

INTRAPRENEURIAL ORIENTATION AND BUSINESS PERFORMANCE MANUFACTURING COMPANIES IN NIGERIA.

Adedipupo David Laoye
Ph.D Student, Department of Management, Faculty of Management Science
Ignatius Ajuru University of Education Rumuolumeni Port Harcourt, Nigeria

Email; adedipupo.laoye@iaue.edu.ng

ABSTRACT

The study examined the relationship between Intrapreneurial Orientation 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 intrapreneurial 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: Intrapreneurial Orientation, Proactiveness, Business performance

INTRODUCTION

Entrepreneurial activity by individuals or organizations is a key economic mechanism for the exchange of knowledge about goods and services (Shane & Venkataraman, 2015). The study of intrapreneurship and its impact on business performance is very significant since it reflects the circumstances of competitive advantage in the setting of enterprises.

This definition from Sharma and Chrisman (2015) defines intrapreneurship as the act of someone or group of someones working in an existing organization to start a new one or revitalize or innovate that one already exists. Using innovative new goods, services, or processes, organizations may reenergize and revive themselves via the implementation of these procedures. This leads to increased revenue and profitability (Zahra, 2016; Zahra & Covin, 2015; Miles & Covin, 2002). "Intrapreneurship is the set of strategies and practices undertaken by a company to promote, cultivate, and manage the entrepreneurial competencies in the organization in order to create the context conditions that make it feasible to develop new ideas and business projects or renew key ideas upon which the company had been founded," as defined by Bierto (2018) (p. 3).

According to Antonic and Hisrich (2015), Intrapreneurship is characterized by its substance, which comprises aspects based on the Schumpeterian innovation notion, a building component of entrepreneurialism. New goods and services, markets, administrative processes, as well as fresh ways of organizing and dealing with rivals may all be considered as innovations in the widest sense. This includes a company's search of innovative or new solutions to problems it faces. An intrapreneurship is an employee initiative from below in the company to attempt something new; an invention generated by subordinates without being asked, anticipated, or sometimes even granted permission by senior management to do so.

As described by Zahra (2015), "the process of generating new businesses inside current enterprises to increase organizational profitability and boost a company's competitive position" Redefining the company's goods (or services) or discovering new markets is an important part of corporate entrepreneurship.

Nigerian corporations, particularly those registered on the Nigerian stock market, are hesitant to take risks, lack creative thinking abilities, and are often inactive. To a large part, these factors may be to blame for their bad business results.

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.

Hypothesis

H₀₁: Firm culture does not moderate the relationship between intrapreneurial orientation and business performance of the quoted industrial goods manufacturing companies

Concept of Intrapreneurship

Pinchot created the notion of intrapreneurship (1985). Boosting entrepreneurial activity inside already-existing firms is how Pinchot defined it. The prefix intra, meaning inside or within an enterprise, is included into the definition of the term "intrapreneurship" as a whole. Because of this, intrapreneurship has been defined as entrepreneurship inside an existing organization (Menzel, 2017). Employees may be encouraged to take on the role of entrepreneurs inside the organization via intrapreneurship, which aims to bring entrepreneurial traits into the workplace. In its broadest sense, intrapreneurship might be defined as "starting a business while working for someone else". Intrapreneurship, according to Stevenson & Jarillo (2019), is a process through which people inside firms explore possibilities regardless of the resources they presently possess. Doing new things and going against the grain are the hallmarks of intrapreneurship, according to Vesper (2019). "Emergent behavioral intents or behaviors that deviate from the traditional manner of conducting business," Antoncic and Hisrich (2015) describe it as.

Intrapreneurship is the same as entrepreneurship for firms that are already in existence. An Intrapreneur drives innovation inside a business, just as an entrepreneur does in the marketplace. As Dan Hawthway(2004) puts it, "Intrapreneurship is all about starting new businesses and bringing about change from inside the company." "Intrapreneurship" is defined by Bierto (2008) as a systemic approach to developing, nurturing, and managing a company's entrepreneurial competencies in order to create a conducive environment for launching new business ventures and initiatives, as well as revitalizing long-standing company principles. Using the Schumpeterian innovation notion as a cornerstone, Antoncic and Hisrich (2013) defined Intrapreneurship as a kind of entrepreneurship. New goods and services, markets, administrative processes, as well as fresh ways of organizing and dealing with rivals may all be considered as innovations in the widest sense. This includes a company's search of innovative or new solutions to problems it faces.

There are seven aspects of Intrapreneurship that Jordon (2018) has highlighted.

Ideas, inventiveness, and a willingness to take risks are all characteristics of innovation. Being proactive is anticipating difficulties, changes or requirements in the future and taking action to deal with them. Entrepreneurship: the creation of a new company or business unit inside an existing business structure. Taking a leap of faith and putting one's money where one's mouth is.

Reformulating strategic planning and reorganizing the company are both examples of organizational self-renewal. The term "autonomy" refers to a person's ability to take control of his or her own life. Efforts to gain admission or enhance the organization's position and value are aggressively pursued. A research assessment by Quesada, Onaindia, and Laburu (2011) found Block and MacMillan (2013) to have identified six features of Intrapreneurship. - New to the company is an activity called "intrapreneurship."

Business Performance

Business performance is often described as the capacity to meet the needs of a company's most important stakeholders, and it must be evaluated in order to quantify an organization's success. What happens in the market is driven by what business owners do and how they do it. To put it another way, if customers want the company's goods or services, it will be successful. Because of this, the success of a business depends on the performance of the company's leaders and the reactions of the company's internal and external environments. Performance as an entrepreneur is separated from that of a business under this concept. Unexpected or uncontrollable occurrences might have a negative impact on an entrepreneur's company even if the entrepreneur is doing well. Because of the intense competition or because of a political decision, a company may not be able to extend its operations. It is more rational to describe entrepreneurial performance as the particular duties that can or should be managed, since an entrepreneur can never control all aspects impacting firm success. The capacity to either survive or develop a business is used to evaluate its overall success in this country. Entrepreneurship is associated with increased revenue. As a sign of a company's long-term viability, survival isn't enough on its own. Financial Performance, Sales Growth, and Productivity are the metrics used in this research.

Schumpeter (1934) Theory of New Combinations

His birthplace was Moravia, then Austria-Hungary and now the Czech Republic. Joseph Schumpeter (1883-1950) was an economist and political scientist who was born in Moravia. In Austria, he attended the University of Vienna, where he earned his doctorate, and then taught at a number of European universities before relocating to the United States to join the Harvard University School of Business' Economic Faculty.

Theorem:

Theory of Economic Development, Schumpeter's magnum work, included his theory of entrepreneurship. The focus of the theory is on the mechanisms (processes) that drive economic growth. Schumpeter's theory emphasizes the importance of novel combinations, which he refers to as innovations. Entrepreneurs, according to him, are responsible for bringing together the many components of production into a single entity. Those who hold this perspective see entrepreneurship as a vital part of the economic process, a pivot on which everything else rests. As he sees it, there are two types of combinations: the ones that already exist and the ones that are being created. As he sees it, there are five different kinds of inventions. A new product or service, a new manufacturing process, a new market, a new supply of raw materials, and a new organization in any industry are examples of these things.

Entrepreneurship, according to Schumpeterian theory, is a process of "creative destruction" that culminates in new ideas. As a result, the entrepreneur is a game-changer. The emergence of a new economic system is made possible by the establishment of a new combination. His argument that innovations are not new combinations was also disputed by him. The reason for this is that innovations are economically irrelevant until they are put into practice (i.e. converted into socially valuable items).

Entrepreneurship in the Schumpeterian tradition has been defined as the process of creating new goods, services, markets, and organizational structures in order to spur economic and company growth (Schumpeter, 1994).

This philosophy of Schumpeterian growth is seen in all types and sizes of businesses as they strive to increase their revenue streams, bottom lines, and market value. Innovation, according to Schumpeter, is primarily responsible for the historical process of structural changes, which he categorized into five categories: New products, new species of already known products, or new methods of production or sales of a product (not yet proven in the industry) are all examples of new product introductions. In addition, new markets are opened, and new raw materials or semi-finished goods are acquired. New industry structures, such as the creation or destruction of a monopoly position, are also examples of new product introductions. According to Schumpeter, anybody looking to make a profit must be innovative. As a result, the economic system's current productive resources will be put to alternative uses. According to Schumpeter, innovation is a key engine of competitiveness and economic growth. A "process of industrial mutation," in Schumpeter's words, is what it takes to bring about constant change in an economy that has been stagnant for a long time. Changes in structure are a historical process characterized by Schumpeter as being significantly spurred on by innovations. Innovation is broken down into four stages: invention, innovation, dissemination, and imitation. After that, he turns his attention to the brash businessman in the midst of the investigation. Schumpeter argues that new investment and job prospects are created via the entrepreneurial activity of scientists and innovators, who rely on their findings.

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
1	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

Multivariate Analysis

Hypotheses 1

H₀₁₀: culture does not moderate the relationship between Intrapreneurial Orientation and Business performance

Partial Correlation of Intrapreneurial Orientation, Business Performance moderated by Corporate Culture

Control Variables			Intrapreneurship	Performance	Culture
-none ^a	intrapreneurship	Correlation	1.000	.989	.244
		Significance (2-tailed)		.000	.006
		Df	0	30	30
	Business performance	Correlation	.989	1.000	.260
		Significance (2-tailed)	.000		.003
		Df	30	0	30
	Culture	Correlation	.244	.260	1.000
		Significance (2-tailed)	.006	.003	
		Df	30	30	0
Culture	Intrapreneurship	Correlation	1.000	.989	
		Significance (2-tailed)		.000	
		Df	0	29	
	Business Performance	Correlation	.989	1.000	
		Significance (2-tailed)	.000		
		Df	29	0	

a. Cells contain zero-order (Pearson) correlations.

Source; Researcher's Desk, 2021

Both zero-order correlations (correlations without any moderating factors) of all three variables and partial correlation of the first two variables allowing for the effects of the third variable can be found in the Partial Correlations table above (corporate culture). In fact, there is a substantial positive link (0.989) and statistical significance between intrapreneurship orientation and company success at the zero-order level.

However, the partial correlation adjusted for corporate culture has a modest positive correlation (0.244) and is statistically significant ($p = .006$.) These findings support the idea that the substantial correlation between intrapreneurship orientation and company success is due to correlations between those two variables, and that corporate culture has no influence on that relationship. This is one interpretation of these findings. Therefore, we accept the null hypothesis that corporate culture does not influence the link between intrapreneurship orientation and the business success of manufacturing companies.

CONCLUSION

As a result of our research, we believe that future studies in Nigeria will pay more attention to aspects associated with intrapreneurial orientation and business performance. According to the findings of this research, the association between business success and innovativeness and risk-taking is extremely substantial, and contextual variables such as organizational size do not attenuate

this relationship. However, it was shown that the link between intrapreneurship and corporate performance is influenced by organizational culture.

RECOMMENDATIONS

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

1. 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.
2. Management might benefit greatly by investing in unpredictable outcomes on occasion.
3. In order to improve business performance, manufacturing company managers should participate in R&D for new product creation, and strive to absorb the losses from risk taking as a regular business development.
4. In order for this firm to see an increase in efficiency, it must keep up with technology advancements, maintain quality control standards, and keep costs down. The company's operational performance will increase as a result of all of the above.

REFERENCES

- Antoncic, B. & Hisrich, R.D. (2004).Corporate entrepreneurship contingencies and organizational wealth creation. *Journal of Management Development, 23*(6), 518-50.
- Cronin, J. & Page, T. (2008). An examination of the relative impact of growth strategies on profit performance. *European Journal of Marketing, 22* (1), 57-68.
- Cunningham, J.B. & Lischeron, J. (2001). Defining entrepreneurship. *Journal of Small Business Management, 29*, 45-61.
- Daft, R. (2000). *Organization Theory and Design*. South-Western College
- Damanpour, F. (2001).Organizational innovation: a meta-analysis of effects of determinants and moderators. *Academy of Management Journal, 34* (3), 555-90.
- Lieberman, M. &Montgomery, D. (2008).First mover advantage. *Strategic Management Journal,9*, 41-58.
- Long, C. & Vickers-Koch, M. (2005).Using core capabilities to create competitive advantage. *Organizational Dynamics, 24* (1), 7-22.
- Meyer, M.W (2008). Exporters and span of control America. *Sociological Review,33*:944-951
- Miles, M.P. & Covin, J.G. (2002).Exploring the practice of corporate venturing: some common forms and their organizational implications. *Entrepreneurship: Theory and Practice, 26*(3), 21-40.