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Proactiveness and Organizational Performance of Listed Manufacturing Firms in Nigeria

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Abstract

The study investigated the relationship between the proactiveness and performance of listed firms in Nigeria. The current and incessant under-performance of Nigerian manufacturing companies has continued to be a major challenge to the Nigerian economy and efforts are all on deck to seek for ways of improving the performance of the Nigerian manufacturing companies. Consequently, the study examines the effect of proactiveness on the performance of quoted manufacturing firms in Nigeria. A total of 250 respondents were selected for the survey and they cut across 50 companies from various sub-sectors in the Nigeria manufacturing sector. A well-structured questionnaire was developed to collect information from the respondents who are majorly directors and managers from these companies. The results were analyzed using both descriptive and inferential statistics (Structural Equation Modeling [SEM)]). The proxies of proactiveness (feedback, opportunity, and implementation of new ideas) are key variables that have an impact on the performance of firms in Nigeria. This means that feedback changes applied, identification of opportunities, and implementation of new ideas are the main aspects of proactiveness that can have a significant impact on the performance of manufacturing companies in Nigeria. The study recommends that the firms should prioritize proactiveness in order to enhance performance in the manufacturing companies in Nigeria.

Keywords: *Proactiveness, Performance, Quoted firms, and Structural Equation Model*

JEL Classification: L10, L26, L25

Introduction

Proactiveness connotes activities that relate to actively taking the initiative to improve the current state of things or create something new. Furthermore, an entrepreneur who is proactive is most likely to identify opportunities, show initiative, take action, and persist until meaningful change occurs, compared to others who react passively to situations. At the organizational level, combined actions on the part of the firm which refers to prompt actions on taking initiative and making use of opportunities before competitors realize or recognize the same opportunities within the same environs are core ingredients of proactiveness (Dutta, 2020). From the literature indicators of proactiveness are as follows: Ability to seek change, Feedback on desired

change, Identification of opportunities, Eagerness in finding better ways of doing things, and Implementation of new ideas.

More authors have also supported the above indicators, According to Okpara et al. (2022), proactiveness is an opportunity-seeking, forward-looking perspective characterized by the introduction of new products and services before the competition and ahead of future demands. Again, the concept of proactiveness is also defined as the propensity of an SME to anticipate and act on future requirements in the marketplace in order to create a first-mover advantage before competition arises (Schneider, et al., 2018).

The organizational performance of companies especially manufacturing firms is believed to have a strong link to entrepreneurial orientation which has one of its key variables as proactiveness (Bohlmann, Rudolph, and Zacher, 2021). According to Yang and Aumeboonsuke (2022), organizational performance can either be financial or nonfinancial notwithstanding, proactiveness which connotes the ability to take imitative at the right time might be important for any aspect of performance that is either financial or non-financial.

Getting and setting priorities right remains an important factor that manufacturing firms need to address in their quest to improve the influence of proactiveness on their performance (Boohene, 2018)). Therefore, narrowing down priorities is one of the ways by which priorities can be set rightly hence, the disintegration of the proactiveness concept by breaking it down to those indicators that describe each of the three dimensions might go a long way in giving the manufacturing firms aspect of proactiveness that will have the most significant influence on their performances.

However, past empirical studies in Nigeria have been concentrating on the effect of proactiveness on performance (Inegbedion et al, 2019; Okoli et al, 2021), but it seems none of these studies have been able to dissect the entrepreneurial concept in this manner. Against this backdrop, this study seeks to unravel the effect of proactiveness on the performance of listed manufacturing firms in Nigeria.

Theoretical Literature

1. The Theory of Planned Behaviour TPB

One of the main behavioral theories that are related to proactiveness is the theory of planned behaviour. It links attitude to behaviour and

orientation. TPB focuses on factors that influence individuals' behavioural orientation. It was propounded by Ajzen (1991). According to this theory, three main factors affect behavioural orientation: Include; subjective norms and negative and positive attitudes toward target behaviour, among others (Rivis& Sheeran, 2003). TPB incorporates an additional variable perceived behavioural control, which is not mainly associated with traditional attitude–behavioural models, e.g., Rivis and Sheeran (2003). Perceived behavioural control explains the beliefs about the difficulty in displaying the behaviour—reflecting both previous experience and expected barriers.

Furthermore, the theory of planned behaviour can be described as the extension of the theory of reasoned action by Ajzen and Fishbein (1980) and Ajzen and Fishbein (1975). The theory became expedient as it emanated from the original model, which has limitations in dealing with situations where the individual does not have complete or volitional control. As the name implies, planned behaviour is not about uncontrollable behaviour but a form of behaviour that can be subjected to the performer's control at any time. This is one of the main differences between the theory of reasoned and planned behaviour.

The situation regarding the theory of planned behaviour is described in Figure 2.1.

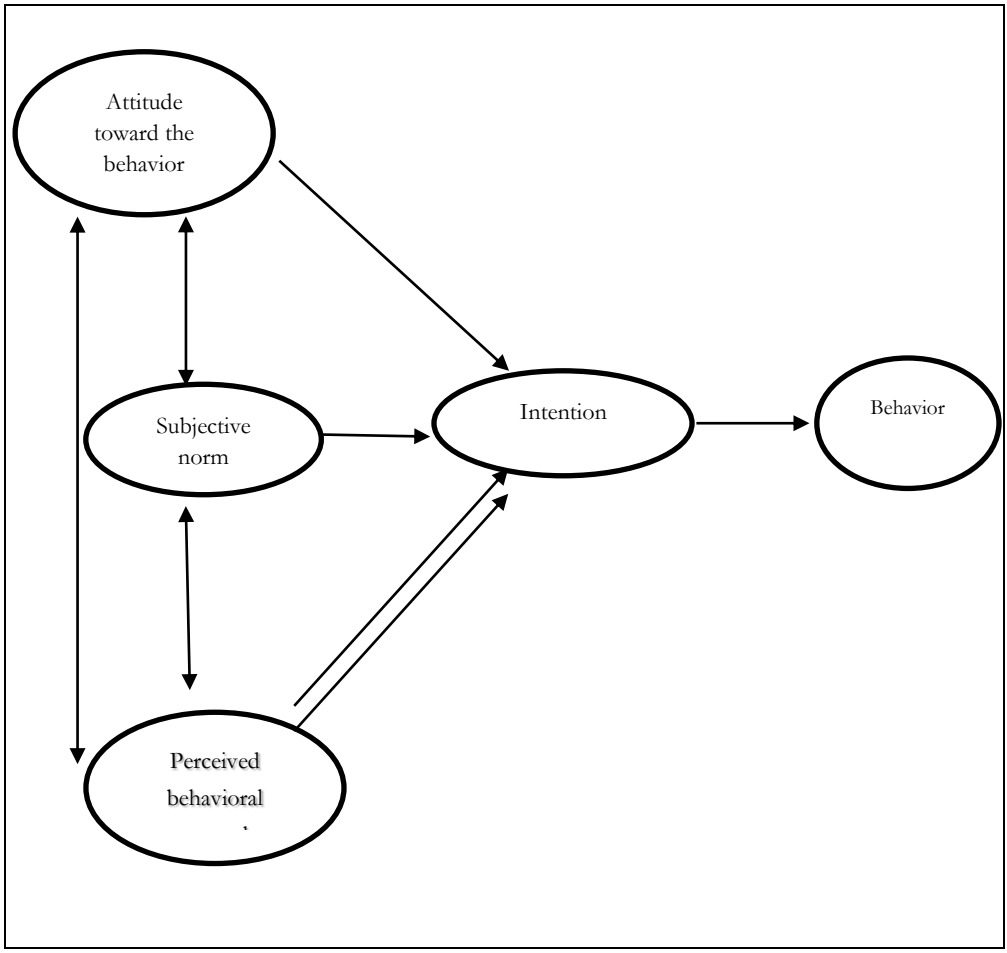

Figure 2.1 *Theory of Planned behaviour*
Source: ICEK AJZEN (1991)

Figure 2.1 is a diagram that describes the theory of planned behaviour using structural notations. According to Ajzen and Fishbein (1980), this is similar to the initial theory of reasoned action, and the most central variable is the intention or orientation of the individual to carry out a particular action or obligation. In addition, some motivational factors are identified to be influencing intentions which also have an attendant effect on behaviour. These include how much or to what extent people are willing to try or, in another way, what amount of effort they are willing to put into specific actions to show a particular behaviour. The theory has the following assumption according to Ajzen (1991), which is behaviour is seen as a product of a particular decision-making process that is not

believed can be changed at any given period, Intentions are seen as immediate precedent action before a behaviour is carried out. In other words, the stronger the intention to carry out specific behaviour, the more realistic that performance will happen, Human beings are rational and make appropriate and judicious use of any information available at any time. However, the theory was criticized on the premise that effective behavior in human beings is neglected.

Empirical Literature

The relationship between proactiveness and performance has enjoyed the patronage of researchers in the past. Some assessed based on the direct relationship between the two some focused on the indirect relationship by using a mediating variable. Some of the recent ones in this area include that of Yang and Aumeboonsuke (2022) who assessed the role of competitive strategy and knowledge creation process on the impact of proactiveness on firm performance in China. The study utilized data collected from three hundred and fifty-two senior managers in Bangkok and analysed data with descriptive statistics, confirmatory factor analysis, and partial least square regression estimation.

Results then depicted the positive significant effect of entrepreneurial orientation, competitive strategy, and knowledge creation process on performance. Results also indicated that proactiveness significantly influences competitive strategy and the knowledge-creation process. The result in addition indicated individual and combined significant roles of competitive strategy and knowledge creation process on the relationship between proactiveness and performance. Hence, it was established that proactiveness can, directly and indirectly, influence the performance of firms.

In the same vein, Njiru and Kinyua (2022) examined the influence of proactiveness on the organizational performance of re-insurance companies in Kenya. The study recognized proactiveness measures such as innovation, risk-taking, and pro-activeness as well as performance proxies which were gross written premium, net premium, and market share. Data engaged on these were collected from one hundred respondents and analysed with descriptive statistics and linear regression method. Results thereafter revealed proactiveness and risk-taking had a negative effect on performance, but only the effect of proactiveness was significant. Results of the study also showed that innovation, direction, and purpose of the firm as well as objectives of the firm had a positive

effect on performance, but the effect of innovation was insignificant. As such, the study established that proactiveness had a significant influence on the performance of re-insurance companies in Kenya.

More studies in this area are that of Nalin et al. (2020) checked the impact of proactiveness on business performance in star-class hotels in Sri Lanka. The study used innovativeness, pro-activeness, risk-taking, autonomy, and competitive aggressiveness as measures of entrepreneurial orientation, engaged data obtained from two hundred and fifteen senior managers, and analyzed data with a structural equation model estimation technique. Results of this then indicated that innovativeness, pro-activeness, risk-taking, autonomy, and competitive aggressiveness had a significant influence on the performance of selected firms. Therefore, it was established that there exists a significant relationship between proactiveness and performance. Hence, the study suggested that firms should concentrate efforts on the three dimensions of proactiveness to enhance their performance.

Using a different case study Musthofa *et al.* (2017) assessed the effect of proactiveness on the business performance of small and medium enterprises in Kudus Regency, Indonesia. The study engaged data collected from one hundred and fifteen respondents and analysed data with the structural equation model least square technique. Results showed that innovation and risk-taking had a significant influence on performance. On the other hand, the result indicated an insignificant influence of pro-activeness on performance. Therefore, it was established in the study that proactiveness had a significant influence on performance.

From a different perspective, Rezaei and Ortt (2018) investigated the mediating effects of functional performance on the relationship between entrepreneurship orientation and firm performance. The study considered proactiveness measures which were innovativeness, risk-taking, and proactiveness, including functional performance measures such as R&D, production, marketing, and sales performance. Data used were those collected from two hundred and seventy-nine respondents and analysed data with the structural equation model technique.

Results showed a positive relationship between innovativeness and R&D, proactiveness, and marketing/sales performance. Results, on the other hand, indicated a negative relationship between risk-taking and production performance. However, the result showed that R&D, production, and marketing/sales performance had a positive connection with overall performance. Hence, the study recommended among others

that managers should ensure proper monitoring of performance in each department to strengthen the overall performance of the organization.

Similarly, another study that used mediating variables to assess the relationship between proactiveness and performance is that of Musthofa, et al (2017). assessed the effect of the mediating role of strategic flexibility on the effect of proactiveness and dynamic environment on firm performance. The study engaged data collected from one hundred and fifty respondents in shoe firms and analysed data with a structural equation model, smart partial least square estimation method. Results indicated that proactiveness had a significant influence on strategic flexibility and performance. Results also indicated that strategic flexibility influences the performance of the firm considered.

Soares and Perin (2020) assessed the effect of proactiveness on firm performance. The study utilized primary data collected from nineteen thousand five hundred and fourteen respondents, analysed with meta-analysis. Results showed that proactiveness had a significant and positive effect on performance. Results also indicated that learning orientation and innovativeness had a mediating effect on the relationship between proactiveness and performance.

Another study in this area is that of Jarinto et al (2019) assessed how organizational learning mediates the influence of proactiveness and total quality management on the performance of pharmaceutical small and medium enterprises in Thailand. Data used were collected from owners and managers of firms under the category which was considered in the study, and data were analysed with a partial least square structural equation model estimation method. Then, the result depicted that entrepreneurial organization and total quality management had a significant influence on organizational learning and performance.

The results of the study also revealed that organizational learning significantly influences the performance of the selected enterprises. Therefore, the study concluded that organizational learning significantly mediates the influence of proactiveness and total quality management on performance. In a different perspective to the above, some studies did not use any mediating variable to investigate the effect of proactiveness on performance for instance Amarteifio and Agbeblewu (2020) assessed the influence of proactiveness on firm performance of tourist accommodation establishments in Ghana. The study considered proactiveness measures which were autonomy, pro-activeness, innovativeness, and risk-taking, engaged data collected from one hundred and thirteen managers/owners of selected hotels and analysed data with

multiple regression analysis. Results indicated that pro-activeness, autonomy, innovativeness, and risk-taking had a slight influence on the performance of tourist accommodation established in the study area.

Using another mediating variable Adam et al., (2022) studied the mediating role of knowledge management on the proactiveness and performance of business in Malaysia. The study used data collected from three hundred and fifty owners/managers of online businesses which were analysed with a partial least square structural equation model estimation method.

Results then revealed that entrepreneurship orientation had a significant positive effect on knowledge management and performance. On the other hand, results indicated that knowledge management significantly influences the performance of firms. Results of the study also depicted that knowledge management mediates the relationship between entrepreneurship orientation and performance.

Furthermore, Amarteifio and Agbeblewu (2020) assessed the influence of proactiveness on the firm performance of tourist accommodation establishments in Ghana. The study considered proactiveness measures which were autonomy, pro-activeness, innovativeness, and risk-taking, engaged data collected from one hundred and thirteen managers/owners of selected hotels and analysed data with multiple regression analysis. Results indicated that pro-activeness, autonomy, innovativeness, and risk-taking had a slight influence on the performance of tourist accommodation established in the study area.

Again, among the studies that did not use any mediating variable is that of Sole (2018) examined the connection between entrepreneurial orientation, manufacturing capabilities, and organizational performance in the South African food manufacturing sector. The study used risk-taking, competitive aggressiveness, autonomy, innovativeness, and proactiveness as measures of organizational orientation, engaged data collected from seventy-five managers in ten revenue-generating companies, and analysed data with the ordinary least square regression estimation method. Results then indicated that proactiveness and manufacturing capabilities had a positive effect on performance. Results on the other hand showed a negative connection between entrepreneurial capabilities and entrepreneurial orientation.

In the same vein, Boohene (2018) evaluated the influence of entrepreneurial orientation, strategic orientation, and performance of small family firms in the Kumasi metropolis, Ghana. The study used data collected from two hundred and fifty respondents and analysed data with

a partial least square estimation technique. The result then depicted that strategic orientation has a positive significant relationship with proactiveness and performance. On the other hand, the result showed an insignificant positive relationship between proactiveness and the performance of the selected firms. Therefore, the study concluded that strategic orientation does not mediate the effect of proactiveness on performance.

Among the few studies on Nigeria is that of Esther et al (2018) which assessed the effect of proactiveness on the performance of manufacturing firms in Enugu state. The study specifically focused on the effect of pro-activeness on customer satisfaction, innovativeness on product quality, and risk-taking on productivity. Data utilized were collected from two hundred and seventy-eight respondents and analysed data with the linear regression method. Results of the study then revealed a significant positive effect of pro-activeness on customer satisfaction as well as a significant positive effect of innovativeness on product quality. The result also indicated that risk-taking had a significant positive effect on productivity.

Still in Nigeria, Okoli et al. (2021) examined the relationship that exists between entrepreneurship orientation and the performance of selected SMEs in Southeast Nigeria. The study centered on three proactiveness indicators, pro-activeness, innovativeness, and risk-taking, while performance proxies were sales growth profitability and market share, for which data were collected from three hundred and sixty-six SMEs in the region, analysed with linear regression method. Results then showed a significant effect of pro-activeness on sales growth; innovativeness on profitability; and risk-taking on market share. Hence, the study recognized that proactiveness has a significant positive effect on performance.

Similarly, Inegbedion et al. (2019) checked the connection between entrepreneurship and the financial performance of paint manufacturing firms in Lagos state. The study engaged innovativeness, risk-taking, competitive aggressiveness, and pro-activeness as indicators of entrepreneurial orientation, while performance was proxied by sales and profit growth, for which primary data from 300 employees and secondary data from 2012-2017 were obtained and analysed with descriptive statistics and linear regression analysis. Results of the study then indicated that innovativeness, risk-taking, competitive aggressiveness, and pro-activeness had a positive significant effect performance of the selected paint manufacturing firms. Therefore, the

study recognized that proactiveness has a significant positive influence on the performance of paint manufacturing firms.

Methodology

Research Design

This study makes use of primary data only and this data is collected with the use of a questionnaire and analyzed using quantitative techniques. Specifically, the study employs a cross-sectional survey research design to capture the base analysis of primary data sets collated in the study.

Population of the Study

The population of the study comprises all the 50 manufacturing firms that are listed on the Nigerian Stock Exchange (NGX). In terms of respondents, the population comprises all the directors and managers from quoted manufacturing firms that are selected for the study.

3.4. Sample Size and Sampling Technique

This study employs purposive sampling techniques to develop the sample size hence, the study focuses on all the listed manufacturing companies in Nigeria, but 5 respondents at the level of manager, supervisors, and directors are selected from each of the 50 companies. With this, a total of 250 respondents participated in the survey. These categories of staff were the focus because they are mainly saddled with the responsibilities of taking initiative for the originations.

Method of Data Collection

The main method of data collection for the study is through a questionnaire. A well-structured questionnaire is developed and divided into three sections. The first section which is section A covers the demographic features of the listed manufacturing firms that are included in the study. Section B is devoted to questions on measures of proactiveness. The last section which is section C comprises questions on the performance indicators of the manufacturing firms. This includes both non-financial and financial performance indicators.

Table 3.1: *Questionnaire adaptation and sources*

S/N	Questionnaire Sections	Sources
1	Part B: Proactiveness	Woko, Emmanuel Boma (2022); Morris and Kuratko, (2002); Okpara (2022).
4	Part C: Organisational performance questions	Odior and Alenoghena (2017); Hunjra (2018); Barney, 2021; Jensen & Meckling, 2016; Simon, 2016).

Source: *Author's Computation,2023*

The questionnaires are adapted from the sources stated in Table 3.1 with few modifications to capture the case study. The questionnaires have been used in the stated studies and yielded results that have been relied upon for further research by several other studies. The questionnaires of these studies, among others were collected and modified to come up with the questionnaire adopted for this study.

Pilot Study

A pilot survey was conducted initially to assess the efficacy of the questionnaire. A smaller sample size with similar characteristics to the main sample size to be used from the study was the focus of the pilot study. Precisely, SMEs that are small manufacturing firms in the southwest were used to conduct the pilot study. The outcomes of the pilot study have gone a long way to offer suggestions regarding necessary adjustments or amendments that were done to the research instrument before the full-scale survey commences.

Reliability and Validity

From the results of the pilot study, both the reliability and validity of the questionnaire were investigated. A validity test is conducted on the questionnaires to make sure that the questions measure what they are actually designed to measure. The Kaiser–Meyer–Olkin (KMO) and Barlett's Test are applied here (Boyaci & Atalay, 2016). Reliability is the consistency in the question's ability to measure what they are supposed to measure. According to Ryan, Wullems, Stebbings, Morse, Stewart, and Onambele (2018), the reliability test makes use of the Cronbach Alpha test, enabling us to measure the reliability attribute of the questions.

Models and Model Specification

Stemming from the reviewed literature the conceptual framework for the study is developed and it describes the relationship and measurement of each of the variables. However, the dimension of proactiveness has some indicators that have been established by the literature. For instance, Bohlmann et al., (2021) identified five indicators of proactiveness. The model that describes the relationship between proactiveness and performance is stated as follows;

$$PERF = f(PROACT) \quad \ldots\ldots (1)$$

Where PERF is manufacturing firm performance, PROACT is Proactiveness which is described in the literature with some indicators as shown in the model below:

$$PERF = f(CHANGE, FBACKS, OPPORT, EAGER, IMPLE) \quad \ldots\ldots (2)$$

Where $CHANGE$ is the Ability to seek Change, $FBACKS$ is Feedback on desired change, $OPPORT$ is the Identification of opportunities, $EAGER$ is the Eagerness to find better ways of doing things, $and\ IMPLE$ is the Implementation of new ideas. However, in a regression form, the model is expressed thus;

$$PERF = \beta_0 + \beta_1 CHANGE + \beta_2 FBACKS + \beta_3 OPPORT + \beta_4 EAGER + \beta_5 IMPLE + \varepsilon \ldots (3)$$

Where $\beta_0 is\ a\ constant\ and\ \beta_1$ to β_5 are parameter estimates for each of the proactiveness indicators as stated in the model. ε is the error term for the model which captures the stochastic variable.

Apriori Expectation

β_1 to $\beta_5 > 0$: A positive relationship is expected between all the indicators of proactiveness and performance

Method of Data Analysis

This study made use of both descriptive statistics (i.e demographic characteristics of the respondents) and inferential statistics (SEM) using

both Statistical Package for the Social Sciences (SPSS) and Analysis of Moment Structure (AMOS).

Results and Discussion

Demographic Analysis of the Respondents

Table 1 describes the bio data analysis of the respondents. The implication of the results is that about 64% of the respondents are male while 36% are female, this shows that the top management level in the Nigerian manufacturing sector are male-dominated. Furthermore, the data analysis on the demographic features shows that virtually all the sampled respondents are directors. This is another affirmation of right choice of respondents for the survey as this sets of respondents will be able to give required answers to the questionnaires more importantly there experiences as it bothers on proactiveness indecision making will be brought to bear. Another germane fact noticed in the analysis of the bio data of the respondents is the fact that most of the participants have spent a considerable long period on their status and in the company thus, they are able to give correct and historical information of the company regarding the questions contained in the questionnaire.

.***Table 1:*** *Demographic Distribution of respondents*

Age Distribution	Frequency	Valid percent	Cumulative Per cent
40-49years	40	16.0	16.0
50-59years	210	84.0	100.0
Total	250	100.0	
Gender Distribution			
Male	173	69.2	69.2
Female	77	30.8	100.0
Total	250	100.0	
Current Status			
Director	250	100.0	100.0
Total	250	100.0	
Type of Manufacturing Firm			
Food and Beverages	20	8.0	8.0
Textiles	15	6.0	14.0
Pharmaceuticals, Chemical, and Fertilizers	31	12.4	26.4
Others	184	73.6	100.0
Total	250	100.0	
Years in Service Distribution			
6-15years	184	73.6	73.6
15years and above	66	26.4	100.0
16 years and above	52	13.5	100.0
Total	250	100.0	
Years in current Position Distribution			
5-10years	199	79.6	79.6
11-15years	47	18.8	98.4

16 or more years	4	1.6	100.0
Total	250	100.0	
Highest qualification Distribution			
First degree/HND	1	.4	.4
Masters	154	61.6	62.0
PhD	95	38.0	100.0

source: *Author's computation, 2023*

The level of education of the respondents captured in the survey also speaks volume of the level of literacy of the participants. More than 99% of the respondents have postgraduate certificates this implies that just less than 1% are with only first degrees. This provides an opportunity for better understanding of the questions and ability to complete the questionnaire with minimum guidance. In terms of distribution of the participants across the sub sectors. It shows that about 20% are from the food beverages product while industrial goods, consumer goods and others occupied the rest of 80% of the participants included in the survey. This is an attestation to the fact that the participants are diversified across various sub sectors of the manufacturing sector of the economy.

Assessing the effect of proactiveness on the performance of quoted manufacturing firms in Nigeria.

This study is to investigate the effect of proactiveness on the performance of manufacturing firms. The measures of proactiveness such as $CHANGE$ Ability to seek Change, $FBACKS$ Feedbacks on desired change, $OPPORT$ Identification of opportunities, $EAGER$ Eagerness in finding better ways of doing things, $IMPLE$ Implementation of new ideas. Are all regressed on the performance of the manufacturing firms? The analysis also starts with a pre-estimation test to investigate the suitability of the data for the techniques of structural equation modeling which is the major method of analysis adopted for this objective. The confirmatory factor analysis is the first test presented.

Confirmatory factor analysis for the proactiveness and performance model

After the loading of the responses into the system, the variable's behavior in the confirmatory factor analysis is shown in the following diagram.

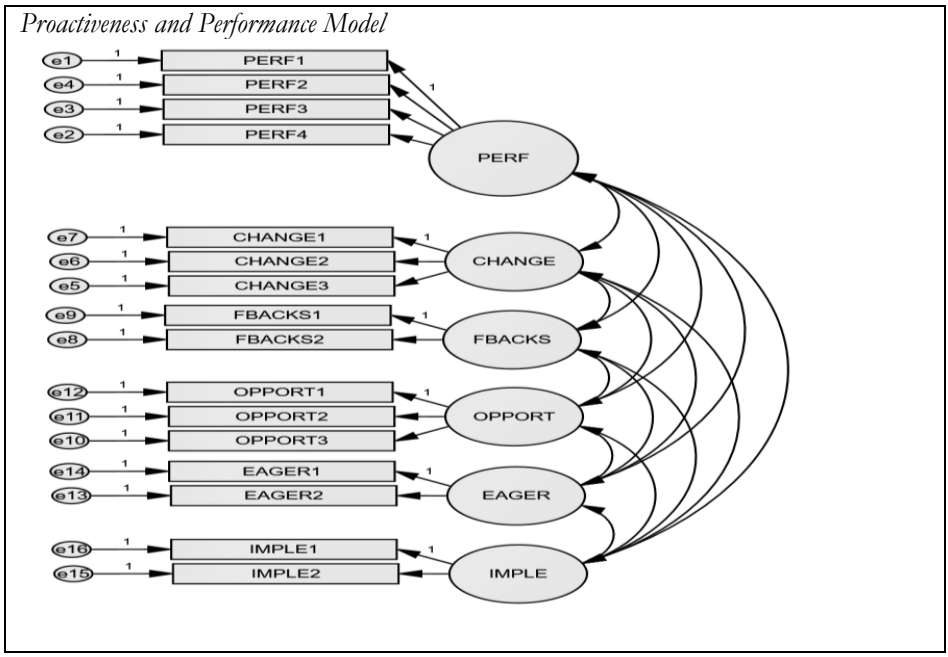

Figure 1 Structural Equation Model for Proactiveness and Performance
Source: *Author's Computation, 2023*

Following the CFA model presented in Figure 4.2, some pre-estimation tests are conducted to assess the suitability of the data for Structural equation modeling. The results are presented in Table 4.6

Table 2: *Goodness of Fit Assessment*

Measure	Threshold	Source	Proactiveness	Decision
Chi P-value	≥0.05	Byrne (2016)	.006	Good
CIM/DF	≤3	Gunzler, et al (2013)	2.11	Good
NFI	≥0.9	Lei and Wu (2007)	.956	Good
RFI	≥0.9	Kenny, D. A. (2018)	.941	Good
IFI	≥0.9	Kenny, D. A. (2018)	1.00	Excellent
TLI	≥0.9	Lei and Wu (2007)	.912	Good
CFI	≥0.9	Lei and Wu (2007)	1.00	Excellent
RMSEA	<0.06	Hu and Bentler (1999)	1.00	Excellent
PCLOSE	>0.05	Byrne (2016)	0.07	Good

Note: DF is Degrees of Freedom, normed Fit Index is represented by NFI, RFI stands for Relative Fit Index, Incremental Fit Index is denoted by IFI, TLI represents Tucker-Lewis Index, Comparative fit index is denoted by CFI, RMSR is

Root Mean Square Error of Approximation, and PCLOSE represents P-value of the Null Hypothesis.

NFI: The index ranges from 0 to 1. A good fit is shown by 1.0, while a bad fit is suggested by 0, and the cut-off point, according to Lei and Wu (2007), is 0.9. The value of NFI in the proactiveness model is 1 hence it is a confirmation that the model has a good fit.

IFI: This index is also used to assess the goodness of fit of a measurement model. A model has a good fit when it is close to 1 and a poor fit when it is zero. The threshold of IFI based on Kenny, (2018) recommendation is 0.90. As shown in the goodness of fit assessment table, the proactiveness model again showed a very good fit with the value of IFI which stands at 1.0

TLI: TLI addresses the weakness of NFI with respect to sample size and compares a research model to an independent model. This model has a good fit when the index is close to 1.0 and the threshold according to Lei and Wu (2007) is 0.9. Based on the value of TLI in the proactiveness model which is 1.0 then we can conclude that the model has a good fit.

RFI: This also compares the model of interest to an independent or null model. The index ranges from 0 to 1. Zero or any value close to zero indicates a poor fit while a value close to 1 indicates a good fit. Kenny, (2018) suggests 0.9 as the threshold. The value of RFI proactiveness again, showed that the model fit the data well.

CFI: CFI distinguishes between the independence model and the specified research model and indicates the value of variance accounts for in a covariance matrix. The index ranges from 0 to 1, with 1 showing the best model fit and 0.90 as the cut-off point. The values of the proactiveness model still showed a good fit as well.

RMSR: This test is used to identify a mis-specified model. The value of RMSR ranges from 0 to 1, with 0 indicating good fit and 1 indicating lousy fit. The threshold of RMSR, according to Gunzler, et al (2013), is 0.06. The values of the proactiveness model again show a good fit in terms of the RMR hence the model is correctly specified.

PCLOSE: PCLOSE is the probability required to reject a null hypothesis that a measurement model fits a dataset. The value is expected to be greater than 0.05 (Byrne, 2016). It is obvious from the model that the value for the proactiveness model is 0.0658 which is greater than 0.05 therefore we conclude that the measurement model fits the data set.

Standard Regression Weights of the proactiveness and performance model

The estimates from the standard regression weights for the proactiveness model are presented in Table 3.

Table 3 *Standard Regression Weights (Proactiveness and Performance Model)*

			Estimate
NPERF3	<---	Manufacturing firm performance	.776
NPERF2	<---	Manufacturing firm performance	.516
NPERF1	<---	Manufacturing firm performance	.604
CHANGE3	<---	Ability to seek Change	.838
CHANGE2	<---	Ability to seek Change	.906
CHANGE1	<---	Ability to seek Change	.572
OPPORT3	<---	Identification of opportunities	.853
OPPORT2	<---	Identification of opportunities	.850
OPPORT1	<---	Identification of opportunities	.517
EAGER2	<---	The eagerness to find better ways of doing things	.081
EAGER1	<---	The eagerness to find better ways of doing things	.947
IMPLE2	<---	Implementation of new ideas	2.033
IMPLE1	<---	Implementation of new ideas	.678

It will be observed from the table that all the factor loading of each observed variable is greater than 0.5. The implication of these results is that all the measures of proactiveness namely $CHANGE$ Ability to seek Change, $FBACKS$ Feedbacks on desired change, $OPPORT$ Identification of opportunities, $EAGER$ Eagerness in finding better ways of doing things, $IMPLE$ Implementation of new ideas. Are all well measured in the estimated model? Next is to estimate the Structural equation model.

Structural Equation Models for Proactiveness

The structural equation model for the impact of proactiveness on performance is presented in Figure.

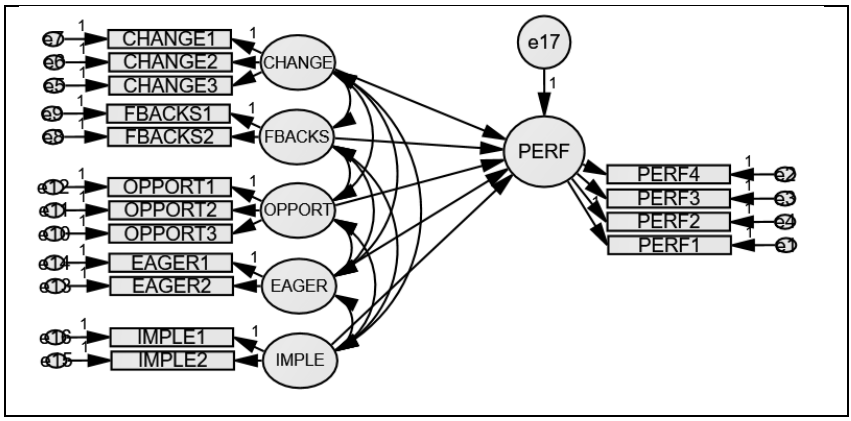

Figure 2. Structural Equation Model for Structural Equation
Source: *Author's Computation*

Following the SEM model presented in Figure 2, the estimated model is described and presented in Table 4

Table 4 *Regression Weights: Proactiveness and Performance Model*

			Estimate	S.E.	C.R.	P
Manufacturing firm performance	<---	Ability to seek Change	1.152	5.338	.022	.983
Manufacturing firm performance	<---	Feedback on the desired change	.085	.011	.030	.026
Manufacturing firm performance	<---	Identification of opportunities	.397	.014	.021	.014
Manufacturing firm performance	<---	The eagerness to find better ways of doing things	.149	7.028	.021	.983
Manufacturing firm performance	<---	Implementation of new ideas	.385	.020	.024	.001

The square multiple correlation is 0.647

Table: 5 *Test of Hypothesis two*

Hypothesis	Coefficient of Multiple Correlation Statistics	Decision
H_{02}: proactiveness does not have a significant impact on the performance of quoted manufacturing companies in Nigeria	0.647	The hypothesis is rejected and it is concluded that proactiveness has a significant impact on the performance of quoted manufacturing companies in Nigeria.

Source: *Author's Computation, 2023*

Results presented in Tables 4 and 5 are an indication that about 64% of the variation in performance is explained by proactiveness. Again, three out of the five measures of proactiveness showed a significant impact on performance thus showing that proactiveness exerts a significant impact on the performance of the manufacturing firm.

Discussion of Findings

The result of the structural equation regression model for proactiveness is shown in Table 4. The results are indications that proactiveness as a measure of entrepreneur orientation has some levels of significant impact on the performance of manufacturing firms. For instance, among the indicators of proactiveness, feedbacks on desired changes have a coefficient of 0.085 and it is statistically significant at 5%. The implication is that a unit increase in feedback on desired change will lead to about a 0.085 rise in performance. It follows that as the firms continue to not only see change but make use of the feedback gathered from the change, this will promote the performance of the company. This follows the findings of the study of Valenzuela, et.al (2021) who emphasize on effective feedback mechanism of an organization as very key to organizational performance.

Another variable of proactiveness with a significant impact on performance is the identification of opportunities. The result shows that the coefficient of this variable is 0.397 and it is also statistically significant at 5% thus implying that a unit increase in identification of opportunities will contribute about 0.397 increase in the performance of the firm. This goes a long way to say much about the efforts of firms to always capitalize on opportunities and make use of them. According to Krisada and Kittisak (2019) this makes the firm to remain competitive in the market and grants the firm an edge over its competitors.

The third measure of proactiveness with a significant impact on performance is the implementation of new ideas. In fact, this variable has the most significant impact on the performance of the firm among all the variables of proactiveness. The coefficient is 0.385 and it is statistically significant. This simply shows that the more the firm implements new ideas the more the increase in performance of the firm. Many authors in the past have also emphasized on ability of firms to make use of new ideas as very germane to the growth of the organization (Amarteifio and Senyo 2020).

However, some other measures of proactiveness such ability to seek changes and the eagerness to find better ways of doing things failed to have a significant impact on the performance of the firms. Although they have a positive relationship with the performance of the firms their impact is not well felt to exert significant impact on the performance of the firms.

The implication of the findings from the results is that to be proactive is more than just taking initiative but it is more important to implement the initiative before it can have a significant effect on performance. In the result, it is very clear that the ability to identify opportunities is very important to performance as a measure of proactiveness. This is because this is the starting point of being proactive however, the process of proactiveness will not be complete and exert the expected impact on performance if those ideas and opportunities are not implemented.

Conclusion and Recommendation

Stemming from the findings from the analysis in this study, some very important conclusions are made. From the findings of the study, it is very clear as well that being proactive is an important ingredient that has a significant impact on performance of the manufacturing firms. It can be concluded from the study that gathering feedback on changes applied, identifying opportunities, and implementing new ideas are the main aspects of proactiveness that have a significant effect on the performance of manufacturing companies. It is obvious from the findings that opportunities are identified, which leads to new ideas which must be implemented and the feedback garnered from the implementation must be applied. All these processes must take place before proactiveness can have a significant impact on the performance of the manufacturing companies. From the foregoing, ideas are to be experimented with and applied before they can be impactful on the performance of the manufacturing firms. Therefore, the study recommends that firms should prioritize feedback mechanisms in order to enhance performance in the organization. Also, it is recommended that any opportunity identified must be allowed to give birth to new ideas which must also be implemented.

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