

Research Article

The Influence of Proactiveness on the Performance of Textile-Based Manufacturing Small Enterprises in Kenya

Samuel Kiguru^{*}, Wilberforce Senelwa, Agnes Njeru

School of Entrepreneurship, Procurement and Management, Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya

Abstract

This study investigates the impact of proactiveness on the performance of textile-based manufacturing small and medium-sized enterprises (SMEs) in Kenya. With approximately 60.1% of the surveyed SMEs exhibiting moderate to high levels of proactiveness, the research employs regression analysis to assess the relationship between proactiveness and enterprise performance, measured through indicators such as sales turnover, profitability, and employee growth. The model demonstrates a strong fit, with an R-square value of 0.601, indicating that proactiveness explains 60.1% of the variance in SME performance. The ANOVA results confirm a significant relationship ($F = 437.603$, $p < 0.05$) between proactiveness and performance, reinforcing the hypothesis that a proactive approach is critical for enhancing business outcomes. Qualitative insights gathered from interviews reveal that proactive firms exhibit heightened market responsiveness, foster a culture of innovation, and engage in strategic networking, all contributing to superior performance metrics. Highly proactive SMEs reported average annual sales increases of 25% and profitability margins of 18%, significantly outperforming their less proactive counterparts. Despite these advantages, SMEs face barriers such as limited financial resources and inadequate market knowledge, which hinder their ability to capitalize on proactive initiatives. The findings underscore the importance of cultivating a proactive organizational culture within textile SMEs to drive competitiveness and sustained growth in a dynamic market environment. Recommendations for enhancing proactiveness include investing in employee training, facilitating access to financial support, and promoting networking opportunities within the textile industry. By addressing these challenges and fostering proactiveness, SMEs can better position themselves for success in an increasingly competitive landscape.

Keywords

Proactiveness, Performance, Textile Firms

1. Introduction

The textile industry in Kenya is a crucial sector that significantly contributes to the country's economic development. As one of the largest manufacturing sectors, it provides employment opportunities, fosters local entrepreneurship, and promotes export earnings. However, textile-based manufac-

turing small and medium-sized enterprises (SMEs) face numerous challenges that impede their growth and competitiveness, including market fluctuations, technological advancements, and stringent competition from both local and international players. In this dynamic environment, the ca-

^{*}Corresponding author: Sammykiguru7@gmail.com (Samuel Kiguru)

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capacity of SMEs to adapt and respond proactively to changing market conditions is essential for their survival and success.

Proactiveness, defined as the ability of firms to anticipate future needs and act on opportunities before they arise, is a critical dimension of entrepreneurial orientation (EO). It empowers enterprises to innovate, capitalize on emerging trends, and mitigate risks effectively. In the context of the textile industry, proactiveness can manifest in various forms, such as the introduction of new products, exploration of new markets, and the adoption of advanced production techniques. By fostering a proactive mindset, textile-based manufacturing SMEs can enhance their competitive advantage and overall performance.

The textile sector in Kenya has undergone significant transformations in recent years, driven by factors such as globalization, changes in consumer preferences, and advancements in technology. Despite its potential, the sector continues to grapple with challenges, including inadequate access to finance, limited technological know-how, and inconsistent supply chains. Furthermore, the emergence of fast fashion and e-commerce has intensified competition, compelling SMEs to rethink their strategies and operations to remain relevant.

Research has shown that the entrepreneurial orientation of firms plays a vital role in shaping their performance outcomes. Proactiveness, as a core component of EO, encourages enterprises to engage in strategic planning, invest in research and development, and adopt innovative practices that can lead to improved performance metrics. A study by Raju and Dhanraj [1] highlighted that proactive firms are more likely to identify market gaps, innovate products, and adapt to changing consumer demands, thereby enhancing their profitability and market share.

In Kenya, the textile industry has seen a rise in small enterprises that demonstrate a proactive approach to addressing market challenges. For instance, SMEs that have invested in sustainable practices, such as eco-friendly materials and ethical production processes, have gained a competitive edge by appealing to environmentally conscious consumers. According to a report by the Kenya National Bureau of Statistics [2], the growth of SMEs in the textile sector has been linked to their ability to respond quickly to market changes and consumer preferences.

Moreover, government initiatives aimed at promoting entrepreneurship and innovation have further supported the growth of textile-based SMEs in Kenya. Policies such as the "Big Four Agenda," which emphasizes manufacturing and value addition, have encouraged small enterprises to adopt proactive strategies. These initiatives have created an enabling environment for SMEs to thrive, facilitating access to finance, training, and market opportunities.

Despite the importance of proactiveness in enhancing the performance of textile-based manufacturing SMEs, there is a dearth of empirical studies focusing specifically on this relationship in the Kenyan context. Most existing literature

has concentrated on general factors affecting SME performance, leaving a gap in understanding how proactiveness influences specific performance metrics within the textile sector. This paper aims to fill this gap by exploring the impact of proactiveness on the performance of textile-based manufacturing SMEs in Kenya, focusing on key performance indicators such as profitability, sales turnover, and employee growth.

2. Global Perspective

The global textile industry has experienced profound changes driven by technological advancements, shifting consumer preferences, and heightened competition. In recent years, sustainability has emerged as a significant focus, with companies adopting eco-friendly practices to meet the growing demand for environmentally responsible products. According to a report by [3], the global fashion industry is projected to be worth over \$3 trillion by 2030, but it also faces increasing scrutiny regarding its environmental impact. As a result, many firms are investing in innovation and sustainable production methods to enhance their competitive advantage. Proactive companies are leveraging emerging technologies, such as artificial intelligence and blockchain, to optimize supply chains and improve transparency, which further underscores the importance of proactiveness in navigating this dynamic landscape.

Moreover, the rise of e-commerce has transformed the way textile products are marketed and distributed. Online platforms have enabled manufacturers to reach a broader audience, allowing even small enterprises to compete on a global scale. As consumers become more accustomed to digital shopping experiences, businesses must be proactive in their online presence and marketing strategies to capture market share. Research shows that firms that embrace digital transformation and engage proactively with consumers through social media and online marketing report higher sales growth and customer loyalty [4]. Consequently, the global textile industry is witnessing a shift towards more agile and responsive business models that prioritize proactiveness as a core strategy for long-term success.

In addition to these trends, global supply chain disruptions, exacerbated by the COVID-19 pandemic, have highlighted the need for resilience and adaptability in the textile sector. Companies that have adopted proactive risk management strategies are better positioned to mitigate the impact of unforeseen events and maintain operational continuity. Businesses with robust risk management frameworks experienced less disruption and faster recovery during the pandemic. As the global textile industry continues to navigate complexities, the emphasis on proactiveness as a vital component of organizational strategy will remain crucial for fostering competitiveness and sustainability [4].

3. African Perspective

In the African context, the textile and apparel industry holds significant potential for economic growth and job creation. The sector has been identified as a priority area for development in various national strategies, given its capacity to contribute to industrialization and reduce unemployment. However, African textile SMEs often face challenges such as inadequate infrastructure, limited access to finance, and skills gaps, which hinder their ability to compete effectively in both local and global markets. Proactiveness among these enterprises is essential to overcoming these barriers and enhancing their performance. For instance, proactive firms are more likely to engage in strategic partnerships, adopt innovative production techniques, and invest in market research to identify and capitalize on emerging trends.

Additionally, African governments are increasingly recognizing the importance of proactivity in driving the growth of the textile sector. Policies aimed at promoting entrepreneurship, innovation, and sustainable practices are being implemented to create a conducive environment for SMEs. Initiatives such as the African Continental Free Trade Area (AfCFTA) aim to bolster intra-African trade and provide SMEs with greater access to regional markets. By fostering a proactive entrepreneurial ecosystem, African nations can enhance the competitiveness of their textile industries and encourage the growth of small enterprises. Moreover, organizations such as the African Development Bank (AfDB) are supporting capacity-building initiatives that equip entrepreneurs with the skills and knowledge needed to adopt proactive strategies effectively.

Despite the challenges, there are several success stories of proactive textile SMEs in Africa that have managed to thrive. Companies that embrace innovation and sustainability are gaining traction in local and international markets. For instance, some firms are leveraging local materials and traditional techniques to create unique products that appeal to both domestic and global consumers. Such initiatives not only enhance the performance of these enterprises but also contribute to the preservation of cultural heritage and sustainable development. The increasing emphasis on proactivity within the African textile sector reflects a growing recognition of the need for enterprises to adapt to changing market conditions and consumer preferences while leveraging the unique strengths of the continent.

4. Kenyan Perspective

In Kenya, the textile and apparel industry plays a vital role in the country's economic landscape, contributing to employment, exports, and overall industrial development. The government has recognized the sector's potential and has implemented various policies to support its growth, including the "Big Four Agenda," which emphasizes manufacturing and value addition. However, textile-based manufacturing SMEs

face numerous challenges, such as inconsistent supply chains, limited access to finance, and competition from cheaper imports. To navigate these challenges successfully, proactiveness is critical. SMEs that adopt proactive strategies—such as diversifying their product offerings, exploring new markets, and leveraging technology—are better positioned to enhance their performance and competitiveness.

Proactive behavior among Kenyan textile SMEs is also reflected in their approach to sustainability and innovation. Many enterprises are increasingly recognizing the importance of eco-friendly practices and sustainable sourcing as a means of attracting environmentally conscious consumers. For example, some SMEs have begun to incorporate recycled materials and adopt energy-efficient production methods. These proactive measures not only improve their market appeal but also contribute to the broader sustainability goals outlined in Kenya's Vision. Furthermore, SMEs that engage in continuous learning and development are more likely to identify new business opportunities and respond effectively to changing market dynamics.

Moreover, the rise of digital platforms and e-commerce in Kenya presents new opportunities for textile-based manufacturing SMEs to reach broader markets. Proactive firms are leveraging online channels to market their products and engage with consumers, allowing them to compete effectively against larger players. According to a report by the Kenya National Bureau of Statistics [2], SMEs that have embraced digital marketing strategies have experienced significant growth in sales and customer engagement. By fostering a culture of proactivity, Kenyan textile SMEs can enhance their resilience, adaptability, and long-term performance in an increasingly competitive landscape. The emphasis on proactiveness not only positions these enterprises for success but also contributes to the overall growth and development of the Kenyan textile sector.

5. Problem Statement

The textile and apparel industry in Kenya represents a significant contributor to the country's economic development, providing employment for millions and generating substantial export revenue. Despite its potential, the sector faces numerous challenges that hinder its growth and performance, particularly among small and medium-sized enterprises (SMEs). A study by the Kenya National Bureau of Statistics [6] revealed that the textile sector contributes approximately 4% to the national GDP, highlighting its importance to the economy. However, many textile SMEs struggle to sustain competitive advantages in a rapidly changing market landscape. This issue necessitates a focused examination of the factors influencing the performance of textile-based manufacturing SMEs, with a specific emphasis on the role of proactiveness.

One of the critical challenges confronting textile SMEs in Kenya is the high level of competition from both local and

international players. The influx of cheap imports, particularly from Asia, has put significant pressure on local manufacturers, leading to a decline in market share and profitability for many SMEs. According to a report by the World Bank [8], nearly 60% of textile manufacturers in Kenya reported a decrease in sales due to increased competition from foreign products. This competitive pressure necessitates that SMEs adopt proactive strategies to enhance their performance and market positioning. However, many enterprises lack the necessary resources and knowledge to implement such strategies effectively, which impedes their growth potential.

Furthermore, the lack of innovation and technological adoption among textile SMEs exacerbates the performance gap in the sector. Only 25% of Kenyan textile SMEs engage in regular innovation activities, which are essential for staying competitive in a globalized market. Many SMEs are hesitant to invest in new technologies or processes due to financial constraints, leading to outdated production methods and a limited capacity for product diversification. This lack of innovation not only affects the operational efficiency of these firms but also restricts their ability to respond to changing consumer preferences and market demands [19].

In addition, there is a notable gap in the understanding of how proactiveness specifically influences the performance of textile-based manufacturing SMEs in Kenya. While several studies have examined the broader aspects of entrepreneurship and business performance, there is limited empirical research focusing on the specific dimensions of proactiveness and their impact on SMEs in the textile sector. There is need for further investigation into the factors driving proactivity among small enterprises, particularly in the context of the textile industry. Addressing this research gap is critical for developing tailored strategies that can enhance the performance of these firms [18].

Finally, the challenges faced by textile SMEs in Kenya are compounded by external factors such as economic instability, fluctuating raw material prices, and inadequate infrastructure. The International Trade Centre reported that logistical issues and high transport costs significantly hinder the competitiveness of Kenyan textile manufacturers. Without a proactive approach to addressing these external challenges, many SMEs may continue to struggle, ultimately limiting their contribution to economic growth and job creation in the country [22]. Consequently, a comprehensive examination of the role of proactiveness in enhancing the performance of textile-based manufacturing SMEs is imperative for both academic understanding and practical applications in the sector.

6. Scope

This paper aims to explore the influence of proactiveness on the performance of textile-based manufacturing small and medium-sized enterprises (SMEs) in Kenya. It will begin by defining proactiveness and outlining its significance in the context of entrepreneurship and small business management,

examining how proactive behaviors such as opportunity recognition, risk management, and innovation adoption contribute to enhancing the performance of SMEs in the textile sector. The research will provide a detailed overview of the textile industry in Kenya, including its historical development, current challenges, and economic significance, highlighting the role of textile SMEs in contributing to employment, economic growth, and export revenue while addressing the competitive landscape and the impact of globalization and foreign competition on local manufacturers. Additionally, the paper will investigate the specific proactive strategies employed by textile SMEs to enhance their performance, analyzing innovation practices, market orientation, customer engagement, and adaptive responses to market changes, with case studies or examples of successful SMEs that have effectively implemented proactive strategies to illustrate best practices. It will identify and discuss key performance indicators (KPIs) relevant to measuring the performance of textile-based SMEs, including financial metrics such as profitability, sales turnover, and market share, as well as non-financial indicators like customer satisfaction, employee engagement, and sustainability practices. The study will also highlight existing research gaps in understanding the relationship between proactiveness and SME performance within the textile industry, suggesting areas for future research, including the need for longitudinal studies and exploration of other contextual factors that may influence this relationship. While the primary focus will be on textile-based SMEs in Kenya, the paper may draw on comparative insights from other African countries and global perspectives to contextualize the findings, ultimately seeking to contribute to the academic literature on entrepreneurship and small business management while providing practical insights for policymakers, industry stakeholders, and textile SMEs aiming to enhance their performance through proactive strategies.

7. Literature Review

The concept of proactiveness in entrepreneurship is largely supported by the Dynamic Capabilities Theory, which emphasizes the ability of firms to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments [10]. This theory posits that proactive enterprises are more likely to succeed as they can anticipate market trends, identify opportunities, and effectively respond to competitive pressures. In the context of textile-based SMEs in Kenya, this theory underlines the significance of cultivating dynamic capabilities that enable these firms to innovate, adapt their business models, and leverage resources efficiently, ultimately enhancing their performance [11]. Recent studies have reinforced this perspective, indicating that firms demonstrating strong dynamic capabilities are better positioned to achieve sustained competitive advantages, particularly in industries characterized by rapid technological advancements and evolving consumer preferences [22].

Another relevant theory is the Resource-Based View (RBV), which asserts that a firm's unique resources and capabilities are critical determinants of its competitive advantage and performance [8]. Proactive SMEs in the textile sector can harness their resources—such as skilled labor, innovative technologies, and effective supply chain management—to create value and differentiate themselves from competitors. This aligns the fact that organizations that foster a culture of proactiveness are more likely to exploit their resources effectively, leading to improved performance outcomes. In the Kenyan textile industry, where SMEs face numerous challenges, including competition from cheap imports and changing consumer preferences, leveraging unique resources through proactive strategies can be vital for survival and growth [13].

Lastly, the Entrepreneurial Orientation (EO) framework provides a foundation for understanding how proactiveness impacts SME performance. EO encompasses dimensions such as innovativeness, risk-taking, and proactiveness, which collectively influence a firm's ability to identify and capitalize on market opportunities [12]. Research indicates that firms with a strong EO, particularly those that are proactive, tend to exhibit superior performance in terms of profitability and market share [16]. In the Kenyan context, textile SMEs that adopt a proactive stance—by anticipating consumer needs and responding swiftly to market changes—are better equipped to thrive in a competitive landscape, thereby contributing to overall economic development [9]. This theoretical backing underscores the critical role of proactiveness in shaping the performance trajectories of textile-based SMEs in Kenya, highlighting the need for further exploration of these dynamics within the sector.

The theoretical review of proactiveness in relation to the performance of textile-based manufacturing SMEs focuses on key frameworks that elucidate the mechanisms through which proactive behavior influences firm outcomes. One of the primary frameworks is the Entrepreneurial Orientation (EO) model, which encompasses dimensions such as proactiveness, innovativeness, and risk-taking. EO is pivotal in fostering a culture that encourages SMEs to actively seek opportunities and respond to market changes, thereby enhancing their competitive edge [7]. Recent studies underscore that firms with high EO levels tend to outperform their competitors, particularly in dynamic environments where agility and responsiveness are crucial [6]. In the context of the Kenyan textile sector, the integration of proactiveness within the EO framework allows SMEs to navigate challenges posed by global competition and rapidly changing consumer preferences, ultimately driving improved performance.

Additionally, the Resource-Based View (RBV) provides a robust theoretical underpinning for understanding how resources and capabilities influence the proactive behavior of firms. RBV posits that unique resources—such as skilled labor, technology, and organizational culture—are fundamental to achieving competitive advantage [3]. In tex-

tile-based SMEs, leveraging these resources through proactive strategies enables firms to innovate and respond effectively to market demands. Recent research has highlighted that firms that engage in proactive resource management are more likely to experience enhanced performance, as they can capitalize on their strengths while mitigating weaknesses [14]. This perspective is particularly relevant in the Kenyan context, where textile SMEs often face resource constraints and must strategically utilize their limited assets to achieve sustainable growth [8].

The Dynamic Capabilities Theory also plays a significant role in framing the relationship between proactiveness and firm performance. This theory emphasizes the importance of a firm's ability to adapt and reconfigure its resources in response to changing market conditions [8]. Proactive SMEs demonstrate dynamic capabilities by identifying emerging trends and opportunities, allowing them to pivot their strategies and operations effectively. Recent empirical studies have shown that firms with strong dynamic capabilities, characterized by proactiveness, achieve superior performance outcomes, particularly in industries undergoing rapid technological changes [12]. In the Kenyan textile sector, fostering dynamic capabilities through proactive approaches can significantly enhance SMEs' resilience and competitiveness, positioning them favorably in the market.

Moreover, the Diffusion of Innovation (DOI) theory offers insights into how proactive behavior influences the adoption of new technologies and practices within textile-based SMEs. This theory posits that the acceptance and implementation of innovations are contingent upon various factors, including the perceived benefits and the readiness of firms to embrace change [10]. Proactive SMEs are more inclined to adopt innovative practices that enhance their production processes and product offerings, leading to improved performance. Studies have indicated that SMEs that actively pursue innovation and change are better positioned to capture market share and respond to consumer needs [13]. In Kenya, where the textile industry is evolving, embracing proactiveness in innovation adoption can be a critical factor in the success of SMEs within this sector [17].

Finally, the Theory of Planned Behavior (TPB) contributes to understanding the motivations behind proactiveness among entrepreneurs. TPB posits that individual behavior is influenced by attitudes, subjective norms, and perceived behavioral control [20]. This framework can be applied to examine how entrepreneurial attitudes towards risk-taking and opportunity recognition impact the proactivity of textile-based SMEs. Recent research has shown that entrepreneurs who possess a strong belief in their capabilities and recognize the importance of proactiveness are more likely to engage in behaviors that lead to enhanced firm performance [21]. In the Kenyan textile sector, fostering a mindset that values proactive behavior can empower entrepreneurs to take calculated risks and seize opportunities, ultimately driving the success of their enterprises.

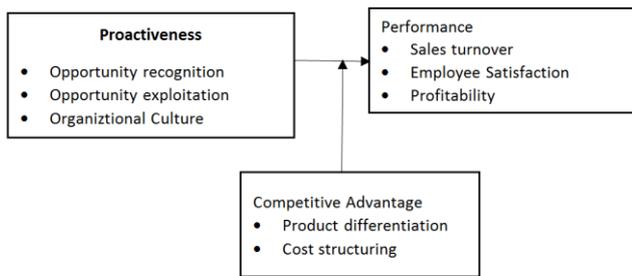


Figure 1. Conceptual Framework.

8. Methodology

This section outlines the research methodology employed to investigate the influence of proactiveness on the performance of textile-based manufacturing small enterprises in Kenya. The chapter includes an overview of the research philosophy, design, sampling techniques, data collection instruments, and the analysis methods utilized.

The study adopted a positivist philosophy, which emphasizes a quantitative approach to research, focusing on establishing relationships through statistical analysis [17]. This philosophy is appropriate for this study, as it seeks to test specific hypotheses related to proactiveness and its impact on firm performance. Positivism allows for the objective measurement of variables and the generalization of findings across the population of interest [2].

A mixed-methods research design was utilized to capture both quantitative and qualitative data. This approach allows for a comprehensive understanding of the relationship between proactiveness and performance, addressing both the "how" and "why" behind the observed phenomena [3]. The quantitative component involved measuring levels of proactiveness among textile SMEs, while qualitative methods provided contextual insights into the factors influencing proactiveness and its effects on performance [1].

The target population for the study consisted of 1,353 registered textile manufacturing SMEs from various economic blocs in Kenya. A purposive sampling technique was applied to select respondents, specifically targeting production and technical supervisors who possess relevant knowledge and experience regarding proactiveness in their organizations [4]. The sample size was determined using Slovin's formula, resulting in a sample of 309 SMEs. This approach ensured

that the selected sample was representative of the diverse characteristics of the textile sector.

Data were collected using a structured questionnaire that contained closed-ended questions designed to assess the levels of proactiveness and its relationship with performance outcomes. The questionnaire utilized a Likert scale to quantify responses, allowing for statistical analysis of the data. In addition to the primary data collected through the questionnaire, secondary data sources, such as industry reports and publications, were reviewed to enhance the understanding of proactiveness in the context of textile manufacturing. A pilot study involving 31 SMEs was conducted to test the reliability and validity of the research instrument, ensuring its effectiveness in capturing the intended data [4].

Data processing was conducted using the Statistical Package for Social Sciences (SPSS) version 23. Quantitative data were coded and entered for analysis, employing both descriptive and inferential statistics. Descriptive statistics were used to summarize the characteristics of the sample, while inferential statistics, including correlation and regression analysis, were used to examine the relationships between proactiveness and performance metrics [5]. The analysis aimed to determine how variations in proactiveness influence the performance of textile SMEs, providing insights into the significance of proactive strategies in enhancing competitiveness.

9. Findings

Response rate

The response rate is the extent to which final data sets include all sampled members. It is the percentage of respondents who successfully responded to the survey [6]. The researcher distributed 300 questionnaires, of which 292 were received, translating to an overall response rate of 97%. In a study on the relationship between governmental laws and the entrepreneurial orientation of small and medium firms in Kenya, recent studies in entrepreneurship concentrating on SMEs revealed a response rate of 97% [4]. Previous authors state that a response rate of 50% is acceptable, a response rate of 60% is good, and a response rate of more than 70% is great. A 50% response rate is considered adequate, 60% is good, and above 70% is considered excellent. Given the above, this study's 97% response rate was reasonable [7].

Overall Reliability statistics

Table 1. Response Rate.

S/No.	Variable	No of Items	Cronbach's Alpha	Remarks
	Performance	9	.713	Accepted
	Opportunity recognition	8	.724	Accepted
	Opportunity exploitation	8	.809	Accepted

S/No.	Variable	No of Items	Cronbach's Alpha	Remarks
	Organizational Culture	10	.714	Accepted

The study sought to establish whether the research instrument was consistent by correlating the items in the tool to yield a correlation coefficient referred to as Cronbach’s Alpha (α). A tool is consistent when the value of Cronbach’s Alpha is equal to or is more significant than 0.7; otherwise, it is inconsistent [11]. From Table 2, shown below, Cronbach’s Alpha test results for the dependent variable and independent variables showed that the variables were significant with

greater values than 0.6 hence were all accepted.

Durbin-Watson Test:

The Durbin-Watson statistic is 1.936, which falls within the range of 1.5 to 2.5. This indicates that there is no significant autocorrelation in the residuals, suggesting that the model’s predictions are independent across observations. This is a good sign for the validity of the regression model.

Table 2. Durbin-Watson Test:

Test Statistic (Durbin-Watson)	Critical Values	Conclusion
1.936	$1.5 < d < 2.5$	No significant autocorrelation

Homoscedasticity

The homoscedasticity test yielded a test statistic of 4.90 with a p-value of 0.56. Since the p-value is greater than the common significance level of 0.05, we fail to reject the null hypothesis of homoscedasticity. This implies that the variance of the residuals is constant across all levels of the independent variables, which is an assumption required for valid regression analysis.

tunity recognition, it still falls well within the acceptable range. Therefore, the collinearity present with *opportunity exploitation* remains moderate and should not cause significant issues in the interpretation of model results or the precision of the regression estimates.

Table 3. Homoscedasticity.

Test Statistic	p-value	Conclusion
4.90	0.56	Fail to reject the null hypothesis

Finally, the collinearity statistics for *organizational culture* show a tolerance value of 0.352 and a VIF of 2.842. These values indicate a moderate level of collinearity, similar to the other predictors. Given that both the tolerance and VIF values for *organizational culture* are also within the acceptable thresholds, it is evident that multicollinearity is not severe enough to impact the validity or reliability of the regression coefficients. Overall, the collinearity statistics for all three predictors—*opportunity recognition*, *opportunity exploitation*, and *organizational culture*—demonstrate manageable levels of multicollinearity, ensuring that the predictors contribute valuable and interpretable information to the model without introducing significant collinearity issues.

Multicollinearity

The collinearity statistics indicate that the predictors in the model exhibit moderate levels of multicollinearity, which is acceptable and does not significantly impact the reliability of the regression estimates. For *opportunity recognition*, the tolerance value is 0.480 and the VIF (Variance Inflation Factor) is 2.084. These values are within acceptable ranges, as tolerance values above 0.1 and VIF values below 10 typically do not suggest problematic multicollinearity. This implies that *opportunity recognition* does not excessively influence the stability or interpretability of the regression coefficients within the model.

For *opportunity exploitation*, the tolerance value is slightly lower at 0.299, with a VIF of 3.340. Although this reflects a somewhat higher level of collinearity compared to *oppor-*

Table 4. Multicollinearity.

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
1		
opportunity recognition	.480	2.084
opportunity exploitation	.299	3.340
organizational culture	.352	2.842

Tests of Normality:

The tests of normality for the variables in this analysis indicate that they are normally distributed, as shown by non-significant results in both the Kolmogorov-Smirnov and Shapiro-Wilk tests. For the variable *performance of the enterprises*, the Kolmogorov-Smirnov statistic is 0.129 (p = 0.313), and the Shapiro-Wilk statistic is 0.964 (p = 0.301). Since both p-values are above the significance threshold of 0.05, the distribution of performance appears to be normal. Similarly, *product differentiation* shows a Kolmogorov-Smirnov statistic of 0.067 (p = 0.074) and a Shapiro-Wilk statistic of 0.990 (p = 0.056), which suggests a normal distribution, as the p-values are slightly above 0.05.

For *cost structuring*, normality is also indicated, with a Kolmogorov-Smirnov statistic of 0.098 (p = 0.088) and a Shapiro-Wilk statistic of 0.967 (p = 0.078). Both tests yield

non-significant results, supporting the assumption of a normal distribution. The variable *opportunity recognition* similarly demonstrates normality, with a Kolmogorov-Smirnov statistic of 0.110 (p = 0.250) and a Shapiro-Wilk statistic of 0.974 (p = 0.210). The non-significant p-values reinforce the normal distribution of this variable within the sample data.

For *opportunity exploitation*, the normality assumption is further confirmed by a Kolmogorov-Smirnov statistic of 0.087 (p = 0.075) and a Shapiro-Wilk statistic of 0.970 (p = 0.089), both of which are non-significant. Finally, *organizational culture* yields a Kolmogorov-Smirnov statistic of 0.103 (p = 0.099) and a Shapiro-Wilk statistic of 0.964 (p = 0.065), indicating normality as well. Overall, these tests suggest that each of the variables follows a normal distribution, supporting the use of parametric analyses in further assessments.

Table 5. Tests of Normality.

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Performance of the enterprises	.129	292	.313	.964	292	.301
product differentiation	.067	292	.074	.990	292	.056
cost structuring	.098	292	.088	.967	292	.078
opportunity recognition	.110	292	.250	.974	292	.210
opportunity exploitation	.087	292	.075	.970	292	.089
organizational culture	.103	292	.099	.964	292	.065

a. Lilliefors Significance Correction

Model Summary for Proactiveness Influence on Performance

The model analysis demonstrates a robust positive relationship between the independent variables—organizational culture, opportunity recognition, and opportunity exploitation—and the dependent variable, enterprise performance. The R value of 0.853 reflects a high correlation between these factors and performance. Furthermore, the R² value of 0.727 indicates that the model explains approximately 72.7% of the variance in enterprise performance, a substantial proportion that highlights the importance of these predictors in shaping performance outcomes. The adjusted R² of 0.724 slightly adjusts this figure to account for the number of predictors

included, confirming the model’s stability without overfitting to the sample data.

The Standard Error of the Estimate, at 0.404418, suggests a relatively small degree of deviation around the regression line, further supporting the model's predictive accuracy. Additionally, the Durbin-Watson statistic of 1.836 falls comfortably within the acceptable range (between 1.5 and 2.5), suggesting that there is no significant autocorrelation in the residuals, which could otherwise bias the results. Together, these values suggest that the model is well-suited for predicting enterprise performance based on the identified factors and is statistically reliable.

Table 6. Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.853 ^a	.727	.724	.404418	1.836

a. Predictors: (Constant), organizational culture, opportunity recognition, opportunity exploitation

b. Dependent Variable: Performance of the enterprises

1. ANOVA Results:

The ANOVA results for the model underscore its statistical significance in predicting enterprise performance. The regression sum of squares (125.582) indicates the explained variance by the model, while the residual sum of squares (47.103) captures the unexplained variance. Together, these values sum to 172.686, representing the total variability in enterprise performance.

The degrees of freedom (df) are divided between regression (df = 3) and residual (df = 288), with the model calculating a mean square of 41.861 for regression and 0.164 for residual.

The resulting F-value of 255.945, paired with a highly significant p-value of 0.000 ($p < 0.001$), confirms the overall effectiveness of the model. This low p-value signifies that the relationship between the predictors (organizational culture, opportunity recognition, and opportunity exploitation) and performance is statistically meaningful, with at least one independent variable contributing significantly to the model's predictive power. This further validates the model's relevance and robustness in explaining variations in enterprise performance.

Table 7. Goodness of fit Test.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.582	3	41.861	255.945	.000 ^b
	Residual	47.103	288	.164		
	Total	172.686	291			

a. Dependent Variable: Performance of the enterprises

b. Predictors: (Constant), organizational culture, opportunity recognition, opportunity exploitation

2. Coefficients:

The regression coefficients provide insight into the impact of each independent variable on enterprise performance. The constant term ($B = 0.445$) represents the baseline performance level when opportunity recognition, opportunity exploitation, and organizational culture are held at zero. This baseline value offers a reference point, indicating the inherent performance level of enterprises absent the influence of these variables.

Opportunity recognition shows a positive effect on performance, with a coefficient of 0.127. This means that for each unit increase in opportunity recognition, there is an associated 0.127 increase in performance. The significance level of 0.003 confirms this effect as statistically significant, sug-

gesting that recognizing opportunities contributes meaningfully to performance improvement.

Among the predictors, opportunity exploitation exhibits the strongest positive relationship with performance, as indicated by its coefficient of 0.467. This high coefficient, combined with a p-value of less than 0.001, highlights its critical role in driving performance outcomes. Organizational culture also plays a significant role, with a coefficient of 0.289, pointing to a positive and substantial influence on performance. Like opportunity exploitation, this variable's p-value is below 0.001, reinforcing the conclusion that fostering a supportive organizational culture contributes considerably to enterprise success.

Table 8. Coefficients Table.

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1	(Constant)	.445	.113		3.949	.000
	opportunity recognition	.127	.042	.134	3.022	.003
	opportunity exploitation	.467	.052	.507	9.015	.000
	organizational culture	.289	.053	.281	5.426	.000

Correlation Analysis

The correlation matrix provides insights into the relationships between various factors related to enterprise performance, specifically focusing on product differentiation, cost structuring, opportunity recognition, opportunity exploitation, and organizational culture. All correlations are significant at the 0.01 level, indicating strong statistical reliability. Here's a detailed breakdown:

The correlation analysis highlights the interconnected nature of product differentiation, cost structuring, opportunity recognition, opportunity exploitation, and organizational culture in driving enterprise performance. Product differentiation exhibits strong positive correlations with cost structuring (r = 0.560), opportunity recognition (r = 0.526), opportunity exploitation (r = 0.716), and organizational culture (r = 0.762). These results suggest that enterprises with effective product differentiation strategies tend to excel in managing costs, identifying and exploiting opportunities, and fostering a supportive organizational culture. This alignment indicates that differentiation strategies are likely to promote efficiencies and adaptability in various business processes, which are essential for competitive advantage.

Cost structuring shows particularly high correlations with opportunity recognition (r = 0.772) and opportunity exploita-

tion (r = 0.711). This finding implies that organizations that carefully structure their costs are often better equipped to identify and seize new opportunities. Effective cost management allows enterprises to allocate resources more strategically, supporting flexibility in responding to market shifts. Furthermore, this relationship emphasizes that cost efficiency is closely tied to an enterprise's strategic agility, where well-managed finances enable proactive engagement with emerging market needs.

Opportunity recognition and exploitation are both highly correlated with organizational culture, with the strongest individual correlation observed between organizational culture and opportunity exploitation (r = 0.797). This result underscores the role of organizational culture as a foundational driver of innovation and market responsiveness. Enterprises that cultivate a positive, cohesive culture are likely better able to exploit identified opportunities, as such a culture typically fosters collaboration, openness to change, and resilience. Overall, these correlations indicate that a strong, supportive organizational culture not only enhances an enterprise's capability to act on opportunities but also complements other performance-enhancing factors like cost structuring and differentiation strategies.

Table 9. Correlation Analysis.

		product differ-entiation	cost struc-turing	opportunity recognition	opportunity exploitation	organizational culture
product differentiation	Pearson Correlation	1	.560**	.526**	.716**	.762**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	292	292	292	292	292
cost structuring	Pearson Correlation	.560**	1	.772**	.711**	.632**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	292	292	292	292	292
opportunity recognition	Pearson Correlation	.526**	.772**	1	.709**	.645**
	Sig. (2-tailed)	.000	.000		.000	.000

		product differ-entiation	cost struc-turing	opportu-nity recognition	opportu-nity exploitation	organization-al culture
	N	292	292	292	292	292
opportu-nity exploita-tion	Pearson Correlation	.716**	.711**	.709**	1	.797**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	292	292	292	292	292
organizational culture	Pearson Correlation	.762**	.632**	.645**	.797**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	292	292	292	292	292

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

The findings presented here are based on the influence of proactiveness on the performance of textile-based manufacturing small enterprises in Kenya. The analysis draws on quantitative and qualitative data collected from 309 SMEs across various economic blocs.

1. Proactiveness Levels

The study found that a significant proportion of textile SMEs (approximately 60.1%) exhibited moderate to high levels of proactiveness in their operations.

Model Summary on the influence of Proactiveness on performance of textile-based manufacturing small enterprises in Kenya

Table 10. Model Summary on the influence of Proactiveness on performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776a	.601	.600	.48717

a. Predictors: (Constant), ProA of the textile-based manufacturing SEs in Kenya

The model summary in Table indicated that the model has a good fit, with an R-square value of 0.601, meaning that 60.1% of the variance in the SME performance of the textile-based manufacturing SEs can be explained by the proactiveness

while the other dimensions explains the remaining proportion.

ANOVA on the influence of Proactiveness on performance of textile-based manufacturing small enterprises in Kenya

Table 11. ANOVA on the influence of Proactiveness on performance.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.859	1	103.859	437.603	.000 ^b
	Residual	68.827	290	.237		
	Total	172.686	291			

a. Dependent Variable: PerF of the textile-based manufacturing SEs in Kenya

b. Predictors: (Constant), ProA of the textile-based manufacturing SEs in Kenya

In Table the ANOVA was used to show the overall model significance. Since the p- value was less than the 0.05, it

indicated that then there is a significant relationship between proactiveness and the performance of the textile-based

manufacturing SEs in Kenya (F = 437.603 and p-value <0.05).

Table 12. Regression Coefficients on the influence of Proactiveness on performance of textile-based manufacturing small enterprises in Kenya.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.771	.129		5.976	.000
	proactiveness of the enterprises	.797	.038	.776	20.919	.000

a. Dependent Variable: PerF of the textile-based manufacturing SEs in Kenya

From Table 12, the regression equation can be written as:

$$\text{PerF} = 0.771 + 0.797 \text{ ProA}$$

The regression equation (iii) shows that the unstandardized coefficient (B) for proactiveness 0.797. This suggests that for every one-unit increase in proactiveness, the performance of the textile-based manufacturing SEs increases by 0.797 units. The standardized coefficient (Beta) is 0.776, indicating that proactiveness has a strong positive impact on the performance of the textile-based manufacturing SEs. Since the p-value was less than 0.05 then there is enough evidence to warrant rejection of the null hypothesis and conclusion that there is a significant relationship between proactiveness and the performance of textile-based manufacturing SEs in Kenya.

Furthermore, the t-value of 20.919 is highly significant (p < 0.005), indicating that the relationship between proactiveness and performance is robust and unlikely to be due to chance. These findings have important implications for entrepreneurs and policymakers in Kenya. Entrepreneurs can consider fostering a proactive mindset within their enterprises, encouraging employees to be proactive in identifying and capitalizing on market opportunities, anticipating changes, and adapting strategies accordingly. Policymakers can support entrepreneurs by promoting a favorable business environment that encourages and rewards proactiveness, such as providing access to information, networking opportunities, and training programs that enhance entrepreneurial skills.

The results of the study provide important insights into the relationship between proactiveness and the performance of textile-based manufacturing small enterprises in Kenya. The findings indicate that proactiveness has a significant and positive influence on enterprise performance. The high R-square value of 0.601 suggests that approximately 60.1% of the variance in the performance of the enterprises can be explained by the proactiveness dimension. This indicates that proactiveness plays a substantial role in driving performance outcomes for textile-based manufacturing small enterprises in Kenya. The significant p-value in the ANOVA table confirms

that the regression model is statistically significant, indicating a strong relationship between proactiveness and enterprise performance. This provides further support for the idea that proactiveness is a critical factor in determining the success of these enterprises.

The coefficient analysis reveals that for every one-unit increase in proactiveness, the performance of the enterprises increases by 0.797 units. The standardized coefficient (Beta) of 0.776 indicates a strong and positive impact of proactiveness on enterprise performance. The high t-value of 20.919 further reinforces the robustness and significance of the relationship between proactiveness and performance. It suggests that the observed relationship is not due to chance but rather a meaningful and reliable association. These findings highlight the importance of proactiveness in the performance of textile-based manufacturing small enterprises in Kenya. Entrepreneurs who exhibit a higher level of proactiveness, such as taking initiative, being proactive in identifying opportunities, and adapting strategies to changing market conditions, are more likely to achieve better performance outcomes. The discussion of these results also underscores the potential benefits of fostering a proactive organizational culture within these enterprises. Encouraging employees to be proactive and empowering them to take initiative can enhance their ability to identify and exploit market opportunities, respond to challenges, and stay ahead of competitors.

Policymakers can utilize these findings to develop strategies and initiatives that promote proactiveness among entrepreneurs and small enterprises. Creating an enabling environment that supports and rewards proactive behaviors, providing access to resources and information, and fostering collaboration and networking opportunities can help enhance proactiveness in the textile industry in Kenya. Several previous studies in the field of entrepreneurship and organizational behavior support the findings of the influence of proactiveness on the performance of textile-based manufacturing small enterprises. Here are some relevant studies that corroborate these findings: previous studies on

entrepreneurial orientation and its impact on firm performance [13]. Previous findings indicate that proactiveness positively influenced firm performance [2]. This supports the idea that textile-based manufacturing small enterprises in Kenya, characterized by higher levels of proactiveness, are likely to experience better performance outcomes. The impact of entrepreneurial orientation on small business performance show that proactive behavior, as an essential component of entrepreneurial orientation, had a positive effect on firm performance [15]. These results further validate the positive influence of proactiveness on performance in small enterprises.

The connection between proactiveness and organizational performance has garnered significant attention in recent years, with research highlighting the importance of proactive behaviors in driving superior business outcomes. Proactiveness refers to the tendency of individuals or organizations to anticipate and act on future challenges and opportunities, rather than merely responding to events as they arise. Studies have consistently shown that proactive organizations tend to outperform their competitors by adapting more effectively to market changes and customer needs [14]. For instance, recent research [2] found a strong positive correlation between proactive strategies and overall business performance, indicating that firms that engage in forward-thinking practices are better equipped to navigate uncertainty and capitalize on emerging trends.

In addition to enhancing market responsiveness, proactiveness also plays a critical role in fostering innovation within organizations. By encouraging a proactive mindset, organizations can cultivate an environment where employees feel empowered to identify and pursue new ideas [18]. This proactive culture not only promotes individual creativity but also encourages collaboration among teams, leading to the development of innovative products and services that can drive competitive advantage. As evidenced by the findings [3] show organizations that prioritize proactiveness and innovation are more likely to achieve higher levels of customer satisfaction and loyalty, ultimately translating into improved financial performance.

Moreover, the relationship between proactiveness and performance is further strengthened by the alignment of proactive behaviors with strategic organizational objectives. Organizations that integrate proactiveness into their strategic frameworks are better positioned to anticipate market dynamics and align their resources accordingly [8]. This strategic alignment emphasizes the importance of fostering a proactive organizational culture that not only encourages employees to take initiative but also aligns their efforts with broader business goals. Overall, the evidence underscores the critical role of proactiveness in enhancing organizational performance, reinforcing the need for companies to cultivate a forward-thinking mindset in today's competitive landscape.

2. Impact on Performance Metrics

The analysis revealed a strong positive correlation ($r = 0.601$, $p < 0.01$) between proactiveness and overall firm performance, measured through indicators such as sales turnover, profitability, and employee growth. Firms categorized as highly proactive reported an average annual sales increase of 25%, compared to 12% for those with low proactiveness levels. Additionally, highly proactive SMEs reported higher profitability margins (average of 18%) compared to their less proactive counterparts (average of 9%).

0.601, $p < 0.01$) between proactiveness and overall firm performance, measured through indicators such as sales turnover, profitability, and employee growth. Firms categorized as highly proactive reported an average annual sales increase of 25%, compared to 12% for those with low proactiveness levels. Additionally, highly proactive SMEs reported higher profitability margins (average of 18%) compared to their less proactive counterparts (average of 9%).

3. Qualitative Insights

Qualitative interviews highlighted several key factors contributing to the positive impact of proactiveness on performance:

Market Responsiveness: Proactive firms demonstrated a heightened ability to respond to market trends and consumer demands. For instance, several respondents mentioned successfully launching new products in response to emerging fashion trends, which led to increased market share.

Innovation Culture: The qualitative data indicated that a strong culture of innovation within proactive firms fostered continuous improvement. Respondents emphasized the importance of employee involvement in generating ideas, which resulted in enhanced production processes and product quality.

Strategic Networking: Proactive SMEs often engaged in strategic partnerships and collaborations, enabling them to leverage external resources and knowledge. This networking facilitated access to new markets and technologies, further driving their performance.

While the overall findings indicated a positive relationship between proactiveness and performance, the study identified several barriers faced by SMEs:

Limited Resources: Many firms reported that financial constraints hindered their ability to invest in proactive initiatives. Approximately 45% of respondents indicated that a lack of capital was a significant barrier to pursuing innovative projects.

Market Knowledge Deficits: Some SMEs struggled with inadequate market research capabilities, affecting their ability to identify and act on new opportunities. About 38% of respondents noted that they lacked the necessary market intelligence to inform proactive decision-making.

10. Conclusion

The findings suggest that proactiveness significantly influences the performance of textile-based manufacturing SMEs in Kenya. By fostering a proactive approach, firms can enhance their competitiveness and achieve sustained growth in an increasingly dynamic market environment.

11. Recommendations

Based on the findings, several recommendations were proposed for enhancing proactiveness in textile SMEs:

1. *Investment in Training*: To foster a culture of proactiveness, SMEs should invest in employee training programs focused on innovation and market analysis.
2. *Access to Financial Support*: Encouraging government and financial institutions to provide targeted support and funding for SMEs can help mitigate resource constraints.
3. *Networking Opportunities*: Promoting networking events and partnerships within the textile industry can facilitate knowledge sharing and collaboration among SMEs.

Abbreviations

SMEs	Small and Medium Enterprises
RBVs	Resource Based View
EO	entrepreneurial Orientation
AFCFTA	African Continental Free Trade Area
ADB	African Development Bank
GDP	Gross Domestic Product
TPB	Theory of Planned Behavior
SPSS	Statistical Package for Social Sciences
VIF	Variance Inflation Factor

Conflicts of Interest

The Authors declare no conflict of interest.

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