

Entrepreneurial Posture and Organizational Resilience of Eateries in Rivers State

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Abstract

There is no doubt that SMEs play enormous role in the growth and development of any nation. Notwithstanding, this sector operates in a very volatile, uncertain, complex and ambiguous environment which threatens their survival and flourishing. As a result, this study examined the relationship between Entrepreneurial Posture and Organizational Resilience of Fast Food and Restaurants in Rivers State. The population for the study comprised of four hundred and thirty-seven (437) owners of fast food and restaurants in Rivers State. From the Krejcie & Morgan's table, a sample size of two hundred and three (203) owners of fast food and restaurants were drawn. Two null hypotheses were formulated and spearmanrank order correlation coefficient analysis was carried out on the one hundred and ninety-three (193) copies of the study instrument retrieved. The study showed a significant positive relationship between entrepreneurial posture and organizational resilience. A conclusion was drawn and recommendations made.

Keywords: Entrepreneurial Posture, Organizational Resilience, Innovativeness and Aggressive Competitiveness

Introduction

There is no doubt that SMEs play enormous role in the growth and development of any nation. Notwithstanding, this sector operates in a very volatile, uncertain, complex and ambiguous environment which threatens their survival and flourishing. These threats are evident both in the local and international community. Recently, it was reported that of the first 30 firms listed amongst the Fortune 500 firms in 1970, over 19 of them have been delisted from that prestigious level as at today, mostly due to liquidation and/or acquisition (Tengblad & Oudhuis, 2018). Back in Nigeria, the case is not different as the realistic disposition towards entrepreneurship has been far from encouraging. Available records reveal that out of every 4 SME only one survives, and only a meager one, out of every ten individual, actually pursue their dream of being entrepreneurs in the country (Eneh, 2005; 2010). Consequently, the need to examine how

businesses can bounce back from these uncertainties and thrive becomes very much pertinent.

Cox and Perry (2011) refer to this ability to survive turbulence and bounce back (bounce forward in actual sense) as "resilience". An inquiry into the dynamics of resilience has become expedient given the myriad of challenges bedeviling SMEs especially in developing climes .like Nigeria where the rising cases of natural disaster, economic downturn and advancement in technology are potential threats even as they are possible areas of novel opportunities (Zolli & Healy, 2012). Interestingly, Denyer (2017) had advanced that organizational resilience is indispensable in helping businesses grow and in ensuring they continue as a going concern. This is in line with the general opinion that for an entrepreneur to build a viable venture he/she

must develop resilience (Ayala & Manzano, 2014; Bullough, Renko & Myatt, 2014).

On the other hand, scholars have argued that business owners must possess certain skills and attitudes such as being risk-takers, aggressively competitive, innovative and proactive; to drive their firms towards success. They refer to the combination of these skills and attitudes as entrepreneurial posture (Madsen, 2007; Wiklund & Shepherd, 2005). Smart and Vertinsky (as cited in Kickul & Gundry, 2000)

opined that entrepreneurial posture is a conscious tactical response to volatile business environment. The Organizational resilience construct has been explored in relation to several other concepts such as tourism, work life balance, terrorism, etc. (Doern, 2016; Lai, Saridakis, Blackburn & Johnstone, 2016; Ngoasong & Kimbu, 2016). However, this paper is concerned about investigating the relationship between entrepreneurial posture and organizational resilience of SMEs in Rivers State.

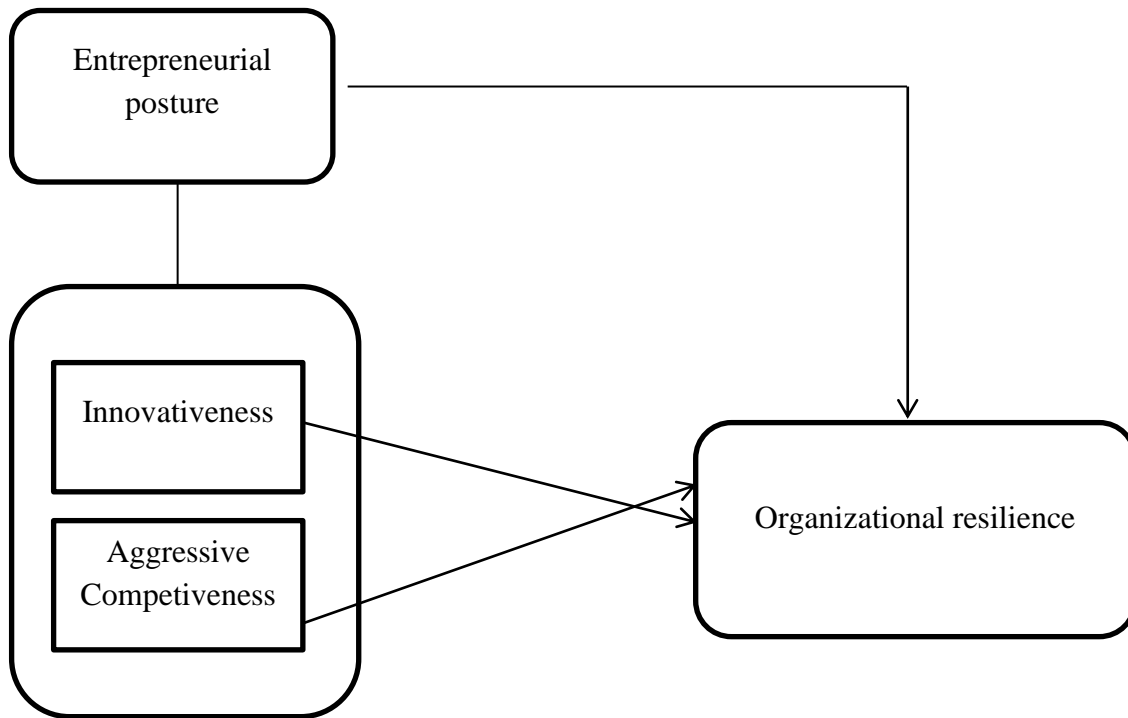


Fig. 1: Operational Framework

(Adapted from Miller (1983) and Kantur and Iseri-Say (2015); for the predictor and criterion variables, respectively.)

2.0. Literature Review

2.1. Theoretical framework

The Attention-based View Theory by William Ocasio in 1997, in his work: *Towards an Attention-Based View of the Firm*. The theory provides an explanation into how firms behave; what entails when, why and how they respond to and envisage possible threats and/or opportunities. Ocasio (1997) argued that understanding why firm choose to be conservative or entrepreneurial is precipitated

on how the attention of those who take decisions are distributed and regulated. He categorized an organization's attention into: Focus of Attention, Situated Attention and Structural Distribution of Attention.

Focus of attention has to do with the twain principles that policy-makers will be picky on the issues they attend to per time and their decision is based on the issues and answers they focus their attention on (Ocasio, 1997). In relation to our study, entrepreneurs whose

focus are on setting the pace for others to follow will instinctively be aggressive innovators and competitors.

The situated attention refers to organizations focusing their attention on certain issues due to the situation and context in which they find themselves. This is also in line with our earlier exposition that organizations that find themselves in highly volatile environments must demonstrate high aggressive competitiveness and set the pace in the invention and re-invention of their products and services (Oliviera Jr, 2015).

Lastly, the structural distribution of attention is based on the principle that a firm's established patterns and procedures tend to provide the premise upon which individuals focus their attention on certain issues. Consequently, a firm with an entrepreneurial outlook will, by its "modus operandi", provide their workers with the culture of focusing on product market innovation, high propensity to risk taking, proactiveness and aggressive competitiveness. The bottom-line is, an organization's attention will determine its survival and growth (Ocasio, 1997).

Understanding entrepreneurial posture

To stay competitive organizations must be flexible and adaptive in altering their strategies to repress possible threats as well as take advantage of business opportunities that may arise from the ever turbulent and dynamic environment in which businesses operate (Covin & Lumpkin, 2011). Organizations could be classified as either conservative or entrepreneurial depending on the approach it adopts in staying in business. This competitive behaviour and/or strategy a firm adopts to survive and grow are described as its strategic posture. When a firm is innovative, delves into certain risky ventures and takes the lead in developing novel products/services, it is referred to as having entrepreneurial posture, Lumpkin (as cited in Gabrielsson, 2007).

Globalization has opened up the global markets and has given rise to competition from

international firms seeking access to new markets and products/services. This poses a serious threat to SMEs that may not possess the financial muscle to match their foreign counterparts. As such, scholars have argued that SMEs survival in this scenario is largely dependent on their entrepreneurial posture (Poon, Ainuddin & Junit, 2006; Spicer & Sadler-smith, 2006).

Dimensions of entrepreneurial posture

Innovativeness

The fierceness of the business world in the 21st century requires firms to provide innovative and economically viable products/services if they must compete favourably and thrive (Rypestol & Aarstad, 2018). Extant literature establishes that innovation impacts positively on an organization's competitiveness, gaining of competitive advantage, continued survival, effectiveness, reputation, etc. (Khazarchi et al, 2007; Talke et al., 2011). Marinova (2004) revealed that the prime factor that aids the operational effectiveness of SMEs that find themselves in complex and ambiguous environments is innovativeness.

Aggressive Competitiveness

Given the nature of the terrain a business finds itself, an entrepreneur is confronted with the strategy dilemma of choosing to either be conservative or confrontational in the war to out-wit competitors. However, Covin and Slevin (as cited in Oliviera Jr, 2015) asserted that in a fiercely competitive and dynamic environment, only firms that exhibits hyper aggressive competitiveness survive and thrive in their industry, being aggressively competitive implies a firm being confrontational as a new entrant into an industry or strengthening its position with a view to taking the lead in the industry. In other words, aggressive businesses strive to outdo their competitors by being responsive and proactive with enormous vigor (Ferrier et al, 2002).

Understanding Organizational Resilience

Various studies have examined resilience (Gunderson & Holling, 2002; Simmie & Martin, 2010; Walker, Holling, Carpenter & Kinzig, 2004). It has also been examined from the angle of change readiness or special flexibility (Pádár & Pataki, 2014). It is seen as an adaptation process that aids organizations to survive. Amongst global competition, technological changes and economic crises, one major factor have brought about change in an organizations or have made organizations to evolve is global competition (Conz, Denicolai & Zucchella, 2016). Therefore it is important for organizations to be resilience in order to gain edge over their competitors (Pádár & Pataki, 2014).

Sheffi and Rice, (2005); Teixeira and Werther, (2013) viewed resilience from the transformational approach which represent a strategic tool for the urge to gain competitive advantage. Teixeira and Werther (2013) posit that resilience is revealed in the ability for firms to respond to change. Furthermore, the ability to expect turbulent events and changes and its ability to swiftly respond truly display a resilient spirit.

Theoretical exposition

Innovativeness and organizational resilience

Resilient organizations are flexible and they adapt to change. It is well established in literature that one of the lost relevant characteristics of organizations in modern business world is resilience i.e. the ability to adapt to change (Pádár & Pataki, 2014).

This of course is not unconnected to the fact that businesses must continuously provide quality products/services to their customers in an ever evolving and competitive environment (Conz, Denicolai & Zucchella, 2016). To this end, we have argued that it takes a firm that is highly responsive, resourceful and inventive to effectively and efficiently manage any distressed situation.

H₀₁: *There is no significant relationship between innovativeness and organizational resilience.*

Aggressive Competitiveness and organizational resilience

The increase in competitiveness within organizations has made organizations create new ways to compete in this uncertain environment. This has made organizations to remain resilience even in the midst of these turbulent, surprising, continuously evolving environments (Infante, 2005; Lengnick-Hall, Beck & Lengnick-Hall, 2011). Sheffi and Rice (2005) postulated that a firm that inculcates resilience initiatives helps to increase their competitiveness. This resilience can be in form of reduction of vulnerability and increase of flexibility which signifies the ability for that firm to get back on the right track (Mirjana & Muhammad, 2017). Consequently, we hypothesize that:

H₀₂: *There is no significant relationship between competitiveness and organizational resilience.*

Methodology

The theoretical population for this study comprised of all the owners of fast food and restaurants in Rivers State as at today; though our accessible population for the study comprised the four hundred and thirty-seven (437) registered fast food and restaurants in Rivers State (Rivers State Yellow Pages, 2013/2014). Form the Krejcie and Morgan's (1970) table a sample size (*S*) of two hundred and three (203) was drawn from the population. The simple random sampling technique was employed to afford the owners of each fast food and restaurant an equal chance of being selected. The study adopted Miller's (1983) seven-item scale for entrepreneurial posture; while Kantur and Iseri-Say's (2015) twenty-three item scale for organizational resilience, was adopted to test the criterion variable for the study. The internal consistency of the items in relation to the study area was determined via a test re-test approach which yielded satisfactory composite alpha value of .86 (Nunnaly & Bernstein, 1994). Regression analysis carried out on the stated hypotheses. Of the two hundred and three (203) copies of the study instrument distributed, one hundred and nine-three (193) were retrieved and analysed.

Results and Data Analysis

Test of Hypotheses

This section is has to do with testing hypotheses stated earlier; using Spearman’s rank order correlation coefficient statistical tool and the p-values obtained; hence the **decision**

rule; reject null hypothesis if p-value obtained is less than the alpha value of 0.05 and accept the null hypothesis when p-value is greater than the alpha value (0.05).

Table 4.1: Test of relationship between innovativeness and organizational resilience (Test for Hypothesis 1)

		Innovativeness	Organizational resilience
Spearman's rho	Innovativeness	Correlation Coefficient	1.000
		Sig. (2-tailed)	.934**
		N	.000
	Organizational resilience	Correlation Coefficient	.934**
		Sig. (2-tailed)	1.000
		N	.000

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

SPSS output, Version 20 – Field Survey, 2018

Table 4.1 presents Spearman's rank order correlation run to ascertain the relationship between innovativeness and organizational resilience as reported by one hundred and ninety-three (193) respondents. A strong positive correlation coefficient value was

reported between innovativeness and organizational resilience which was statistically significant (rho = .934**, p = .000 < 0.05 (alpha value) this suggests that the existence of a significant relationship between innovativeness and resilience of eateries in Rivers State.

Table 4.2: Test of relationship between aggressive competitiveness and organizational resilience (Test for Hypothesis 2)

		Aggressive Competitiveness	Organizational Resilience
Spearman's rho	Aggressive Competitiveness	Correlation Coefficient	1.000
		Sig. (2-tailed)	.928**
		N	.000
	Organizational Resilience	Correlation Coefficient	.928**
		Sig. (2-tailed)	1.000
		N	.000

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

SPSS output, Version 20 – Field Survey, 2018

Table 4.19 presents Spearman's rank order correlation run to ascertain the relationship between aggressive competitiveness and organizational resilience as reported by one hundred ninety-three (193) respondents. A strong positive correlation coefficient value

was reported between aggressive competitiveness and organizational resilience which was statistically significant (rho = .928**, p = .000 < 0.05 (alpha value) this suggests that there exists significant relationship between aggressive

competitiveness and resilience of eateries in Rivers State.

Discussions, Conclusion and Recommendations

This study is prompted by the concerns on the volatile and turbulent environment where these category of businesses operate. These concerns were further heightened by the increasing statistics of those businesses that have gone moribund. Hence, this study explored Entrepreneurial Posture and Organizational Resilience of Eateries in Rivers State.

Two hypotheses were proposed in their null forms, while we adopted a survey design. The sampling framework constituted 437 firms, from which a sample size of 203 was derived. With a 95.1% response rate, the results were analyzed with the aid of the Spearman's rank order correlation coefficient.

The first result supported the H_1 which indicated that there is a significant relationship between innovativeness and organizational resilience. The findings corroborates with extant scholarly expositions that for an organization to survive and thrive it should be flexible and adaptive to the unavoidable fluctuations that has characterized contemporary business environment and very a useful approach to attaining that is to be given to continuous innovation (Madsen, 2007; Wiklund & Shepherd, 2005)

While the second result provides support for the H_2 which stated that there is a significant relationship between aggressive competitiveness and organizational resilience. This output is also in harmony with Covin and Slevin (as cited in Oliviera Jr, 2015) assertion that in a fiercely competitive and dynamic environment, only firms that exhibit hyper aggressive competitiveness survive and thrive in their industry. Hence, the study concludes that Entrepreneurial Posture has a significant relationship with organizational resilience.

The implication of this study is that Eateries in Rivers State should employ innovativeness and

aggressive competitiveness to enable them strive in the present harsh economic/ business terrain.

This study is championing a road-map for businesses in this industry and other prospective entrepreneurs that would want to venture into the industry.

We therefore recommend that:

- i) Owners of Eateries should pay more attention on being innovative rather than being conservative; by focusing on product market innovation and being proactive in seizing opportunities as they present themselves in the industry.
- ii) Business owners should adopt an aggressively Spearman's rank order correlation coefficient competitive approach when venturing into new markets while taking the needed steps to ensure that they remain ahead of or surpass their competitors.

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