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# Relationship between Proactiveness and Growth of Top 100 Enterprises in Kenya

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## Abstract

Small and medium size enterprises continues to play an important role in the economic growth of most countries. Notably they have become imperative as a source of job creation; wealth creation and capital creation. Small and Medium Enterprises (SMEs) also act as supplier of goods and services for large organizations. While SMEs play a significant role in the economy, managers of successful organizations are faced with rapidly changing and fast paced environments. The disruptive and turbulent environment forces the managers to be entrepreneurial as they fulfill the demanding role of enhancing performance contingent on the ever changing environment. Similarly, many SMEs have failed to appreciate the role of industry experience and thus a slow growth hence lacking competitive advantage in the ever changing business environment. The study endeavored to determine relationship between proactiveness and the growth of Top 100 Enterprises in Kenya. Descriptive approach was adopted in order to describe the data and characteristics about the population. The target population comprised of 287 middle-sized companies who were the Top 100 KPMG feted enterprises in Kenya in the year 2010 - 2015. Stratified random sampling was used to select the 164 managers who formed the sample size for the study. Questionnaires were used to collect the data and analysed using descriptive statistics and regression analysis. Findings indicated that proactiveness had a positive and significant effect on growth. This was supported by a significance level of ( $\beta=0.18$ ,  $p=0.000$ ). The study concluded that proactiveness leads antedate imminent prospects, both in terms of products or technologies as well as in markets and consumer demand. It brings about change in an environment by predicting

trends through the exploration of opportunities, hence the introduction of new products and services.

**Keywords:** *Proactiveness, Growth, Top 100 Enterprise and Small and Medium Enterprises.*

## **1.0 Introduction**

### **1.1 Background of the Study**

Small and medium size enterprises (SMEs) continues to play an important role in the economic growth of most countries in the world. Notably, SMEs has contributed immensely on job creation, wealth creation and capital creation. This means that the sustainability of SMEs depends on the entrepreneurial awareness of the owners to efficiently run their enterprises (Ayyagari, 2011). Today's big organizations were SME's a decade ago (Berry, Sweeting & Goto, 2006). These growth trends of SME's raise many question; that why and how these SMEs are able to transform themselves into big business giants. The effectiveness of the entrepreneurs was gauged by entrepreneurial orientation. Entrepreneurial orientation covers the behavior of the entrepreneurs like innovation, proactive and risk taking (Haya & Riaz, 2011). Furthermore, the distinctive characteristic of the entrepreneurs helps us to frame and link the entrepreneurial SME performance (Yang, 2008).

Managers of successful organizations are faced with rapidly changing and fast paced environments. The disruptive and turbulent environment forces the manager to be entrepreneurial as he/she fulfills the demanding role of enhancing performance contingent on the ever changing environment. As a result, managers who were successful entrepreneurs are expected to possess a unique set of entrepreneurial orientation competences which have been built over time due to experience. Once the entrepreneurial managers leave their current job to start a new enterprise, it is expected that the industry experience and the acquired hands on entrepreneurial competencies can be converted and applied as entrepreneurial competencies (McCourt & Eldridge, 2003).

The classification of the Top 100 mid-sized companies in Kenya is based on seven financial indicators. Other than the financial indicators other characteristics are considered. These characteristics include their business confidence outlook, talent policies, peers in terms of revenue growth, profit growth, returns to shareholders and cash generation/ involvement in corporate social responsibility, and the role played by innovation in their operations. The classification also captures their contribution to job creation whilst bearing in mind that not all industries are labour intensive (KPMG, 2014).

In Kenya, most SMEs have played a significant role in the macro economy. Most of managerial staff that undergoes retrenchment resorts to starting and operating SMEs. SMEs owned by KPMG Top 100 Enterprises are expected to exhibit high growth rate because of the managerial skill they possesses. Based on the assumption that the managerial staff may have started new ventures, the current study evaluated the influence of proactiveness on growth of Top 100 Enterprises in Kenya.

### **1.2 Statement of the Problem**

Despite the benefits, many SMEs failed to appreciate the role of industry experience and thus a slow growth thereby lacking competitive advantage in the ever changing business environment. On the other hand, entrepreneurial orientation coupled with industry experience has been considered as one of the major factors that play the key ingredients in influencing the success of SMEs. This is supported by the fact that managers of large companies who lose their jobs as a result of technology or new strategy to cut operation ended up starting their own small enterprises.

Most of the senior managers in organizations used their entrepreneurial orientation to innovate and create successful businesses for their employing organization. From this perspective it was assumed that they would transfer this exposure to own enterprises. It was against this background that the study evaluated the influence of proactiveness on growth of Top 100 Enterprises in Kenya.

Many studies had been conducted to investigate the effects of entrepreneurial orientation on success of organizations. These studies pointed out the positive effects of entrepreneurial orientation. For instance, Sriprasert (2013) study on the effect of entrepreneurial orientation on the success of community enterprise found out that risk taking, proactiveness and innovativeness play a significant role in effecting job satisfaction of entrepreneurs. This study also revealed that only risk taking significantly affected life satisfaction of entrepreneurs. Similarly, Mahmood and Hanafi (2013) conducted a study on entrepreneurial orientation and business performance of women-owned small and medium enterprises in Malaysia. The findings of the study revealed that there existed significant relationships between entrepreneurial orientation and performance, while competitive advantage was found to partially mediate the entrepreneurial orientation and performance relationships.

Pérez-Luño, Wiklund and Cabrera (2011) also conducted a study on the dual nature of innovative activity and how entrepreneurial orientation influences innovation generation and adoption. The study found out that pro-activity and risk taking influenced the number of innovations generated and the extent to which firms favor generation over adoption and that environmental dynamism moderated one of these relationships. Despite the many studies conducted on the topic of entrepreneurial orientation and performance few of these studies focused on the influence of proactiveness on growth of Top 100 Enterprises in Kenya.

### **1.3 Objective of the Study**

To determine relationship between proactiveness and the growth of Top 100 Enterprises in Kenya.

### **1.4 Hypothesis**

**H<sub>0</sub>:** There is no relationship between Proactiveness and the growth of Top 100 Enterprises in Kenya.

## **2.0 Literature Review**

### **2.1 Theoretical Review**

The study relied on the entrepreneurial orientation theory.

#### **2.1.1 Entrepreneurial Orientation Theory at Firm Level**

At the firm level, Callaghan (2009) notes that the currently prevalent firm level entrepreneurial orientation (EO) was originally developed with the psychological claim to distinguish between managers and business owners and laments that it was abandoned in a still quasi-psychological stage before individual EO-success relationships were even investigated. According to Covin and Wales (2011) the theoretical foundation of EO research is traceable to Miller (1983) and Lumpkin & Dess (1996).

One of the strategy – making modes put forth by Mintzberg (1973) is the entrepreneurial one which is based on active search for entrepreneurial opportunities and growth. The other modes include planning - concerned with systematic information gathering for situational analysis, generation of alternate and selection of appropriate strategies; and the adaptive mode which focuses on reactive

solutions than proactive search for new opportunities. Support for the entrepreneurial mode is given by Khandwalla (1976/77) who refers to entrepreneurial management style as consisting bold, risky and aggressive approach to decision-making in contrast to a more cautious stability-oriented approach. According to Miller (1983) an entrepreneurial firm is one that engages in product market innovation, undertakes somewhat risky ventures, and is first to come up with proactive innovations, beating competitors to the punch. On their part, Covin and Slevin (1989) contrast firms operating in hostile competitive environments, characterized by intense rivalry among firms with firms that operate in more benign competitive settings and reported that the former tended to adopt innovations with greater frequency than the latter. Miller (1983) used the dimensions of innovativeness, risk taking and pro-activeness to characterize and test entrepreneurial orientation, while Lumpkin and Dess (1996) expanded the numbers of dimensions to include competitive aggressiveness and autonomy.

This theory was relevant to our study in that KPMG Top 100 Enterprises can adopt a strategy of empowering the managers on how to improve their enterprises growth and sustainability. Managers should employ their proactiveness in order to achieve the organizations growth and sustainability. With proactiveness of the managers and entrepreneurial orientation, SMEs growth and sustainability can be achieved.

## **2.2 Empirical Review**

Pérez-Luño, Wiklund and Cabrera (2011) conducted a study on the dual nature of innovative activity and how entrepreneurial orientation influences innovation generation and adoption. Their findings suggested that 54% of firms adopt innovations of other firms while 7% generate innovations internally whereas 39% combine the two. Pérez-Luño, Wiklund and Cabrera (2011) also find that pro-activity and risk taking influenced the number of innovations generated and the extent to which firms favor generation over adoption and that environmental dynamism moderated one of these relationships.

The study by Fatoki (2014) investigated the entrepreneurial orientation of micro enterprises in the retail sector in South Africa and the results revealed adeptness by micro enterprises at introducing new product lines and also at making changes to the product line, but weakness in research and development, pro-activeness and risk-taking.

Muthee-Mwangi and Ngugi (2014) examined the influence of entrepreneurial orientation on growth of Micro and Small Enterprises (MSE) in Kerugoya, Kenya. The research adopted a descriptive research design. The study targeted 1420 MSEs in Kerugoya town which are registered with Ministry of Trade of the Kirinyaga County. Secondary and primary tools were used for data collection. Analysis was conducted via descriptive and inferential statistics. The study found that the dimensions of EO (innovativeness, risk taking, pro-activeness, and entrepreneurial managerial competence have a significant positive influence on growth of Micro and Small Enterprises. Both regression and correlation results indicated that innovativeness had an effect on growth of MSEs; results also revealed that risk taking had an effect on growth of MSEs; pro-activeness (was also statistically significant and entrepreneurial managerial competence had an effect on growth of MSEs. The study recommends that MSE owners should be open and keen to take up EO at higher levels in order to bolster their growth, competitiveness, profitability and survival. As well, they should innovate to exploit change as an opportunity for different businesses or services. Further, they should strive to identify possible emerging problems and find solutions for them, to gain competitive advantage, as well as seek to acquire entrepreneurial managerial competencies.

## 2.3 Conceptual Framework

The conceptual framework for the study presented proactiveness and growth of Top 100 Enterprises in Kenya.

### Entrepreneurial Orientation



**Figure 1.0: Conceptual Framework**

### 2.3.1 Growth of Enterprises

Gredel, Kramer and Bend (2012) note that, despite the large number of SMEs and their diverse range of activities, they do all have one thing in common: in one way or another, they are all striving to be successful. Success in business can be interpreted in many different ways. The most common adopted definition of success is financial growth with a high level of profits. However, other definitions of success are equally applicable and many businesses set themselves alternative goals. Some gain satisfaction and attain success by developing new products. Liao, Welsch and Stoica, (2003) notes that, the leading indicators of business success cannot be found in financial data alone. Quality, customer satisfaction, innovation, market share-metrics like these often reflect a business's economic condition and growth prospects better than its reported earnings.

According to Dobbs and Hamilton, (2007) entrepreneurial characteristics explain why people starts up new businesses of their own, but whether or not these businesses are successful, depend upon their integration with a host of other factors. Following this line of discussion, Moreno, Casillas, (2007) also argue that although entrepreneurial characteristics are essential for the success of a business, other critical business practices when integrated with entrepreneurial characteristics will enhance SMEs success and survival. Pasanen (2006) is of the view that owner-managers think the long-term survival of SMEs is equal to success or constitutes a greater part of a firm's success.

### 2.3.2 Proactiveness

Proactiveness can be described as "taking initiative by anticipating and pursuing new opportunities related to future demand and by participating in emerging markets" (Lumpkin & Dess, 2005). Being a proactive firm is demonstrated by a firm's awareness and responsiveness to market signals (Hughes & Morgan, 2007). According to Rauch, Wiklund *et al.* (2009), proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competitions and acting in anticipation of future demand. It can also be described as a distinctive entrepreneurial activity to antedate imminent prospects, both in terms of products or technologies as well as in markets and consumer demand (Schillo, 2011). Again, it is the ability to bring about change in an environment by predicting trends through the exploration of opportunities, hence the introduction of new products and services (Boohene, 2012). Similarly, proactiveness is viewed by Rauch *et al.* (2009, p.763) as "an opportunity seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competitions and acting in anticipation of future demand".

Kropp, Lindsay (2008) suggested that proactiveness involves the identification and evaluation of new opportunities, and monitoring market trends. By conducting these activities, some studies discovered that proactive firms introduce new products in the market ahead of their competitors argued that proactiveness is not always being the first mover in the market. Hughes and Morgan (2007) found that at the embryonic stage of firm growth, proactiveness was a critical factor that affected firm performance improvement. The role of proactiveness was less important once a firm was established. The words proactiveness and competitive aggressiveness are often used interchangeably. However, Lumpkin and Dess (1996) distinguished between them, suggesting that proactiveness reflects a firm's reaction to opportunities in the market place whereas competitive aggressiveness refers to a firm's response to a competitor's challenges.

According to Hughes and Morgan (2007), a firm's awareness and responsiveness to market signals and trends is demonstrated by their proactiveness, therefore, in order to capitalize on market opportunities, it is imperative to be a first mover (Bleeker, 2011). This first mover advantage is usually associated with high profits, as well as a head start in creating brand recognition (Bleeker, 2011). Similarly, this construct is associated with leadership, as such a proactive firm "has the will and foresight to seize new opportunities, even if it is not always the first to do so" (Lumpkin & Dess, 2005, p.147). In this vein, proactive firms are leaders and not followers; they are pacesetters who are not overwhelmed by new situations in the market or environment.

However, a study by Coulthard (2007) has argued that proactiveness is not always being the first mover in the market. Also, proactiveness has been found to be more active in the introductory stages of a firm, and dwindles as the firm grows. Hence the role of proactiveness being less important once a firm is established (Hughes & Morgan, 2007; Coulthard, 2007).

Proactiveness has also been linked to structural capital by Dess and Lumpkin (2005). They opine that structural capital is important to proactiveness because it enhances the operations and receptiveness of market signals that make organizations stay ahead of competitors. Therefore, structural capital, such as structures and processes, enables firms to create resources more quickly and at cheaper rates than competitors (Bleeker, 2011). Also, proactiveness has been labeled as a vital trait in entrepreneurship due to its forward-looking action approach (Lumpkin & Dess, 2006), thus revealing itself through actions as the formulation of 'stated beliefs' and the implementation of these 'beliefs' (Boohene *et al*, 2012).

Hughes and Morgan (2007) have posited the construct to be likely valuable in securing superior performance return. This, they believe, is due to it requiring customer focus hence the ability to anticipate and pursue customer need. This assertion has been supported by studies reporting a high correlation between performance and proactiveness (Pray, & Lado, 2005). In view of this, this study argues that there exists a relationship between proactiveness and growth of business.

### 3.0 Research Methodology

The study employed a descriptive and explanatory research design. The target population for the study comprised of the 287 companies of 287 middle-sized companies who were the Top 100 KPMG feted enterprises in Kenya in the year 2010 - 2015. Stratified random sampling was used to select the 164 managers who formed the sample size for the study. Data was analysed using descriptive statistics and regression analysis. Multivariate regression was used to test the influence of proactiveness on the growth of SMEs. The multi- linear regression model is as indicated;

$$Y = \alpha_0 + \beta X + \varepsilon$$

Where;

Y= Growth of SMEs

$\alpha_0$ = Constant

X= Proactiveness

## 4.0 Results and Findings

### 4.1 Response Rate

The sample for the study was 164 out of which 158 were returned and correctly filled representing a response rate of 96.34% as summarized in Table 1. This response rate was appropriate since Kothari (2011) argued that 50% response rate is adequate, 60% good and above 70% rated as appropriate for analysis.

**Table 1: Response Rate**

Questionnaires	Frequency	Percentage
Returned	158	96.34
Non returned	6	3.66
<b>Total</b>	<b>164</b>	<b>100</b>

### 4.2 Pilot Study Results

Reliability analysis was done to evaluate survey constructs. Reliability analysis was evaluated using Cronbach's alpha was used. Sekaran and Bougie (2013) argued that coefficient greater than or equal to 0.7 is acceptable for basic research.

**Table 2: Summary of Reliability Coefficient of the Study Variables**

Variable	No. of Items	Respondents	$\alpha$ =Alpha	Comment
SMEs Growth	6	16	0.838	Reliable
Proactiveness	5	16	0.934	Reliable

Bagozzi (1994) explains that reliability can be seen from two sides: reliability (the extent of accuracy) and unreliability (the extent of inaccuracy). The most common reliability coefficient is Cronbach's alpha which estimates internal consistency by determining how all items on a test relate to all other items and to the total test- internal coherence of data. The reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test. The findings on Table 2 indicated that Proactiveness, had Cronbach alpha of 0.934. The variable depicted that the value of Cronbach's Alpha was above value of 0.7 thus the study variable was reliable. This represented high level of reliability. The reliability results agree with those of Saunders *et al.* (2009) that a reliable measurement is one that if it will be repeated for a second time, it will give the same results as in the first case.

### 4.3 Descriptive Statistics

#### 4.3.1 Proactiveness and growth of Top 100 Enterprises in Kenya

The study sought to determine influence of proactiveness on the growth of top 100 Enterprises in Kenya. To achieve the respondents were requested to indicate their levels of agreement on a five point Likert scale. (1 = strongly disagree, 2 = Disagree 3 = Neutral, 4 = Agree, 5 = strongly agree)

was used and the mean response rate from the micro and small enterprise owners calculated. For the purposes of interpretation 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was neutral. The results of this study are as depicted in Table 3.

**Table 3: Descriptive analysis on Proactiveness**

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Opportunity Seeking entrepreneur generates a lot of revenue for their business	8.20%	11.40%	48.10%	32.30%	0.00%	3.04	0.88
Entrepreneur who anticipates future demand increases value addition for their businesses	3.80%	4.40%	11.40%	33.50%	46.80%	4.15	1.04
Forward-looking perspective of an entrepreneur leads to high profitability	3.80%	8.90%	15.20%	44.30%	27.80%	3.84	1.05
Entrepreneur who evaluate new opportunities, and monitor market trends increases markets base of their businesses	3.80%	11.40%	17.10%	27.80%	39.90%	3.89	1.17
Proactive entrepreneur always remains ahead of their competitors	7.60%	11.40%	12.00%	32.90%	36.10%	3.78	1.26

Results in table 3 show that majority 32.3(32.30%+0.00%) agreed with the statement that opportunity Seeking entrepreneur generates a lot of revenue for their business. The results had a mean response of 3.04 with a standard deviation of 0.88. This means that there was high variation in the responses from the respondents implying that opportunity seeking entrepreneur generates a lot of revenue for their business.

Secondly, majority 80.3% (46.8%+33.5%) agreed that entrepreneur who anticipates future demand increases value addition for their businesses. The results had a mean response of 4.15 with a standard deviation of 1.04. This implies that entrepreneur who anticipates future demand increases value addition for their businesses. Moreover, 72.1% (27.8%+44.3%) of the respondent agreed that forward-looking perspective of an entrepreneur leads to high profitability. The results had a mean response of 3.84 with a standard deviation of 1.05. This means that there was high variation in the responses from the respondents implying that forward-looking perspective of an entrepreneur leads to high profitability.

The result further revealed that majority 67.7 % ( 27.8%+39.9%) agreed to the statement that entrepreneur who evaluate new opportunities, and monitor market trends increases markets base of their businesses. The results had a mean response of 3.89 with a standard deviation of 1.17. This implies that entrepreneur who evaluates new opportunities, and monitor market trends increases markets base of their businesses.

Finally majority of the respondents 67.0 % ( 36.1%+32.9%) agreed to the statement that proactive entrepreneur always remains ahead of their competitors. The results had a mean response of 3.78 with a standard deviation of 1.26. This means that there was high variation in the responses from the respondents implying that proactive entrepreneur always remains ahead of their competitors.

#### 4.4 Correlation Analysis

Product moment correlation coefficient was used to show the strength of the relationship between proactiveness and growth. Results were presented in table 4.

**Table 4: Correlation Matrix**

		<b>Growth</b>	<b>Proactiveness</b>
Growth	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Proactiveness	Pearson Correlation	.340**	1.000
	Sig. (2-tailed)	0.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 4 there was a positive and significant relationship between proactiveness and growth ( $r = 0.340$ ,  $p$  value  $< 0.05$ ).

#### 4.5 Regression Analysis

Regression analysis was conducted to establish the relationship between proactiveness and growth of SMEs in Kenya.

##### Regression Analysis for Proactiveness

The results on Table 5.0 present the fitness of model used of the regression model in explaining the study phenomena.

**Table 5.0: Model Fitness**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
	.523	0.273	0.249	0.44067

Proactiveness was found to be satisfactory in explaining growth. This is supported by coefficient of determination also known as the R square of 27.3%. This means that proactiveness explain 27.3% of the variations in the dependent variable which is growth. Results of the model fitness back up the study by Rauch, Wiklund. (2009), proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competitions and acting in anticipation of future demand. It can also be described as a distinctive entrepreneurial activity to antedate imminent prospects, both in terms of products or technologies as well as in markets and consumer demand (Schillo, 2011).

**Table 6.0: Analysis of Variance for Proactiveness**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.086	5	2.217	11.418	.000
Residual	29.517	152	0.194		
Total	40.603	157			

Table 6.0 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variable is a good predictor of growth. This was supported by an F statistic of 11.418 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level. Results of the model fitness back up the study by Lumpkin and Dess (1996) distinguished between them, suggesting that proactiveness reflects a firm's reaction to opportunities in the market place whereas competitive aggressiveness refers to a firm's response to a competitor's challenges.

**Table 7.0: Model for Proactiveness**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.405	0.203		11.848	.000
Proactiveness	0.245	0.054	0.34	4.520	.000

$$Y = 2.405 + 0.245X$$

Where Y = Growth of top 100 SMEs

X =Proactiveness.

Regression coefficients matrix in Table 7, revealed that there was a positive and significant relationship between proactiveness and growth ( $r=0.245$ ,  $p=0.000$ ). This was supported by a calculated t-statistic of 4.52 which is larger than the critical t-statistic of 1.96. The results agrees with Lumpkin and Dess (1996) distinguished between them, suggesting that proactiveness reflects a firm's reaction to opportunities in the market place whereas competitive aggressiveness refers to a firm's response to a competitor's challenges.

### Hypothesis testing for Proactiveness

The Hypothesis tested was:

***H<sub>01</sub>: There is no relationship between Proactiveness and the growth of Top 100 Enterprises in Kenya.***

The hypothesis was tested by using simple linear regression and determined using p-value (Table 7.0). The acceptance/rejection criteria was that, if the p value is greater than 0.05, we fail to reject the H<sub>01</sub> but if it's less than 0.05, the H<sub>0</sub> is rejected. Therefore the null hypothesis is that proactiveness do not influence growth of top 100 enterprises in Kenya. Results in Table 4.51 show that the p-value was 0.000. This was supported by a calculated t-statistic of 4.520 which is larger than the critical t-statistic of 1.96. The null hypothesis was therefore rejected.

The study therefore adopted the alternative hypothesis that there is a significant relationship between Proactiveness and the growth of Top 100 Enterprises in Kenya. Kropp, Lindsay *et al.*

(2008) suggested that proactiveness involves the identification and evaluation of new opportunities, and monitoring market trends. By conducting these activities, some studies discovered that proactive firms introduce new products in the market ahead of their competitors argued that proactiveness is not always being the first mover in the market. Hughes and Morgan (2007) found that at the embryonic stage of firm growth, proactiveness was a critical factor that affected firm performance improvement.

## 5.0 Conclusions

The study concluded that there is no relationship between Proactiveness and the growth of Top 100 Enterprises in Kenya. It is taking initiative by anticipating and pursuing new opportunities related to future demand and by participating in emerging markets. Being a proactive firm is demonstrated by a firm's awareness and responsiveness to market signals. It is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services ahead of the competitions and acting in anticipation of future demand. It involves entrepreneurial activity to antedate imminent prospects, both in terms of products or technologies as well as in markets and consumer demand. It brings about change in an environment by predicting trends through the exploration of opportunities, hence the introduction of new products and services.

## 6.0 Recommendations

It was found out that there is a significant relationship between Proactiveness and the growth of Top 100 Enterprises in Kenya. Therefore, the study recommends for enterprises to embrace proactiveness since it is usually associated with high profits, as well as a head start in creating brand recognition. Similarly, this construct is associated with leadership, as such a proactive firm “has the will and foresight to seize new opportunities.

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