Entrepreneurial Attitude; A Fundamental Root for Firm Performance in Uganda a Close Look at Business Alertness, Case Study of Industrial Division Mbale

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Abstract

Today, there is an increasing demand to appreciate entrepreneurship in the entire world. The economic systems across the globe, allows anyone with a special idea and the drive to make change, to join the army of entrepreneurs. Entrepreneurship provides a platform for value addition to effect growth and development in today’s economies. The purpose of the study was to incorporate the moderating role of business alertness in the relationship between entrepreneurial attitude and performance of firms. The study used a cross sectional research design; questionnaires were designed based on the sample size of 50 respondents. The findings reviled a positive contribution of business alertness as a moderating factor in the relationship between entrepreneurial attitude and performance of firms. The study recommends the governments and private entities to disseminate business information using popular and quick means like social media e.g. face book, WhatsApp and twitter to enhance entrepreneurial attitude for high firm performance.

Keywords: Entrepreneurial attitude, Creativity, Innovation, Business alertness and SME firm performance.

INTRODUCTION

World over, having an entrepreneurial attitude often means a richer and superior life for oneself and others in the world [1]. Innovativeness has long been recognized as an important driver of economic growth; empirical research and surveys of business activities show that innovation leads to new products and services, better quality, and lower prices. Economies that have consistently high levels of innovation also tend to have high levels of growth and development [2]. There has been a general realization that entrepreneurship is at the center of high and stable economic growth that constitutes and sustains prosperity.

Enterprises are a tool for empowering the citizens and economic growth. Employee creativity and innovation gives a firm an edge over the competitors and in turn helps a company succeed in terms of multiple measures of firm-level financial performance [3]. This has expanded market for the goods and services, boosted entrepreneurial attitude; thus forcing the entrepreneur’s to think critically and produce standard goods to meet the recommended standard due to the large market base, and free trade, free movement of goods and labor [4]. The entrepreneurial attitude is also a vehicle for accelerating foreign exchange, tax or revenue hence leading to high rate of economic growth.

Previous research studies point entrepreneurial attitude as the think tank of a society. Entrepreneurial attitude is associated with rapid economic growth of countries in Asia and North America [5]. Among developed countries such as the USA, entrepreneurship still play enormous role in the country’s economy [6]. Available evidence points that, entrepreneurial attitude occupy an important and strategic place in economic growth and development in all countries [7]; constituting as high as 90% of enterprises in most countries worldwide. Entrepreneurial attitude is the driving force for large number of innovations and contribute to the growth of the national economy through employment creation, investments and exports. For example, United States of America recognizes the importance of entrepreneurship and declared February 24 to March 3, of 2007 as entrepreneur Week. The positive attitude has led to the establishment of SMEs which is a dominant sector and accounts for almost 90% of all the enterprises in rural and urban areas. It is
a major employment avenue to people and stimulate the development of the countries by promoting entrepreneurial and business skills amongst communities [5].

Despite their significant contributions to entrepreneurial attitude, these studies do not appreciate the moderating role of business alertness in the relationship between entrepreneurial attitude and firm performance. As a result, there is alarming high rate of failure in this segment; it’s observed that eight (8) in every ten (10) businesses fail within their first three years of operation. This can be attributed to organisation failure to appreciate business information sharing in today’s technological cycle, such as social media usage. In Uganda Face book accounts for 82.6%, whatsapp 89.0%, twitter 10.1%, LinkedIn 16.5%, YouTube 19.3%, blogs 18.3% and 0.8% Google+, these are great pillars in enhancing business information sharing [8].

Therefore the purpose of this study is to examine the role of business alertness as a moderating factor in the relationship between entrepreneurial attitude and firm performance.

Like any other economy, Uganda has vision 2020 which is a midterm vision. It has emphasized relevant entrepreneurship skills for development, starting with investments in early-childhood development and improving the quality of education, as a way of enhancing entrepreneurial attitude. The government has promoted self-employment through the establishment of National Youth Funds, like Uganda Youth Venture Capital Fund (UYVCF) worth UGX 25bn (about US$ 10 million) was introduced in 2011 and more recently, in September 2013, government significantly boosted youth schemes by allocating UGX 265 billion (about US$ 100 million) to the Youth Livelihood Programme (YLP) over a five-year period. But there is no easy and quick business information sharing that can improve people’s entrepreneurial attitude to perform in a modern way.

**HYPOTHESES**

H1. There is a significant relationship between entrepreneurial attitude and firm performance
H2. There is a significant relationship between creativity and firm performance
H3. There is a positive and significant relationship between innovation and firm performance
H4. Business alertness is a significant moderating factor between entrepreneurial attitude and firm performance

**Innovation Theory of Schumpeter**

A dynamic theory of entrepreneurship was first advocated by Schumpeter [9] who considered entrepreneurship as the catalyst that disrupts the stationary circular flow of the economy and thereby initiates and sustains the process of development [10]. Schumpeter introduced a concept of innovation as key factor in entrepreneurship in addition to assuming risks and organizing factor of production. Schumpeter is the first major theorist to put the human agent at the Centre of the process of economic development. He is very explicit about the economic function of the entrepreneur. The entrepreneur is the prime mover in economic development; his function, to innovate or carry out new combinations. Schumpeter makes a distinction between an innovator and an inventor. An inventor discovers new methods and new materials [11, 10]. According to Schumpeter, entrepreneurs are individuals motivated by a will for power; their special characteristic being an inherent capacity to select correct answers, energy, will and mind to overcome fixed talents of thoughts, and a capacity to withstand social opposition. On the criticism side, this theory seems one-sided as it puts too much emphasis on innovative functions. It ignores the risk taking and organizing aspects of entrepreneurship. An entrepreneur has not only to innovate but also assemble the resources and put them to optimum use [11]. In spite of these lacking, the theory supports the “enterprising spirit” of entrepreneur to innovate. It is the act that endows resources with a new capacity to create wealth. Drucker says, “Innovation, indeed, creates a resource. It endows it with economic value.” Schumpeter’s views are particularly relevant to developing countries where innovations need to be encouraged. The transformation of an agrarian economy into an industrial economy required a great deal of initiative and changes on the part of businessmen and managers [11].

**Creativity**

Creativity has been viewed as the construction of ideas or products which are new and potentially useful. These ideas can be internally or externally located, although the entrepreneur will tend to search and identify potential solutions shaped in part by internal competencies [12]. According to [13], creativity is the production of novel and useful ideas in any domain. She went further to state that in order to be considered creative, a product or an idea must be different from what has been done before but the product or idea cannot be merely different for difference sake, it must also be appropriate to the goal at hand, correct, valuable, or expressive of meaning. As cited by [14], defined creativity basically as a term that implies the process of developing original, novel, and appropriate response to problems. Creativity allows the organization to take advantage of opportunities which develop as the result of changing environmental conditions. Creativity plays an important role in new product development and creativity consist three techniques: brainstorming, visual confrontation, morphological techniques [15].

Employee creativity has been proved important to organizational success. However research
on the association between employee creativity and performance of firm’s is scanty and despite the possible importance of employee creativity in many organizations, the relationship has not attracted much research attention [16]. More so results regarding the relationship between employee creativity and performance of firm’s only explained negligible variance [17, 18]. However, there exists a positive relationship between employee creativity and performance of firms. Specifically, when employees display creativity at work, they generate new ideas that are useful in dealing with the tasks at hand [19]. Creative ideas such as formulating new procedures or processes for carrying out tasks, or identifying products or services help them to better meet customer needs [20]. Creative ideas may also take the form of amendments of existing procedures or processes to enhance organizational efficiency. Employees may also take up a fresh, useful idea and apply them to improve their own work [21], and as a result, the performance of an entire organization improves. This means that employee creativity gives an edge over the competitors and in turn helps a company succeed in terms of multiple measures of firm-level financial performance [3]. More so, organizations that exhibit creative behaviors generate competitive advantages and better performances [3].

Many studies have contended that competitive advantage leads to improvements in financial performance such as revenue growth [22]. Specifically, Von Nordenflycht [18] found modest empirical support for the impact of creativity on revenue growth rates. In terms of profit growth and return on assets, creativity may often increase the short-term cost in an organization. Implementing new ideas to existing products and services may be expensive and not yield positive returns for an organization. However, over time, new ideas have the potential to increase profit growth in organizations [3]. Moreover, Geroski [23] suggested that firms will notice an increase of profit growth when encouraging creative behaviors. Thus, organizations that encourage creativity experience increase in profit growth, and subsequently performance of firm’s. Furthermore, Von Nordenflycht [18] observed a relationship between creativity and performance in 122 U.S. advertising agencies determining a positive, linear relationship between employee creativity and performance of firms. It is generally reasoned that creativity results in competitive differentiation which results in firm-level success. In addition, Employee creativity can add value to organizations, mainly in overcoming challenges and finding innovative ways to grow. Creative ideas are good, but they need to be exploited to get the full benefits. If a company does not exploit them, it may be at a competitive disadvantage [24]. Exploiting ideas means, firstly, providing motivation. Without sufficient motivation, employee creativity potential may not necessarily equate with a better performance of firms. Managers, for example, can motivate employees through transformational leadership that inspires them and puts a premium on creativity [25]. It also provides creativity relevant activities, initiates creative action and maintains actual creative levels in the workplace and firms with outstanding employee creativity perform better than others that do not have [26]. Accordingly, employee creativity clearly becomes an influenced antecedent of performance of firms.

The need for organizations to be more competitive has sparked the interest of researchers and practitioners to better understand creativity in organizations. Andriopoulos [27], Morris [28] identified five major organizational dimensions under which sit characteristics and behavior that enhance or inhibit creativity in a work environment. Those dimensions are organizational climate, organizational culture, organizational structure and systems, leadership style and resources and skills. Morris [28] in his study reviewed the literature under each of those dimension headings and attempted to identify the characteristics and behavior required in each to enhance organizational creativity.

Memmert [29], stated that widening your sphere of information allows you to associate more stimuli that may not pay attention to because it seems irrelevant. When you simultaneously focus on many elements, your mind is more likely to combine this information into unique and original ideas. Psychologists refer to the range of information and events (stimuli) that a person attends to at one time as their breadth of attention. Research shows that finding creative and effective solutions to complex problems is more likely when you widen your breadth of attention than when you narrow it [29]. According to Leung et al., [30] multiple experiments have shown that some body movements away from a chair can enhance creativity. Your physical activity can be simple as pacing around a room or as energetic as walking outdoors. The idea is that movement activates abstract process that help you overcome fixated thinking [30].

**Innovativeness**

Innovation is the most important factor that decisively affects the nature or outcome of an organization’s performance. Calantone et al., [31] stressed that organizations need to have a robust learning orientation in order to acquire competitive advantage. The authors divided learning orientation into four components: “commitment to learning, shared vision, open-mindedness, and intra organizational knowledge sharing”. They found that the overall entrepreneurial attitude affects firm innovativeness, which in turn affects performance of firm’s. They also found that the firm’s innovativeness can be measured through the degree of innovation adoption by the company, and on the ability and willingness to change, which is positively associated with performance [31].
Keskin [32] demonstrated the effect of market orientation on firm innovativeness through learning orientation; this finding shows that creating customer information and knowledge, evolving and then achieving a marketing plan and being willing to challenge assumptions and values have a positive effect on firm innovativeness. Furthermore, a firm’s innovativeness refers to the willingness to practise new ideas and concepts, explore new approaches and methods, to creativity in the operations procedures, and the rate of introducing products; these all affect positively a performance of firms. Jiménez-Jiménez and Sanz-Valle [33] studied organizational learning, which is considered as a foundation of obtaining sustainable competitive advantage and an essential factor in improving organization performance. The authors found that organizational learning has a positive effect on organization performance. Bowen et al., [34] examined the link between organizational innovation and performance, and found that there is a positive correlation between the two. Saunila [35] examined the connection between innovation capability and performance of firm’s within SMEs. The author divided innovation capability into seven aspects and found that only three aspects of innovation capability have an influence on overall performance of firm’s; these are know-how development, ideation and organizing structures, and leadership culture.

Innovation is classified into different categories such as technical innovation and organizational innovation; thus each kind of innovation has an effect on different domains of performance [36]. Technical and administrative innovation play important roles in improving companies’ performance and contributing to increasing an organization’s value [37]. Therefore, innovating companies are always interested in economic growth and thus can easily take advantage of emerging opportunities and products compared to non-innovating companies [33]. Firms’ collaboration and coordination can be developed by enabling administrative innovation, which in turn results in having better efficiency measures. Technical innovation increases the competitiveness of the firm, which has a positive impact on the outcomes of effectiveness measures. Organizational innovations represent the necessary conditions that assist in using technical product and innovation processes efficiently; thus organizational innovations are considered as “sources of competitive advantage”; they also affect business performance with respect to lead times, quality, productivity and flexibility [38]. There is a strong and positive relationship between organizational innovations and the overall organization performance; therefore, innovation should be well understood and well managed by managers to increase operational performance in the organization [37].

According to Gopalakrishnan [39], other measures can also affect firms’ performance such as innovation speed and innovation magnitude. The innovation speed is a sign of an organization’s resources and capabilities as well as the swiftness of adopting procedures or products that are in the field of interest in the industry. It significantly affects financial performance, “measured by the average return on assets” [35, 40]. Furthermore, innovation speed generates positive results at organization level; it is stated that any increase in innovation speed will result in a decrease in development costs and in turn have a positive impact on product quality, while at the industrial level, it is argued that there is a relation between the increase of innovation speed and market share. Innovation magnitude refers to the number of innovations adopted by an organization from the available innovative ideas in the market. Most of the researchers believe that adopting more innovations leads to greater benefits, profits and reduced organization cost [39].

According to Cohen and Levinthal [41], they state that innovation and firm or organization performance measures are positively related to each other. It has been found that R&D expenses can be used as an essential measure of innovation; the more R&D investment, the higher the growth in productivity. However, R&D expenditure has shortcomings when it is used as an innovation measure. R&D expenditure also does not represent all the efforts of innovation, such as learning by practising, human capital and a firm’s knowledge. In some cases, using R&D expenditure as a measure of innovation is inaccurate, especially in cases of developing innovation through cooperation between an R&D department and universities or between an R&D department and other agencies that pay the R&D expenditure. In many cases, small firms do not allocate dedicated funds to an R&D department, instead they fund all activities together. Finally, it is not always the case that more expenditure on the R&D department leads to better innovation outcomes and better performance, but small innovation efforts can result in better performance [42].

For an organization, it’s vital to keep improving innovation capabilities in order to have and to maintain competitive advantage. Managers need to use innovation measures to aid them in two areas: To make focused decisions that rely upon explicit data and to keep aims and daily pursuits in alignment with the short- and long-term innovation plans [43].

Therefore, it is extremely important to assess the organization’s innovation capability precisely, and to manage well any factor that will have an effect on the innovation capability. It is said that everything can be measured, despite the fact that it is very difficult to measure an intangible. The question here is, “is it worth measuring?” if the measures do not meet the precise standards and if the benefit does not cover the cost. Indirect measures can be used to measure intangible
items. In such cases, where the item or phenomenon cannot be measured directly, the closest items are measured instead. There are two types of indirect measures: objective measures and subjective ones. Objective measures are conducted by using quantitative information whereas subjective measures are made by relying on people’s opinion without providing them with a clear standard [43].

**Business Alertness**

Entrepreneurial alertness is defined as an individual's ability to notice opportunities that are not recognized by other people [44]. The alertness has been identified as a major factor influencing the way opportunities are recognized and exploited by entrepreneurs. In addition, it is this feature of being alert to opportunities that qualifies an actor to be an entrepreneur. In recent years, work on alertness has been largely integrated under the broader area of opportunity recognition [45, 46]. Research has generally supported the efficacy of alertness for explaining economic development and predicting opportunities discovered in the entrepreneurial process [44]. Investigators have examined alertness from two perspectives: behavioural vs. cognitive.

The behavioural manifestation of alertness was pioneered by Valliere [47] where they attempted to capture differences in behaviour that can be attributed to differences in alertness. They conclude that entrepreneurs are different from executives in terms of time spent on information search, sources of information used, and attention to risk cues. The cognitive stream of research conceptualizes entrepreneurial alertness as chronic schema activation, and investigates how the market environment is represented in the mind of the entrepreneur and whether such mental models differ from non-entrepreneurs [47]. The entrepreneurs Motives, beliefs, and behaviour ultimately dictate whether an entrepreneur is highly alert or not. (Ibid)

The social cognition concept on entrepreneurship proposes that individual with entrepreneurial attitude have a special capability in encoding, storing, retrieving and applying social situation which is closely related to the cognitive psychology and the social learning theory [48-52]. In social psychology, the focus is on the interaction between the environment and the individual.

According to McGrath and MacMillan’s [53] conceptualization of the “Entrepreneurial Attitude,” scholars have embraced the notion that dynamic decision processes are central to success in an entrepreneurial environment [54, 55]. In developing the foundations of the Entrepreneurial attitude, Ireland and his colleagues described the cognitive tasks necessary for successful management as making sense of opportunities in the context of changing goals, constantly questioning ones ‘dominant logic.

**Conceptual Frame Work**

![Conceptual Frame Work Diagram]

Although varied views have been proposed by the different scholars as in the literature review, the researcher view is that the inherent trait of an individual has a major effect on firm performance provided information is shared. This is exhibited through various levels of innovativeness and creativity. This in turn creates new products, services and processes. As the cycle goes on the business performance is determined leading to sustainable economic development.

**METHODOLOGY**

The researcher used a cross-sectional survey design adopting qualitative and quantitative research approaches. The researcher chose this research design because of its advantages in obtaining data; it will provide an in-depth study of the problem within limited time scale [56], it was also the simplest and least cost effective compared to longitudinal. The qualitative method was used because of particular relevance to this research and the ability to penetrate into different expressions of respondents regarding entrepreneur
attitude. The study used qualitative to key informants like managers, sales persons, casual workers etc. The quantitative method was used with the desire to establish the magnitude of the problem using statistical data and evidence. This helped to measure variables, cases, percentages and frequencies. The researcher also used observational method of viewing and recording participants, case study to gather information from the group, and brief interviews with key informants about the topic of study. Out of the 60 who represented the study population, the researcher randomly selected a sample size of 50.

RESULTS

Creativity and performance of firms

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quality of our products has made the products more acceptable in the market</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>22</td>
<td>62</td>
<td>3.64</td>
<td>1.337987</td>
</tr>
<tr>
<td>The goodwill of our firm has improved as a result of the quality of our products</td>
<td>6</td>
<td>16</td>
<td>46</td>
<td>32</td>
<td>3.82</td>
<td>1.22374</td>
<td></td>
</tr>
<tr>
<td>Our firm engage in activities that lead to the creation of quality products</td>
<td>16</td>
<td>18</td>
<td>8</td>
<td>34</td>
<td>24</td>
<td>3.32</td>
<td>1.43484</td>
</tr>
<tr>
<td>Quality control process has been of advantage to our organization.</td>
<td>16</td>
<td>12</td>
<td>12</td>
<td>30</td>
<td>30</td>
<td>3.46</td>
<td>1.44575</td>
</tr>
<tr>
<td>The quality of our products has enhanced the pricing of products</td>
<td>28</td>
<td>31</td>
<td>6</td>
<td>22</td>
<td>12</td>
<td>3.22</td>
<td>1.46092</td>
</tr>
<tr>
<td>Our firm engage new technology in designing of our products</td>
<td>16</td>
<td>10</td>
<td>16</td>
<td>36</td>
<td>22</td>
<td>3.38</td>
<td>1.36860</td>
</tr>
<tr>
<td>The percentage of our sales increased in the past one year</td>
<td>12</td>
<td>8</td>
<td>10</td>
<td>34</td>
<td>36</td>
<td>3.74</td>
<td>1.35240</td>
</tr>
<tr>
<td>The environment we operate in is very competitive.</td>
<td>8</td>
<td>14</td>
<td>4</td>
<td>34</td>
<td>40</td>
<td>3.84</td>
<td>1.31491</td>
</tr>
<tr>
<td>Our firm engage the use of new technology in the efficient utilization of raw materials in production</td>
<td>12</td>
<td>16</td>
<td>18</td>
<td>32</td>
<td>22</td>
<td>3.36</td>
<td>1.32110</td>
</tr>
<tr>
<td>We often change our commodity prices.</td>
<td>6</td>
<td>18</td>
<td>4</td>
<td>20</td>
<td>22</td>
<td>3.94</td>
<td>1.36142</td>
</tr>
<tr>
<td>Average</td>
<td>3.64</td>
<td>1.337987</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data 2017

Legend (mean):
4.1 – 5.0 very high effect., 3.1 - 4.0 high effect., 2.1 – 3.0 moderate effect., 1.1 – 2.0 low effect. 0.1 – 1.0 very low effect.

Measuring creativity in an entrepreneur may be an uphill task. Findings showed an average mean of 3.64 and standard deviation 1.337987 implying that creative mind exhibits variations in ideas, flexibility in perspective and shows completeness in answers to specific problems. A creative entrepreneur portrays fluency in communicating ideas and vision, originality and having uncommon answers to social problems. These indicators may be used to measure the creativity of an entrepreneur. It is the essence of entrepreneurship which means that an entrepreneur is nothing without creating. Creativity depends on the imaginative capabilities of an individual [13]. This research found out that creativity positively affects performance of firms. Interestingly, the research also revealed that entrepreneurs were found to be more creative. However there’s not sufficient conditions for creativity. The key thing to note here is that entrepreneurs are driven by the passion to create something that never existed before not necessarily because of a need that must be met but because of the joy they get from creating. It’s the joy of creation that makes entrepreneurs persist even when the world laughs at their idea. They don’t wait for the world to approve what they feel should be created; they simply go wherever their heart leads [15]. An entrepreneur can increase the creative capacities through practice and exercise, use of improved tools or technology and increased access to information and understanding [28]. However entrepreneurs have Creative ideas that are good, but they need to be exploited to get the full benefits of them [24].

Innovativeness and performance of firms

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>SD%</th>
<th>D%</th>
<th>N%</th>
<th>A%</th>
<th>SA%</th>
<th>Mean</th>
<th>Std dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adding more features in our products have been emphasized</td>
<td>12</td>
<td>10</td>
<td>18</td>
<td>30</td>
<td>40</td>
<td>3.7600</td>
<td>1.39328</td>
</tr>
<tr>
<td>New processes have introduced in my firm every six months to improve efficiency and effectiveness in our operations</td>
<td>10</td>
<td>30</td>
<td>4</td>
<td>36</td>
<td>20</td>
<td>3.2600</td>
<td>1.35240</td>
</tr>
<tr>
<td>Every year, the top management allocate some portion of the budget to research and development</td>
<td>12</td>
<td>22</td>
<td>8</td>
<td>30</td>
<td>28</td>
<td>3.4000</td>
<td>1.41421</td>
</tr>
<tr>
<td>Empowering the employees is encouraged, planed and implemented.</td>
<td>18</td>
<td>14</td>
<td>8</td>
<td>26</td>
<td>34</td>
<td>3.4400</td>
<td>1.52744</td>
</tr>
<tr>
<td>My organization has continually embraced and modified the available technology to remain on top of competition.</td>
<td>24</td>
<td>12</td>
<td>4</td>
<td>32</td>
<td>28</td>
<td>3.2800</td>
<td>1.57843</td>
</tr>
<tr>
<td>My firm does not seek new markets since the market we serve is still high</td>
<td>16</td>
<td>20</td>
<td>6</td>
<td>38</td>
<td>20</td>
<td>3.2600</td>
<td>1.41147</td>
</tr>
<tr>
<td>The workers in this firm are encouraged and rewarded for performance</td>
<td>12</td>
<td>18</td>
<td>14</td>
<td>22</td>
<td>34</td>
<td>3.4800</td>
<td>1.43200</td>
</tr>
<tr>
<td>It is important to conduct a market survey to capture customer requirements before producing any product</td>
<td>10</td>
<td>16</td>
<td>10</td>
<td>38</td>
<td>26</td>
<td>3.5400</td>
<td>1.31258</td>
</tr>
<tr>
<td>The workers are encouraged to experiment and take business risks</td>
<td>16</td>
<td>22</td>
<td>6</td>
<td>36</td>
<td>20</td>
<td>3.2200</td>
<td>1.41839</td>
</tr>
<tr>
<td>Making maximum profits is very key in my firm</td>
<td>16</td>
<td>8</td>
<td>6</td>
<td>28</td>
<td>42</td>
<td>3.7200</td>
<td>1.48516</td>
</tr>
</tbody>
</table>
The average mean for the items on innovativeness in table 18 was found to be 3.436 and standard deviation of 1.432536, this implies that there is a high effect of innovativeness on performance of firms. This capacity to innovate is among the most important factors that impact on business performance [38]. According to Fagerberg et al., [57] innovativeness not only improves operations in an organization but also creates a clear, positive effect on the growth of business income, employment, firms processes and in general leads to a cost control system in the organization. Through innovativeness, entrepreneurs are able to strategize and get solutions to complex business problems and set a base for survival and success. Studies have shown that innovativeness is one of the factors that the top management of business firms have considerable control [32]. Although innovativeness is said to contribute to business performance, little is known on what triggers innovativeness in an individual and how the innovative mind operates to influence performance. According to Cohen and Levinthal [58], innovativeness is positively related to business performance. Empirical findings confirm that innovativeness is an important determinant of business performance. This implies that innovative activities are generally important to the success of small and medium enterprises or businesses. Therefore, in the effort of attaining superior business performance, entrepreneurs are advised to improve the innovativeness in their firms [58]. According to Cohen and Levinthal [58], entrepreneur takes shape through acts of invention. If there is no invention, there is no entrepreneur and if there is entrepreneur there is no invention. The findings in this study revealed that innovativeness requires a mind of business alertness; which information helps in modern innovation process. This business information can be easily and quickly accessed through social media such as face book whatApp and twitter to increase firm performance [37].

### Business alertness and performance of firms

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>SD %</th>
<th>D %</th>
<th>N %</th>
<th>A %</th>
<th>SA</th>
<th>Mean</th>
<th>StdDev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interaction with others is key to acquisition of new information in business</td>
<td>10</td>
<td>10</td>
<td>6</td>
<td>22</td>
<td>52</td>
<td>3.9600</td>
<td>1.38446</td>
</tr>
<tr>
<td>I always keep an eye out for new business ideas from any information</td>
<td>4</td>
<td>12</td>
<td>10</td>
<td>42</td>
<td>32</td>
<td>3.8600</td>
<td>1.12504</td>
</tr>
<tr>
<td>Reading newspapers, magazines, or trade publications regularly helps me to acquire new information</td>
<td>20</td>
<td>22</td>
<td>4</td>
<td>20</td>
<td>34</td>
<td>3.2600</td>
<td>1.60115</td>
</tr>
<tr>
<td>Browsing the Internet every day helps in acquisition of information</td>
<td>16</td>
<td>14</td>
<td>6</td>
<td>34</td>
<td>30</td>
<td>3.4800</td>
<td>1.46022</td>
</tr>
<tr>
<td>While going about day to day activities, I try to look for new business ideas</td>
<td>14</td>
<td>16</td>
<td>8</td>
<td>34</td>
<td>28</td>
<td>3.4600</td>
<td>1.41724</td>
</tr>
<tr>
<td>The strange, and good quality connections enable us perceive new or emergent relationships between various pieces of information</td>
<td>16</td>
<td>16</td>
<td>10</td>
<td>30</td>
<td>28</td>
<td>3.3800</td>
<td>1.45532</td>
</tr>
<tr>
<td>Seeing&quot; potential new business opportunities comes very naturally to me</td>
<td>22</td>
<td>18</td>
<td>6</td>
<td>28</td>
<td>26</td>
<td>3.1800</td>
<td>1.54774</td>
</tr>
<tr>
<td>Workers can distinguish between profitable opportunities and not-so-profitable opportunities</td>
<td>21</td>
<td>16</td>
<td>10</td>
<td>36</td>
<td>20</td>
<td>3.4200</td>
<td>1.42227</td>
</tr>
<tr>
<td>When facing multiple opportunities, I am able to select the good ones.</td>
<td>4</td>
<td>12</td>
<td>12</td>
<td>46</td>
<td>20</td>
<td>3.5400</td>
<td>1.23239</td>
</tr>
<tr>
<td>I have a special alertness or sensitivity toward profitable opportunities.</td>
<td>18</td>
<td>16</td>
<td>10</td>
<td>36</td>
<td>20</td>
<td>3.2400</td>
<td>1.42227</td>
</tr>
<tr>
<td>You are always actively looking for new information.</td>
<td>14</td>
<td>8</td>
<td>10</td>
<td>22</td>
<td>46</td>
<td>3.7800</td>
<td>1.46092</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>14.5</td>
<td>13.8</td>
<td>9.1</td>
<td>31</td>
<td>31.6</td>
<td>3.513</td>
<td>1.41263</td>
</tr>
</tbody>
</table>

Business alertness constitutes a munificent environment and how environmental conditions stimulate an entrepreneur’s intentionality to start a venture. According to the findings, the average mean for the item of business alertness from the table 19 above was found to be 3.513 with a standard deviation of 1.41263; this implies that there is a strong and positive effect of business alertness on performance especially when the entrepreneurs have high levels of self-efficacy in performing the roles and tasks of new venture creation. In turn, entrepreneurial alertness is related to continuance, behavioral and affective commitment of entrepreneurs. Business alertness constitutes a munificent environment and how environmental conditions stimulate an entrepreneur’s intentionality to start a venture, these finding are consistent with the findings of [54, 55]. These findings signify that there is a strong and positive moderating effect of business alertness on the performance of firms this as a result of environmental munificence and alertness especially when the entrepreneurs have high levels of self-efficacy in performing the roles and tasks of new venture creation [59].

### CONCLUSION

The study contributes to the body of literature in the area of entrepreneurship by analyzing the unique moderating factor of business alertness in enhancing creativity and innovation to attain high firm performance. Positive entrepreneurial attitude shapes perception on self-employment. Exposure, self-esteem
and control develops research minds. Thus firms should avail technological development information to all human resources.

Therefore, entrepreneurial attitude is significant in unlocking potential among rural and urban businesses. Organizations need to create business awareness through easy and quick means like face book, whatApp and twitter since they are modern, popular and user friendly. This creates opportunities for employees to attain further skills and knowledge in entrepreneurship, such as computerized system for financial information sharing, use of social media for brand royalty among noncustomers, building production alongside valued chain. This helps in developing new approaches to the existing community challenges in both emerging and developed countries.

Limitations and Future Directions

The researcher proposes that further research need to be done on what creates the entrepreneurial attitude in an individual. Could it be training, exposure, culture or could it be an inborn trait? Further research need also to be done on the combinations required in terms of capital, training, cultural orientation or exposure that lead to exemplary business performance in a dynamic market.

REFERENCES


