

**PROACTIVENESS AND MARKET PERFORMANCE OF QUOTED INDUSTRIAL GOODS MANUFACTURING COMPANIES IN NIGERIA**

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**ABSTRACT**

*The study examined the relationship between proactiveness and market 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: Proactiveness, Market Performance, Quoted Industry, Business Organisation***

**INTRODUCTION**

Internal systems that enable workers to translate opportunity into innovation are becoming more important in light of firms' dynamic nature and the competitive business environment's quick change (Hisrich & Kearney 2012). It is essential for every firm to have an entrepreneurial attitude, as it positively impacts its survival and competitiveness in the current economic climate (Kakati 2013). It takes time for an organization to create internal skills that enable it to constantly reinvent itself. This eventually leads to better performance and higher returns on investment (Covin & Slevin 2015).

There has been a rise in the acknowledgment of the employee as an intrapreneur, a person who is able to generate value for an organization by taking advantage of possibilities (Ma, Liu & Karri 2016). Intrapreneurial Orientation refers to the inclination of workers to behave in an intrapreneurial way (IO). Risk-taking tendency, innovativeness, and proactiveness are the most typical characteristics of IO (Bolton & Lane 2012; Matsuno, Mentzer, and zsommer 2016; Sinha & Srivastava 2015).

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 Bieto (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.

Academics and practitioners alike see intrapreneurship as a valid strategy for boosting an organization's performance (Hayton, 2015). According to recent studies, the scope of Intrapreneurship is expanding since firms that have not historically been identified as entrepreneurial must increasingly become geared towards CE in order to survive (Phan ., 2019, Cantaragiu & Hadad,2014).

### **Hypothesis**

H<sub>01</sub>: there is no significant relationship between proactiveness and market performance of the quoted industrial goods manufacturing companies

### **Proactiveness**

Instead of reacting after the damage has already been done, being proactive means anticipating events or taking action that will benefit current and future prospects and requirements. Adopting an opportunity seeker is a sign of a proactive organization. According to Certo, Moss, and Short (2009), the greatest strategy for capitalizing on market opportunities is to adopt a "first mover" mentality. If a company recognizes an opportunity and takes the initiative to act on it, it has the potential to earn significant profits and get valuable exposure (Estanda, 2014). Entrepreneurial orientation indices such as proactiveness, which signifies taking advantage of new chances, getting ahead of the game, and creating new markets or participating in existing ones, is one of the most significant.

There is no company that can be maintained if it is not aggressive, inventive and willing to take on risk that has not been tried. Proactiveness, according to Lumpkin and Dess (2006), is critical for entrepreneurial orientation because of its forward-looking nature. As Senad and Ramo (2015) have argued, proactiveness, innovativeness, and risk taking are components of entrepreneurial orientation that positively affect business performance. Sue et al. (2011) embraced this perspective. The technique and decision-making process utilized by entrepreneurs to enter and succeed in business activities has been characterized as entrepreneurial orientation as a notion (Kropp, Lindsay &Shoham, 2006); (Lumpkin & Dess, 2001) To be accurate, there are three parts to this concept: proactiveness, innovation, and taking risks (Naman & Slevin, 2003). This conclusion was supported by other researchers who found a favorable correlation between a company's ability to take risks and its ability to succeed, as shown by Zhang and Zhang (2012). Entrepreneurial orientation also includes two additional characteristics, according to Lumpkin and Dess (2006): competitive aggression and autonomy. An organization that is proactive is capable of anticipating potential problems and providing prompt solutions before they arise (Dess& Lumpkin, 2005)

As stated by Crant (2000), proactive conduct is taking charge of one's environment, whether it be by making changes to the status quo or by creating new ones. Proactive actions may be carried out by employees as part of their role behavior in order to meet the fundamental criteria of their jobs

(Crant, 2000). For example, a sales representative could ask for input on how to close a deal in order to improve their work performance. Extra-role activities may sometimes be proactive, such as attempts to redefine one's function in the company. By finding and taking advantage of possibilities to modify the scope of one's employment or transfer into a more desired section of the organization, individuals may participate in career management activities (Crant, 2000). After adjusting for extraversion and conscientiousness, Crant (2005) found that real estate agents' work performance was more variable when they had a proactive personality trait.

Unlike the more broad Big Five traits and aspects, the proactive personality seems to be more suited to predicting motivation in learning environments (Major, Turner, & Fletcher, 2006).

Many studies have looked at the effects of having a proactive personality on the workplace. The validity of Bateman and Crant's proactive personality measure, for example, was tested by Crant (1995). (1993). There was an additional 8 percent of variance in an objective measure of real estate agents' job performance that could not be explained by experience, social desirability, general mental ability, or two of the big five personality traits – conscientiousness and extraversion – using a sample of 131 real estate agents as subject matter. Parker (1998) discovered that proactive personality was positively and substantially linked with engagement in organizational reform activities, employing a sample from a glass manufacturing company. Entrepreneurial behavior was studied by Becherer and Maurer (1999) to see how proactive attitudes affected it. Findings from a survey of 215 small business owners revealed a strong correlation between the presidents' proactivity and the number of startups, the number of new businesses, and the forms of ownership.

### **Market Performance**

Over a predetermined period of time, sales growth is a metric used to evaluate the success of the sales force in increasing revenue. A company's ability to expand and prosper financially depends on its ability to increase sales. An increase in revenue may always be put to good use for the benefit of the firm and its workers, whether it's via a pay rise, the purchase of new assets, or the development of the company's product range. Negative growth is a bad thing, since it suggests a poor course of action or poor judgments.

Positive Sales Growth is defined as an increase in sales statistics that is greater than the baseline. Positive sales growth is always advantageous to a firm's financial health, and every company aims for it. It is referred to as "negative sales growth" when the current year's profits are lower than prior years'. It's a sign that something went awry, which is why sales are down. When a company's growth is consistently negative, it is forced to make difficult decisions, and the results are typically disastrous. Indicators such as sales growth show that the policies in place are functioning. As long as sales are increasing, it is a good indicator. As long as sales are decreasing, it indicates that something is wrong and has to be fixed. A company's goal is to increase sales since it will result in a higher profit margin. Additionally, it shows that market circumstances are good and that the company's present strategy or approach is working in their favor as sales increase. Maintaining a healthy sales growth is a more difficult undertaking than obtaining it. Negative sales growth is a warning indicator that the organization has to make a shift. If sales are declining, there must be a problem that has to be addressed. As a result, the organization must reevaluate its present rules and teams and reevaluate its goals for the next year. Positive sales growth is a sign of increasing market share, consumer acceptability, and the number of customers using a product or service. It is a sign that the product is well-liked by consumers. The organization must adjust to the shifting market in order to continue to expand positively. It's also a sign that the company's present operations are being restructured to better meet the market's and customers' evolving expectations. Various Sales Growth comparisons might help a business figure out the best methods for increasing sales. Sales Growth Analysis is critical to an organization's success in the marketplace. Analyzing customer Sales Growth in more depth can help pinpoint the root cause of any changes in sales growth.

When it comes to sales growth, both internal and external forces are at play. An internal factor is one that originates from within the company and has the potential to impact its performance while also being subject to regulation and control by the company itself. Examples of internal factors include decisions to increase company capital, hire additional employees, determine the percentage of retained earnings to be kept, merge with another company, determine the amount of debt to be taken on for investment, and the organizational structure of a company. An external factor is everything beyond the company's control, such as raw material pricing, competitive conduct, macroeconomic and political situations, interest rates on bank loans, the business environment, and the structure of the market for its products and services. A positive number for these indicators indicates that the company's sales volume will expand. According to the findings of a previous research (Lechner, C. 2016), sales growth has a significant impact on a company's success. Any year-over-year rise in sales is referred to as sales growth. By subtracting the current year's sales from the prior year's sales and then dividing by the previous year's sales, sales growth can be computed. Profits will be generated in the future by companies who put more effort into increasing sales.

### **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
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

### Hypotheses 1

H<sub>01</sub>: there is no significant relationship between Proactiveness Market Performance of the manufacturing companies

**Table : Relationship between Proactiveness and Market Performance**

		Proactiveness	Market Performance
Proa7	Pearson Correlation	1	.235
	Sig. (2-tailed)		.056
	N	67	67

Market7	Pearson		
	Correlation	.235	1
	Sig. (2-tailed)	.056	
	N	67	67

Source: Researcher's Desk, 2021

.235 is the Pearson Correlation coefficient, as seen in the graph above. We used a Pearson product moment correlation to test the null hypothesis that Proactiveness has no effect on market performance in any way. The assumption of normality and linearity was made in the first study. Significant evidence supports the null hypothesis and the conclusion that proactiveness and market success are linked in Nigerian industrial products manufacturing firms listed on the Stock Exchange of the country. With this discovery, the fifth research question has now been answered.

a. **Relationship between Proactiveness and Market Performance**

The results show a Pearson correlation value of  $r$  of .235. We used a Pearson product moment correlation to test the null hypothesis that Proactiveness has no effect on market performance in any way. The assumption of normality and linearity was made in the first study. We reject the null hypothesis and come to the conclusion that the listed Nigerian industrial products manufacturing businesses' market performance and proactiveness are linked. With this discovery, the fifth research question has now been answered. Proactive behavior is described in chapter two by Crant (2000) based on existing relevant research as conduct that entails taking initiative to change current circumstances or create new ones, rather than passively responding to current surroundings. Proactive actions may be carried out by employees as part of their role behavior in order to meet the fundamental criteria of their jobs (Crant, 2000). Sales representatives, for example, could ask for feedback on their closing tactics in order to improve their work performance. Active extra-role activities include things like trying to re-define one's position within the company. By finding and taking advantage of possibilities to modify the scope of one's employment or transfer into a more desired section of the organization, individuals may participate in career management activities (Crant, 2000). After controlling for both extraversion and conscientiousness, Crant (2005) found that real estate agents who were more proactive in their work performed better than those who were less proactive. Predicting motivation in learning situations, proactive personality seems to be more suited than the larger five-factor model (Major, Turner, & Fletcher, 2006). Many studies have looked at the effects of having a proactive personality at work and found a variety of interesting results. Using Bateman and Crant's proactive personality measure as an example, Crant (2005) investigated the scale's criterion validity (2003). There was an additional 8 percent of variance in an objective measure of real estate agents' job performance that could not be explained by experience, social desirability, general mental ability, or two of the big five personality traits – conscientiousness and extraversion – using a sample of 131 real estate agents as subject matter. In a study of employees at a glass manufacturing company, Parker (2008) showed that having a proactive attitude was positively and substantially related with taking part in efforts to improve the company. Researchers Becherer and Maurer (2009a) studied the influence of a proactive disposition on entrepreneurial activity. Studying 215 small firm CEOs, researchers discovered that presidents' degree of proactivity was linked to three kinds of entrepreneurial behaviors: beginning a business, the number of startups they had started, and their ownership structure. To be proactive in work, one must be self-starting and proactive in order to overcome obstacles and reach a goal (Frese & Fay, 2001). According to Lieberman and Montgomery (2008), a pioneering edge (or being the first to market) is critical for capitalizing on a market opportunity, whereas others have emphasized the necessity of being proactive in the entrepreneurial process. Is it a leader or follower? Proactiveness tells us how far ahead we are of our competition and how aggressive we may be (Davis et al., 1991). Intrapreneurship research, proactiveness refers to pioneering and initiative-taking in exploring new chances or entering new markets (Covin and Slevin, 2011). (Lumpkin and Dess, 2006).

Pioneering (Covin and Slevin, 2001) and a willingness to take risks are examples of proactiveness in intrapreneurship research (Lumpkin and Dess, 2006).

### **CONCLUSION**

The findings show that proactiveness 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.

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.

### **RECOMMENDATIONS**

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

1. Management might benefit greatly by investing in unpredictable outcomes on occasion.
2. 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.
3. that the systematic search for, invention of, and examination of new avenues for the production and sale of products and services may lead to entrepreneurial activity. For example, the introduction of a new product in an established company may also contribute to the development of new value.
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.

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