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ENTREPRENEURIAL PROACTIVENESS AND EMPLOYEE SATISFACTION OF SMALL AND MEDIUM SIZE ENTERPRISES IN PORT HARCOURT, NIGERIA

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Abstract

This study is designed to examine the relationship between entrepreneurial proactiveness and employee satisfaction of small and medium enterprises in Port Harcourt metropolis Nigeria. Due to globalization, small and medium sized enterprises (SMEs) face increasing pressure from competition from across the world which has rendered the less viable ones to liquidate before five years of startup. When compounded with the changing sophistication of customers worldwide it becomes apparent that SMEs face increasing difficulty in maintaining and improving business performance in time which hindered expansion of such SMEs, unless they can actively manage these pressures strategically. No firm can be sustained without being proactive, innovative and be prepared to venture into untested risk.

Key Words: *Entrepreneurial Practiveness, employee satisfaction Small and Medium Size Enterprises*

Introduction

There is an increased cognizance in the global community about the vital role that entrepreneurship plays in promoting the formation and management of industry in both the developing and developed countries of the world. The future of any economy globally, depends critically on entrepreneurial activities. In Nigeria, before the 1980s, the perception of entrepreneurship had mounted to a high level of national homily and policy formulation as it has been seen as a major motorist and keys for the level of industrialization, modernization, urbanization and meaningful employment generation for the unemployed individual Adeyemi and Aremu (2011). Entrepreneurship since then is considered to be the essential factor facilitating national industrial development and has equally be serving as the architect of jobopportunity both in the rural and urban centers particularly for the young school leavers and graduate alike. Poverty alleviation to the citizen has is equally be facilitated by entrepreneurial operational activities (Aigboje, 2014).

Entrepreneurial activities are increasingly regarded as important to firms, but in today's complex global economy activities, entrepreneurship has become even more crucial towards obtaining a sustainable competitive advantage (Wiklund and Shepherd 2000). Their activities are mostly noticeable in the rural as well as in the urban centers as they provide a filled up in man economic activities Aigboje (2014).Due to globalization, small and medium sized enterprises (SMEs) face increasing pressure from competition from across the world which has rendered the less viable ones to liquidate before five years of startup. When compounded with the changing sophistication of customers worldwide it becomes apparent that SMEs face increasing difficulty in maintaining and improving business performance in time which hindered expansion of such SMEs, unless they can actively manage these pressures strategically. SMEs are encouraged to implement an entrepreneurial mindset to recognize the threats and opportunities in the environment of the firm in order to make sure that the firm will continue to exist in the future (Krueger ,2000). In periods of economic and environmental turbulence, it becomes even more apparent that firms face particularly high levels of market instability and complex business uncertainty that obliges firms to act upon such change (Grewal,2001; Lin,2001). A firm level response is therefore needed (Chattopadhyay et al. 2001).

This sector SMEs has contributed in no small measure to the growth and development of Nigerian economy as evident in the Micro Small and Medium Enterprises (MSMEs) to have risen to a level of providing employment for about 84.02% of the total labor force, represent 96% of the businesses in Nigeria and contribute 48.47% to the nation's Gross Domestic Product (GDP) (Nigeria Bureau of Statistics (NBS)).

However, despite the effort by the government to promote entrepreneurship by removing regulatory blockades such as increasing capital supply, ameliorating liquidation provisions and consolidation stock markets, many entrepreneurial businesses activities have scarcely performed (Aigboje 2016). Some of the factors responsible for these poor performances are lack of entrepreneurial orientation, insufficient capital, lack of focus, inadequate market research, lack of planning, inexperience, lack of infrastructural facilities, trouble in accessing financial institutions for credit, and multifarious government agencies which have led to deterioration in the profit level and growth of the firms (Mahmood & Hanafe, 2013).

Literature Review

Proactiveness

Proactiveness is the propensity to identify event in advance or an act that facilitate future prospect and needs rather than responding later when the incident must have been spread-out. A proactive firm is that firm that adopts an opportunity seeking prospect. Certo, Moss and Short, (2009) argued, that first-mover attitude is the best approach for exploiting on a market chance. If a firm spots an opportunity and it becomes the leading firm to act upon it, it can make unusual incomes and benefit from make recognition (Estanda, 2014). Thus, proactiveness, denotes taking advantage, getting ahead to carry out fresh opportunities, and generating new markets or take part in emerging ones, it is regarded as one of the important entrepreneurial orientation indices.

Walter, Auer and Ritter, (2006) and Zhang and Zhang, (2012) argued that no firm can be sustained without being proactive, innovative and be prepared to venture into untested risk. Lumpkin and Dess (1996) argued that proactiveness is significantly important for entrepreneurial orientation as a result of its forward looking view. Sue *et al.*, (2011) adopted the view of Slevin and Covin (2006) cited by Senad and Ramo (2015) with the argument that proactiveness, innovativeness, and risk taking are components of entrepreneurial orientation which positively relate to firm performance. Entrepreneurial orientation as a concept has been conceptualized as

the procedure and decision making process, used by entrepreneurs which lead to entry and success of business activities (Kropp, Lindsay & Shoham, 2006); (Lumpkin & Dess, 2001) This concept has three components to be precise, proactiveness, innovativeness and risk taking (Naman & Slevin, 1993). Other scholars Zhang and Zhang (2012) opined that the three components of entrepreneurial orientation of proactiveness, innovativeness and risk taking positively relate to firm performance. Lumpkin and Dess (1996) added two other components, competitive aggressiveness and autonomy as components of entrepreneurial orientation. A proactive organization is capable to ascertain possible developing challenges and proffer immediate answers before their occurrence (Dess & Lumpkin, 2005).

Proactiveness and Employee Satisfaction

Mone and London (2009) conducted a study on the relationship between management proactive style and employee satisfaction in SMES in Bangladesh. Employee having adequate resources to perform their job was considered as effectively consistent. Result indicated that there is a positive relationship between management proactive action and employee's job satisfaction. The study on which this article is based was carried out in a multinational manufacturing organization operating in India. Shama and Mohapatra (2014) conducted a study on organizational proactivity as a strategy for employee job satisfaction.

The aim was to ascertain the level of motivation of the management on employees as to enhance satisfaction and performance. Guided by the review of literature, certain personal attributes of the employees, a measure of job characteristics and several dimensions of organizational climate were used as the potential predictors of organizational commitment. The study obtained its data from 507 managers working in a multinational manufacturing organization. Data were collected online with the help of structured questionnaire. The study found that (a) the level of managerial motivation in line with managerial proactivity is quite high, (b) the employees are satisfied by putting in a positive work ethic that is governed by internal locus of control, the result revealed that proactivity by management done through motivational job practice relates positively to employee satisfaction, which enhances firm performance. (Hass, 2010) Conducted a study on the relationship between employee satisfaction and organization proactivity. Proactivity was measured by employee empowerment which gives employee authority, power and control in their units. Result show that employees become increasingly efficient and effective.

The result as well revealed that proactivities relate to employees satisfaction as an empowered employees perform their work more effectively and efficiently than non-empowered employees. Employee empowerment has received recognition in management circles because it is one of the fundamental elements of managerial and organizational proactivities which increase employee power and control in organization. Hass (2010) argued that today, more than seventy percent of organizations have adopted some kind of proactive empowerment initiative at least for a part of their workforce. Surekha and Vandane (2016) conducted a research on the association between proactive empowerments and Job Satisfaction.

Empowerment has now become an imperative for the organizations, especially for those who want to win external pressures with the help of their workforce support. The result revealed that employees who are not proactively empowered are said not to be satisfied in their job. Empirical studies as well revealed empowerment as a significant predictor of employee. Furthermore, Rana Singh (2016) carried out a study on the relationship between empowerment and employee job satisfaction. Findings show positive relationship. Dickson and Singh (2016) conducted a research on the relationship that exists between employee satisfaction and self-determination cognitions of empowerment. Result shows positive association. Surekhan and Vandane (2016) carried out a Research on organizational proactiveness and job satisfaction having come across the relationship of four cognitions of proactive measure of management to empower employee. The reseacher found a significant and positive relationship between employee empowerment and job satisfaction. Dickson and Singh (2016) conducted a study on the relationship between employee empowerment and employee satisfaction in a manufacturing industry.

The results of this work indicated that employee empowerment had positive and significant relationship with job satisfaction in manufacturing industry.

Conclusion

There is an increased perception in the global community about the vital role entrepreneurship plays in promoting the formation and management of industry in both the developing and developed countries of the world. In spite of the important of this sector to the Nigeria economy, Small and medium sized enterprises still (SMEs) faces increasing pressure from competitors in Nigeria and across the world which has rendered the less viable ones to liquidate before five years of startup. When compounded with the changing sophistication of customers worldwide it becomes apparent that SMEs face increasing difficulty in maintaining and improving business performance in time which hindered expansion of such SMEs, unless they can actively manage these pressures strategically. This study focused on the measuring relationship between entrepreneurial proactiveness and employee satisfaction of small and medium size enterprises in Port Harcourt, Nigeria. The direct relationship as align to measuring one another has been confirmed in the work of other scholars as indicated against each of the measuring variables above. Proactiveness and employees satisfaction has been confirmed to significantly attest as indices for the expected mission.



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