvin and Sinha (2003), there is much uncertainty about what constitutes "innovativeness." Subramanian and Nilakanta (2006), for example, claim that organizational innovativeness drivers are inconsistent because of the lack of a multidimensional conceptualization of innovativeness.

Despite this, few studies have examined organizational innovation as a multidimensional phenomena (Subramanian and Nilakanta, 2006; Wilson et al., 2009). These authors (2001) propose a three-dimensional definition of innovativeness, with three subdomains, namely "innovativeness," "content," and "reference." This phenomena is characterized by the progressive development of these components. There is a strong correlation between the first dimension, known as the "innovativeness domain," and standard measures of an organization's degree of creativity. Because a company may be creative in certain areas but not others, this dimension is not fully defined. A corporation that is labeled innovative in one research may be labeled noninnovative by a different or more broad content domain in another contemporaneous investigation. This is explained by the second dimension. The acceptance of particular innovations (such as a single new product or technology) is at one end of this continuum, while broader sorts of innovativeness are at the other (i.e. new products or productsapproached across a broad spectrum of content areas). Given the centrality of the social system, this third dimension indicates how a firm's innovativeness might be evaluated in the context of the social system.

Financial Performance

The ability of a company to produce revenue through its principal method of operation is measured in terms of its financial performance. It is also employed as a broad indicator of a company's long-term financial health. In order to evaluate a company's performance, financial ratios may be used to look at a company's productivity, return on investment, economic growth, and production growth (Yalcin et. al., 2012). Over a period of time, a company's financial state is assessed by many indicators of capital adequacy, liquidity, leverage, solvency, and profitability. Performance in financial terms is the company's ability to manage and govern its resources (IAI, 2016).

Cash flows, balance sheets, profit and loss statements, and capital changes are all included in the financial statements, which are used by business executives to make financial decisions. As part of a company's financial statements is a company's balance sheet and profit/loss computation, and other financial information, such as cash flows and retained profits; (Didin, 2017).

There are a number of ratios that may be used to gauge a company's financial health, including the liquidity, profitability, solvency, efficiency, and leverage ratios, to name just a few. A few examples of profitability ratios include: return on investment (ROI) and return on assets (ROA). Another example is EBIT profit, which is derived from earnings before interest and taxes. For purposes of this metric, the terms "liquidity ratio" refer to the combination of many liquidity measures (Debt to Equity Ratio). These ratios are covered in depth in the economics faculty's course on financial management.

Entrapreneurship as a function of Conducive Economic Condition by Mark Casson (2003)
He is Professor of Economics at the University of Reading in England, Mark Casson (born 1945). He served as department head before taking on the role of director of the performance center for the university. Entrepreneurship, international business, economic history, and the economics of culture are some of the fields he studies. Internalization theory, created with Peter Bukley, is commonly used to study how organizations internalize... His work on the current economic theory of entrepreneurship, which incorporates concepts from Schumpeter, Hayek, and Knight, is highly noteworthy.
For more than three decades, Mark Casson has been one of the leading voices on the economics of multinational corporations and foreign direct investment at the Reading School of International Business, which he helped develop at the University of Reading in the 1970s.

The Theory
According to this hypothesis, successful business owners and managers show strong judgment while implementing hazardous innovations, and they are rewarded either via profits or compensation. He concluded that culture and institutions have a significant impact on the success of both small businesses and huge organizations. Leaders create cultural norms that influence how entrepreneurs and managers make choices, according to his Leader-Follower Theory of Culture. Institutional theory lends itself well to historical research, and this has prompted him to concentrate on applying it to business and economic history in recent works, including a significant study of Victorian British entrepreneurialism, which is the theme of one of his most recent publications.
When economic circumstances are favorable, entrepreneurs are more likely to take action, according to Mark Casson (2003). He argues in Entrepreneurship, an Economic Theory that the need for entrepreneurship is driven by a desire for progress and innovation. Taxation policy, industrial policy, easy availability of raw materials, easy access to financing on favorable terms and access to information about market conditions are also factors that encourage entrepreneurship. Availability of technology and infrastructure as well as market opportunities are also factors.
William J. Baumol's book, Productive Versus Destructive Entrepreneurship, presents a counterpoint to this hypothesis (1990) The director of the Berkeley Center for Entrepreneurial Studies was W.J. Baumol, born in 1922 and educated in the United States and the United Kingdom. His results contradicted the conventional thinking in economics and garnered the ire of conservative economists, who were outraged. After examining the free market economy's ability to develop new ideas and fast growth, he disputed the long-held economic belief that price competition is the primary engine of economic growth in his 2002 book, The free market innovation machine: Analyzing the Growth Miracle of Capitalism Instead, he emphasized that entrepreneurial innovation is the solution. Entrepreneurial genius and serendipity are the driving forces behind innovation and economic growth, according to Baumol, but in order to translate the initial breakthrough into a full-scale innovation that significantly boosts productivity and welfare, massive corporations become essential. Long-term survival in high-tech sectors necessitates constant investment in R&D by huge corporations, which is why they continue to do so. For Baumol, entrepreneurs play an important role in society and innovation boosts productivity and well-being, but Casson believes entrepreneurship results from favorable economic circumstances.

Research Design
The correlation research design was used in this study. The population of this research study consists of fourteen (14) quoted industrial goods firms listed on the floor of the Nigerian Stock Exchange (NSE) as at 31 December 2019. For the purpose of this research, the sample consisted of all the fourteen(14) industrial goods companies listed on the floor of the Nigerian Stock Exchange. This implies the random sampling technique was adopted for this study.

FIRMS AND QUESTIONNAIRE DISTRIBUTION IN NIGERIA

s/n	NAMES OF COMPANIES	No of Questionnaire given
I	BETA GLASS	5
2	CEMENT COMPANY OF NOTHERN NIGERIA	5
3	CUTIX	5
4	AUSITIN LAZ AND COMPANY PLC	5
5	BERGER PAINTS	5
6	DANGOTE CEMENT PLC	5
7	FIRSTALUMINIUM NIGERIA PLC	5
8	GREIF NIGERIA PLC	5
9	MEYER PLC	5
10	LAFARGE AFRICAPLC	5
11	PREMIER PAINTS PLC	5
12	PORTLAND PAINTS NIGERIA PLC	5
13	CHEMICALSANDALLIED PRODUCTS PLC	5
14	CAP PLC	5
	TOTAL	70

Source: Research Desk, 2021.

The instrument for data collection was the questionnaire. Mean, standard deviation, skewness and skewness were used in the univariate analysis of variables in this research. There were two methods utilized to assess the strength of the connection between research variables: the PPMC coefficient and a partial correlation analysis. The statistical program for social sciences (SPSS) version 21.0 was used for this investigation.

Results

Hypothesis 1.

H_{01}: there is no significant relationship between innovativeness and financial performance the manufacturing companies

Table1: Relationship between innovativeness and Financial Performance

		Innovativeness	Financial Performance
Inno7	Pearson Correlation	1	.245*
	Sig. (2-tailed)		.046
	N	67	67
Fin7	Pearson Correlation	.245*	1
	Sig. (2-tailed)	.046	
	N	67	67

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

Source: Researcher's Desk, 2021

As seen in the table above, the Pearson Correlation coefficient (r) is 2.45. No significant link between Financial Performance and Innovativeness was found by doing a Pearson product-moment correlation. Initially, it seemed as though the data were normal and linear. There is enough evidence to reject the null hypothesis and suggest that the financial performance of listed industrial products manufacturing businesses in Nigeria (r=0.245*,p 0.01) is positively linked to their innovativeness. The answer to the first research question has been found.

Relationship between Innovativeness and Financial Performance

There is a body of existing literature that has been used to generate qualitative indices of innovation (Leventhal, 2002; Colquit, 1999). Results demonstrate that the respondents agreed that their firms often launch new products and services. More than three-quarters of those polled (76%) said their organization makes efficiency and performance enhancements a priority. Those who took the survey agreed that their organization should invest in new machine technologies to boost productivity, giving a mean score of 4.37 and an SD of.487 as evidence. Respondents were unanimous in their belief that their organization should implement new procedures or processes in order to improve performance. Finally, with a mean score of 4.41, the respondents felt that their employer recognizes and rewards creative people.

Proactiveness indicators as an intrapreneurial orientation dimension. Respondents agreed that discovering new business prospects is vital to the company, with a mean of 4.43 and standard deviation of.499, according to the findings. More over half of the respondents said their organization is recognized for being an early adopter of innovative processes and new products/services in their sector. With a mean score of 4.47 and a standard deviation of 0.447, respondents felt that their organization enjoys leading others. With a mean of 4.49 and an SD of 0.532, the respondents agreed that their business is the market leader. With a mean score of 4.76 and a standard deviation of 0.429, the respondents said that their organization had expertise in entering new markets. Participants agreed that their organization had an opportunity identification unit, scoring on average 4.20 and with a standard deviation of 0.4445 (see figure below). Results also reveal that reactions to risk-taking indicators are a component of intrapreneurial orientation. A mean of 4.25 and a standard deviation of 0.438 indicate that respondents are confident in their company's willingness to spend even though they are unsure of the results. As measured by a standard deviation of 0.411%, the respondents felt that running a for-profit firm is an extremely dangerous endeavor. In addition, all respondents felt that R&D for new product development is an important part of their company's strategy. Risk-taking results in losses for the firm. This is seen as a normal part of corporate growth, according to those who responded. According to the respondents, their firms are risk taking organizations with a mean score of 4.31 and a standard deviation of 0.498. Findings showed that answers to financial performance indicators had an average score that was used to gauge company success. The average score was 4.14, with a standard deviation of 0.35, and the respondents all agreed that our firm had a bigger net profit year over year than our rivals. As measured by a mean of 4.14 out of 5 points, respondents said that they see a rise in profitability on a regular basis. Respondents also reported that their employers consistently pay their wages, with the mean score of 4.13 and the standard deviation of 0.34. With a mean score of 4.10 and a standard deviation of 0.35, the respondent agreed that their organization was able to meet all of its maturing financial obligations without borrowing. As seen by the respondents' average score of 4.07 and the standard deviation of.401, it seems that their organization has no trouble meeting its total asset turnover goals. Finally, the participants agreed that their firms' fast turnover keeps their stockholders happy. Business performance may be gauged by market indicators. A mean score of 4.49 and a standard deviation of 0.58 indicate that respondents are in agreement that their firms are seeing an increase in new orders and sales leads. More over half of the respondents reported seeing an increase in new clients, and the mean score was 4.11 out of 5. Mean score was 4.17; standard deviation was 0.42. Respondents agreed that their organization has gained market share. Those polled agreed that their business expands into new market segments with an average score of 4.19 and an SD of 0.39. Customers agreed that Company attempts to evaluate customer satisfaction and identified an instance of repeat customers, with a mean score of 4.16 and a standard deviation of 0.3. Customers enjoy our brands, with a mean score of 4.16 and a standard deviation of 0.37, according to respondents.

Finally, results showed that respondents strongly agreed with a mean score of 4.62 and a standard deviation of 0.48 that their organization had improved in technical efficiency. Participants believed that the company improves in technical growth and organizational transformation, with an average

score of 4.11 and a standard deviation of 0.37. Respondents agreed that the company saw increasing returns to scale, with a mean score of 4.19 and a standard deviation of 0.39, As measured by a standard deviation of 0.35 and a mean score of 4.10, the respondents agreed that the firm is adhering to quality control guidelines. Using a mean score of 4.59 and a standard deviation of 0.49, respondents strongly agreed that the invention and use of innovations are the primary drivers of firm-level productivity increase.

CONCLUSION/RECOMMENDATIONS

As a result of our research, we believe that future studies in Nigeria will pay more attention to aspects associated with innovativeness and financial performance.

This research concludes that there is only a weak link between the mean score of the indicators of Intrapreneurial Orientation and the business performance indicators of Nigerian listed industrial goods manufacturing companies.

Deriving from the findings of this study, the researcher recommends as follows;

1. To increase the financial performance of the listed manufacturing businesses in Nigeria, managers should provide new goods and services on a regular basis.
2. In order to boost productivity and performance, managers of the mentioned manufacturing organizations should constantly modify/upgrade their processes for efficiency and bring in new machinery, introduce new techniques or processes, and so forth.
3. Creating a unit for new business opportunity detection, identifying inventive individuals, and rewarding them suitably for these would help to improve the company's financial performance.

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