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PROACTIVENESS AND BUSINESS PERFORMANCE OF QUOTED INDUSTRIAL GOODS MANUFACTURING COMPANIES IN NIGERIA

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ABSTRACT

The study examined the relationship between Proactiveness and Business 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: Proactiveness, Business performance, Market Performance, Operational Performance

INTRODUCTION

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, technologiccal 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 notion of intrapreneurship orientation (IO) has been widely studied and a link has been formed between IO and growth, although IO has gotten much less attention, especially in the African contexts. The paucity of information on IO in Nigeria's manufacturing sector is exacerbated by the country's low socio-economic conditions, which include high unemployment, poverty, and sluggish economic growth rates. The Nigerian economy has a lot of promise if it can cultivate a pool of high-growth manufacturing sub-sectors, but it's not clear which IO characteristics favorably affect

internal company performance indicators. The goal of this research is to analyze the link between the indicators of intrapreneurship orientation and the metrics of business performance of listed industrial products manufacturing businesses in Nigeria.

Research Hypotheses:

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

H_{O2}: there is no significant relationship between innovativeness and Market Performance of the quoted industrial goods manufacturing companies

H_{O3}: there is no significant relationship between innovativeness and Operational Performance of the quoted industrial goods manufacturing companies

Concept of Proactiveness

Proactiveness is a competitive strategy that involves taking risks and experimenting in order to stay ahead of the competition (Knight, 2007). (Stopford &Baden-Fuller, 2004). To be a successful leader, a firm must have a pro-active attitude in order to locate and utilize possibilities.

Instead of monitoring or copying the competition, they use an aggressive approach to compete with rivals: they aim to create new chances (Lumpkin & Dess, 2006; Covin & Slevin, 2001). It is vital to be proactive in the entrepreneurial process as well as the intrapreneurial process (Schumpeter 2002). Early recognition of fresh possibilities and opportunities is a result of proactiveness. It's unclear if being proactive necessitates some kind of forewarning in advance, which is a potential pitfall (Covin & Wales, 2009). Rather than a habit, we regard this as a way of thinking about proactiveness. For example, a person may be proactive by scanning their surroundings for weak signals and peripheral information in an attempt to spot new trends or emergent problems before they have a chance to develop. Because of this, it is likely to be useful in explorations. According to Miller and Friesen, proactive companies are those that take action before established trends and do not just react to them (2008). Employees that exhibit this kind of conduct are more likely to be proactive rather than reactive in their job. To accomplish so, they must break out of their comfort zones and use their expertise to find fresh solutions.

Three aspects of proactive leadership come into play when leading initiatives: growth and development emphasis (ATGROW), leadership imitation (ATIMITAT), and collaboration with other businesses (ATCOOPER). It is related with the ability of market leaders to anticipate future demand and identify opportunities.

Self-starting and proactive behavior that overcomes obstacles in the pursuit of a goal is what is meant by the term "proactiveness" in the workplace (Frese & Fay, 2001). According to Lieberman and Montgomery (2008), a pioneering advantage (being the first to market) is critical to capitalizing on a market opportunity, whereas others have emphasized the necessity of being proactive in the entrepreneurial process. When a corporation is proactive, it means it is taking a more aggressive posture towards its rivals than a company that is reactive (Davis et al.,2018). Proactiveness has been linked to pioneering (Covin & Slevin, 2001) and taking the initiative to pursue new prospects or penetrate new markets in intrapreneurship research (Lumpkin and Dess, 2006).

Proactiveness in intrapreneurship studies refers to pioneering (Covin and Slevin, 2001) and taking the initiative to pursue new prospects or penetrate new markets (Lumpkin and Dess, 2006).

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.

Empirical Review

Felicio, Rodrigues, and Caldeirinha (2012) investigated the impact of intrapreneurship on the performance of organizations. An intrapreneurship model based on innovation, risk/uncertainty, risk/challenges, competitive energy and proactivity and autonomy is developed and tested in this study. The performance of the intrapreneurship model is measured in terms of factors such as financial performance, growth and improvement, and productivity. A representative sample of 217 medium-sized Portuguese businesses completed a questionnaire, and the results were compiled. Structural Equation Modelling (SEM) was employed to conduct the confirmatory analysis (SEM). According to the findings, intrapreneurship is multifaceted. That latent variable's relevance and explanatory power can be shown using this model. This study adds to the body of knowledge on intrapreneurship and the role it plays in a company's overall culture. It has been shown that intrapreneurship has a direct impact on the growth and improvement of quality performance metrics. This is useful for researchers seeking for acceptable performance metrics and for intrapreneurs trying to gain assistance for their choices and for the assessment of their performance. This is beneficial.

Intrapreneurship and Entrepreneurial Orientation are linked in the context of small and medium-sized enterprises (SMEs), according to Basso (2016). Based on a historical overview of the two major currents of the Corporate Entrepreneurship literature and the difference drawn by French researchers between "conventional SMEs" and "miniature big businesses," this conceptual article expands on this research. According to the conclusions of this research, the antecedents of Entrepreneurial Orientation and Intrapreneurship, as well as distinctions between different kinds of small businesses, are highlighted. Entrepreneurial Orientation has various organizational and leadership antecedents for different kinds of SMEs, according to this study. Through an examination of how Intrapreneurship and Entrepreneurial Orientation relate to one another, this study bridges two distinct but linked areas of corporate entrepreneurship research.
Entrepreneurial Orientation (EO) and the subjective performance of SMEs were examined by Michela, Josanco, Stefano, Federico & Roberto (2015). EO aspects are influenced by the financial performance of the businesses in the model developed in this article. As part of the research, it was found that In academic literature, the subject of subjective

performances has been extensively studied, with numerous lines of inquiry developing. EO orientation and its capacity to motivate performance via inventive attitude, risk taking behavior, aggression, autonomy and competitive energy is the subject of a significant amount of study in this area. Financial structure (i.e. leverage) has been studied extensively, but the conclusions have been mixed to say the least. Competitive energy has been shown to have an important role in driving performance, which has clear consequences for managers and theoreticians, as demonstrated in this study. Furthermore, the research finds that leverage's interactions with EO characteristics may have a considerable moderating effect.

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.

Rseults

Hypothesis 1.

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

Table 1: 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.

Hypotheses 2

H_{O2}: there is no significant relationship between Innovativeness and Market Performance of the manufacturing companies

Table 2: Relationship between innovativeness and Market Performance

		Innovativeness	Market Performance
Inno7	Pearson Correlation	1	.337**
	Sig. (2-tailed)		.005
	N	67	67
Market7	Pearson Correlation	.337**	1
	Sig. (2-tailed)	.005	
	N	67	67

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Researcher's Desk, 2021

A Pearson correlation coefficient r of.337** is shown in the table above. To test the null hypothesis that there is no significant link between market performance and innovativeness, a Pearson product moment correlation was used. The assumption of normality and linearity was made in the first study. There is compelling evidence to reject the null hypothesis and suggest that the listed Nigerian industrial products manufacturing firms have a positive association between their innovativeness and their market success (r=0.337*,p0.01). The second research question has now been answered thanks to this discovery.

Hypotheses 3

H_{O3}: there is no significant relationship between Innovativeness and Operational Performance of the manufacturing companies

Table 3: Relationship between Innovativeness and Operational Performance

		Innovativeness	Operational Performance
Inno7	Pearson Correlation	1	.079
	Sig. (2-tailed)		.524
	N	67	67
Opera7	Pearson Correlation	.079	1
	Sig. (2-tailed)	.524	
	N	67	67

Source: Researcher's Desk, 2021

The Pearson Correlation coefficient r of.079 is seen in the table above. A Pearson product moment correlation was used to test the null hypothesis that there is no significant association between operational performance and innovativeness. The assumption of normality and linearity was made in the first study. There is enough data to reject the null hypothesis and come to the conclusion that the listed Nigerian industrial products manufacturing firms have only a very weakly positive link between their innovativeness and operational success. The third research question has now been answered thanks to this discovery.

a. Relationship between Innovativeness and Market Performance

A Pearson Correlation coefficient r of.337** was found in the findings. To test the null hypothesis that there is no significant link between market performance and innovativeness, a Pearson product moment correlation was used. The assumption of normality and linearity was made in the first study. There is compelling evidence to reject the null hypothesis and suggest that the listed Nigerian industrial products manufacturing firms have a positive association between their innovativeness and their market success (r=0.337*,p0.01). The second research question has now been answered thanks to this discovery. It is clear from the literature assessment in chapter two that the idea of innovation is a wide one that may be defined in a number of ways. A variety of definitions have been proposed in the past in an effort to nail down exactly what it means to be an innovator. As a result, the terms innovation and innovativeness are either used interchangeably or separated from each other (Damanpour, 2001). However, it seems that innovation is defined by the acceptance or/and implementation of new ideas in subjective ways, while innovativeness appears to encompass some form of assessment based 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). In this regard, literature provides a wide range of definitions, including technology-related, behavior-related, and product-related ones. An approach used by Lumpkin and Dess (2006) is a hybrid one, in which a company's innovativeness is defined as its willingness and ability to actively participate in and promote the generation of new ideas, innovations, products, services, and technical processes. The proof of a company's innovativeness, according to their view, might take numerous forms. Innovativeness may range from a simple desire to try something (for example a new product) or experiment with it, to a passionate determination to master the newest in new goods or technical developments. However, this phenomena seems to be multidimensional, contrary to previous claims that organizational innovativeness has a

single dimension. When it comes to innovation, Gauvin and Sinha (2003) point out that there is much ambiguity in the term. Subramanian and Nilakanta (2006), for example, claim that organizational innovativeness drivers are inconsistent because of the lack of a multidimensional conceptualization of innovativeness. Damanpour's research shows that companies are more likely to engage in creative processes and test new ideas, which might result in the adoption of new manufacturing techniques or new goods or services for current or new markets (2001). Return on sales (ROS) and return on assets (ROA) are two metrics that have a direct impact on a company's success (ROA).

CONCLUSION

The findings show that intrapreneurship aids in the creation of new company opportunities. Intrapreneurship fosters a culture of long-term innovation in an organization. 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 is a great way for workers to challenge themselves and stay motivated. Employees are more likely to stay on board with a company if the task they're doing is both interesting and fulfilling to them. Intrapreneurs put in a lot of time and effort in their jobs. Others are motivated to become engaged and attempt new things because of their enthusiasm and drive. The organization expands as they expand. As a matter of fact, intrapreneurship has become an essential component in the survival strategy of many firms. According to the findings of the study, companies that have adopted Intrapreneurship have seen stronger financial returns, improved productivity, more creativity, and higher levels of employee engagement.

RECOMMENDATIONS

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.
4. To increase the company's market and financial performance, managers of industrial goods manufacturing enterprises should constantly guarantee that their companies are among the first to introduce innovative processes and new products/services in the industry.

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